Super Retail Group Limited
ABN 81 108 676 204
6 Coulthards Avenue Strathpine QLD 4500
Postal: PO Box 344 Strathpine QLD 4500
t: +61 7 3482 7900 F: +61 7 3205 8522
www.superretailgroup.com

22 February 2024

Appendix 4D and FY24 Interim Financial Report

In accordance with the ASX Listing Rule 4.2A, Super Retail Group Limited (ASX: SUL) provides the following documents for the 26-week period ended 30 December 2023:

- Appendix 4D; and
- Interim Financial Report

For further information, contact:

Investor enquiries:
Robert Wruck, Head of Investor Relations
Ph: 0414 521 124
E: robert.wruck@superretailgroup.com

Media enquiries:
Kate Carini
Ph: 07 3482 7404
E: media@superretailgroup.com

The release of this announcement has been authorised by the Board of Super Retail Group Limited.

SUPER RETAIL GROUP LIMITED (SUL)
INTERIM REPORT

FOR THE 26 WEEK PERIOD ENDED 30 DECEMBER 2023

SECTION A

APPENDIX 4D
INTERIM REPORT

SUPER RETAIL GROUP LIMITED (SUL)

ABN 81 108 676 204

Statutory Results

Current Reporting Period:	From 2 July 2023 to 30 December 2023 (26 weeks)
Previous Reporting Period:	From 3 July 2022 to 31 December 2022 (26 weeks)

Results for Announcement to the Market

	26 weeks ended 30 December 2023 $m	Comparison to 26 weeks ended 31 December 2022 $m
Revenue from ordinary activities	2,019.9	Up 3.2% from 1,958.2
Profit from ordinary activities after tax attributable to members	143.4	Down 0.6% from 144.2
Net profit for the period attributable to members	143.4	Down 0.6% from 144.2

Dividends – ordinary shares

	Amount per share	Franked amount per share
2023 Final dividend (paid 18 October 2023)	44.0¢	44.0¢
2023 special dividend (paid 18 October 2023)	25.0¢	25.0¢
2024 Interim dividend [1]	32.0¢	32.0¢
Record date for determining entitlements to the interim dividend	7 March 2024	
Payment date for interim dividend	12 April 2024	

[1] Determined on 22 February 2024, not yet provided for at 30 December 2023.

Brief explanation of figures reported above to enable the figures to be understood

This report is based on the consolidated interim financial statements which have been reviewed by the auditor. The review report, which was unqualified, is included within the Company's Interim Financial Report for the 26 weeks ended 30 December 2023 which accompanies this Appendix 4D.

For a brief explanation of the figures above please refer to the Results Announcement for the 26 week period ended 30 December 2023 and the Directors' Report (which forms part of the Interim Financial Report). This document should be read in conjunction with the Interim Financial Report and any public announcement made in the period by the Company in accordance with the continuous disclosure requirements of the *Corporations Act 2001* (Cth) and the ASX Listing Rules.

Net Tangible Assets per ordinary share

	30 December 2023	1 July 2023
Net tangible assets per ordinary share[1]	$2.55	$2.64

[1] Net tangible assets per ordinary share (NTA) as at 30 December 2023 includes the right-of-use assets in respect of property, plant and equipment leases of $976.4 million (1 July 2023: $944.4 million), and the lease liabilities recognised under AASB 16 *Leases* of $1,089.2 million (1 July 2023: $1,035.0 million). If the right-of-use assets and associated deferred tax liability were excluded as at 30 December 2023, the NTA would have been negative $0.48 per ordinary share (1 July 2023: negative $0.30).

SECTION A

APPENDIX 4D
INTERIM REPORT

SUPER RETAIL GROUP LIMITED (SUL)

ABN 81 108 676 204

Dividends or distribution reinvestment plans

The Company's Dividend Reinvestment Plan (DRP) remains active. The DRP is optional and offers eligible shareholders the opportunity to acquire fully paid ordinary shares in the Company rather than receiving dividends in cash. It is expected that the shares allocated under the DRP will be purchased on market and allocated on the dividend payment date. The DRP shares will rank *pari passu* with other fully paid ordinary shares on issue. The allocation price will be the arithmetic average of the weighted average market price of all Super Retail Group Limited ordinary shares sold in the ordinary course of trading on the ASX on each of the 10 consecutive trading days during the period from 12 March 2024 to 25 March 2024 (inclusive). A shareholder can elect to participate in or terminate their involvement in the DRP at any time.

Election notices for participation in the DRP in relation to the interim dividend to be paid on 12 April 2024 must be received by the registry by 5.00pm (AEDT) on 8 March 2024 to be effective for that dividend.

Details of associates and joint venture entities

The Group did not have any associates or joint venture entities during the period.

Foreign Entities

Foreign entities have been accounted for in accordance with Australian Accounting Standards.

Control gained or lost over entities during the period

(a) Names of entities where control was gained in the period
There were no entities over which the Group gained control during the period.

(b) Names of entities where control was lost in the period
There were no entities over which the Group lost control during the period.

SECTION B

SUPER RETAIL GROUP LIMITED

INTERIM FINANCIAL REPORT

FOR THE 26 WEEK PERIOD ENDED 30 DECEMBER 2023

Table of Contents **Page**

DIRECTORS' REPORT

The Directors of Super Retail Group Limited (the Company) present the Interim Financial Report of the Company and its controlled entities (the Group) for the 26 week period ended 30 December 2023.

Directors

The Directors of the Company at any time during or since the end of the period, and up to the date of this report, are:

- Sally Pitkin AO - Independent Non-Executive Chair
- Anthony Heraghty - Group Managing Director and Chief Executive Officer
- Annabelle Chaplain AM - Independent Non-Executive Director
- Peter Everingham - Independent Non-Executive Director
- Howard Mowlem - Independent Non-Executive Director
- Mark O'Hare - Non-Executive Director
- Judith Swales - Independent Non-Executive Director
- Penny Winn – Independent Non-Executive Director (appointed 1 December 2023)

Those Directors listed as Independent Directors have been independent throughout the period of their appointment.

Financial and Operational Review

An analysis of the Group's interim period financial and operating performance from continuing operations is outlined below.

(a) Group Results

The Group delivered a record sales result with sales for the period of $2,019.9 million (2022: $1,958.2 million), an increase of 3.2 per cent and like-for-like sales growth of 0.7 per cent. Growth in sales was driven by expansion and upgrades in the store network with 17 new stores opened in the period. The Group also saw a rebound in online sales which were up 10.1 per cent on the prior year.

