

MYER MY STORE

14 September 2023

FULL YEAR 2023 RESULTS

CUSTOMER FIRST PLAN DRIVING VALUE FOR ALL STAKEHOLDERS

- FY23 TOTAL SALES¹ OF \$3,362.9 MILLION, REPRESENTING GROWTH 12.5% YOY, AND 12.4% HIGHER THAN FY19 (PRE-COVID)
- NPAT² OF \$71.1 MILLION, AN INCREASE OF 18.2% YOY
- FINAL FULLY FRANKED DIVIDEND OF 1.0 CENT PER SHARE DECLARED, BRINGING FULL YEAR DIVIDEND TO 9.0 CENTS PER SHARE

FY23 RESULTS (post-AASB 16) for the 52 weeks to 29 July 2023, compared to FY22 (52 weeks to 30 July 2022):

- Total sales¹ rose 12.5% to \$3,362.9 million. 2H total sales growth of 0.4% reflected a deterioration of trading conditions in Q4 as macro-economic factors impacted consumer demand.
- Group online³ sales were \$690.5 million or 20.5% of total sales, a decline of 4.5% cycling mandatory store closures in 1Q22; representing a 4yr Compound Annual Growth Rate (CAGR) of 27.4% from FY19 (pre-COVID).
- Operating gross profit growth of 6.9% to \$1,224.6 million; margin decreased by 189 basis points (bps) to 36.4%, which includes the unfavourable impact of higher shrinkage and foreign exchange movements. The YoY margin variance improved in 2H to 161bps (1H: down 212 bps YOY).
- Cost of Doing Business² (CODB) was \$824.1 million or 24.5% of total sales, representing an improvement of 42 basis points YoY.
- EBIT² when compared to FY19 (pre-COVID) is up 88% on a pre-AASB16 basis.
- Net Profit after tax² (NPAT) of \$71.1 million, the highest since FY15.
- Statutory NPAT of \$60.4 million includes Implementation Costs and Individually Significant Items of \$10.7 million consisting of expected closure costs of the Altona and Richlands Distribution Centres from the Factory 2 Customer (F2C) initiative, and the closure of the Brisbane City store.
- Net cash at period end down \$66m to \$120m from higher dividend payments and investments; inventory well controlled at the same level as the prior corresponding period.
- Fully franked final dividend of 1.0 cent per share declared, bringing total FY23 dividends to 9.0 cents per share (including 4.0 cents per share interim ordinary and 4.0 cents per share interim special dividends, both already paid); compared to 4.0 cents per share for the full year in FY22.

Commenting on the results, Myer's CEO, John King, said:

"In line with our trading update issued on 8 August 2023, we are pleased with the strength and quality of our Full Year result, which despite a softer trading outcome in Q4 as a result of current economic conditions, not only delivered our best full year sales result since 2005, but also showed continued profitability and a strong balance sheet providing a solid foundation to deliver our future plans and growth opportunities under our successful Customer First Plan.

"Our multi-channel offer is a key strength of these results as we capitalised on customers returning to stores after closures in the prior year, underpinned by our leading customer loyalty proposition in MYER one. Our online offer is a scale business that returned to growth in the second half and has continued to increase market share throughout FY23.

"The strength of our balance sheet and cash management has seen us continue to invest strategically in our store formats, technology and our merchandise offering, including the progressive rollout of new and expanded brands like the Country Road Group, American Eagle and many more.

"This year, we distributed \$86 million of dividends to our shareholders, which demonstrates the confidence in the Plan and the Myer business."

CUSTOMER FIRST PLAN UPDATE

Strength of the multi-channel offer drives sales to highest level since 2005

- Total sales¹ of \$3.36b is the highest since 2005 and reflects the scale of the online business \$691m (20.5% of total sales) combined with productivity gains made in physical stores up 10%⁴ since pre-Covid (FY19)
- Total sales growth moderated in 2H to 0.4%, while Group Online sales returned to growth rising 3.2% YoY in 2H
- CBD stores were the strongest channel increasing 30.0% in FY23, or 14.4% on a comparable sales⁵ basis when lockdown periods are excluded from the prior year
- The investments made in online, combined with the brand and loyalty proposition saw online market share⁶ grow 110bps in FY23

Improved merchandise offer, continuing growth in MYER one and new partnership opportunities

- MYER one continues to underpin our growth, with 720k new members (up 21.4%) resulting in active members⁷ increasing to 4.2 million in the last 12 months
- Tag rate of 74.6% across all transactions, the highest level since public listing in 2009
- Partnerships and Pay with Points programs allow greater access to new customers, new revenue streams and provides greater value for customers and their reward programs

Well positioned to navigate economic uncertainty with a pipeline to drive future value creation

- The Myer loyalty and partnership eco-system delivers a leading retail customer loyalty proposition
- Strong inventory position and expanded brand relationships to drive 'newness' through key sale periods
- The rollout of the Country Road Group of brands has commenced, representing a significant sales opportunity
- NDC and broader F2C initiatives to drive efficiency and enhance multi-channel customer experience
- In-store technology and shrinkage investments, and space reduction and productivity activities are a mitigation to cost increases

Commenting on the Customer First Plan, Myer's CEO, John King, said:

"Our multi-channel offer remains a key competitive advantage, particularly against pureplay retailers which is something they simply cannot offer their customers. The synergies across the digital and physical environments are clearly evident, with our CBD locations delivering stronger results and online returning to growth in 2H23.

"MYER one continues to deliver record numbers across all key metrics, with 720,000 new members, highest ever tag rate and our largest active customer number. We have continued to add new partnerships to the Program, with the announcement of the addition of American Express and Virgin Velocity as new partners and the expansion of the CommBank program ensuring greater value for customers, and in turn new revenue streams and growth opportunities for our business."

"Overall, the Customer First Plan positions Myer to leverage the key strengths of our business. Our merchandise offer, multichannel capability, and leading loyalty program are unique strengths to provide customer value and protect profitability. We are excited by the pipeline of initiatives that will realise value in FY24 led by the rollout of Country Road Group and the National Distribution Centre (NDC). Our strong inventory position and store performance sees us ready to take advantage of the key upcoming sale periods for which Myer is known."

Trading update

In the first six weeks of FY24, Department store⁸ comparable sales⁵ are down 1.9% over the corresponding period in the prior year. John King said: *“Like all retailers, we continue to remain cautious about the macro-economic environment, however, we are pleased with our strong results at the Half and the Full Year, and have a strong program of deliverables to roll out in FY24 as part of our Customer First Plan.”*

Management Succession

Nigel Chadwick has advised that he will be retiring from his role as Myer’s Chief Financial Officer in early 2024. He will be succeeded by Deputy CFO, Matt Jackman, with Matt’s appointment to take effect from 1 February 2024.

Matt has been with the Myer business for over six years, having previously worked in finance leadership roles at Toll Group after starting his career at KPMG. This appointment will ensure a smooth transition within the business.

The Board thanks Nigel for his outstanding contribution over the course of the last six years which has been instrumental to the turnaround seen at Myer under the Customer First Plan.

Market briefing

Myer’s CEO and Managing Director, John King, and CFO, Nigel Chadwick, will host a teleconference for investors and analysts today at 9:30am (Melbourne time).

Participants can register for the conference by clicking [here](#). Attendees will need to have the attached slides available for the call. An archive of the briefing will be available afterwards at: myer.com.au/investor

This announcement was authorised by the Board of Myer Holdings Limited.

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Footnotes

¹ Revenue from sale of goods excluding concession sales and sales revenue deferred under customer loyalty program was \$2,565.8 million (FY22: \$2,340.6 million)

² Excluding Implementation Costs and Individually Significant Items

³ Group online sales include sass & bide and Marcs and David Lawrence. Excludes sales via in-store iPads

⁴ Department Stores sales per sqm based on selling m2 (SLA)

⁵ 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 was removed. On reopening, the store was included from the first full week of trade.

⁶ Based on analysis commissioned by Mastercard comparing Myer’s performance against retail industry

⁷ MYER one members who have shopped in the last 12 month period

⁸ Excludes sass & bide and Marcs and David Lawrence

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MYER

MY STORE

MYER HOLDINGS LTD

**FULL YEAR
2023 RESULTS**

TO 29 JULY 2023

JOHN KING
Chief Executive Officer

NIGEL CHADWICK
Chief Financial Officer



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 recognised under Australian Accounting Standards (non-IFRS information), including, without limitation, total sales, OGP margin, CODB, EBITDA, total funds employed, net cash, working capital, operating cash flow and free cash flow. These measures are used internally by management to assess the performance of Myer's business, 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.

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FY23 Financial Results

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Financial Highlights

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FY23 HIGHLIGHTS

STRONG SALES GROWTH

12.5%

Total sales¹ increase on FY22

\$3.36 billion; highest since 2005

POWERFUL MULTI CHANNEL OFFER

20.5%

Group online² sales mix in FY23

2H23 online returned to growth; +3.2% YOY

IMPROVED NPAT³

\$71.1m

NPAT³ up 18.2% on FY22

109% higher than FY19 (Pre-COVID)⁴

ROBUST BALANCE SHEET

\$120m

net cash

Inventory held flat YoY

REWARDING SHAREHOLDERS

9.0c

per share FY23 full year dividend

Final dividend 1.0cps declared; Interim 8.0cps already paid including a special dividend of 4.0cps

¹ Revenue from sale of goods excluding concession sales and sales revenue deferred under customer loyalty program was \$2,565.8 million (FY22: \$2,340.6 million)

