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MY STORE

10 September 2020

FULL YEAR 2020 RESULTS

RECORD GROUP ONLINE SALES OF $422.5 MILLION; 17% OF TOTAL SALES

DISCIPLINED MANAGEMENT OF COSTS AND PRESERVATION OF CASH

EBITDA[1] down 41.6% to $93.5 million
Implementation costs and individually significant items (post-tax) of $159.0 million
Statutory net loss after tax of $172.4 million

FY20 RESULTS (pre-AASB 16) for the 52 weeks to 25 July 2020, compared to FY19:

- Total sales[2] down 15.8% to $2,519.4 million, reflecting widespread store closures; comparable store sales[3] down 3.3%
- Group online sales[4] up 61.1% to $422.5 million
- Operating Gross Profit (OGP) margin decreased by 85 basis points to 38.0%
- Cost of Doing Business[1] down $138.6 million or 13.8% to $863.8 million
- Net loss after tax[1] of $11.3 million
- Implementation costs and individually significant items (ISIs) post-AASB 16 of $159.0 million, including impairments to brand names of $95.9 million, and lease right-of-use assets $37.1 million (post-tax)
- Net cash improved by $46.6 million to $7.9 million at the end of the period; inventory was down 26%

COVID-19:

- During the pandemic, the primary focus has been on the health and wellbeing of customers, team members, and the broader communities in which Myer operates
- All stores were closed for the majority of April and May, approximately 10,000 team members were stood down
- Management demonstrated prudent fiscal management, acting swiftly to reduce costs across all areas of the business and preserve cash

KEY FINANCIALS $ MILLIONS	FY20 (Statutory)	FY20 (Pre-AASB16)	FY19 (Pre-AASB16)	CHANGE (Pre-AASB16)
Total Sales[2]	2,519.4	**2,519.4**	2,991.8	(15.8%)
Operating Gross Profit (OGP)	958.2	**957.3**	1,162.4	(17.6%)
Cost of Doing Business (CODB)[5]	(652.9)	**(863.8)**	(1,002.4)	(13.8%)
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)[5]	305.3	**93.5**	160.1	(41.6%)
Earnings before Interest and Tax (EBIT)[5]	78.5	**(6.1)**	58.5	nm[6]
Net Profit / (Loss) after Tax[5]	(13.4)	**(11.3)**	33.2	nm[6]
Implementation Costs and Individually Significant Items (post-tax)	(159.0)	**(120.1)**	(8.7)	nm[6]
Statutory Net Profit / (Loss) after Tax	(172.4)	**(131.4)**	24.5	nm[6]

Myer's Chief Executive Officer and Managing Director, John King, said: "When the COVID-19 pandemic first hit, as a Board and Executive team, we acted to prioritise the health and wellbeing of our customers, team members, and the broader communities in which we operate."

The decision taken in March 2020 to temporarily close all 60 stores and stand down approximately 10,000 team members was one of the toughest decisions Myer has faced in its 120 years of operation. All stores were closed for the majority of April and May.

For the majority of the second half, there was substantially reduced traffic to physical stores, particularly to those located in CBD locations. Myer's CBD stores represent some of its largest stores with high associated rents, and staffing requirements and therefore the impact on profit as a result of the reduced revenues was exaggerated.

In response to the deterioration in trading conditions, management took decisive action, reducing operating expenses, deferring non-essential expenditure, and managing inventory levels. The number of Full Time Equivalents in the Support Office at the end of FY20 was down 17% compared to the end of FY19. Pleasingly, inventory was down 26% to $256.0 million at the end of the period representing a significant achievement compared to FY19. Operating gross profit margin was down 85 basis points to 38.0%, unwinding the 62 basis point improvement that was achieved in 1H20. This was due to several impacts of COVID-19 in 2H20 including a higher mix of clearance sales and a mix that was skewed to lower margin products.

As a result of the reduction in sales, Myer was successful in its application for the Australian Government's JobKeeper Payment Scheme, which ensured a significant number of roles could be maintained during this period. Of the $93 million that was received by Myer, a total of $41 million was paid to Team Members whose remuneration was lower than the required income threshold. Several other payment deferrals, as well as rent relief, were also negotiated.

Mr King added that the rapid growth in online sales accelerated during 2H20, particularly during the period of store closures.

"Online sales grew by 98.8% in 2H20 compared to the prior year and there was particularly strong growth in Beauty, up 218% and Homewares up 177%. During the past two years, Myer has undertaken significant improvements to the website including enhancing infrastructure and peak capacity and improved search and check out functionality. Together with improved fulfilment, these enhancements have underpinned the significant growth in sales as well as a 50 basis point improvement in conversion, and an improved gross profit for the online channel," Mr King said.

During the second half, and on a statutory basis, implementation costs and individually significant items were incurred totaling $143.8 million (post-tax) including staff redundancies and a charge associated with the Myer one program. The value of intangible assets have been reviewed and impairments to brand names have been recorded totaling $95.9 million (post-tax), as well as the value of lease right-of-use (ROU) assets totaling $37.1 million (post-tax). Full year statutory net loss after tax was $172.4 million (post-AASB 16).

Mr King said the Company had continued with its disciplined management of costs and preservation of cash.

"As a result of the prudent approach to preserving cash, disciplined cost control, support from the Australian Government and other payment deferrals, and despite the loss of revenue and earnings as a result of the store closures and reduced foot traffic, the Company finished the period with a net cash position of $7.9 million representing a $46.6 million improvement on the prior year.

"In August 2020, Myer announced it had entered into a multi-year agreement with Australia Post to provide warehousing and online fulfilment services, to further enhance the Company's ability to provide an efficient and fast online experience for customers. These new warehouse and fulfilment arrangements will underpin the next stage of growth in Myer's online business, to further strengthen the fulfilment capacity and improve efficiency, delivering benefits to Myer's customers as well as providing significant cost savings," Mr King said.

Myer recently announced the introduction of Amazon Hub – a network of Amazon parcel pickup points that were yesterday introduced at well-established Myer Hub counters in 21 stores. This partnership enables Amazon customers to access Myer's extensive range of brands and services in a convenient location.

"I take this opportunity to thank all customers and team members for their support and loyalty to Myer during the past few months. We remain focused on executing the Customer First Plan, however we have adapted it to respond to COVID-19 by accelerating, re-sequencing and expanding various initiatives. This will ensure Myer can capitalise on opportunities that exist during the post COVID-19 environment," Mr King said.

Extended Finance Facilities

On 6 August 2020, Myer announced that it had signed a binding term sheet with its existing lenders to amend and extend its bank facility until August 2022. Formal documentation associated with the new bank facility has since been agreed.

The amended facility of $340 million (which will amortise by $30 million during 2021 and by $60 million during 2022), compares to the previous facility of $360 million. The reduced size in part reflects the Company's success in deleveraging the balance sheet during the past two years evidenced by reducing peak requirements, with a peak debt level for 2019 of $220 million (compared to $290 million a year earlier), and an increase in net cash at the end of 1H20 by $65 million to $103 million when compared to 1H19.

The lenders agreed that no covenant testing would be required at the end of FY20, given the significant impact of COVID-19 on Myer's operations during 2H20.