Gross margin increased 30-bps to 46.5 per cent and remains above pre-COVID-19 levels. Costs have been well managed despite cost of doing business (CODB) increasing. The higher CODB as a percentage of sales was impacted by higher wages and occupancy costs.

Active club membership continued to grow during the period, up 15.1 percent in the past 12 months to 11.1 million members. The Group successfully launched the rebel active loyalty program during the period where more than 2 million club members have already earned loyalty points (as at week 33 of FY24).

The reported Net Profit After Tax for the period attributable to Owners of Super Retail Group Limited was $143.4 million (2022: $144.2 million), a decrease of 0.6 per cent.

Normalised Net Profit After Tax for the period was $145.2 million (2022: $153.5 million), a decrease of 5.4 per cent.

An analysis of the interim period's financial performance is:

Financial Performance	30 December 2023 $m	31 December 2022 $m
Statutory profit for the period after tax	**143.4**	**144.2**
Execution costs to complete the wage remediation after tax	1.8	0.5
FWO proceedings	-	8.8
Normalised net profit after tax	**145.2**	**153.5**

On 19 January 2023, the Fair Work Ombudsman (FWO) filed proceedings in the Federal Court of Australia (as amended) against the Company and certain of its subsidiaries, seeking orders in relation to alleged contraventions of the Fair Work Act 2009 (Cth) (Fair Work Act). The FWO has also sought orders for civil penalties against the Company and the named subsidiaries under the Fair Work Act. While the Group has been assisted by expert external advisers, these proceedings are at an early stage and the outcome and total costs associated with the proceedings are uncertain. The Group recognised an additional $8.8 million during the previous corresponding period (pcp) as an estimate of amounts potentially payable as a consequence of the FWO proceedings. The FWO proceedings are currently stayed (refer note 13(a) – Employee Benefits, in the accompanying notes to the consolidated financial statements).

Financial and Operational Review (continued)

(a) Group Results (continued)

Store Movements

	Stores 1 July 2023	Opened	Closed	Stores 30 December 2023
Supercheap Auto	331	7	(1)	337
rebel	159	1	(1)	159
BCF	157	5	-	162
Macpac	89	4	-	93
Group	**736**	**17**	**(2)**	**751**

(b) Division Results

	Sales		Segment EBIT		Segment PBT	
	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m
Supercheap Auto	**759.7**	728.6	**116.1**	115.7	**107.3**	108.1
rebel	**672.9**	681.9	**74.2**	91.4	**65.1**	84.1
BCF	**483.7**	447.6	**46.9**	35.9	**41.2**	31.0
Macpac	**105.4**	101.4	**9.2**	16.5	**7.9**	15.9
Unallocated	**(1.8)**	(1.3)	**(13.1)**	(18.6)	**(15.2)**	(20.8)
	2,019.9	1,958.2	**233.3**	240.9	**206.3**	218.3

Supercheap Auto

Total divisional sales increased by 4.3 per cent to $759.7 million on the pcp, making it a record first half. Like-for-like sales increased by 3.4 per cent on the pcp due to growth in transaction volumes and higher average transaction value (ATV). The auto maintenance category performed strongly driven by higher sales in lubricants, batteries and car detailing. Higher sales of low ticket-price consumables (including parts, wipers, electrical and car comfort) were also a key driver of revenue growth.

Gross margin improved by 70-bps, however segment PBT margin reduced by 70-bps due to higher operating expenses. Segment PBT of $107.3 million was 0.7 per cent lower than the pcp.

Online sales of $60.8 million represented 8.0 per cent of total Supercheap Auto sales and Click & Collect represented 78.5 per cent of online sales.

Active club membership grew by 19.0 per cent to 4.1 million in the period and represented 68.1 per cent of total Supercheap Auto sales.

rebel

Total divisional sales declined 1.3 per cent to $672.9 million compared to the pcp, as consumer spending softened in the second quarter. The rebel loyalty program launched within the period, and revenue recognition deferral of $5.1 million has been applied to the total reported sales. Underlying sales prior to this adjustment were almost flat to the prior year.

Like-for-like sales declined 2.6 per cent on the pcp, reflecting a decrease in units per transaction. Football and licensed were the best performing categories, delivering strong growth, while sales in footwear and apparel declined. The brand also experienced lower demand for high value items (running machines, home training and basketball systems).

Segment PBT margin declined by 260-bps on the pcp, reflecting higher operating expenses including the inflationary impact on rent and wages, along with the deleveraging impact of lower sales. Underlying gross margin was flat prior to the 70-bps adverse impact of the loyalty program as rebel maintained promotional discipline despite increased discounting from competitors. Segment PBT of $65.1 million was 22.6 per cent lower than the pcp.

Online sales of $119.7 million represented 17.8 per cent of total rebel sales and Click & Collect represented 31.1 per cent of online sales.

Active club membership grew by 15.1 per cent to 3.9 million in the period and represented 76.1 per cent of total rebel sales.

Financial and Operational Review (continued)

(b) Division Results (continued)

BCF

Total divisional sales increased by 8.1 per cent to $483.7 million on the pcp, a record first half for the brand driven by like-for-like sales and network expansion.

Like-for-like sales grew by 1.6 per cent on the pcp, driven by strong growth in transaction volumes. Fishing was the fastest growing category, driven by higher sales in consumables (lures and tackle). Sales in the camping category were in line with the pcp and reflected strong growth in caravan and camping accessories.

Segment PBT margin increased by 160-bps with higher gross margin up 190-bps, partly offset by increasing operating expenses. Segment PBT of $41.2 million was 32.9 per cent higher than the pcp.

Online sales of $60.6 million represented 12.5 per cent of total BCF sales and Click & Collect represented 56.6 per cent of online sales.

Active club membership grew by 11.6 per cent to 2.4 million in the period and represented 89.6 per cent of total BCF sales.

Macpac

A record first half of $105.4 million was an increase of 3.9 per cent compared to the pcp, driven by new store openings. Following a challenging first quarter due to mild winter weather, sales momentum improved in the second quarter driven by strong transaction growth in Australia and New Zealand.

Like-for-like sales increased 10 per cent in New Zealand, however declined by 5 per cent in Australia following a warm dry winter season. New Zealand saw strong growth in gear and accessories and sales in key travel categories benefitted from increased outbound tourism.

