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# MYER

MY STORE

## 2023 ANNUAL GENERAL MEETING

HYBRID MEETING AT:

[meetings.linkgroup.com/MYR23](https://meetings.linkgroup.com/MYR23)



# Agenda

CEO UPDATE



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# JOHN KING

## CEO UPDATE

# Financial Highlights - Recap

STRONG  
SALES GROWTH

12.5%

Total sales<sup>1</sup>  
increase on FY22

**\$3.36 billion;**  
**highest since 2005**

POWERFUL MULTI  
CHANNEL OFFER

20.5%

Group online<sup>2</sup> sales mix  
in FY23

**2H23 online returned to  
growth; +3.2% YOY**

IMPROVED  
NPAT<sup>3</sup>

\$71.1m

NPAT<sup>3</sup> up 18.2%  
on FY22

**109% higher than  
FY19 (Pre-COVID)<sup>4</sup>**

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**

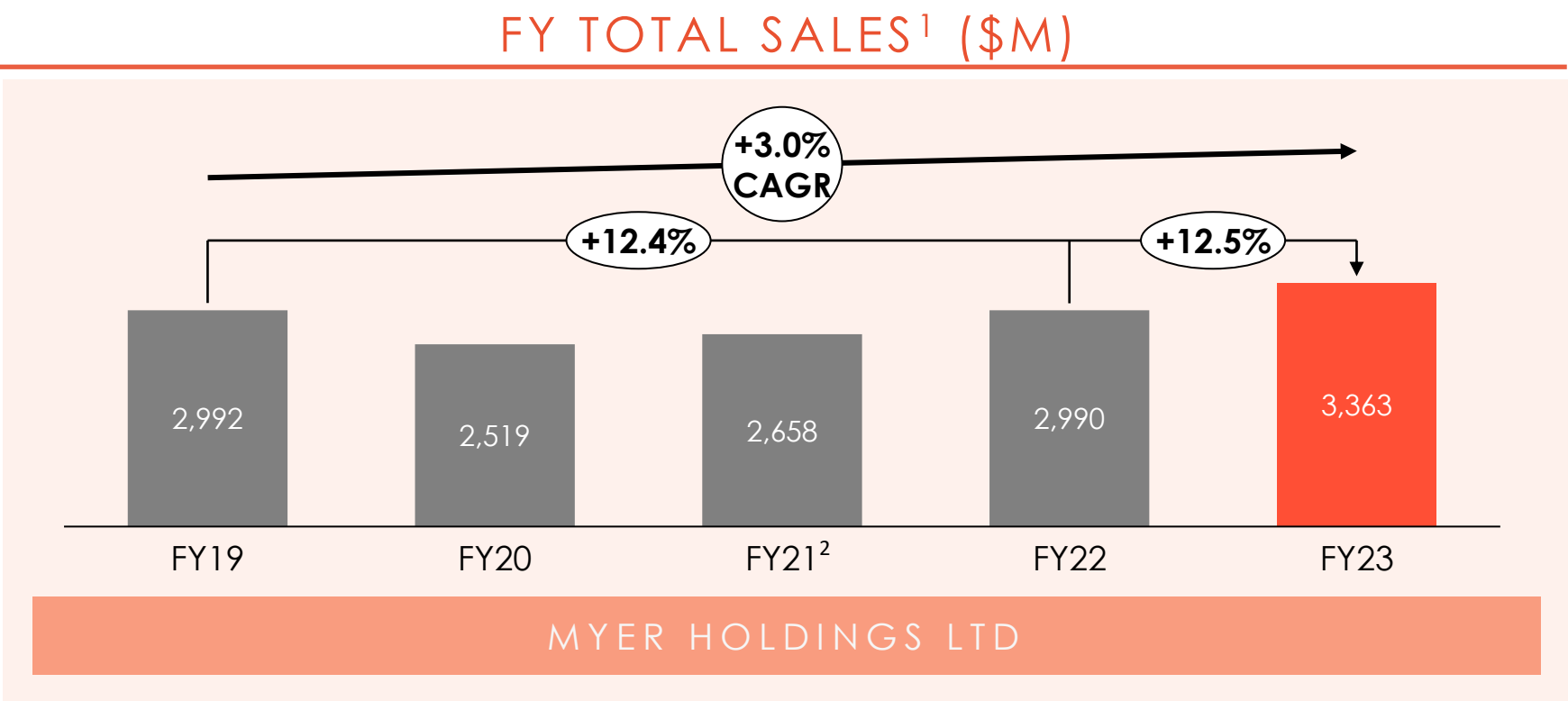
<sup>1</sup> Revenue from sale of goods excluding concession sales and sales revenue deferred under customer loyalty program was \$2,565.8 million (FY22: \$2,340.6 million)