Covenants for future periods will continue to be tested quarterly, and on a pre-AASB 16 basis, as per the previous facility but have been adjusted down and will vary during the term of the facility (including minimum Fixed Charges Cover Ratio ranging between ≥1.10 times to ≥1.40 times and maximum Net Leverage Ratio ranging between ≤2.0 times and ≤3.25 times).

Customer First COVID-19 Response Plan

Mr King added: "While the Customer First Plan remains the right plan, it has been adapted for the current operating environment and to ensure Myer can capitalise on all available opportunities as restrictions are eased."

The Customer First Plan has six priorities; transform the customer experience, 'Only at Myer' brands and categories, value for money, continue enhancing myer.com.au, simplified business processes, efficient factory to customer, and accelerated cost reduction.

The priorities that are being accelerated are online and factory to customer. In store experiences are being adapted, merchandise is being refocused, property is being rationalised and overheads further reduced.

-ends-

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Footnotes

[1] *Excluding implementation costs and individually significant items and pre-AASB 16*

[2] *Revenue from sale of goods excluding concession sales and sales revenue deferred under customer loyalty program was $2,047.9 million (FY19: $2,345.1 million)*

[3]*In addition to the historical definition of comparable sales, stores closed during COVID-19 have been removed from both the current and previous year to obtain comparable sales. Where a store was closed mid-week, the week in which the store closed has been removed. On reopening, the store has been included from the first full week of trade*

[4] *Group online sales includes sass & bide and Marcs and David Lawrence. Excludes sales via in-store iPads*

[5] *Excluding implementation costs and individually significant items*

[6] *Not meaningful*

Investor and Analyst briefing

A teleconference will be held for investors and analysts today at 9.30am (Melbourne time).

Participants can register for the conference by clicking here.

Registered participants will receive their dial in number upon registration.

Attendees will need to have the attached slides available for the call.

An archive of the briefing will be available afterwards at: www.myer.com.au/investor

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10 SEPTEMBER 2020

MYER FULL YEAR 2020 RESULTS TO 25 JULY 2020

JOHN KING
CHIEF EXECUTIVE OFFICER

NIGEL CHADWICK
CHIEF FINANCIAL OFFICER

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Important Information

The information in this document is general only and does not purport to be complete. It should be read in conjunction with Myer's other periodic and continuous disclosure announcements. Investors or potential investors should not rely on the information provided as advice for investment purposes, and it does not take into account their objectives, financial situation or needs. Investors and potential investors should make their own assessment and take independent professional advice in relation to the information and any action taken on the basis of the information.

Myer, its related bodies corporate, officers and employees do not warrant the accuracy or reliability of the information in this document and do not accept responsibility or liability arising in connection with the use of or reliance on this document.

This document may contain "forward-looking statements". Forward-looking statements can generally be identified by the use of words such as "may", "will", "expect", "intend", "plan", "estimate", "project", "should", "could", "would", "target", "aim", "forecast", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or other similar expressions, as well as indications of and guidance on future earnings and financial position and performance.

Forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are outside Myer's control, and which may cause actual results or performance to differ materially from those expressed or implied in this document. As such, undue reliance should not be placed on any forward-looking statements.

Subject to law, Myer assumes no obligation to update, review or revise any information contained in this document, whether as a result of new information, future events or otherwise. Past performance cannot be relied upon as a guide to future performance.

Myer uses certain measures to manage and report on its business that are not recognized under Australian Accounting Standards (non-IFRS information), including, without limitation, total sales, OGP margin, CODB, EBITDA, total funds employed, net debt, working capital, operating cash flow and free cash flow. These measures are used internally by management to assess the performance of Myer's business segments, make decisions on the allocation of Myer's resources and assess operational management. Non-IFRS information has not been subject to audit or review, and should not be considered an indication of, or an alternative to, an IFRS measure of profitability, financial performance or liquidity.

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.

Introduction

FY20 Results

Customer First Plan

Conclusion

FY20 Results Summary

Stores closed April/May Record online sales

- Group online sales* up 61.1% to $422.5 million; up 98.8% in 2H20
- Total sales down 15.8% to $2,519.4 million, reflecting solid 1H20 result and a severely disrupted 2H20; comparable sales down 3.3%**
- Operating Gross Profit (OGP)*** down 17.6% to $957.3 million, down 85bps to 38.0%

CODB mitigated sales decline

- EBITDA*** $93.5 million; EBIT*** loss of $6.1 million
- Cost of Doing Business (CODB)*** down $138.6 million (-13.8%) to $863.8 million; Government subsidies and rent and outgoings waivers provided support during 2H20
- Net loss after tax*** of $11.3 million

Statutory loss includes one-offs

- Implementation costs and individually significant items (ISIs) $159.0 million ($221.4 million pre-tax), including impairments to brand names and right-of-use assets of $133.0 million ($184.4 million pre-tax)
- Statutory loss after tax of $172.4 million post-AASB 16

Net cash improvement, clean inventory position

- Net cash of $7.9 million, $46.6 million improvement on prior year
- Inventory down 26% to $256.0 million
- Dividend continues to be suspended

Refinance agreed

- Extension with existing lenders to August 2022 provides stable platform
- Reflects the progress across the previous two years to deleverage the balance sheet

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**Group online sales includes sass & bide and Marcs and David Lawrence, and excludes sales from in-store ipads; **In addition to the historical definition of comparable sales, stores closed during COVID-19 have been removed from both the current and previous year to obtain comparable sales. Where a store was closed mid-week, the week in which the store closed has been removed. On reopening, the store has been included from the first full week of trade; ***Pre-AASB 16, excluding implementation costs and individually significant items totalling $120.1 million ($165.8 million pre-tax);*

Structured and decisive response to COVID

Hibernate

Protect employees, customers, preserve cash

All stores closed 29th March, staff stood-down

Reboot

Adopt viable model and remain agile

Re-opened stores progressively by 30th May

Refocus

Address known risks and capture opportunities

Accelerate, re-sequence or expand the Customer First Plan

Highlights

- Myer entered COVID-19 in a strong financial position
- Prior investments allowed Myer to capitalise on online demand; 2H20 sales up +98.8%, April sales up +268.2%
- Disciplined management of costs; preservation of cash

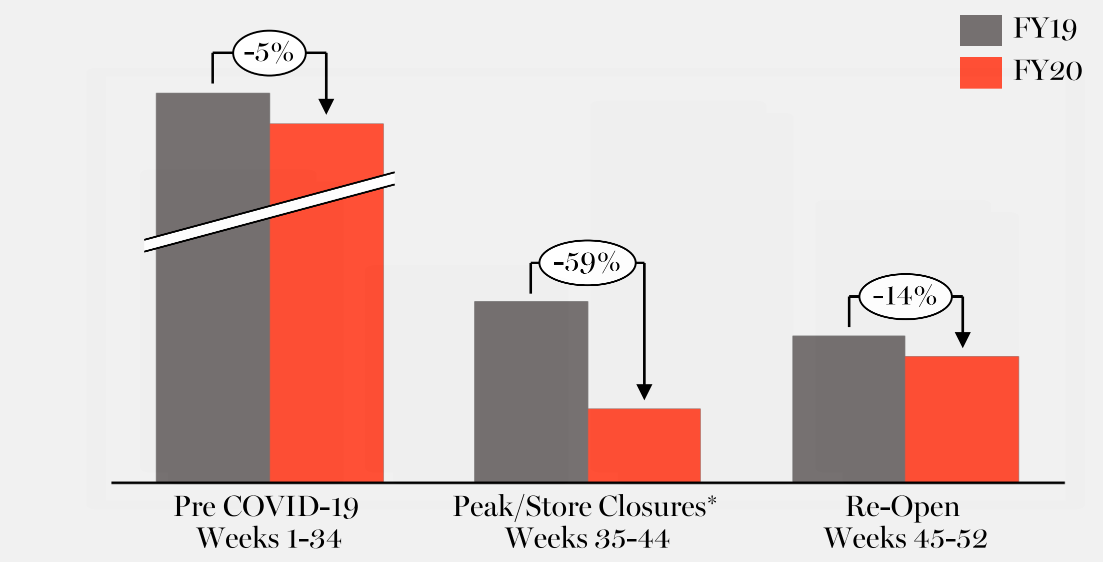
- New safety measures in place in-store and online fulfilment
- In-store customer satisfaction and Online Net Promoter Score (NPS) increased
- Inventory position down 26% YoY, never been cleaner
- Support from Government and some Landlords