Segment PBT margin reflected a 200-bps reduction in gross margin compared to the pcp, mainly due to unfavourable exchange rate movements. Segment PBT declined to $7.9 million from $15.9 million in the pcp. Segment PBT margin decreased to 7.5 per cent on the pcp, reflecting lower gross margin and higher operating expenses due to the impact of inflation, a larger store network, and loss of leverage benefits in the first quarter.

Online sales of $19.0 million represented 18.0 per cent of total Macpac sales and Click & Collect represented 17.4 per cent of online sales.

Active club membership grew by 7.2 per cent to 0.7 million in the period and represented 73.9 per cent of total Macpac sales.

Group and Unallocated

Group unallocated includes corporate costs not allocated to segments as well as customer, omni, digital and loyalty development costs. Group unallocated costs for the period were $15.2 million compared to $20.8 million in the pcp, down $5.6 million or 26.9 per cent. This decrease follows the launch of the rebel active loyalty program with loyalty costs relating to rebel now reflected in the rebel segment result. While corporate costs were broadly flat year on year, the current period result also includes $3.6 million of interest income received on the Group's cash balance.

Financial and Operational Review (continued)

(c) Segment results prior to AASB 16 *Leases*

The segment results below show results by division excluding the impact of AASB16 *Leases*. The segment results on a post AASB16 *Leases* basis are in Note 3 Segment Information.

For the period ended 30 December 2023	SCA $m	rebel $m	BCF $m	Macpac $m	Total continuing operations $m	Inter-segment eliminations/ unallocated $m	Consolidated $m
Segment Revenue and Other Income							
External segment revenue	**759.7**	**672.9**	**483.7**	**103.6**	**2,019.9**	**-**	**2,019.9**
Inter segment sales	**-**	**-**	**-**	**1.8**	**1.8**	**(1.8)**	**-**
Other income	**0.3**	**-**	**-**	**0.2**	**0.5**	**3.6**	**4.1**
Total segment revenue and other income	**760.0**	**672.9**	**483.7**	**105.6**	**2,022.2**	**1.8**	**2,024.0**
Segment EBITDA	**131.5**	**85.1**	**54.7**	**11.4**	**282.7**	**(13.0)**	**269.7**
Segment depreciation and amortisation	**(21.7)**	**(19.1)**	**(12.3)**	**(3.1)**	**(56.2)**	**(0.1)**	**(56.3)**
Segment EBIT result	**109.8**	**66.0**	**42.4**	**8.3**	**226.5**	**(13.1)**	**213.4**
Finance costs							**(2.7)**
Total segment NPBT							**210.7**
Segment income tax expense							**(62.4)**
Normalised NPAT							**148.3**
AASB16 adjustment							**(3.1)**
Other items not included in the total segment NPAT							**(1.8)**
Profit for the period							**143.4**

For the period ended 31 December 2022	SCA $m	rebel $m	BCF $m	Macpac $m	Total continuing operations $m	Inter-segment eliminations/ unallocated $m	Consolidated $m
Segment Revenue and Other Income							
External segment revenue	728.6	681.9	447.6	100.1	1,958.2	-	1,958.2
Inter segment sales	-	-	-	1.3	1.3	(1.3)	-
Other income	0.1	0.1	-	-	0.2	-	0.2
Total segment revenue and other income	728.7	682.0	447.6	101.4	1,959.7	(1.3)	1,958.4
Segment EBITDA	132.9	103.7	42.8	17.7	297.1	(12.7)	284.4
Segment depreciation and amortisation	(21.7)	(19.5)	(10.4)	(1.7)	(53.3)	(5.9)	(59.2)
Segment EBIT result	111.2	84.2	32.4	16.0	243.8	(18.6)	225.2
Finance costs							(2.5)
Total segment NPBT							222.7
Segment income tax expense							(66.1)
Normalised NPAT							156.6
AASB16 adjustment							(3.1)
Other items not included in the total segment NPAT							(9.3)
Profit for the period							144.2

Financial and Operational Review (continued)

(d) Cash Flow and Net Debt

Cash flow from operating activities was $478.5 million, up 8.9 per cent or $39.2 million compared to the pcp. This was driven by the overall revenue increase as well as a decrease in payments to suppliers and employees as a result of timing of the Group's payment cycles. Payments due at the end of December 2023 paid in January 2024 were $98 million. When normalising for this payment run, payments to suppliers would be up approximately 4 per cent year on year which is broadly in line with cost increases year on year. Cashflow from operating activities was $380.5 million when adjusting for the $98 million. Tax instalments paid compared to the pcp which were up $45.3 million.

Capital expenditure was up $45.2 million on the pcp. This increase was due to investment in customer programs as well as an increase in investment in the Group's store network. This increase was also impacted by approximately $19 million of cash outflows in the current period that related to capital expenditure which was incurred in June 2023 but not yet due for payment.

Cash outflows from financing activities were up $62.3 million on the pcp, predominantly driven by the increase in the dividend year on year of $58.7 million. The Company paid a total fully franked dividend in October 2023 of 69 cents per share, comprising a FY23 final dividend of 44 cents and a special dividend of 25 cents. This compared to a final dividend of 43 cents per share in the prior financial year.

Cash conversion (segment EBITDA converted to free cash flow) was 118 per cent in the current period versus 108 per cent in the pcp. Adjusted for the $98 million impact of the timing of Decembers payment cycle this would be 94 per cent.

Bank debt remains nil as at the end of the period with a $321.2 million cash at bank balance.

As at the date of this report, the Group Strategy and Material Business Risks remain consistent with those disclosed in the Group's 2023 Annual Report.

Dividends

The Directors have determined to pay an interim dividend of 32.0 cents per fully paid ordinary share on issue as at 7 March 2024. The dividend will be fully franked and paid on 12 April 2024.

Rounding of Amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in this Interim Financial Report (including the Directors' Report). Amounts rounded have been rounded off to the nearest hundred thousand dollars unless otherwise indicated.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* (Cth) is included at page 9 of this report.

Signed in accordance with a resolution of Directors made pursuant to section 306(3) of the *Corporations Act 2001* (Cth).

On behalf of the Directors:

Sally Pitkin Chair	Anthony Heraghty Group Managing Director and Chief Executive Officer

Brisbane
22 February 2024

Auditor's Independence Declaration

As lead auditor for the review of Super Retail Group Limited for the half-year ended 30 December 2023, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Super Retail Group Limited and the entities it controlled during the period.