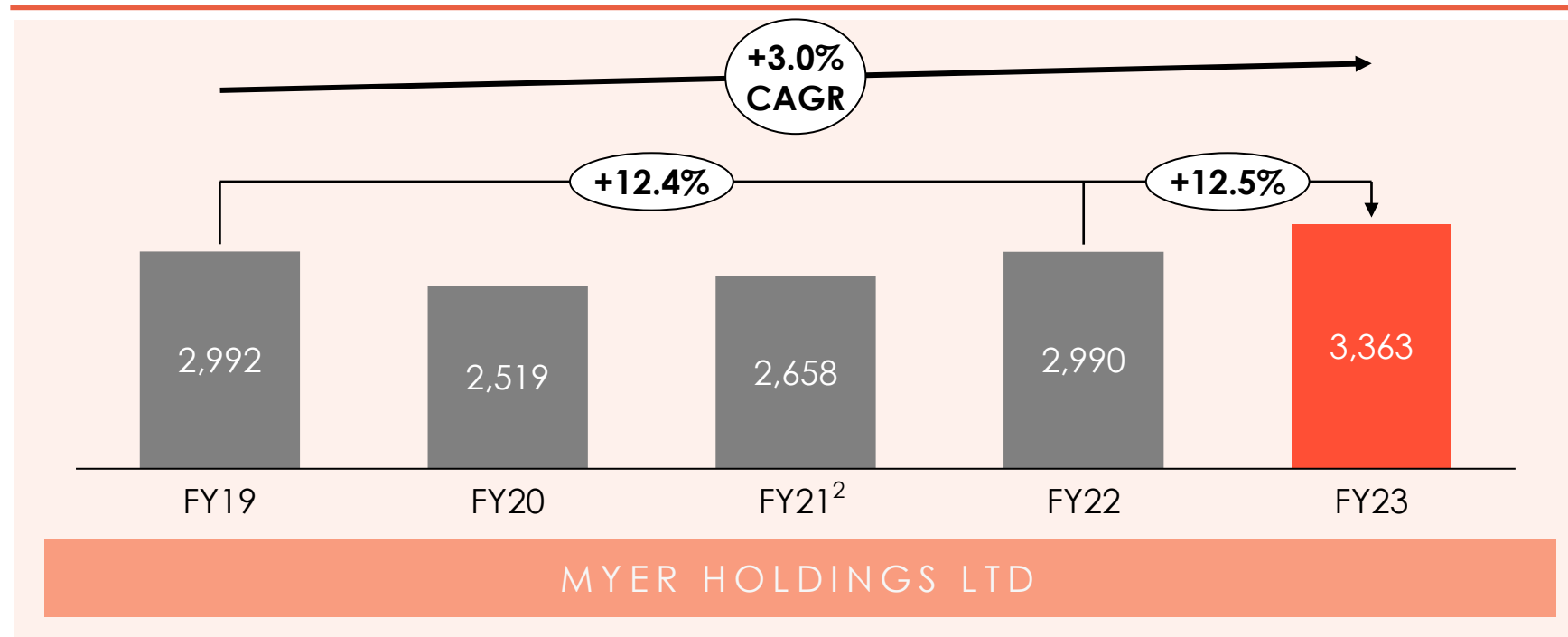
² Group online sales includes sass & bide and Marcs and David Lawrence. Excludes sales via in-store iPads

³ Excluding Implementation Costs and Individually Significant Items

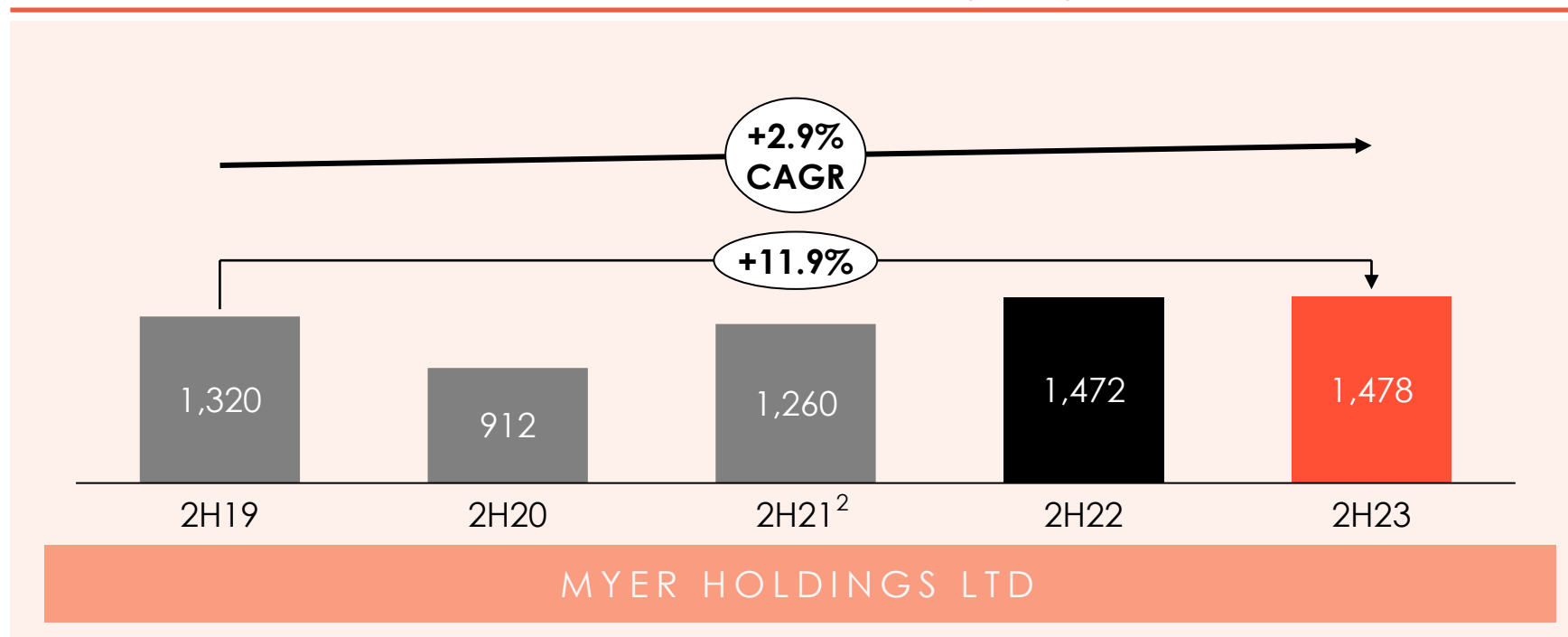
⁴ Pre AASB 16 basis; see Appendix 2 for a reconciliation of FY23 post AASB 16 to pre AASB 16

In FY23 we delivered our best sales result since 2005

FY TOTAL SALES¹ (\$M)



2H TOTAL SALES¹ (\$M)



- ✓ Growth driven by the strength of multi-channel offer as customers returned to stores after closures in FY22, underpinned by a leading brand and customer loyalty proposition
- ✓ Online is a scale business contributing \$691 million in FY23, or 21% of total sales and returned to growth in 2H23
- ✓ CBD stores up 14.4% on a comparable sales³ basis and continue to gain momentum
- ✓ Our leading MYER one loyalty program continues to differentiate and represents 3/4 of total sales with strong support from key partnerships
- ✓ Our merchandise offer has aggressively expanded into core brands and ranges that customers desire

¹ Revenue from sale of goods excluding concession sales and sales revenue deferred under customer loyalty program was \$2,565.8 million (FY22: \$2,340.6 million)

² FY21 53 weeks; 2H21 27 weeks

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

Multi-channel offer is a continued point of strength



Group Online¹ sales

+3.2%
on 2H22



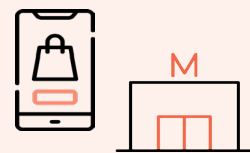
Online Sales Mix

20.5%
Now \$691 million



Online market share Growth²

+110bps
on FY22



Online supports in-store sales³

59%
Search myer.com.au before in-store purchase



Multi-Channel Customers spend more

2.6x
Spend of in-store only


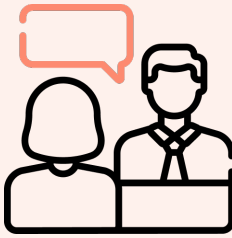
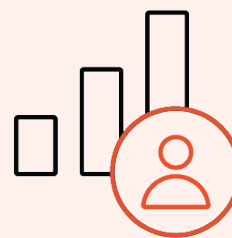





- 2H23 Group online¹ sales returned to growth after annualisation of lockdowns in 1H22 with FY23 representing 1.63% growth vs FY19
- There is a considerable inter-relationship between stores and online, providing a cumulative benefit for a multi-channel customer vs single channel customer
- Strong market share growth² in online continues to be a growth driver for the business

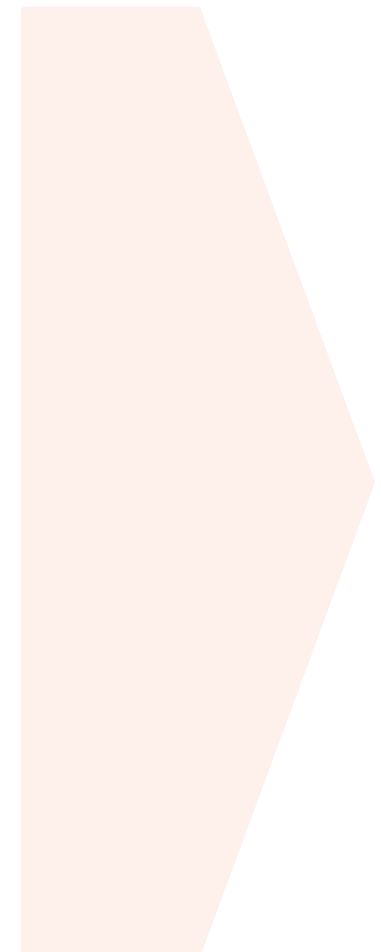
¹ Group online sales includes sass & bide and Marcs and David Lawrence. Excludes sales via in-store iPads

² Based on analysis commissioned by Mastercard comparing Myer's performance against retail industry

³ Based on market research commissioned by Myer

Loyalty continues to provide greater contribution and commercialisation benefits

	MYER one	7.3m Digitally contactable members (+10.0% YoY)
	Member Acquisition	720k New Members in FY23 (+21.4% YoY)
	Active Members¹	4.2m Active Members ¹ in last 12 months (+13.5% YoY)
	Tag Rate	74.6% +330bps YoY
	New Partnerships	  



- Record year for MYER one engagement, new customer acquisition and active customer numbers
- Enhanced analytics, AI and machine learning models are driving greater CRM benefits and providing stronger platform for personalisation
- New partnerships with Virgin, Amex and extended Commbank driving significant customer growth and revenue opportunities
- Access to rewards and partner reward points as currency is increasingly important in the current market and Myer is uniquely positioned

¹ MYER one members who have shopped in the 12 month period

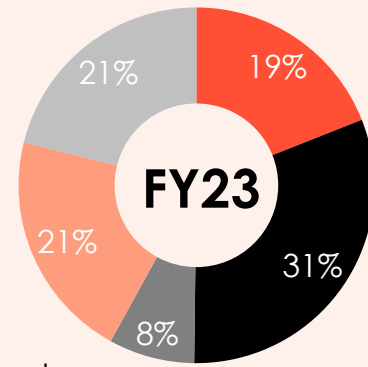
Merchandise offer is well placed with a disciplined focus