- Further optimisation of organisation structure including redundancies
- Debt refinancing completed
- Appointed centralised online fulfilment partner
- Agile plans for peak period in place; improved range and marketing, loyalty offer tailored to the new consumer

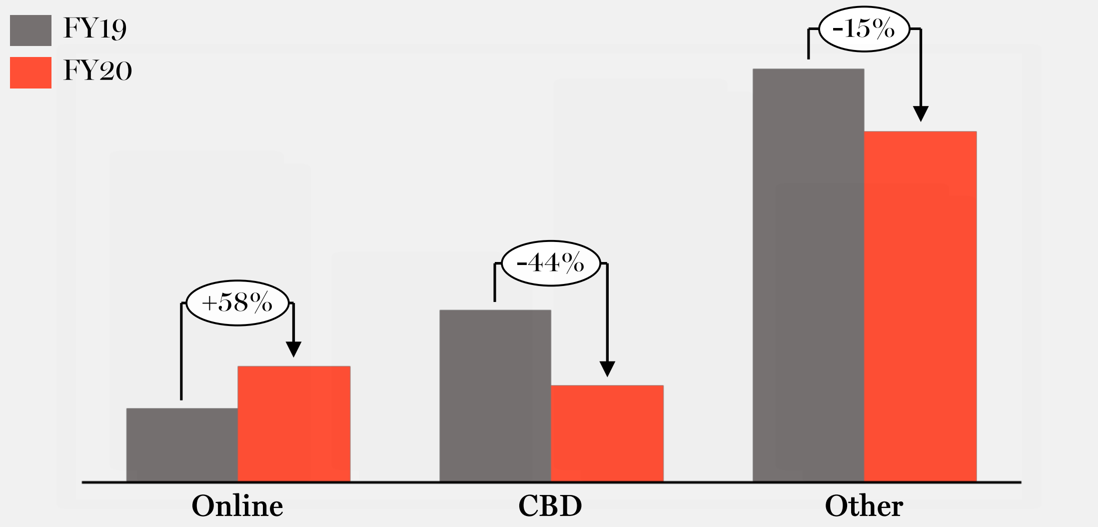
COVID-19: Impact and the recovery

- Diverse mix of channels, store locations and categories has buffered some of the impact to discretionary retail
- Recovery impacted by Stage 3 restrictions implemented on July 1st (week 49); subsequently updated to Stage 4 lockdown in Melbourne Metropolitan areas (with all stores currently closed) from August 6th
- Low foot traffic in CBD's expected to continue for the foreseeable future

FY20 Total Sales



Re-Open (Weeks 45-52) by Location



	CBD	Other
Excluding Victoria	-33%	-9%

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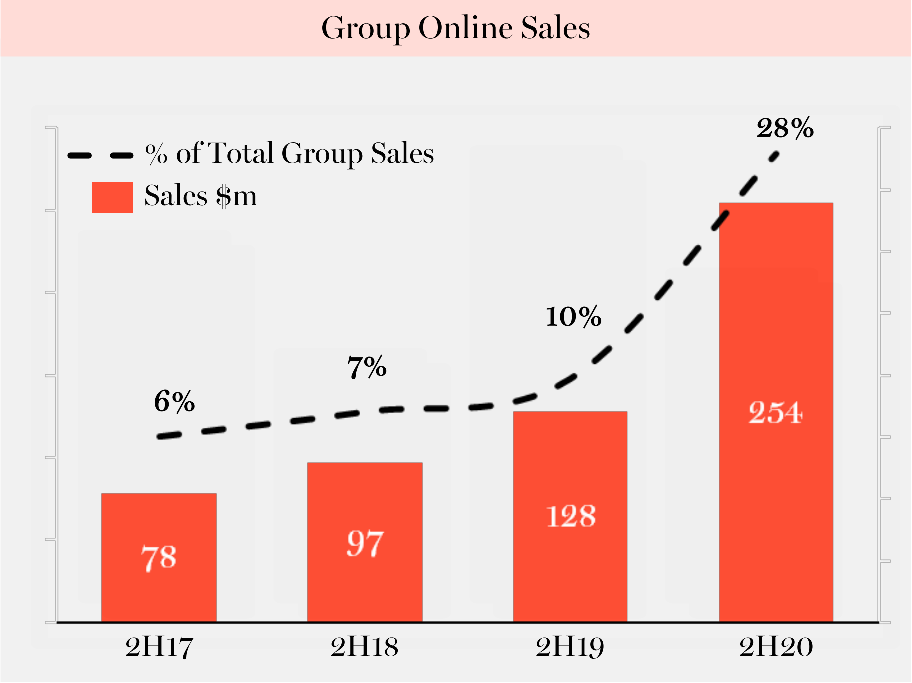
* *Bricks & Mortar stores closed in week 36*

Gained share in the online boom

- Myer Online* sales now $404.9 million in FY20, total Group online** sales $422.5 million (including sass & bide, Marcs and David Lawrence)
- Online channel grew faster than market*** in 2H20: key categories Beauty up 218%, Homewares up 177%
- More importantly Online is growing profitably, despite some cost headwinds i.e. click and collect locations not available
- Site and Infrastructure improvements ensured peak volumes were handled successfully; resulting in increased conversion
- Central fulfilment (Factory to Customer 'F2C') is the next step change, due to commence in September 2020

KEY METRICS	2H20 CHANGE ON 2H19
Group online** Sales growth %	up 98.8%
Myer Online*	
Sales growth %	up 105.7%
Customer Conversion	up 54%
NPS	up 11%



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*Myer Department stores only; excludes sass & bide and Marcs and David Lawrence
** Group online sales includes sass & bide and Marcs and David Lawrence. Excludes sales via in-store ipads
*** NAB Online Retail Series Index July 2020 ; Australian Bureau of Statistics 8510.0 Retail Trade Australia July 2020, seasonally adjusted

Income statement (Pre-AASB 16)