P.J. Carney

Paddy Carney
Partner
PricewaterhouseCoopers

Brisbane
22 February 2024

PricewaterhouseCoopers, ABN 52 780 433 757
480 Queen Street, BRISBANE QLD 4000, GPO Box 150, BRISBANE QLD 4001
T: +61 7 3257 5000, F: +61 7 3257 5999, www.pwc.com.au

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 26 weeks ended 30 December 2023

	Notes	30 December 2023 $m	31 December 2022 $m
Revenue from continuing operations		**2,019.9**	1,958.2
Other income from continuing operations	4	**4.1**	0.2
Total revenues and other income		**2,024.0**	1,958.4
Expenses			
Cost of sales of goods		**(1,080.0)**	(1,054.1)
Other expenses from ordinary activities			
- selling and distribution		**(254.6)**	(240.6)
- marketing		**(65.0)**	(59.2)
- occupancy		**(127.3)**	(117.0)
- administration		**(266.4)**	(256.1)
Finance costs	5	**(27.0)**	(22.6)
Total expenses		**(1,820.3)**	(1,749.6)
Profit before income tax		**203.7**	208.8
Income tax expense	6	**(60.3)**	(64.6)
Profit for the period		**143.4**	144.2
Profit for the period is attributable to:			
Owners of Super Retail Group Limited		**143.4**	144.2
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified to profit or loss			
Gains / (losses) on cash flow hedges		**(4.2)**	(1.7)
Hedging (gains) / losses reclassified to profit or loss		**(1.7)**	(7.5)
Exchange differences on translation of foreign operations		**0.7**	1.5
Other comprehensive income for the period, net of tax		**(5.2)**	(7.7)
Total comprehensive income for the period is attributable to:			
Owners of Super Retail Group Limited		**138.2**	136.5
Earnings per share for profit attributable to the ordinary equity holders of		**Cents**	**Cents**
Basic earnings per share		**63.5**	63.9
Diluted earnings per share		**63.0**	63.3

The above consolidated statement of comprehensive income must be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET

As at 30 December 2023

	Notes	30 December 2023 $m	1 July 2023 $m
ASSETS			
Current assets			
Cash and cash equivalents		**321.2**	192.3
Trade and other receivables	7	**58.2**	58.1
Inventories		**902.2**	788.6
Derivative financial instruments		**-**	2.7
Total current assets		**1,281.6**	1,041.7
Non-current assets			
Property, plant and equipment	8	**284.4**	270.4
Intangible assets	9	**843.2**	846.4
Right-of-use assets	10	**976.4**	944.4
Total non-current assets		**2,104.0**	2,061.2
Total assets		**3,385.6**	3,102.9
LIABILITIES			
Current liabilities			
Trade and other payables	11	**755.7**	490.1
Lease liabilities	10	**195.9**	175.8
Current tax liabilities		**29.7**	30.3
Provisions	13	**105.1**	106.3
Derivative financial instruments		**5.7**	-
Total current liabilities		**1,092.1**	802.5
Non-current liabilities			
Borrowings	12	**-**	-
Lease liabilities	10	**893.3**	859.2
Deferred tax liabilities		**13.3**	32.9
Provisions	13	**42.2**	40.7
Total non-current liabilities		**948.8**	932.8
Total liabilities		**2,040.9**	1,735.3
NET ASSETS		**1,344.7**	1,367.6
EQUITY			
Contributed equity	14	**740.7**	740.7
Other equity	14	**-**	(3.8)
Reserves		**3.1**	17.4
Retained earnings		**600.9**	613.3
TOTAL EQUITY		**1,344.7**	1,367.6

The above consolidated balance sheet must be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 26 weeks ended 30 December 2023

	Notes	Contributed Equity $m	Other Equity $m	Reserves $m	Retained Earnings $m	Total Equity $m
Balance at 2 July 2022		740.7	-	24.1	524.2	1,289.0
Profit for the period		-	-	-	144.2	144.2
Other comprehensive income for the period		-	-	(7.7)	-	(7.7)
Total comprehensive income for the period		-	-	(7.7)	144.2	136.5
Transactions with owners in their capacity as owners						
Dividends provided for or paid		-	-	-	(97.1)	(97.1)
Employee share schemes		-	-	(4.8)	-	(4.8)
		-	-	(4.8)	(97.1)	(101.9)
Balance at 31 December 2022		740.7	-	11.6	571.3	1,323.6
Balance at 1 July 2023		**740.7**	**(3.8)**	**17.4**	**613.3**	**1,367.6**
Profit for the period		**-**	**-**	**-**	**143.4**	**143.4**
Other comprehensive income for the period		**-**	**-**	**(5.2)**	**-**	**(5.2)**
Total comprehensive income for the period		**-**	**-**	**(5.2)**	**143.4**	**138.2**
Transactions with owners in their capacity as owners						
Dividends provided for or paid		**-**	**-**	**-**	**(155.8)**	**(155.8)**
Issue of treasury shares to employees		**-**	**3.8**	**-**	**-**	**3.8**
Employee share schemes		**-**	**-**	**(9.1)**	**-**	**(9.1)**
		-	**3.8**	**(9.1)**	**(155.8)**	**(161.1)**
Balance at 30 December 2023		**740.7**	**-**	**3.1**	**600.9**	**1,344.7**

The above consolidated statement of changes in equity must be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the 26 weeks ended 30 December 2023

	30 December 2023 $m	31 December 2022 $m
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	**2,213.1**	2,153.6
Payments to suppliers and employees (inclusive of goods and services tax)	**(1,634.9)**	(1,657.7)
Rental payments	**(19.7)**	(21.9)
Income taxes paid	**(80.0)**	(34.7)
Net cash inflow from operating activities	**478.5**	439.3
Cash flows from investing activities		
Payments for property, plant and equipment and software	**(83.1)**	(37.9)
Proceeds from sale of property, plant and equipment and software	**-**	0.1
Payments for businesses acquired	**-**	(0.8)
Proceeds from sale of investment in associate	**-**	1.8
Net cash (outflow) from investing activities	**(83.1)**	(36.8)
Cash flows from financing activities		
Proceeds from borrowings	**-**	122.0
Repayment of borrowings	**-**	(122.0)
Lease principal payments	**(88.9)**	(82.9)
Borrowing costs paid	**-**	(2.2)
Interest paid	**(26.1)**	(22.2)
Interest received	**4.1**	-
Dividend paid to Company's shareholders	**(155.8)**	(97.1)
Net cash (outflow) from financing activities	**(266.7)**	(204.4)
Net increase in cash and cash equivalents	**128.7**	198.1
Cash and cash equivalents at the beginning of the period	**192.3**	13.4
Effects of exchange rate changes on cash and cash equivalents	**0.2**	0.5
Cash and cash equivalents at the end of the interim period	**321.2**	212.0

The above consolidated statement of cash flows must be read in conjunction with the accompanying notes.