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

<sup>3</sup> Excluding Implementation Costs and Individually Significant Items

<sup>4</sup> Pre AASB 16 basis

In FY23 we delivered our best sales result since 2005



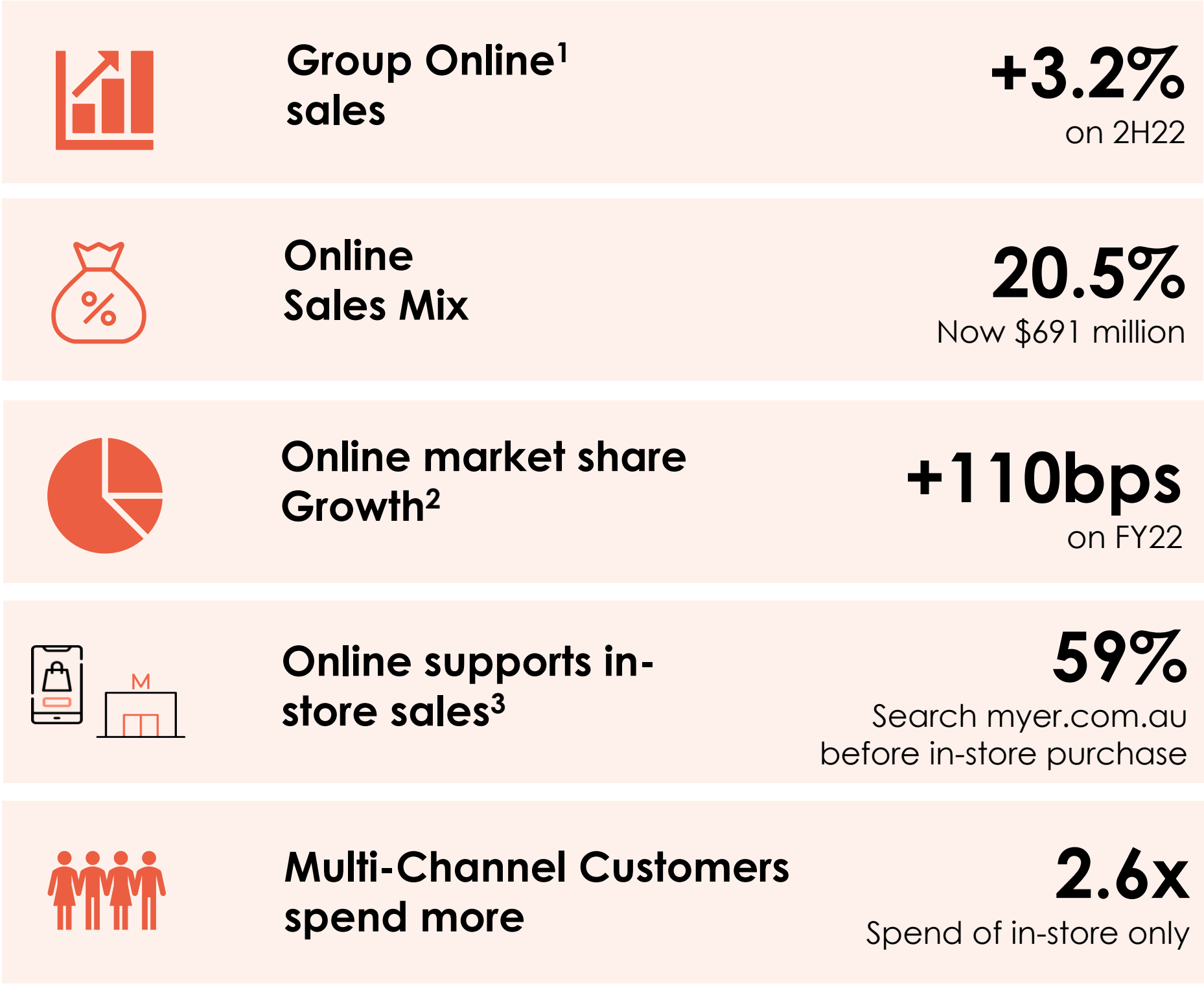
- ✓ Growth driven by the strength of multi-channel offer as customers returned to stores after closures in FY22, underpinned by a leading brand and customer loyalty proposition
- ✓ Online is a scale business contributing \$691 million in FY23, or 21% of total sales and returned to growth in 2H23
- ✓ CBD stores up 14.4% on a comparable sales<sup>3</sup> 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