$ MILLIONS	FY20	FY19	CHANGE
Total Sales	2,519.4	2,991.8	(15.8%)
Operating Gross Profit	957.3	1,162.4	(17.6%)
Cost of Doing Business*	(863.8)	(1,002.4)	(13.8%)
EBITDA*	93.5	160.1	(41.6%)
Depreciation*	(99.6)	(101.6)	(1.9%)
EBIT*	(6.1)	58.5	nm***
Net Finance Costs	(10.6)	(11.5)	(7.9%)
Tax*	5.4	(13.8)	nm***
Net Profit/Loss after Tax*	(11.3)	33.2	nm***
Operating Gross Profit Margin (%)	38.00	38.85	-85bps
Cost of Doing Business* Margin (%)	34.29	33.50	+79bps

- Sales reflects the impact of COVID-19, with Bricks and Mortar stores closed for up to 8 weeks. Post reopening CBD stores remain challenged by low foot traffic
- Comparable sales were down 3.3%
- Group online sales** grew by 61.1% for the full year; 268.2% in April YOY when all Bricks & Mortar stores were closed
- OGP decline is predominantly sales volume driven. OGP margin decreased by 85bps, with 2H20 influenced by COVID-19 including a higher mix of clearance sales, the mix of sales skewed towards lower margin products, a reduction in supplier support and negative impacts from FX
- CODB* decreased by 13.8%; reflecting cost mitigation activities throughout FY20. Includes JobKeeper wage subsidy $52 million (net of payments to employees) and rent and outgoings waivers $14 million
- Depreciation down 1.9% reflecting lower capital investments, and changes in useful lives offset in part by changes to mix of capital expenditure

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** Excluding implementation costs and individually significant items*
*** Online sales including sass & bide and Marcs and David Lawrence. Excludes sales via in-store iPads*
**** not meaningful*

FY20 Results Summary

$ MILLIONS	FY20 (Statutory)	FY20 (pre-AASB 16)	FY19 (pre-AASB 16)	CHANGE (pre-AASB 16)
Total Sales*	2,519.4	2,519.4	2,991.8	(15.8%)
EBITDA**	305.3	93.5	160.1	(41.6%)
EBIT**	78.5	(6.1)	58.5	nm***
Net Profit/(Loss) after Tax**	(13.4)	(11.3)	33.2	nm***
Implementation Costs and Individually Significant Items (post tax)	(159.0)	(120.1)	(8.7)	nm***
Statutory loss after Tax	(172.4)	(131.4)	24.5	nm***

Implementation costs and individually significant items recorded in 1H20 totalled $15.2 million (post-tax)

Implementation costs and individually significant items incurred in 2H20 totalled $143.8 million (post-tax) and include:

- Staff redundancy program and other costs $6.2 million
- Myer One program structure change resulting in a charge of $4.8 million
- Impairment of brand name intangible $95.9 million
- Impairment of lease right-of-use (ROU) assets $37.1 million under AASB 16 Leases

AASB 16 *Leases* Impact

The Statutory results for FY20 reflect the adoption of the new accounting standard AASB 16 *Leases*. Myer Holdings Ltd has adopted AASB 16 using the modified retrospective approach and, as a result, prior period comparatives have not been restated. To allow for prior period comparison, some of the FY20 results disclosed in this presentation are pre-application of AASB 16 ("pre-AASB 16") and exclude the impact of AASB 16. Refer to Appendices 1-4 for reconciliations of Statutory and pre-AASB 16 results.

Sub-lease agreement for an additional Support Office floor results in pre-AASB 16 reversal of onerous lease provision -$1.8 million.

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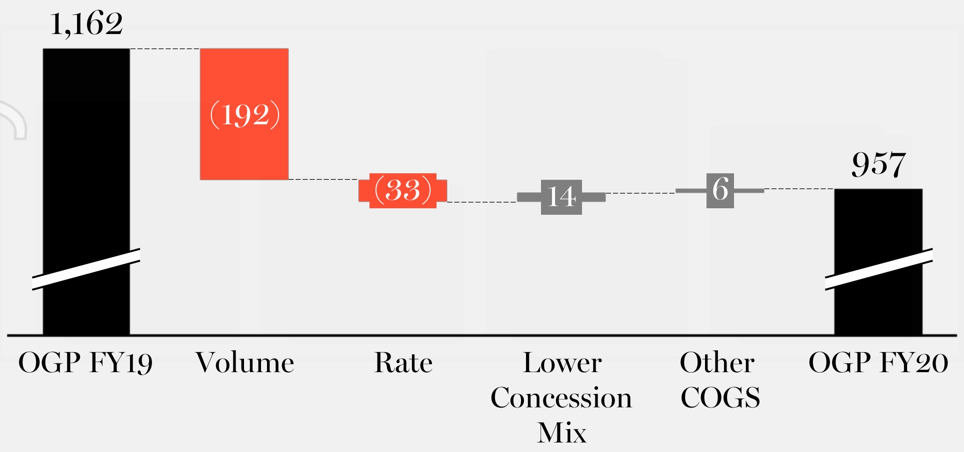
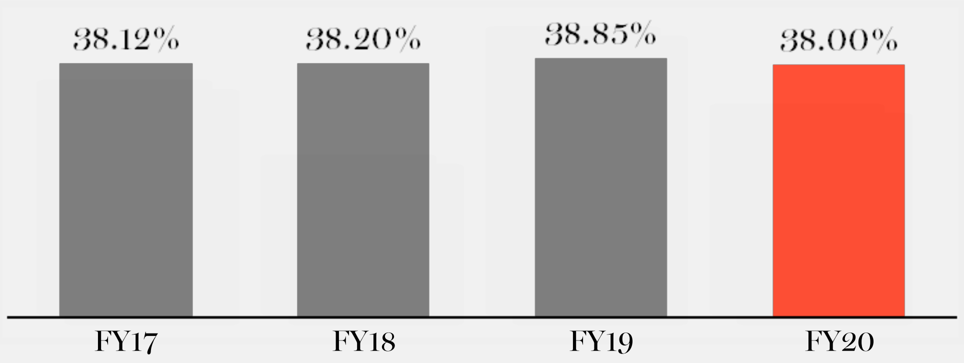
** Revenue from sale of goods excluding concession sales and sales revenue deferred under customer loyalty program was $2,047.9 million (FY19: $2,345.1 million)*
*** Excluding implementation costs and individually significant items totalling $159.0 million ($221.4 million pre-tax); or $120.1 million ($165.8 million pre-tax) pre-AASB 16*
**** not meaningful*

Operating gross profit margin (Pre-AASB 16)

Operating Gross Profit ($m)