1. Reporting entity

Super Retail Group Limited (the Company) is a for-profit company incorporated and domiciled in Australia. The address of the Company's registered office and principal place of business is 6 Coulthards Avenue, Strathpine, Queensland.

The condensed Interim Financial Report of the Company is as at and for the 26 week period ended 30 December 2023 and comprises the Company and its subsidiaries (together referred to as the Group, and individually as Group entities).

The Group is primarily involved in the retail industry. Principal activities of the Group consist of:

- retailing of auto parts and accessories, tools and equipment;
- retailing of boating, camping, outdoor equipment, fishing equipment and apparel; and
- retailing of sporting equipment and apparel.

2. Basis of preparation of interim financial report

This condensed Interim Financial Report for the 26 week period ended 30 December 2023 has been prepared in accordance with the requirements of the *Corporations Act 2001* and Accounting Standard *AASB 134: Interim Financial Reporting.*

The Interim Financial Report does not include all of the disclosures of the type that are normally included in the Group's annual financial report. Accordingly, this Interim Financial Report is to be read in conjunction with the Group's annual financial report for the financial year ended 1 July 2023 and any public announcements made by the Company during the interim reporting period in accordance with continuous disclosure requirements of the *Corporations Act 2001* (Cth) and the ASX Listing Rules.

The accounting policies adopted are consistent with those adopted and disclosed in the Group's annual financial report for the financial year ended 1 July 2023, unless otherwise stated. Where applicable, various comparative balances have been reclassified to align with current period presentation. These amendments have no material impact on the consolidated financial statements.

(a) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

3. Segment information

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the Group Managing Director and Chief Executive Officer that are used to make strategic decisions. No operating segments have been aggregated to form the below reportable operating segments. This results in the following business segments:

- Supercheap Auto (SCA): retailing of auto parts and accessories, tools and equipment;
- rebel: retailing of sporting equipment and apparel;
- BCF: retailing of boating, camping, outdoor equipment, fishing equipment and apparel; and
- Macpac: retailing of apparel, camping and outdoor equipment.

(b) Segment information provided to the Group Managing Director and Chief Executive Officer

Detailed below is the information provided to the Group Managing Director and Chief Executive Officer for reportable segments. Items not included in Normalised Net Profit After Tax (Normalised NPAT) and excluded from the calculation of Segment PBT and Segment EBIT, are one-off charges relating to business restructuring, non-continuing operations, other items not in the ordinary course of business, and items that are unusual due to their size and nature. These are determined by management.

3. Segment information (continued)

(b) Segment information provided to the Group Managing Director and Chief Executive Officer (continued)

For the period ended 30 December 2023	SCA $m	rebel $m	BCF $m	Macpac $m	Total continuing operations $m	Inter-segment eliminations/ unallocated $m	Consolidated $m
Segment Revenue and Other Income							
External segment revenue	759.7	672.9	483.7	103.6	2,019.9	-	2,019.9
Inter segment sales	-	-	-	1.8	1.8	(1.8)	-
Other income	0.3	-	-	0.2	0.5	3.6	4.1
Total segment revenue and other income	760.0	672.9	483.7	105.6	2,022.2	1.8	2,024.0
Segment EBITDA(1)	173.7	136.2	83.2	21.9	415.0	(13.0)	402.0
Segment depreciation and amortisation	(57.6)	(62.0)	(36.3)	(12.7)	(168.6)	(0.1)	(168.7)
Segment EBIT result	116.1	74.2	46.9	9.2	246.4	(13.1)	233.3
Finance costs*	(8.8)	(9.1)	(5.7)	(1.3)	(24.9)	(2.1)	(27.0)
Total segment NPBT	107.3	65.1	41.2	7.9	221.5	(15.2)	206.3
Segment income tax expense(2)							(61.1)
Normalised NPAT							145.2
Other items not included in the total segment NPAT(3)							(1.8)
Profit for the period							143.4
Segment Assets and Liabilities							
Inventory	320.8	261.6	257.1	64.2	903.7	(1.5)	902.2
Trade payables	(233.4)	(142.3)	(133.8)	(10.0)	(519.5)	(39.5)	(559.0)
Net inventory investment	87.4	119.3	123.3	54.2	384.2	(41.0)	343.2

* Finance costs for the business segments represents interest on lease liabilities.

Footnote item	(1) Segment EBITDA adjusted for $m	(2) Segment income tax adjusted for $m	(3) Other items not included in total segment NPAT $m
Execution costs for team member wage remediation	2.6	(0.8)	1.8

3. Segment information (continued)

(b) Segment information provided to the Group Managing Director and Chief Executive Officer (continued)

For the period ended 31 December 2022	SCA $m	rebel $m	BCF $m	Macpac $m	Total continuing operations $m	Inter-segment eliminations/ unallocated $m	Consolidated $m
Segment Revenue and Other Income							
External segment revenue	728.6	681.9	447.6	100.1	1,958.2	-	1,958.2
Inter segment sales	-	-	-	1.3	1.3	(1.3)	-
Other income	0.1	0.1	-	-	0.2	-	0.2
Total segment revenue and other income	728.7	682.0	447.6	101.4	1,959.7	(1.3)	1,958.4
Segment EBITDA(1)	172.1	150.2	68.9	26.0	417.2	(12.7)	404.5
Segment depreciation and amortisation	(56.4)	(58.8)	(33.0)	(9.5)	(157.7)	(5.9)	(163.6)
Segment EBIT result	115.7	91.4	35.9	16.5	259.5	(18.6)	240.9
Finance costs*	(7.6)	(7.3)	(4.9)	(0.6)	(20.4)	(2.2)	(22.6)
Total segment NPBT	108.1	84.1	31.0	15.9	239.1	(20.8)	218.3
Segment income tax expense(2)							(64.8)
Normalised NPAT							153.5
Other items not included in the total segment NPAT(3)							(9.3)
Profit for the period							144.2
Segment Assets and Liabilities							
Inventory	314.9	249.9	259.0	53.0	876.8	(0.9)	875.9
Trade payables	(181.1)	(112.6)	(98.2)	(7.8)	(399.7)	(35.5)	(435.2)
Net inventory investment	133.8	137.3	160.8	45.2	477.1	(36.4)	440.7

* Finance costs for the business segments represents interest on lease liabilities.