Making the Big Bigger

+35%

Sales growth from our Top 20 brands since FY19

A balanced merchandise offer less reliant on seasonal fashion categories



Dept Store total sales

■ Menswear ■ Childrenswear ■ Beauty
■ Womenswear ■ Home & Entertainment

Focus on core ranges in stores

26% reduction
in options since
FY19

Introduction of new brands



- We continue to deepen the relationships with our key brand partners which secures greater investment from brands, exclusive product and Myer only ranges
- We have a balanced merchandise model across all categories improving resilience in uncertain times and the ability to flex based on changing customer demand
- We have introduced many new brands at scale that resonate with our customer
- Continued focus on inventory has seen a flat inventory position in FY23 and a lower level of aged stock vs FY19 (pre COVID)

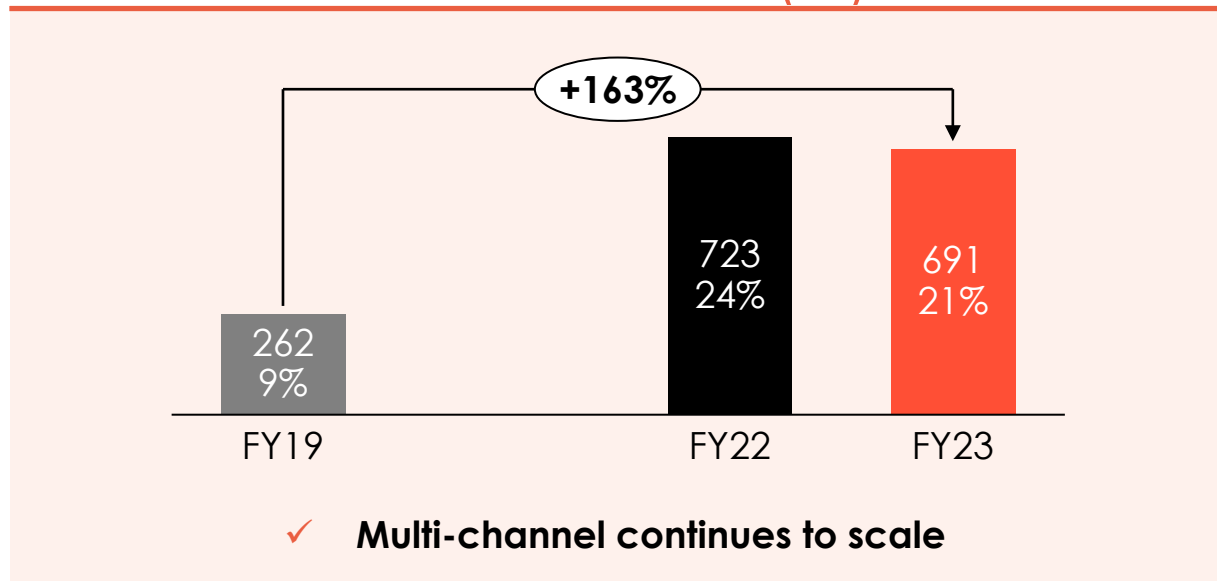
Myer has emerged from the pandemic stronger across all core metrics, underpinned by our Customer First Plan

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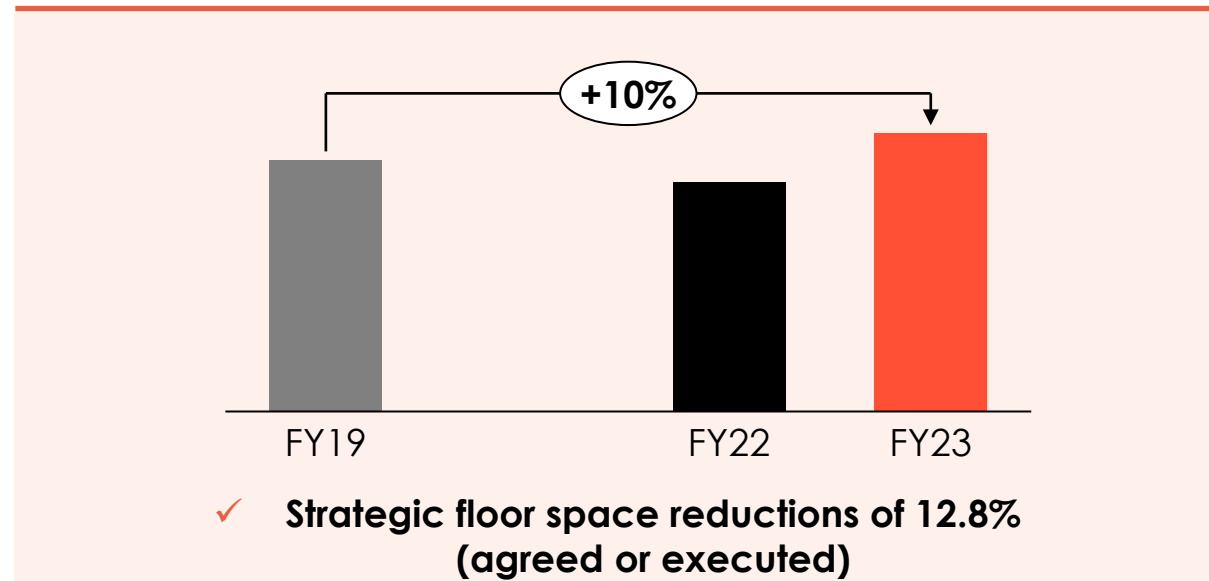
FY23 HIGHLIGHTS

MYER HOLDINGS LTD

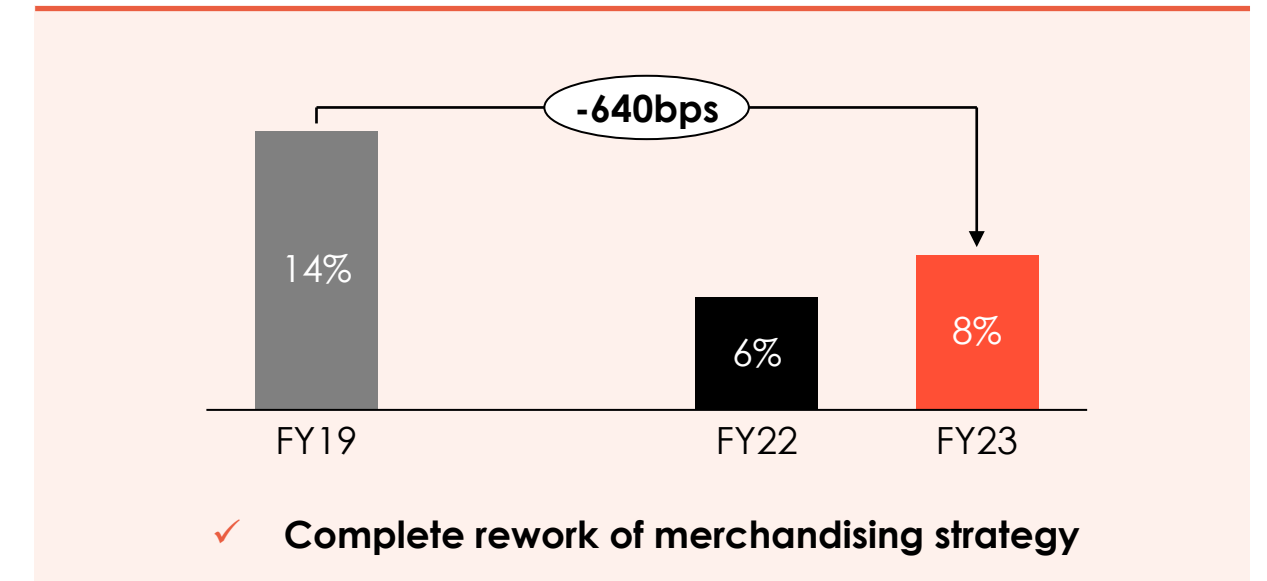
GROUP ONLINE¹ SALES (\$M); PENETRATION (%)