<sup>1</sup> 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)

<sup>2</sup> FY21 53 weeks; 2H21 27 weeks

<sup>3</sup> 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

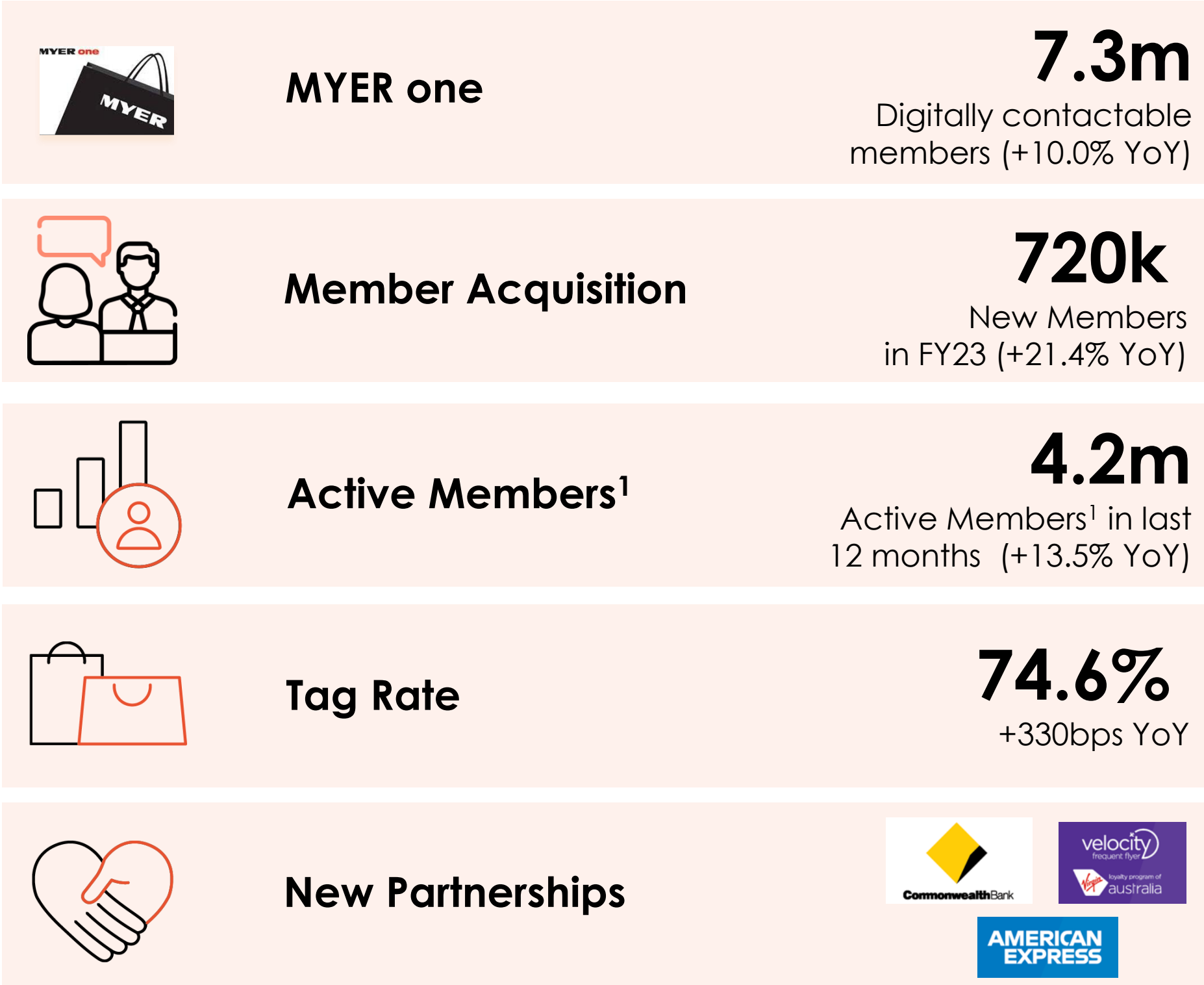
# Multi-channel offer is a continued point of strength