Operating Gross Profit Margin (%) – FY17 to FY20



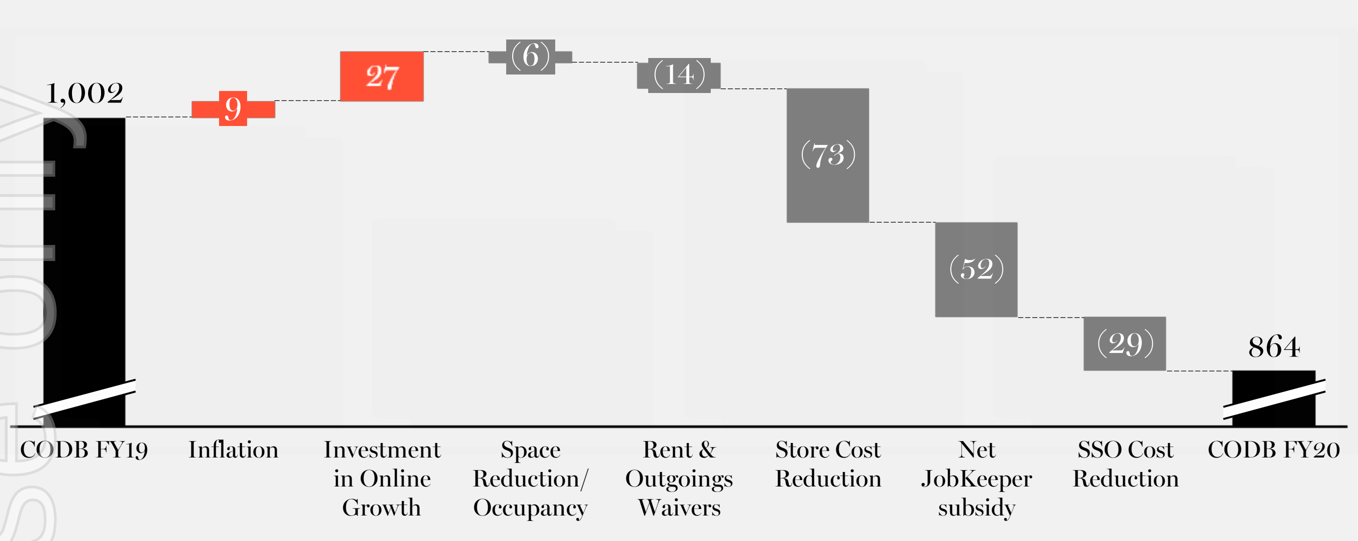
- 85bps decrease in OGP margin reflects the headwinds experienced in 2H20 associated with COVID-19 (1H20 margin increased by 62bps)
- 2H20 margin decreased by 329bps, impacted by:
  - Higher proportion of clearance sales, as the business reduced purchasing ($210 million lower) and inventory balances during shutdown months
  - Expect mix of full price sales vs clearance sales will normalise post FY20
  - Change in sales mix towards lower margin categories, from increased demand in Home & Entertainment categories
  - Reduction in supplier support as a result of lower purchases
  - Unfavourable FX impact of $9m included in rate

- Volume and rate impacts partially offset by:
  - Favourable sales mix towards National Brands and away from Concessions (Concession mix higher in CBD stores)
  - Reduction in shrinkage

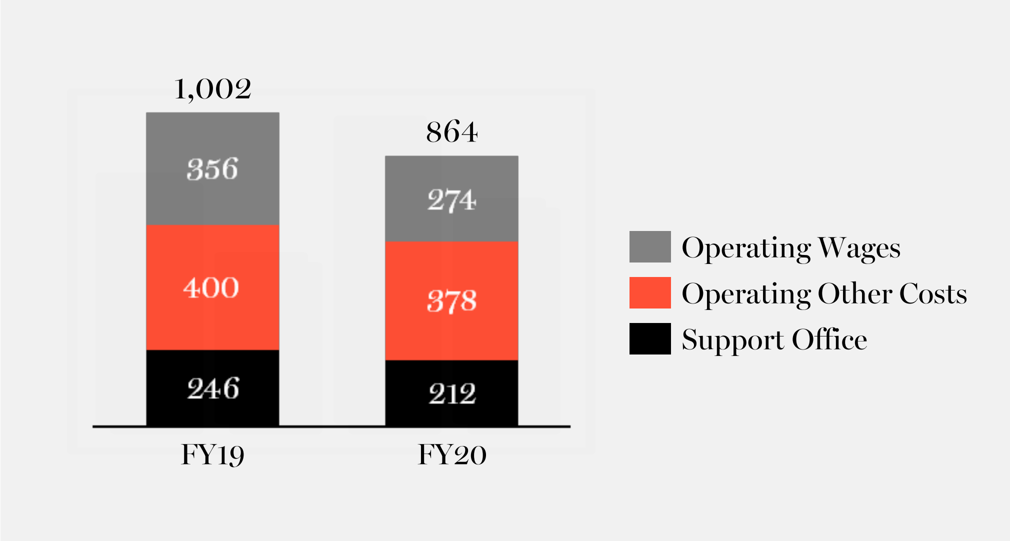
- Inventory position is healthy and 26% lower YoY. Clearance inventory 54% lower, option reductions achieved across major product ranges

Cost reductions achieved (Pre-AASB 16)

Cost of Doing Business ($m)



Myer Group Cost Structure ($m)



- CODB reflects actions taken in response to COVID-19, as well as net cost reduction achieved in 1H20 (pre COVID-19)
- The JobKeeper subsidy has allowed the business to retain stood down staff
- Future actions such as staff redundancies only had minimal benefit in FY20
- Rent and Outgoings waivers reflect those that had been formally agreed by 25 July 2020. Negotiations with remaining landlords continue

Operating Cash Flow (Pre-AASB 16)

$ MILLIONS	FY20	FY19
EBITDA*	93.5	160.1
Less Implementation Costs and ISIs	(165.8)	(12.5)
Add Non-Cash Asset Impairments	132.2	3.4
Working capital movement	47.2	(12.5)
Operating cash flow (before interest & tax)	**107.1**	**138.5**
Conversion	178.8%	91.7%
Tax paid	(8.1)	(13.6)
Net Interest paid	(8.9)	(9.2)
Operating cash flow	**90.1**	**115.6**
Capex paid**	(40.3)	(44.8)
Free cash flow	**49.8**	**70.9**
Other	(0.7)	(0.4)
Net cash flow	**49.1**	**70.5**

- Operating cash flow (before interest & tax) decreased by $31 million to $107 million; conversion up
- Working capital improvement predominantly due to lower inventory, but also includes net favourable impact of rent deferrals, Government deferrals, partially offset by JobKeeper receivables
- Capital expenditure broadly flat, reflecting prudent management post impact of COVID-19
- Dividend continues to be suspended

NET CAPEX SPEND**	FY20 ($M)
Store Redevelopments/Space Reductions	11
Online & Systems	15
Brand Fitouts	8
Facilities Management	5
Other	1

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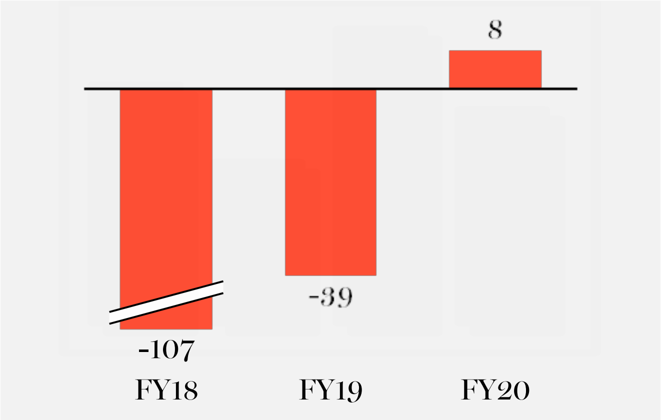
* *Excluding implementation costs and individually significant items*
** *Net of landlord contributions of $4.7 million*