Footnote item	(1) Segment EBITDA adjusted for $m	(2) Segment income tax adjusted for $m	(3) Other items not included in total segment NPAT $m
Execution costs for team member wage remediation	0.7	(0.2)	0.5
FWO proceedings	8.8	-	8.8
	9.5	(0.2)	9.3

4. Other income

	30 December 2023 $m	31 December 2022 $m
Other income		
Interest earned on cash at bank	**4.0**	-
Sundry	**0.1**	0.2
Total other income	**4.1**	0.2

5. Expenses from continuing operations

Profit before income tax includes the following specific gains and expenses:

	30 December 2023 $m	31 December 2022 $m
Expenses / (gains)		
Net (gain) on disposal of property, plant and equipment	-	(0.6)
(Gain) on sale of investment in associate	-	(1.8)
Depreciation		
Right-of-use assets	**112.9**	105.1
Plant and equipment	**26.8**	25.2
Computer equipment	**13.9**	10.4
Total depreciation	**153.6**	140.7
Amortisation and impairment charge		
Computer software	**15.1**	22.9
Right-of-use-asset impairment (reversal)	**(0.5)**	(0.2)
Total amortisation and impairment charge	**14.6**	22.7
Finance costs		
Interest and finance charges on bank facilities	**2.0**	1.8
Interest on lease liabilities and make-good provisions	**25.0**	20.8
Finance costs	**27.0**	22.6
Employee benefits expense		
Superannuation	**31.0**	28.0
Salaries and wages	**366.8**	345.4
Total employee benefits expense	**397.8**	373.4
Rental expense relating to operating leases		
Lease expenses	**20.7**	20.5
Equipment hire	**2.0**	2.1
Total rental expense relating to operating leases[1]	**22.7**	22.6

[1] The impact of applying AASB 16 *Leases* was a decrease of $132.3 million in rental expense to 30 December 2023 (2022: $120.1 million).

Foreign exchange gains and losses		
Net foreign exchange (gain)/loss	**(5.3)**	(7.4)

6. Income tax

	30 December 2023 $m	31 December 2022 $m
Income tax expense		
Current tax expense	**82.5**	79.1
Deferred tax (revenue)/expense	**(22.2)**	(14.5)
Total income tax expense	**60.3**	64.6
Deferred income tax (revenue)/expense included in income tax expense comprises:		
(Increase) / decrease in deferred tax assets	**16.8**	(7.5)
Increase / (decrease) in deferred tax liabilities	**(39.0)**	(7.0)
	(22.2)	(14.5)

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the six months ended 30 December 2023 is 29.6%, compared to 30.9% for the six months ended 31 December 2022.

7. Trade and other receivables

	30 December 2023 $m	1 July 2023 $m
Current		
Trade receivables	**18.0**	19.0
Loss allowance	**(0.5)**	(0.6)
Net trade receivables	**17.5**	18.4
Other receivables	**23.8**	16.7
Prepayments	**16.9**	23.0
Net current trade and other receivables	**58.2**	58.1

8. Property, plant and equipment

	30 December 2023 $m	1 July 2023 $m
Plant and equipment, at cost	**570.8**	546.0
Less accumulated depreciation	**(331.1)**	(318.6)
Net plant and equipment	**239.7**	227.4
Computer equipment, at cost	**122.0**	113.8
Less accumulated depreciation	**(77.3)**	(70.8)
Net computer equipment	**44.7**	43.0
Total net property, plant and equipment	**284.4**	270.4

9. Intangible assets

	30 December 2023 $m	1 July 2023 $m
Goodwill, at cost	**529.5**	529.5
Less accumulated impairment charge	**(2.1)**	(2.1)
Net goodwill	**527.4**	527.4
Computer software, at cost	**265.1**	253.3
Less accumulated amortisation	**(202.6)**	(187.6)
Net computer software	**62.5**	65.7
Brand names, at cost	**311.8**	311.8
Less accumulated amortisation and impairment charge	**(58.5)**	(58.5)
Net brand names	**253.3**	253.3
Total net intangible assets	**843.2**	846.4

(a) Impairment tests for goodwill

Goodwill is allocated to the Group's cash generating units (CGUs) identified according to the group of assets at the time of acquisition. Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Key assumptions used in impairment testing are as detailed in note 11 of the Group's 2023 Annual Report.

Management has performed an analysis of internal and external factors which may indicate impairment in any of the Group's CGUs as at 30 December 2023 and have concluded that no impairment exists. Despite the performance of rebel and Macpac being softer than the prior comparative period, qualitative and quantitative analysis determined that risk of impairment is low, and that the carrying value of each of the CGUs is supportable. Macpac is performing in line with management expectations despite performing below the prior year. As a result of these factors and the analysis performed, management have not updated any of the impairment calculations since the end of the FY23 financial year.

(b) Impairment tests for brand names

The carrying value of brand names represents purchased brand names for rebel and Macpac.

No amortisation is provided against the carrying value of the purchased brand names on the basis that they are considered to have indefinite useful lives.

Key factors taken into account in assessing the useful life of each brand name were:
- the strong recognition of each brand; and
- the absence of any legal, technical or commercial factors indicating that the life should be considered limited.

Critical accounting estimates and assumptions

Estimated impairment of indefinite useful life non-financial assets
The Group tests annually whether indefinite useful life non-financial assets have suffered any impairment, or more frequently if events or changes in circumstances indicate that they might be impaired, in accordance with the accounting policy as described in the annual financial report. The recoverable amounts of cash-generating units are determined based on value-in-use calculations. These calculations require the use of assumptions. Refer to the Group's annual financial report for the financial year ended 1 July 2023 for details of these assumptions.

10. Leases

	30 December 2023 $m	1 July 2023 $m
Right-of-Use assets		
Properties	**976.4**	944.4
Total right-of-use assets	**976.4**	944.4
Lease liabilities		
Current	**195.9**	175.8
Non-current	**893.3**	859.2
Total lease liabilities	**1,089.2**	1,035.0

Additions to the right-of-use assets during the period were $149.6 million (2022: $128.6 million).