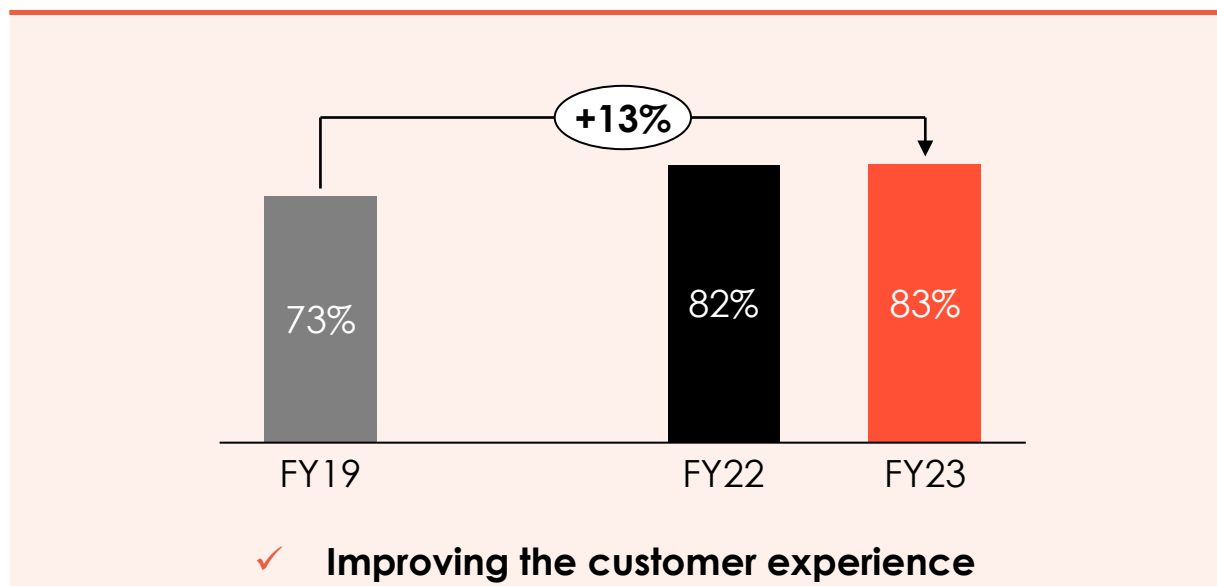
IN-STORE SALES PRODUCTIVITY²



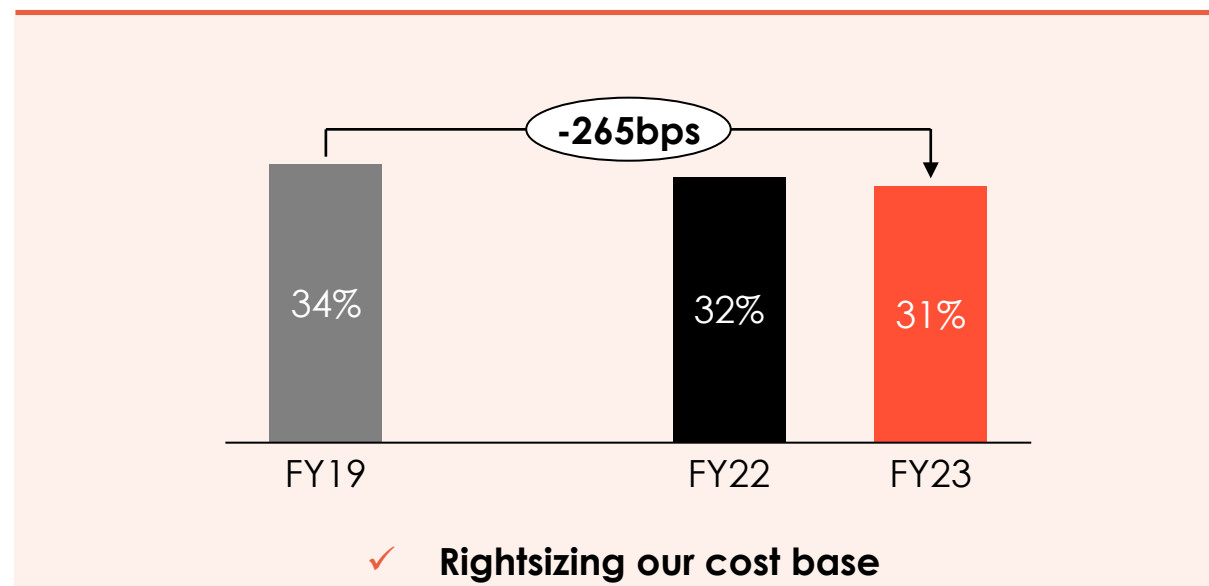
% OF CLEARANCE INVENTORY³ OF TOTAL



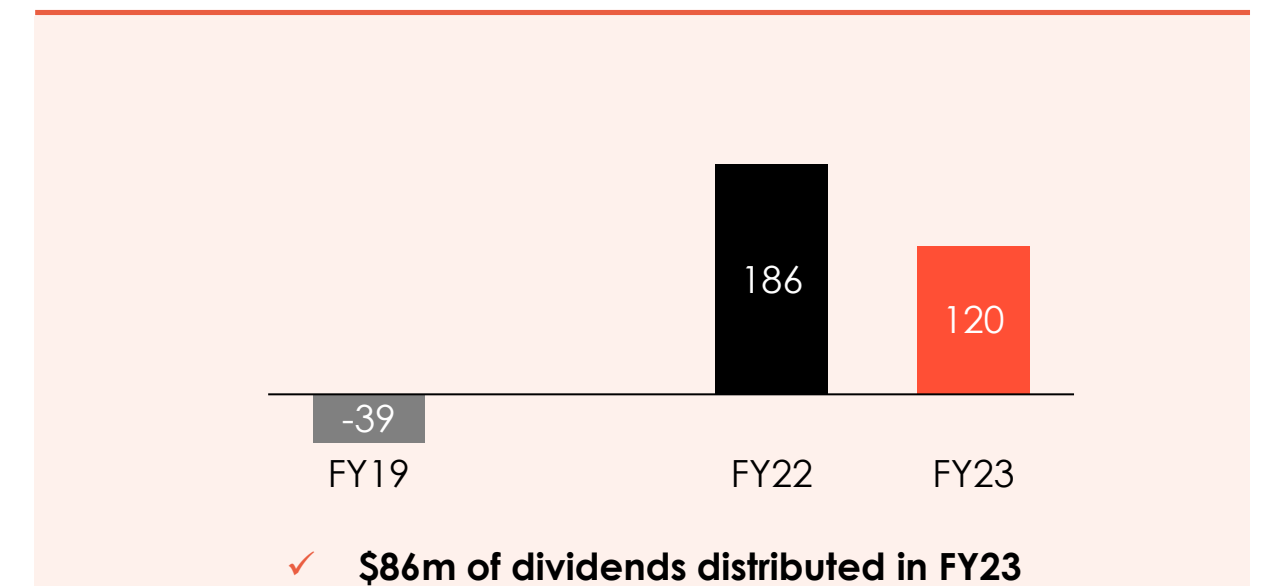
CUSTOMER SATISFACTION



CODB (PRE-AASB 16) % OF REVENUE



NET CASH / (DEBT) (\$M)



¹ Group online sales includes sass & bide and Marcs and David Lawrence. Excludes sales via in-store iPads

² Department Stores sales per sqm based on selling m2 (SLA)

³ Department Stores stock on hand only

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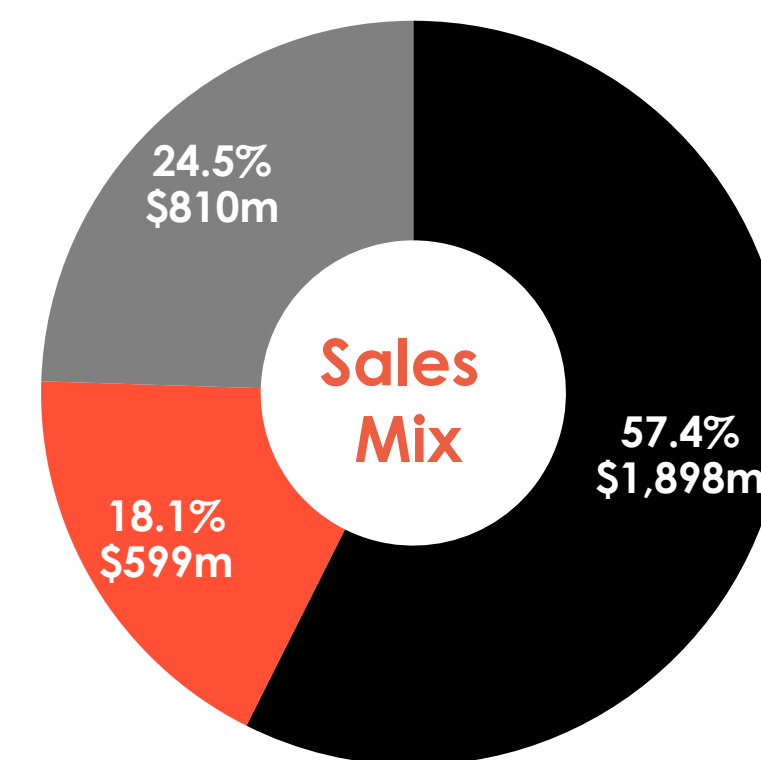


NPAT¹ increased 18.2% over FY22

\$ MILLIONS	FY23	FY22	CHANGE
Total Sales ²	3,362.9	2,989.8	12.5%
Operating Gross Profit	1,224.6	1,145.2	6.9%
Cost of Doing Business ¹	(824.1)	(745.2)	(10.6%)
EBITDA¹	400.5	400.0	0.1%
EBIT¹	196.2	184.2	6.5%
Net Profit after Tax¹	71.1	60.2	18.2%
Statutory Net Profit after Tax	60.4	49.0	23.3%
Operating Gross Profit Margin (%)	36.4%	38.3%	
Cost of Doing Business ¹ Margin (%)	24.5%	24.9%	

- Comparable sales³ were up 3.3% on the prior corresponding full year period; includes the decline in Group online⁴ sales
- Implementation Costs / Individually Significant Items includes costs associated with exiting Brisbane store and Distribution Centres as part of Factory 2 Customer initiative
- Statutory NPAT up 23.3%