Balance Sheet – Net Cash of $7.9 million

$ MILLIONS	FY20 (STATUTORY)	AASB 16 IMPACT	FY20 (PRE-AASB16)	FY19 (PRE-AASB16)
Inventory	256.0	-	256.0	346.9
Creditors	(354.2)	(29.3)	(383.5)	(372.6)
Other Assets	182.4	(111.8)	70.6	41.2
Other Liabilities	(62.5)	(92.2)	(154.7)	(225.8)
Right-of-Use Assets	1,272.6	(1272.6)	-	-
Lease Liabilities	(1,794.7)	1794.7	-	-
Property	22.2	-	22.2	22.7
Fixed Assets	324.8	-	324.8	360.8
Intangibles (Brands)	240.2	-	240.2	371.6
Intangibles Software	79.4	-	79.4	96.0
Total Funds Employed	**166.2**	**288.8**	**455.0**	**640.8**
Debt	(78.6)	-	(78.6)	(86.1)
Less cash	86.5	-	86.5	47.4
Net (Debt)/Cash	**7.9**	**-**	**7.9**	**(38.7)**
Equity	**174.1**	**288.8**	**462.9**	**602.1**

- Inventory down 26%, reflecting lower purchases in response to lower demand during 2H20, as well as supplier/option rationalisation
- Creditors/Liabilities reflects the business continuing to pay merchandise suppliers per agreed terms or better
- Other assets increase due to JobKeeper receivables
- Impairment of brand names and leases right-of-use assets
- AASB 16 impacts are within the ranges published in FY19 accounts
- Net cash at end of period $7.9 million; a $46.6 million improvement on FY19 reflecting focus on deleveraging

Net (Debt)/Cash $m – FY18 to FY20



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Refinancing Key Terms

	NEW	OLD
Term	31 August 2022 (18 month extension)	28 February 2021 (2.5yrs)
Facility Amount	$340m	$400m
Tranches	Core Term Loan $80m (amortising by $10m during FY21, then further $20m during FY22) Revolving w/c $260m (amortising by $20m during FY21, then further $40m during FY22) Seasonal restrictions on w/c facility when not needed	Core Term Loan $100m (amortising $10m per half year) Revolving w/c $300m (step down to $260m after 18 months)
Covenants	FCCR between ≥1.10x and ≥1.40x Leverage ratio between ≤2.00x and ≤3.25x Shareholders funds ≥$363m All measured pre-AASB 16	FCCR ≥1.40x stepping up to ≥1.45x after 6 months and ≥1.50x after 18 months Net Leverage ≤2.25x Shareholder funds ≥$400m
Dividends	No change	Dividends permitted when FCCR >1.65x
Security	No change	General Security

- Completed with current syndicate which is fully supportive
- Meets expected requirements and provides liquidity through seasonal cycle
- Provides stable platform through COVID-19 and to deliver Customer First Plan
- Relaxed covenant conditions allows management flexibility to execute
- Dividend position reflects the Board's view of prudent capital management and preference to deleverage

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In Summary

- Business well positioned leading into COVID-19
- Minimised cash burn during shut-down periods and positioned the business for recovery; albeit with a c$250 million impact on sales
- Online channel the standout
- Further strengthened balance sheet; increase in net cash $46.6m; 26% reduction in inventory
- Refinance reflects the progress that has been made in the Customer First Plan
- Strong collaboration with our brand partners; paid per existing trading terms or better

Looking forward to FY21:

- Must remain agile with a focus on cash preservation
- Continuing to drive down costs remains critical – continue to seek step changes i.e. F2C
- Continued focus on deleveraging the balance sheet
- Investment will be prioritised in the 'new' world
- Focus on the economics of our physical stores

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Customer First Plan: accelerated, re-sequenced and expanded

- The Customer First Plan remains 'fit for purpose' but COVID-19 has escalated the change required, and our response reflects this
- We are adjusting Customer First Plan initiatives by accelerating, re-sequencing or expanding in response to the changing market context
- The new reality could create long-term opportunities for Myer to transform faster if this adjusted plan is well executed

Customer First Plan

Our values

- Customers come first
- Do what's right
- Own our future
- One inclusive team

Our priorities

- Transform the customer experience in store
- 'Only at Myer' brands and categories; value for money
- Continue enhancing myer.com.au
- Accelerated cost reduction *'Spend prudently'*
- Simplified business processes 'Work smarter'
- Efficient from factory to customer (F2C) *'Move product at lowest total cost'*

Our COVID-19 response is an *overlay* to the Customer First Plan

+

COVID-19 overlay

Actions taken

- Accelerate
- Re-sequence
- Expand

Our plan

- Accelerate online
- Accelerate F2C
- Adapt in-store experience
- Refocus merchandise
- Rationalise property
- Reduce overheads
- Re-engage the consumer through peak

Accelerate online & F2C

Key online investments brought forward

Trends we have observed

- The Myer brand is trusted online and we have won share in core categories
- COVID-19 has catalysed a step change in e-Commerce growth
- Last mile delivery and supply chain efficiency are now core business

How we are responding

1. Bring forward centralised online fulfilment (F2C)
2. Actively curate and promote the online offering
3. Accelerate online user experience improvements

Deliverable Highlights

Online Experience Uplift

Simpler online check out and smarter online search functionality is driving significant conversion growth

Enhancing Online Fulfilment

3PL delivery and last mile delivery partner in place for peak to deliver faster, more efficient solution for customer

Click & collect

Utilise store network & partnerships like Amazon to broaden reach and deliver customer convenience

Integration of Myer one

Improved online experience for Myer one loyalty customers

Migrate Marketplace / Expand DSV

Bolster convenience by migrating Myer Marketplace to myer.com.au; and improving ease for direct drop-ship vendor transactions

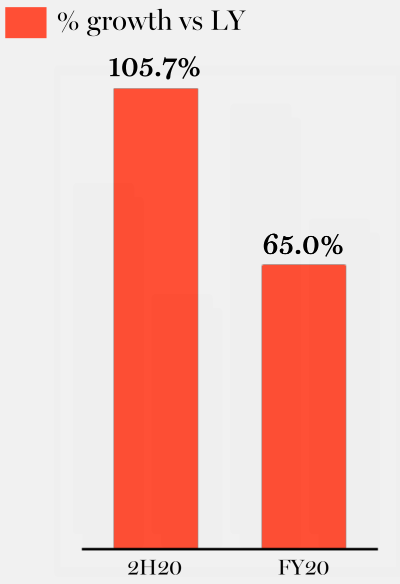
Enhancing Myer's omni-channel experience: positioning Myer to translate customer loyalty developed offline to the online business