At 30 December 2023, the Group had committed to leases that had not yet commenced. The Group has estimated that the potential future lease payments would result in an increase in undiscounted lease liabilities of $272.6 million (1 July 2023: $238.5 million).

	30 December 2023 $m	31 December 2022 $m
Depreciation charge on right-of-use assets		
Properties	**112.9**	105.0
Computer equipment	**-**	0.1
Total depreciation charge on right-of-use assets	**112.9**	105.1
Interest expenses (included in Finance costs)	**24.3**	20.1
Expense relating to short-term leases (included in Occupancy expenses)	**3.3**	3.8
Expense relating to leases of low-value assets (included in Cost of Goods Sold and Administrative expenses)	**2.0**	2.1
Expense relating to variable lease payments not included in lease liabilities (included in Occupancy expenses)	**17.8**	16.9

The total cash outflow for leases during the period were $113.2 million (2022: $103.0 million).

Critical accounting estimates and assumptions

Extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are included in the lease term only if the lease is reasonably certain to be extended (or not terminated).

Taking into consideration the retail market, management considers leases with more than three years to expiry as not reasonably certain to be extended. An annual strategic store network review as approved by the Board delivers confidence over network plans covering the next three years. Of the Group's lease portfolio 51% (1 July 2023: 55%) of leases contain renewal options. The lease liability currently includes extension options in the calculation of the lease term for 27% (1 July 2023: 26%) of all leases.

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and is within the control of the lessee.

11. Trade and other payables

	30 December 2023 $m	1 July 2023 $m
Current		
Trade payables	**559.0**	357.2
Gift card deferred revenue	**84.2**	60.8
Other payables	**112.5**	72.1
Total current trade and other payables[1]	**755.7**	490.1

[1] Trade payables at 31 December 2022 was $435.2 million. Trade payables in the current period have been impacted by the timing of month end payment cycles that occurred in the next period. Compared to the 1 July 2023 balance the 30 December 2023 trade payables balance is impacted by the increase in inventory purchases required for the peak November and December sales.

Significant accounting policies

Supply chain finance

The Group participates in a supply chain finance program under which its suppliers may elect to receive early payment of their invoice from a bank by factoring their receivable from the Group. Under the arrangement, a bank agrees to pay amounts to a participating supplier in respect of invoices owed by the Group and receives settlement from the Group at a later date. The supplier engages directly with the bank. The principal purpose of this program is to facilitate efficient payment processing and enable willing suppliers to sell their receivables due from the Group to a bank before their due date. The Group does not control which suppliers elect to enter into the arrangement, as this is at the sole discretion of the supplier.

The Group has not derecognised the original liabilities to which the arrangement applies because neither a legal release was obtained, nor was the original liability substantially modified on entering into the arrangement. From the Group's perspective, the arrangement does not significantly extend payment terms beyond the normal terms agreed with other suppliers that are not participating. The Group does not incur any additional interest towards the bank on the amounts due to the suppliers. The Group therefore discloses the amounts factored by suppliers within trade payables because the nature and function of the financial liability remain the same as those of other trade payables. The payments to the bank are included within operating cash flows.

12. Borrowings

	30 December 2023 $m	1 July 2023 $m
Non-current		
Bank debt funding facility - unsecured[1]	**-**	-
Total non-current borrowings	**-**	-

[1] No drawn bank debt at period end. Capitalised borrowing costs of $1.4 million as at 30 December 2023 are presented in Trade and other receivables as a Prepayment (refer note 7) (1 July 2023: $1.8 million).

(a) Financing arrangements

During the previous reporting period, the Group refinanced its bank debt funding facility, extending tenor and reducing the value of the overall facility. Bank debt funding is split with $160 million expiring December 2025, $180 million expiring December 2026 and $160 million expiring December 2027. Drawdown of debt facilities can occur within 48 hours notice. Bank overdraft and multi-option funding facilities totalling $50 million are reviewed and renewed annually.

12. Borrowings (continued)

(b) Reconciliation of liabilities arising from financing activities

	1 July 2023 $m	Reclassed from Trade and Other Receivables $m	Cash flows $m	Non-cash – Amortisation and additions $m	Reclassed to Trade and Other Receivables $m	30 December 2023 $m
Bank debt funding facility	-	-	-	-	-	-
Capitalised borrowing costs	-	**1.8**	-	**(0.4)**	**(1.4)**	-
Total	-	**1.8**	-	**(0.4)**	**(1.4)**	-

	2 July 2022 $m	Reclassed from Trade and Other Receivables $m	Cash flows $m	Non-cash – Amortisation and additions $m	Reclassed to Trade and Other Receivables $m	31 December 2022 $m
Bank debt funding facility	-	-	-	-	-	-
Capitalised borrowing costs	-	-	(2.2)	-	2.2	-
Total	-	-	(2.2)	-	2.2	-

13. Provisions

	30 December 2023 $m	1 July 2023 $m
Current		
Employee benefits[(a)]	**92.5**	98.2
Make good provision	**7.8**	5.3
Other provisions	**4.8**	2.8
Total current provisions	**105.1**	106.3
Non-current		
Employee benefits[(a)]	**12.5**	9.9
Make good provision	**29.2**	30.8
Onerous contracts	**0.5**	-
Total non-current provisions	**42.2**	40.7

(a) Employee Benefits

Provisions for employee benefits includes accrued annual leave, long service leave and accrued bonuses.

A remediation program in relation to payments owed to team members, as first identified in the 2018 financial year, is now substantially complete, with the Group having paid back $52.7 million in entitlements and interest to certain of its award-covered set-up and retail management team members, and its enterprise agreement-covered team members.

On 19 January 2023, the Fair Work Ombudsman (FWO) filed proceedings in the Federal Court of Australia (as amended) against the Company and certain of its subsidiaries, seeking orders in relation to alleged contraventions of the Fair Work Act 2009 (Cth) (Fair Work Act) and payments of $1.15 million for 146 team members (less remediation amounts already paid to those team members).

The FWO has also sought orders for civil penalties against the Company and the named subsidiaries under the Fair Work Act. While the Group has been assisted by expert external advisers, these proceedings are still at an early stage and the outcome and total costs associated with the proceedings are uncertain. The Group increased the provision in the prior financial year to recognise amounts potentially payable as a consequence of the FWO proceedings by $8.8 million. The total provision as at 30 December 2023 is $14.2 million (1 July 2023: $14.3 million).