DEPARTMENT STORE SALES



National Brands
 MEBs
 Concessions

¹ Excluding implementation costs and individually significant items

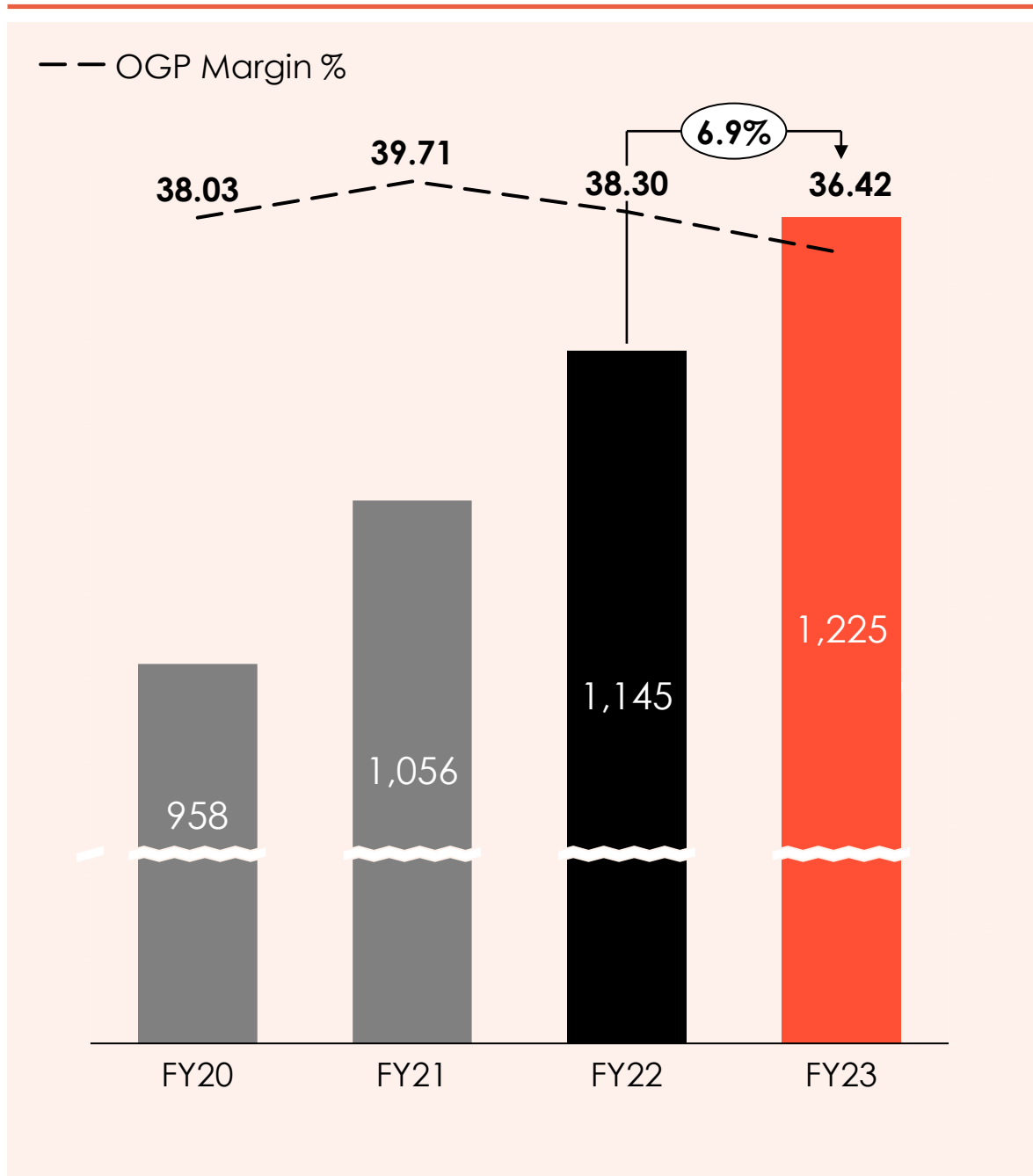
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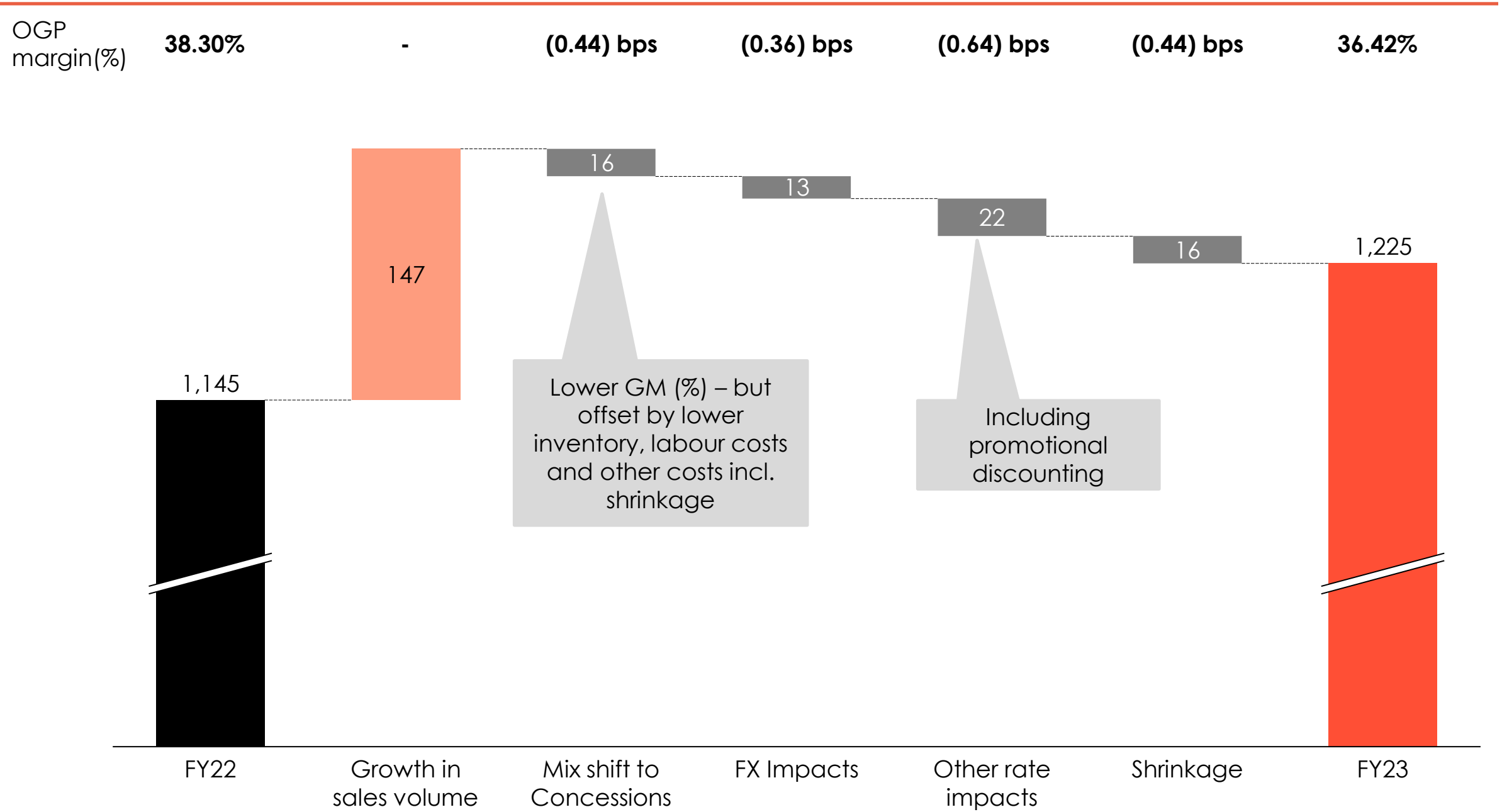
⁴ Group online sales includes sass & bide and Marcs and David Lawrence. Excludes sales via in-store iPads

Operating Gross Profit

OPERATING GROSS PROFIT \$M and MARGIN % of TOTAL SALES



FY22 – FY23 GROSS PROFIT BRIDGE



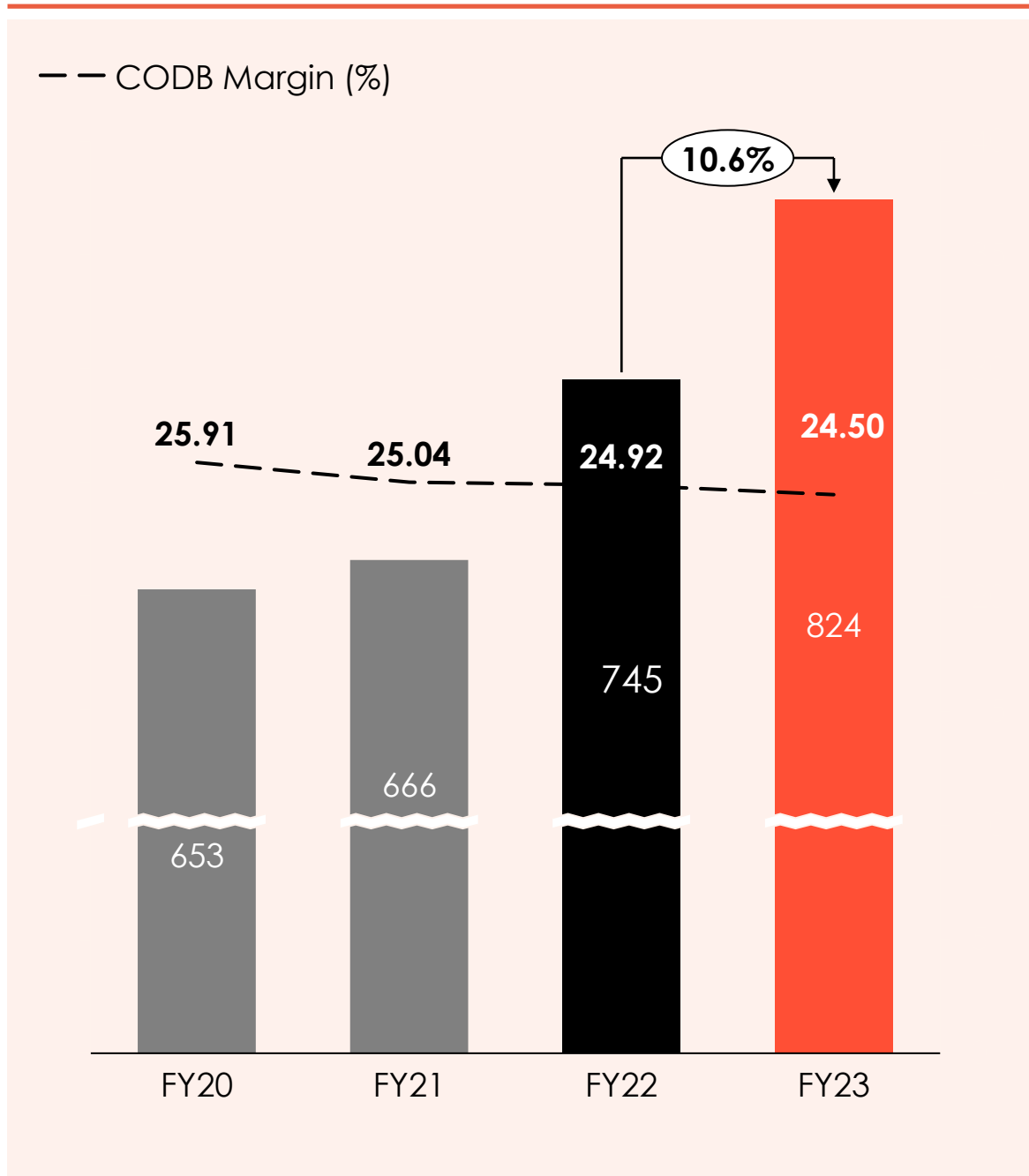
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FY23 FINANCIAL RESULTS