Accelerate online & F2C

Building on momentum gained online as a result of investments made pre COVID-19

Key progress highlights

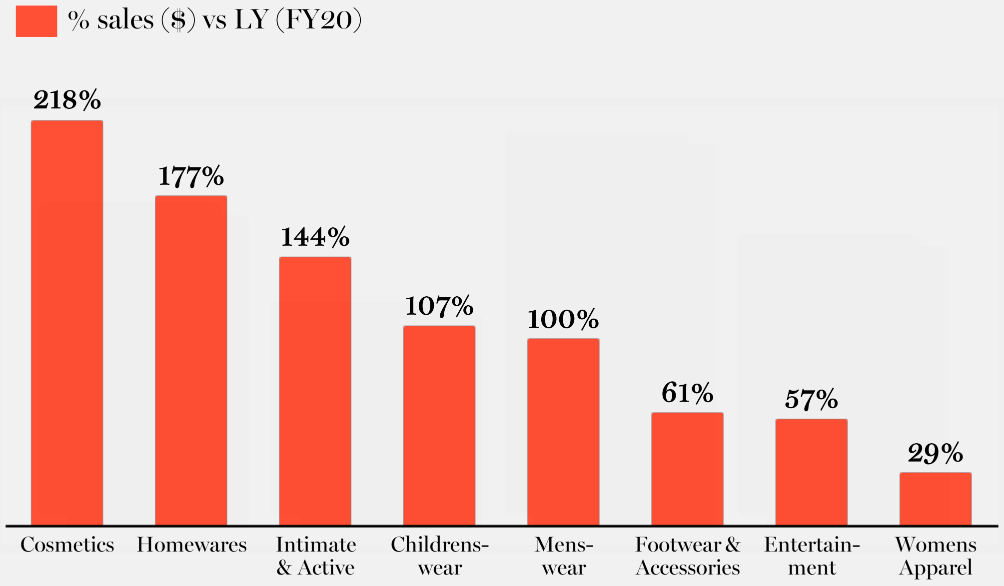
Myer Online* sales vs Market Indicators



NAB Online Retail Sales Index**
+28.6% 12mths to July 20

ABS Online Non-Food Retailing***
+58.1% 6mths to July 20
+36.0% 12mths to July 20

Myer Online* sales growth by category for 2H20



Myer's online growth has been higher than published online indicators

Annual growth in online was fuelled by an acceleration in 2H20 with the on-set of COVID-19; driven by shifting consumer demand in several key sub-categories from Mens Activewear to Skincare

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** Myer Online is Department Stores only; excludes sass & bide and Marcs and David Lawrence*
*** NAB Online Retail Series Index July 2020*
**** Australian Bureau of Statistics: 8501.0 Retail Trade Australia July 2020, seasonally adjusted*

Refocus Merchandise

Focus on increasing agility to meet changing consumer demand, as trading conditions remain challenging

Trends we have observed

- Near-term sales environment to remain difficult as a result of the ongoing health and economic crises linked to COVID-19
- Change in consumer preferences during lockdown have affected category mix – hard goods partially insulating impact to event-driven fashion & beauty
- Lasting shift to remote working; rise of value and sustainability consciousness

How we are responding

1. Increase order flexibility, shorten buying cycle and reduce inventory
2. Build on improved merchandise offer in key categories
3. Accelerate core supplier growth and consolidation

Home & Women's offer

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Re-engage consumers & adapt in-store experience

First priority remains the safety of our people and customers, particularly during peak trading periods

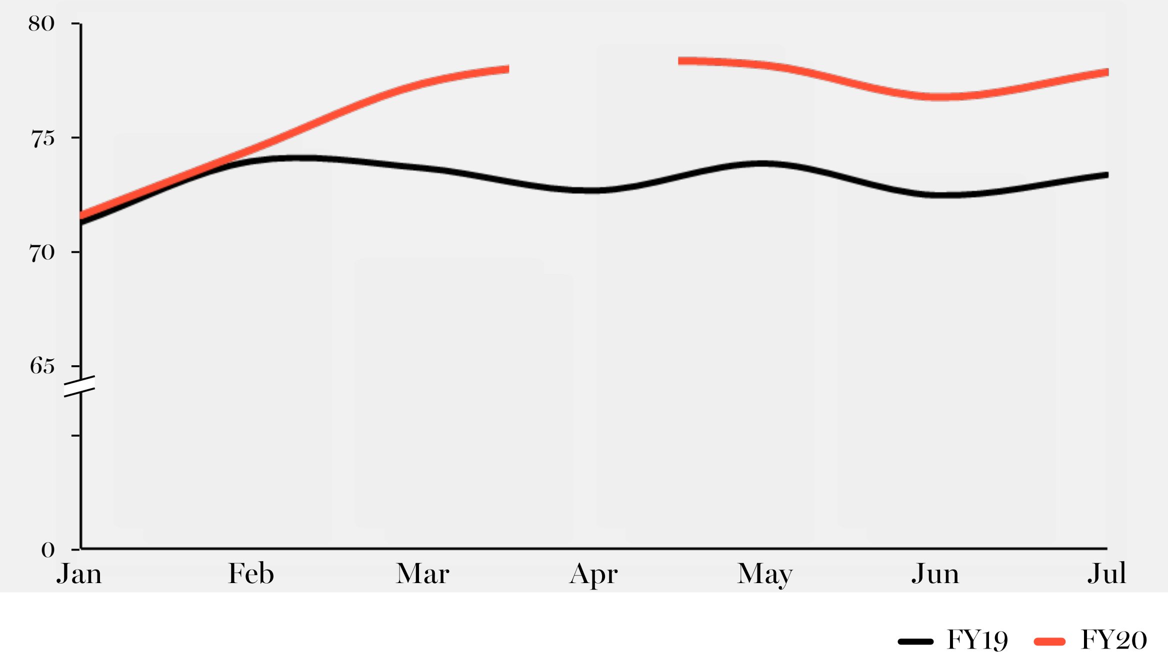
Trends we have observed

- Creating a safe place for customers and employees is paramount – this has led to unprecedented decisions to close stores in affected high-risk areas
- Foot traffic expected to remain subdued as lockdown restrictions are eased
- Fast and convenient customer experiences are more important than ever
- Local store formats in regional and suburban areas have been more resilient

How we are responding

1. New safety & convenience measures are resonating
2. Refreshed Myer one program to drive traffic in store and online
3. Ensure we are the one-stop shop destination during key trading events as consumers adjust to COVID normal

Customer Service Satisfaction*



Customer satisfaction with team members has increased since the on-set of COVID-19

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** Customer Service Satisfaction is an in-store measure only*

Reduce costs – property & overheads

Continue to proactively realign our cost base to manage profitability and increase flexibility

Trends we have observed

- Store re-openings have been achieved profitably, under current arrangements
- Landlords and major retailers are experiencing major structural changes
- Reduction in foot traffic in CBD and major destination properties continue
- Online acceleration step-change

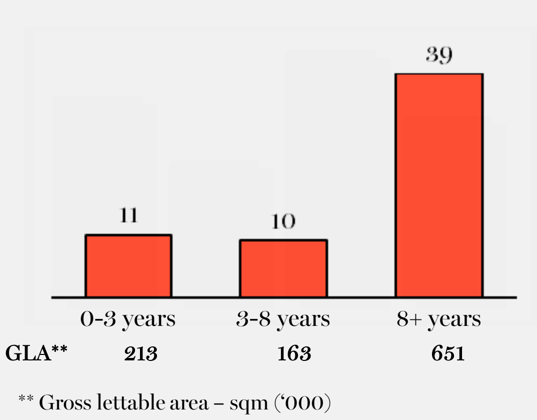
How we are responding

1. Revise rent deals in short-term & continue to optimise portfolio for our changed channel mix
2. Rationalise SSO costs, operations and management costs
3. Set clear re-growth principles to stay lean

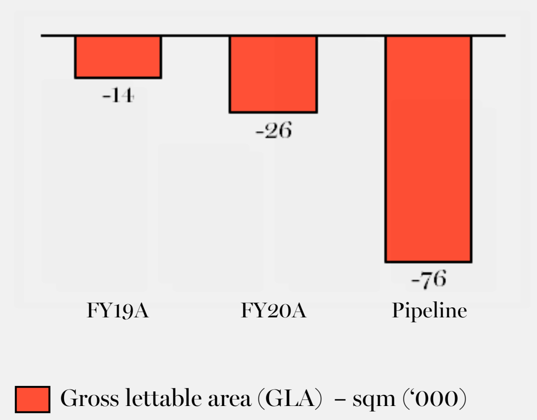
Department Stores - key progress highlights