- 2H23 Group online<sup>1</sup> sales returned to growth after annualisation of lockdowns in 1H22 with FY23 representing 163% 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 growth<sup>2</sup> in online continues to be a growth driver for the business

<sup>1</sup> Group online sales includes sass & bide and Marcs and David Lawrence. Excludes sales via in-store iPads  
<sup>2</sup> Based on analysis commissioned by Mastercard comparing Myer's performance against retail industry  
<sup>3</sup> Based on market research commissioned by Myer

# Loyalty continues to provide greater contribution and commercialisation benefits



- 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

<sup>1</sup> MYER one members who have shopped in the 12 month period

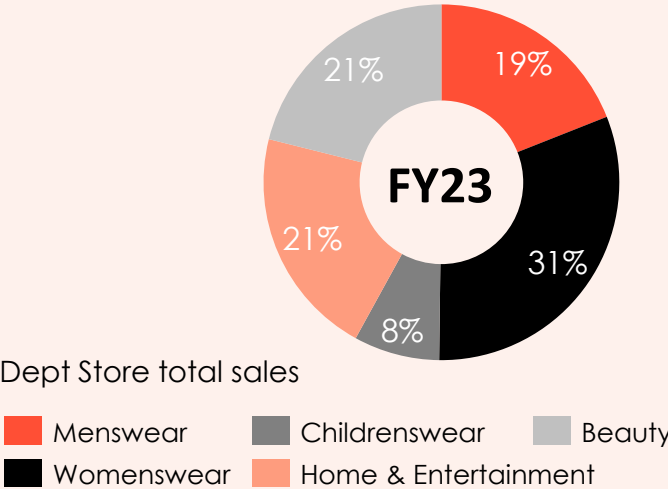
# Merchandise offer is well placed with a disciplined focus

## Making the Big Bigger

**+35%**

Sales growth from our Top 20 brands since FY19

## A balanced merchandise offer less reliant on seasonal fashion categories



## 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)

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CEO UPDATE




# 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



Underpinned by  
**MYER one**



Strong  
**Balance Sheet**

	FY19	FY23
Total Sales <sup>1</sup>	\$2,992m	\$3,363m
Online Sales Mix	9%	21%
Cost of Doing Business <sup>2</sup>	33%	31%
NPAT <sup>3</sup>	\$33m <sup>2</sup>	\$71m
Net Cash/(Debt)	(\$39m)	\$120m
Dividends	Suspended	9.0cps
Space reduction executed		-9.9%
MYER one active members	3.2m	4.2m

<sup>1</sup> Revenue from sale of goods including concession sales

<sup>2</sup> pre AASB 16 basis

<sup>3</sup> Excluding Implementation Costs and Individually Significant Items

# There is a strong pipeline of initiatives to land in FY24



**Introduction and reinvestment in Australia’s most desirable brands is underway**

- The introduction of Country Road Group, expansion of Seed, Unison, Commonry is demonstrating strong early momentum and resonance with our customers



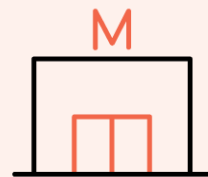
**National Distribution Centre operational in 2024**

- The NDC is expected to be operational in 2024 and will deliver strong benefits to customers for online fulfilment and increased profitability in addition to a more optimised supply chain



**Investment in technology to drive in-store experience and capability in FY24**

- New POS devices in-store to improve transaction speed and effectiveness, continued development of our leading team member app providing greater customer/brand analytics



**Refurbishments and space optimisations continue to drive productivity**

- Major refurbishments to be completed in 1H24 at Chermside, Tea Tree Plaza, Marion and Ballarat



**Investment in loyalty and partnerships will drive greater benefit**

- Continued investment in partnerships, pay with points and loyalty programs to drive greater value for customers, additional revenue opportunities and provide strong point of difference to shop at Myer

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CEO UPDATE



# 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 active<sup>1</sup> 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