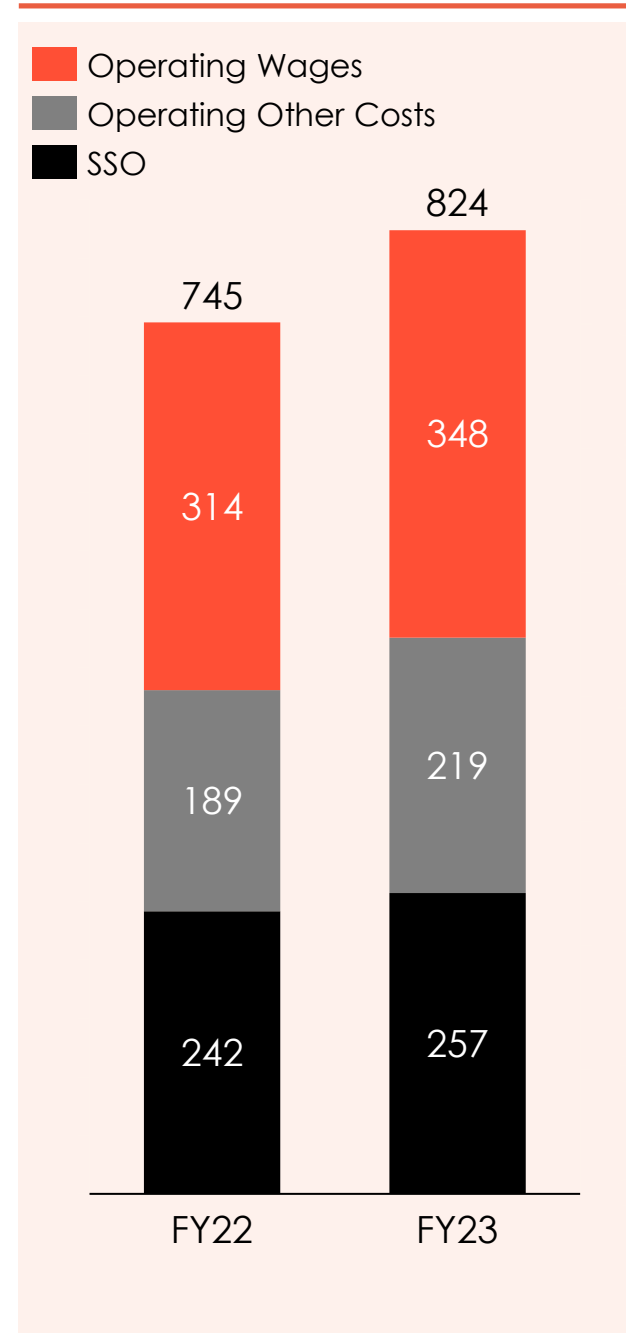
MYER HOLDINGS LTD

Cost of Doing Business¹ Margin improved by 42 bps, despite further opex investment

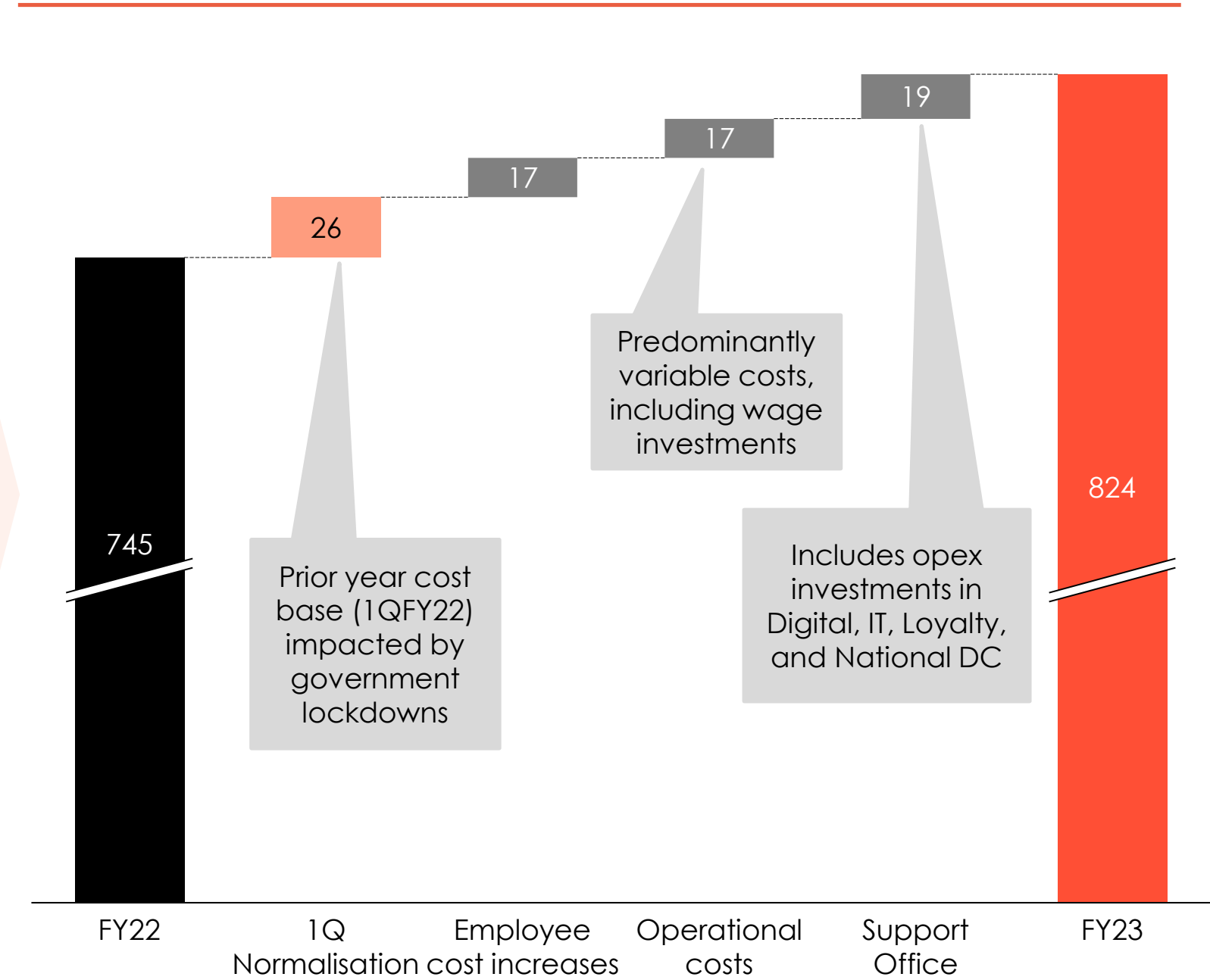
COST OF DOING BUSINESS¹ \$M and MARGIN % to TOTAL SALES



GROUP COST STRUCTURE



FY22 – FY23 COST OF DOING BUSINESS¹ BRIDGE



¹ Excluding implementation costs and individually significant items

Operating Cash Flow

\$ MILLIONS	FY23	FY22
EBITDA	400.5	400.0
Add implementation costs and ISIs	(15.4)	(13.2)
Add non-cash impairments	3.1	2.4
Working capital movement	(1.4)	(2.3)
Operating cash flow (before interest & tax)	386.8	386.9
Conversion	99.7%	99.4%
Income tax paid	(54.0)	(16.4)
Net interest paid	(5.7)	(7.3)
Interest – lease liabilities	(84.7)	(87.8)
Operating cash flow	242.4	275.4
Capex paid ¹	(74.5)	(44.2)
Free cash flow	167.9	231.2
Dividends	(86.2)	(12.3)
Principal portion of lease liabilities paid	(142.8)	(139.6)
Other	(3.1)	(0.6)
Net cash flow	(64.2)	78.7

- Operating cash flow (before interest & tax) unchanged at \$387 million
- Income tax higher as instalments normalised post COVID-19
- Capital expenditure includes expenditure on new Point of Sale and National Distribution Centre

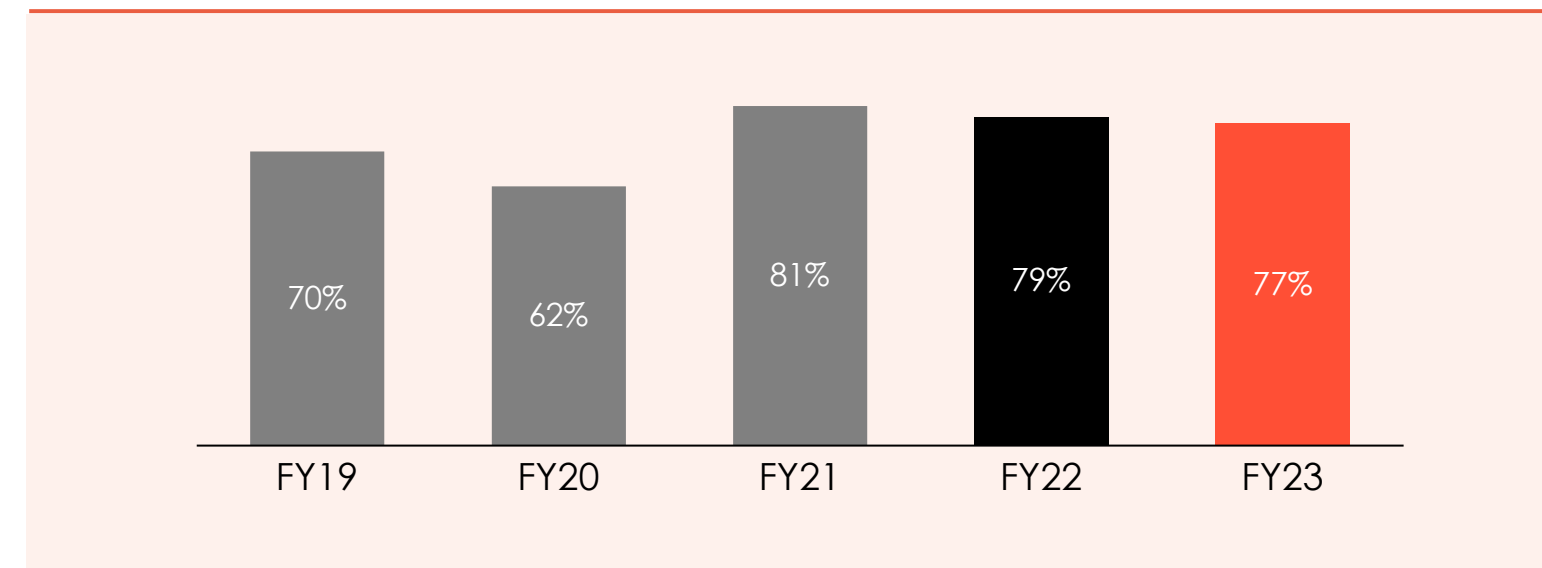
NET CAPEX ¹ SPEND	FY23 (\$M)
Stores (Redevelopments, Brands & Operations)	47.2
Online and Systems	35.5
Other (including Supply Chain initiatives)	17.6
Landlord Contributions	(25.8)