Property

Lease expiry profile*

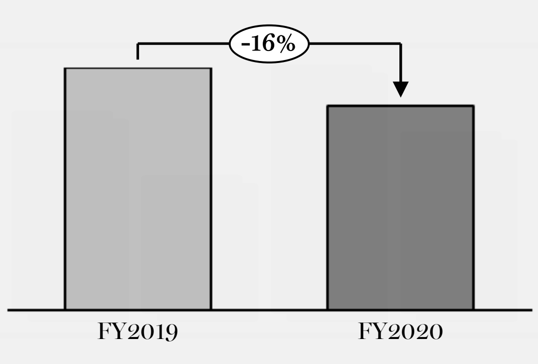


Space Reductions

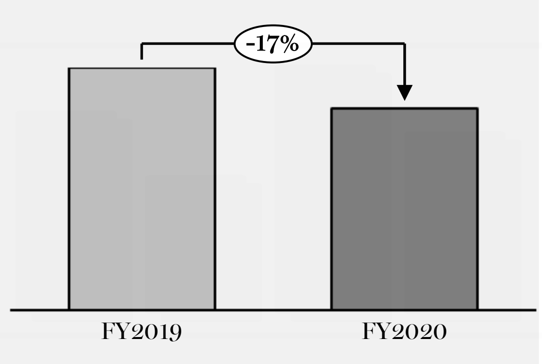


Cost Rationalisation

Shrinkage $m



Support Office FTEs (#)



** Lease expiry profile reflects current leases, signed Agreement for Leases and option periods exercised*

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Balanced approach in response to macro environment, refocused Customer First Plan

- Health and wellbeing of customer and team members remains our priority
- Demonstrated prudent fiscal management, acting swiftly to reduce costs across all areas of the business and preserve cash
- Strengths vs weaknesses as restrictions ease; our online business will be a billion dollar business quicker
- CBD stores will remain challenged for some time, but our geographical spread of stores in metropolitan and regional locations provides some insulation
- Customer First plan is still the right plan – but we need to accelerate, re-sequence and expand it

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10 SEPTEMBER 2020

MYER FULL YEAR 2020 RESULTS TO 25 JULY 2020

JOHN KING
CHIEF EXECUTIVE OFFICER

NIGEL CHADWICK
CHIEF FINANCIAL OFFICER

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Appendix 1: NPAT Reconciliation with statutory accounts

$ MILLIONS	EBIT	INTEREST	TAX	NPAT
Statutory reported result	**(142.9)**	**(98.2)**	**68.7**	**(172.4)**
Add back: Implementation costs and individually significant items				
Restructuring and redundancy costs	11.9	-	(3.6)	8.3
Myer one loyalty program change	6.9	-	(2.1)	4.8
Clearance floor closure and brand exit costs and related asset impairments	18.5	-	(5.4)	13.1
Impairment of brand names	131.4	-	(35.5)	95.9
Impairment of leases right-of-use assets	53.0	-	(15.9)	37.1
Store exit costs/(reversals) and other asset impairments/(reversals)	(0.3)	-	0.1	(0.2)
Result: post-AASB 16*	**78.5**	**(98.2)**	**6.3**	**(13.4)**
Impact from adoption of AASB 16	(84.6)	87.6	(0.9)	2.1
Result: pre-AASB 16*	**(6.1)**	**(10.6)**	**5.4**	**(11.3)**

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** Excluding implementation costs and individually significant items*

Appendix 2: Implementation Costs and Individually Significant Items

$ MILLIONS	PRE TAX	POST TAX
Restructuring and redundancy costs	11.9	8.3
Myer one loyalty program change	6.9	4.8
Clearance floor closure and brand exit costs and related asset impairments	18.5	13.1
Impairment of brand names	131.4	95.9
Store exit costs/(reversals) and other asset impairments/(reversals)	(0.3)	(0.2)
Support Office onerous lease reversal	(2.6)	(1.8)
pre-AASB 16	**165.8**	**120.1**
Support Office onerous lease reversal – not applicable under AASB 16	2.6	1.8
Impairment of leases right-of-use assets	53.0	37.1
post-AASB 16	**221.4**	**159.0**

Appendix 3: Income statement – AASB 16 Impact

$ MILLIONS	FY20 (STATUTORY)	AASB 16 IMPACT	FY20 (PRE-AASB16)	FY19 (PRE-AASB16)	CHANGE (PRE-AASB16)
Total Sales*	2,519.4	-	2,519.4	2,991.8	(15.8%)
Operating Gross Profit	958.2	(0.9)	957.3	1,162.4	(17.6%)
Cost of Doing Business**	(652.9)	(211.0)	(863.8)	(1,002.4)	(13.8%)
EBITDA**	**305.3**	**(211.8)**	**93.5**	**160.1**	**(41.6%)**
Depreciation**	(226.8)	127.1	(99.6)	(101.6)	(1.9%)
EBIT**	**78.5**	**(84.6)**	**(6.1)**	**58.5**	**nm*****
Net Finance Costs	(98.2)	87.6	(10.6)	(11.5)	7.9%
Tax**	6.3	(0.9)	5.4	(13.8)	nm***
Net Profit/(Loss) after tax**	**(13.4)**	**2.1**	**(11.3)**	**33.2**	**nm*****
Statutory Net Profit/(Loss) after tax	**(172.4)**	**41.0**	**(131.4)**	**24.5**	**nm*****

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** Revenue from sale of goods excluding concession sales and sales revenue deferred under customer loyalty program was $2,047.9 million (FY19: $2,345.1 million)*
***Excluding implementation costs and individually significant items*
**** not meaningful*

Appendix 4: Operating cash flow – AASB 16 Impact

$ MILLIONS	FY20 (STATUTORY)	AASB 16 IMPACT	FY20 (PRE-AASB16)	FY19 (PRE-AASB16)
EBITDA*	305.3	(211.8)	93.5	160.1
Less Implementation Costs and ISIs	(221.4)	55.6	(165.8)	(12.5)
Add Non-Cash Asset Impairments	185.2	(53.0)	132.2	3.4
Working capital movement	29.2	18.0	47.2	(12.5)
Operating cash flow (before interest & tax)	**298.3**	**(191.2)**	**107.1**	**138.5**
Conversion	110.9%	-	178.8%	91.7%
Tax paid	(8.1)	-	(8.1)	(13.6)
Net finance costs	(8.9)	-	(8.9)	(9.2)
Interest – lease liabilities	(89.3)	89.3	-	-
Operating cash flow	**192.0**	**(101.9)**	**90.1**	**115.7**
Capex paid**	(40.3)	-	(40.3)	(44.8)
Other	-	-	-	-
Free cash flow	**151.7**	**(101.9)**	**49.8**	**70.9**
Principal portion of lease liabilities paid	(101.9)	101.9	-	-
Other	(0.7)	-	(0.7)	(0.4)
Net cash flow	**49.1**	**-**	**49.1**	**70.5**

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** Excluding implementation costs and individually significant items*
***Net of landlord contributions*