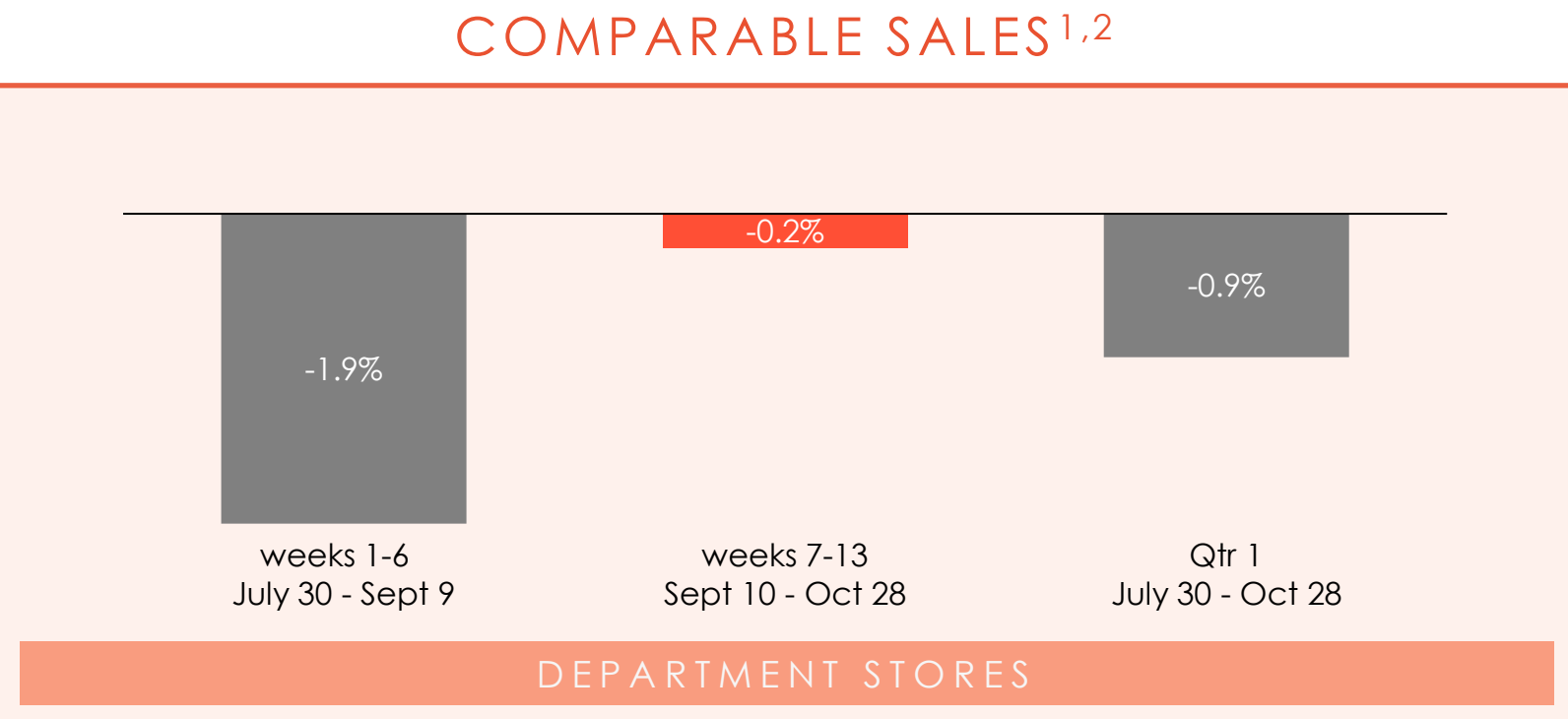
## We're continuing to invest strongly behind long term value levers

- ✓ 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 Group and others ramping up
- ✓ \$35 million of system productivity and technology investments over the last 12 months
- ✓ Platform business of marketplace / DSV

<sup>1</sup> MYER one members who have shopped in the 12 month period

# Current trade update

- The last seven weeks of Quarter 1 saw an improving trend; but we remain cautious with our peak trading period still to come



<sup>1</sup> Department Stores only  
<sup>2</sup> 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.



## We are well prepared for Christmas peak

- Developed strong plans across in-store and online, and are well-stocked, to capitalise on both the Christmas and Black Friday period
- Will continue to create more value for our customers through Myer one and our strategic partnerships with specific opportunities tailored across the peak period
- The Melbourne Bourke St Windows will feature an exciting iconic Australian experience that will delight customers and create excitement, complementing our Santaland, Giftorium and personalisation experiences that will be showcased nationally





# Conclusion

- Our Customer First Plan has been, and continues to be, the right plan and has underpinned our performance in FY23, with significant initiatives to be delivered throughout FY24
- Our investment in new brands, 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 at a time when customers need it through loyalty and points plus pay partnerships, providing us a key point of difference
- We are focused, well prepared and have a clear plan to capitalise on the Christmas peak trade and the remainder of the year despite the uncertain economic outlook





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