¹ Net of landlord contributions

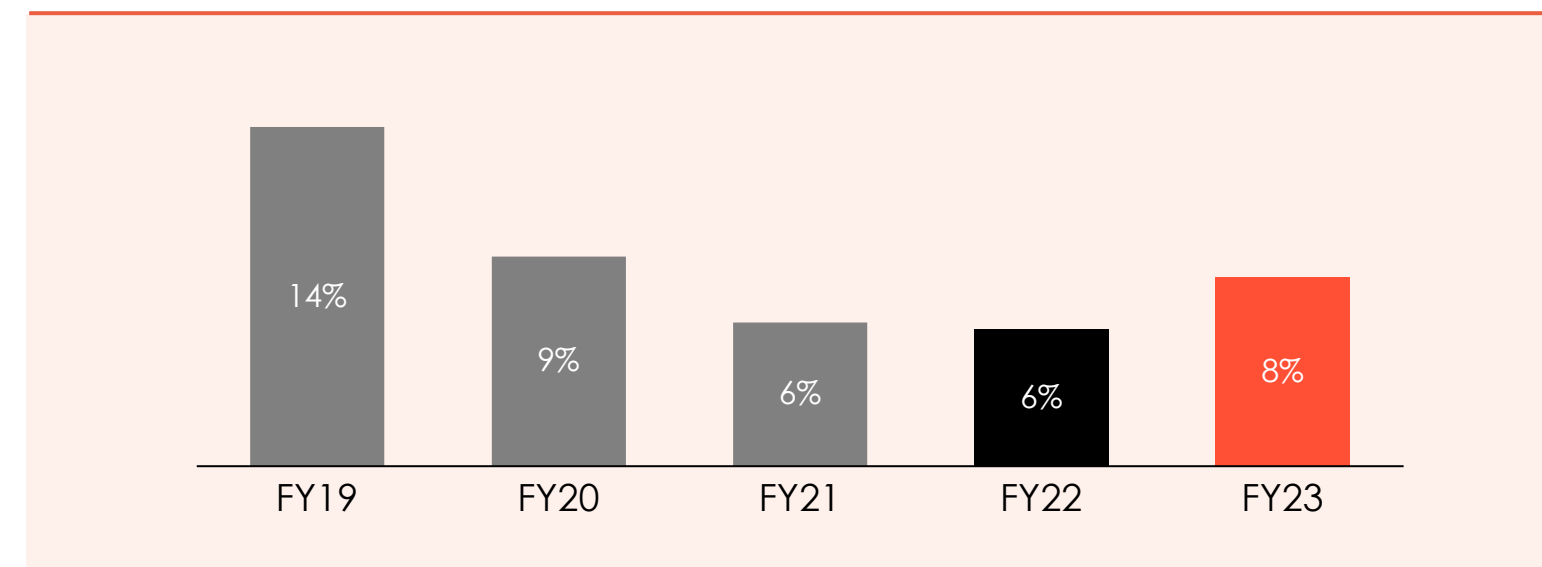
Balance Sheet

\$ MILLIONS	FY23	FY22
Inventory	371.3	371.4
Creditors	(401.7)	(429.3)
Other Assets & Liabilities	67.9	50.5
Right-of-Use Assets	1,101.4	1,177.8
Lease Liabilities	(1,644.9)	(1,699.2)
Property & Fixed Assets	321.7	305.0
Intangibles (Brands and Software)	305.2	305.3
Total Funds Employed	120.9	81.5
Debt	(60.1)	(58.0)
Add Cash	179.7	243.9
Net Cash	119.6	185.9
Equity	240.5	267.4

% OF INVENTORY¹ AGED UNDER 6 MONTHS



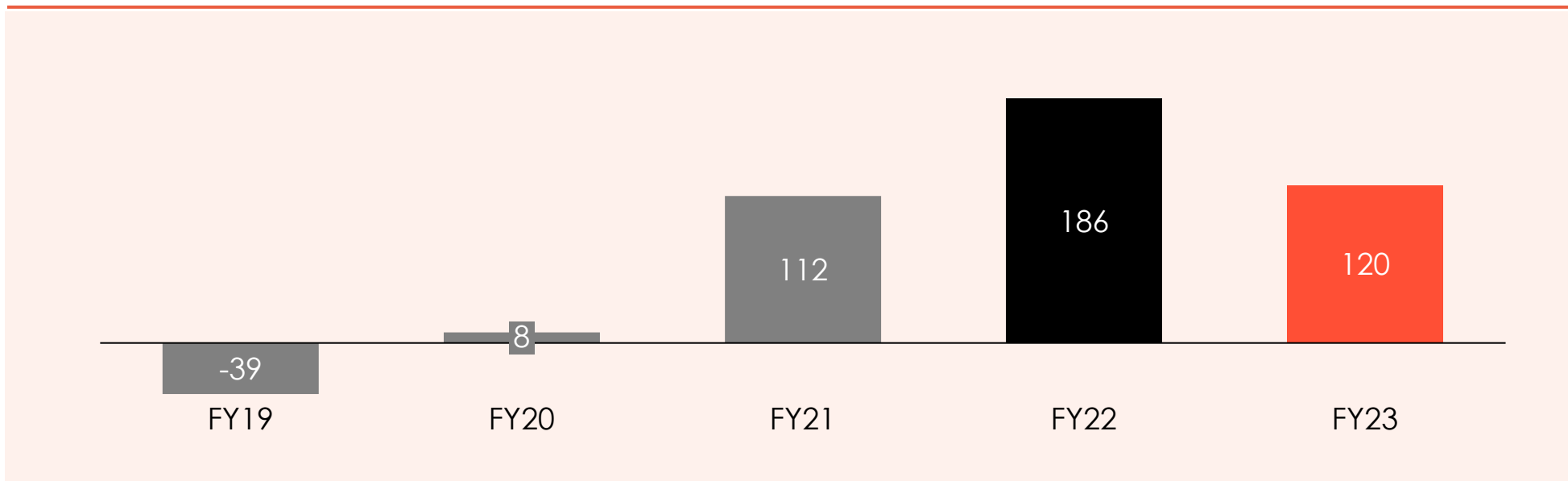
% OF CLEARANCE INVENTORY¹ OF TOTAL



¹ Department Stores stock on hand only

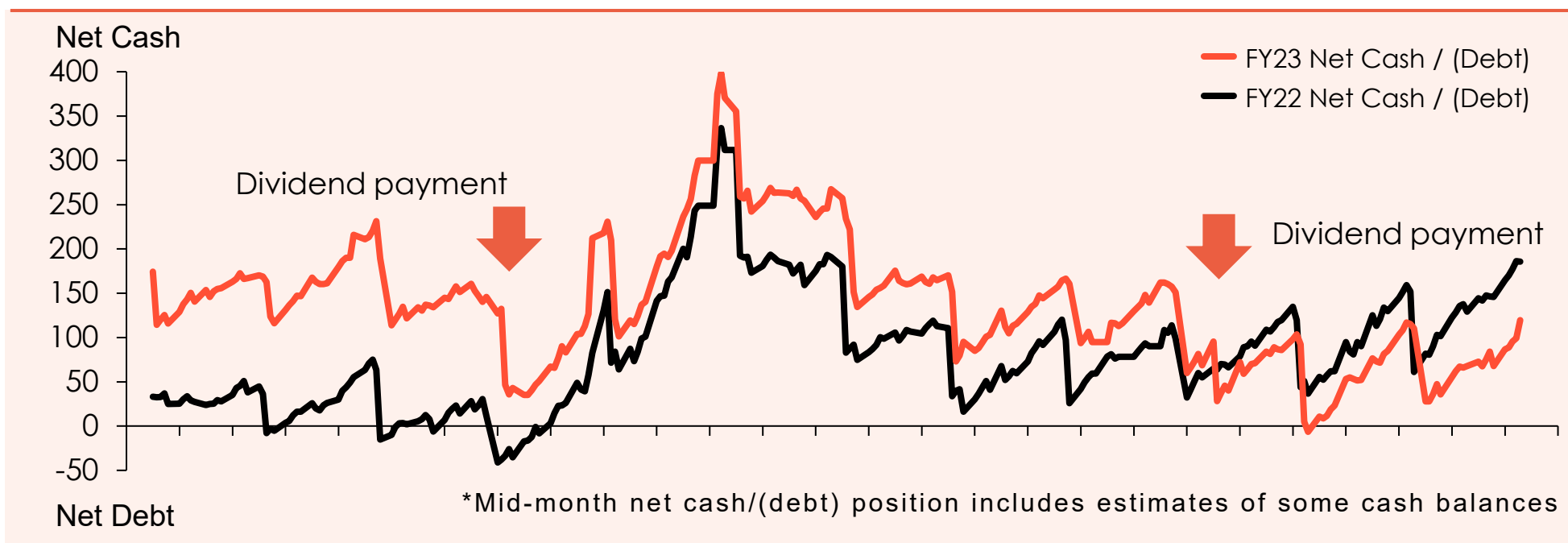
Strong liquidity position supports execution of the Customer First Plan and shareholder returns

NET CASH / (DEBT) \$M – FY19 TO FY23



- Fully franked final dividend of 1.0 cent per share declared, bringing total FY23 dividends to 9.0 cents per share (including 4.0 cents per share interim ordinary and 4.0 cents per share interim special dividend already paid)
- 9.0cps represents yield of 14.3% on closing price (13 September)

NET CASH / (DEBT) PROFILE (\$M) – FY23 BY DAY



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Customer First Plan has driven significant value creation and has continued to evolve

CUSTOMER FIRST PLAN



Accelerate Online

Continue to build scale and leverage multi-channel capability



Factory to Customer

Introduction of National Distribution Centre in FY24 will provide significant benefits to supply chain and online fulfilment



In-store experience

Increased investment in store layout and technology solutions to deliver an improved customer experience



Re-focus Merchandise

Deeper relationships with key brand partners, and a destination for new brands, with a focus on inventory discipline



Rationalise Property/Overheads

Reduction of store space, improved efficiency and disciplined management of cost, cash and inventory



Providing a strong value proposition for our customers with greater rewards making it a driver of choice for shopping at Myer versus our competitors



Strength of **Balance Sheet** allows investment and execution of the plan

- The Customer First plan was introduced in FY19 and has continued to deliver strong momentum in FY23
- It has Myer well placed in FY24 with a series of major initiatives landing to underpin sales and profitability

Myer is well positioned for the current economic environment

We've repositioned the business, underpinned by the Customer First Plan

- ✓ Transformed customer satisfaction and brand trust
- ✓ Reframed merchandising strategy
- ✓ Strategic floor-space reductions
- ✓ Executed multi-channel step-change
- ✓ Strengthened balance sheet, refinanced debt facilities, built a strong cash position



Unique strengths to provide customer value and a reason to shop at Myer

- ✓ Market leading loyalty program - MYER One, with 4.2 million active¹ members and 74.6% tag rate
- ✓ Leading multi-channel capabilities
- ✓ Broad merchandise offer, with less reliance on seasonal trends
- ✓ Gift cards and other business partnerships



We're continuing to invest strongly behind long term value levers

- ✓ National DC investment will drive considerable savings in second half FY24 and enhance the multi-channel customer experience
- ✓ Key brand expansion with Country Road Group, Brandbank and others ramping up
- ✓ \$35 million of system productivity and technology investments over the last 12 months
- ✓ Platform business of marketplace / DSV

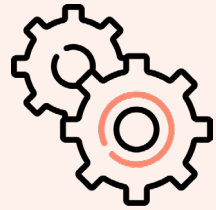
¹ MYER one members who have shopped in the 12 month period

Country Road Group returns to Myer



We continue to invest in technology and our people to drive our in-store service

POINT OF SALE



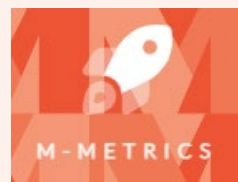
- 2,448 new Point of Sale devices; providing real time transaction details for customers, improved security and transaction speed.
- Omni store software pilot expected in 2H24

MOBILITY



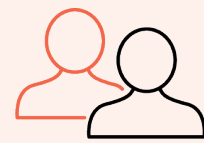
- 3,750 mobility devices now in-store; providing the foundation for mobile Point of Sale
- Delivering efficiencies and improving team member experience

M METRICS



- Continued development of our leading team member applications; providing real-time analytics
- Brand Partner access to the platform planned for 1H24

PEOPLE

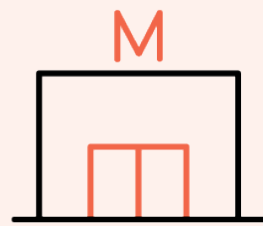


- Continued investment in capability through retail development programs; with one in three team members having been promoted on completion
- Strategic investment in customer service models across high service categories



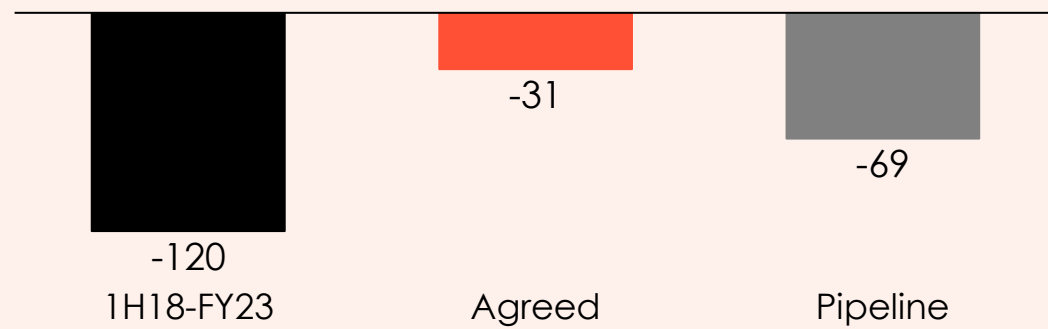
We are rapidly changing our physical footprint to improve productivity

STORE NETWORK

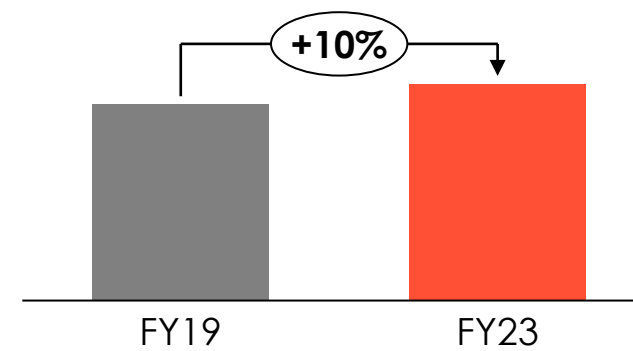


- Refurbishments at Chermside, Tea Tree Plaza, Marion and Ballarat
- Relaying of stores/floors and new fixturing deployed
- Point of Sale consolidation
- RFID trials in selected categories
- Frankston and Brisbane stores closed

GLA SPACE REDUCTION (SQM in 000'S)



- WALE of 9.4 years at July 2023
- 151,433m2 (14.1%) of space reduction exited or announced since 1H18



- In-store sales productivity up +10% vs FY19



Our MYER one Rewards and Pay with Points program uniquely positions us to deliver more value for customers

- Loyalty rewards is becoming an increasingly important factor for Australian consumers in future with customers who have access to points spend significantly more than customers who do not
- The combined reach and access we have now developed across MYER one, Commonwealth Bank Rewards, Virgin Velocity and American Express means we can provide unmatched access for customers to leverage their points as economic conditions tighten
- It will continue to provide Myer with a new source of customer growth, acquisition and revenue streams for both in-store and online as customers convert their points plus pay across Myer online and in-store
- Further enhances our loyalty offer, customer brand preference and cementing Myer as the ultimate one-stop shop



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Current Trade Update

- First six weeks of 1H24 has delivered comparable sales^{1,2} of -1.9% on the prior year

1st SIX WEEKS COMPARABLE SALES^{1,2}



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CONCLUSION

MYER HOLDINGS LTD

¹ Department Stores only

² 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. Significant closures include the Frankston and Brisbane City stores.

Conclusion

- **Our Customer First Plan has been, and continues to be, the right Plan and has underpinned our growth and momentum in FY23**
 - Delivered strong sales growth up 12.5% vs FY22
 - Online continues to perform well providing future value opportunities
 - Delivered NPAT growth of 18.2% over FY22
 - Strengthened our balance sheet with considerable cash and more flexible financing facility
 - Continue to execute aggressively on space, with a 14% reduction since the inception of the Plan and more in the pipeline
- **The strength of the trading performance, operating cash flow generation and the balance sheet support the declaration of a final ordinary dividend of 1.0 cps; total dividends for the year of 9.0cps, including a special dividend of 4.0 cps (utilising significant accumulated franking credits)**
- **We remain cautious on the future outlook given the economic uncertainty but are confident in our approach and the significant deliverables expected to land in FY24**
 - **We have the right value based proposition of affordable and aspirational brands**
 - **Further improvement to our brand portfolio will provide a significant uplift to our business**
 - **Our investment in technology, our multi-channel capability, supply chain and stores will continue to drive greater customer and commercial impact**
 - **We continue to provide deeper customer value through loyalty and points plus pay partnerships**



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Appendix 1: Income Statement – post AASB 16

\$ MILLIONS	FY23	FY22	CHANGE
Total Sales ¹	3,362.9	2,989.8	12.5%
Operating Gross Profit	1,224.6	1,145.2	6.9%
Cost of Doing Business ²	(824.1)	(745.2)	10.6%
EBITDA²	400.5	400.0	0.1%
Depreciation ²	(204.3)	(215.8)	(5.3%)
EBIT²	196.2	184.2	6.5%
Net Finance Costs	(91.5)	(98.9)	(7.4%)
Tax ²	(33.6)	(25.1)	33.7%
Net Profit after tax²	71.1	60.2	18.2%
Implementation Costs and Individually Significant Items (post tax)	(10.7)	(11.2)	(4.8%)
Statutory Net Profit after tax	60.4	49.0	23.3%

¹ Revenue from sale of goods excluding concession sales and sales revenue deferred under customer loyalty program was \$2,565.8 million (FY22: \$2,340.6 million)

² Excluding implementation costs and individually significant items

Appendix 2: NPAT reconciliation to Statutory Accounts

\$ MILLIONS

	EBIT	INTEREST	TAX	NPAT
Statutory reported result	180.8	(91.5)	(28.9)	60.4
<i>Add back: Implementation costs and individually significant items</i>				
Restructuring, space exit costs and other asset impairments	15.4	-	(4.7)	10.7
Result: post-AASB 16¹	196.2	(91.5)	(33.6)	71.1
Impact of AASB 16	(86.1)	83.6	0.8	(1.7)
Result: pre-AASB 16¹	110.1	(7.9)	(32.8)	69.4

¹ Excluding implementation costs and individually significant items

Appendix 3: Income Statement – AASB 16 impact

\$ MILLIONS	FY23 (STATUTORY)	AASB 16 IMPACT	FY23 (PRE-AASB 16)	FY22 (PRE-AASB 16)	CHANGE (PRE-AASB 16)
Total Sales ¹	3,362.9	-	3,362.9	2,989.8	12.5%
Operating Gross Profit	1,224.6	(0.7)	1,223.9	1,144.9	6.9%
Cost of Doing Business ²	(824.1)	(212.7)	(1,036.8)	(957.4)	8.3%
EBITDA²	400.5	(213.4)	187.1	187.5	(0.2%)
Depreciation ²	(204.3)	127.3	(77.0)	(85.1)	(9.5%)
EBIT²	196.2	(86.1)	110.1	102.4	7.5%
Net Finance Costs	(91.5)	83.6	(7.9)	(12.5)	(36.3%)
Tax ²	(33.6)	0.8	(32.8)	(26.5)	24.0%
Net Profit after tax²	71.1	(1.7)	69.4	63.4	9.3%
Implementation Costs and Individually Significant Items (post tax)	(10.7)	-	(10.7)	(13.2)	(19.3%)
Net Profit after tax	60.4	(1.7)	58.7	50.2	16.6%

¹ Revenue from sale of goods excluding concession sales and sales revenue deferred under customer loyalty program was \$2,565.8 million (FY22: \$2,340.6 million)

² Excluding implementation costs and individually significant items