13. Provisions (continued)

(a) Employee Benefits (continued)

On 21 November 2023, the FWO proceedings were stayed until judgment is published in Fair Work Ombudsman v Woolworths Group Limited (ACN 000 014 675) (NSD581/2021) and Fair Work Ombudsman v Coles Supermarkets Australia Pty Ltd (ACN 004 189 708) (NSD1252/2021) (the Woolworths and Coles proceedings). Further orders of the Court were also made for the future conduct of the FWO proceedings, including in relation to any proposed amendments to the FWO proceedings arising out of the judgment in the Woolworths and Coles proceedings. A copy of the Court orders made on 21 November 2023 in the FWO proceedings can be obtained via the Commonwealth Courts Portal at www.comcourts.gov.au

14. Contributed equity

(a) Share Capital

	30 December 2023 $m	1 July 2023 $m
Ordinary shares fully paid (225,826,500 ordinary shares as at 30 December 2023)	**740.7**	740.7

Movement in ordinary share capital

	Number of Shares	Issue Price	$m
Balance 1 July 2023	225,826,500		740.7
Movement in the period	-	-	-
Closing balance 30 December 2023	**225,826,500**		**740.7**

(b) Other Equity

	30 December 2023 $m	1 July 2023 $m
Treasury shares	**-**	(3.8)

Movement in treasury shares

	Number of Shares	Average Price per Share	$m
Balance 1 July 2023	(300,000)		(3.8)
Issue of treasury shares to employees	300,000	12.76	3.8
Closing balance 30 December 2023	**-**		**-**

15. Dividends

	30 December 2023 $m	31 December 2022 $m
Ordinary Shares		
Dividends paid by Super Retail Group Limited during the interim period	**155.8**	97.1
Dividends not recognised at the end of the interim period		
Subsequent to the end of the interim period, the Directors have determined the payment of an interim dividend of 32.0 cents (2022: 34.0 cents) per ordinary share fully franked based on tax paid at 30%.		
The aggregate amount of the interim dividend expected to be paid on 12 April 2024 (2022: 14 April 2023), out of retained profits at 30 December 2023, but not recognised as a liability at the end of the interim period is	**72.3**	76.8

16. Financial assets and financial liabilities

(a) Financial instruments

The Group holds the following financial instruments:

30 December 2023	Notes	Derivatives used for hedging $m	Financial assets and liabilities at amortised cost $m	Total $m
Financial assets				
Cash and cash equivalents		-	**321.2**	**321.2**
Trade and other receivables	7	-	**58.2**	**58.2**
Total		-	**379.4**	**379.4**
Financial liabilities				
Trade and other payables	11	-	**755.7**	**755.7**
Borrowings	12	-	-	-
Lease liabilities	10	-	**1,089.2**	**1,089.2**
Derivative financial instruments		**5.7**	-	**5.7**
Total		**5.7**	**1,844.9**	**1,850.6**

1 July 2023	Notes	Derivatives used for hedging $m	Financial assets and liabilities at amortised cost $m	Total $m
Financial assets				
Cash and cash equivalents		-	192.3	192.3
Trade and other receivables	7	-	58.1	58.1
Derivative financial instruments		2.7	-	2.7
Total		2.7	250.4	253.1
Financial liabilities				
Trade and other payables	11	-	490.1	490.1
Borrowings	12	-	-	-
Lease liabilities	10	-	1,035.0	1,035.0
Total		-	1,525.1	1,525.1

The Group's exposure to various risks associated with the financial instruments is discussed in note 17 of the Group's 2023 Annual Report. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

(b) Recognised fair value measurements

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level is outlined below.

The Group recognises and measures derivatives used for hedging at their fair values classified as a level 2 financial instrument. At 30 December 2023 the Group had derivative financial liabilities totalling $5.7 million (1 July 2023: nil) and derivative financial assets of nil (1 July 2023: $2.7 million).

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

There were no transfers between any levels for recurring fair value measurements during the year. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

16. Financial assets and financial liabilities (continued)

(b) Recognised fair value measurements (continued)

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:
- the use of quoted market prices or dealer quotes for similar instruments;
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date; and
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

17. Investments in subsidiaries and other entities

(a) Subsidiaries

The Group's subsidiaries at 30 December 2023 are as detailed in note 28 of the Group's 2023 Annual Report. There has been no change to the Group's ownership interests in these entities during the current reporting period.

(b) Associates and joint ventures

The Group did not have any associates or joint venture entities during the period.

18. Contingencies

Guarantees	30 December 2023 $m	1 July 2023 $m
Guarantees issued by the bankers of the Group in support of various rental and inventory arrangements.		
The maximum future rental payments guaranteed amount to:	**4.0**	4.3
The maximum future inventory payments guaranteed amount to:	**4.0**	2.2

Other contingencies

On 19 January 2023, the FWO filed proceedings in the Federal Court of Australia against the Company and certain of its subsidiaries, seeking orders in relation to alleged contraventions of the Fair Work Act (refer Note 13 – Provisions). Further amounts may become payable as a result of these legal proceedings. Future professional advisory fees will be incurred in connection with these proceedings.

From time to time the Group is subject to legal claims as a result of its operations. A contingent liability may exist for any exposure over and above current provisioning levels.

19. Commitments

Commitments payable for the acquisition of plant and equipment and computer software, contracted for at the reporting date but not recognised as liabilities payable, total $43.7 million as at 30 December 2023 (1 July 2023: $43.7 million).

20. Related party transactions

The nature of the Group's related party transactions is consistent with those disclosed in the previous financial year. The Group's transactions with related parties are disclosed in note 24 of the Group's 2023 Annual Report. Transactions with related parties are at arm's length unless otherwise stated.

Store lease payments made to related parties for the period ended 30 December 2023 are $3.8 million (31 December 2022: $3.9 million).

21. Events occurring after reporting date

There were no material events subsequent to 30 December 2023 and up to authorisation of the financial statements for issue, requiring a disclosure in this Interim Financial Report, other than those that have been disclosed elsewhere in this report.

DIRECTORS' DECLARATION

In the Directors' opinion:

(a) the consolidated interim financial statements and notes set out on pages 3 to 26, are in accordance with the *Corporations Act 2001* (Cth), including:

(i) giving a true and fair view of Group's financial position as at 30 December 2023 and of its performance, for the 26 week period ended on that date;

(ii) complying with Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001* (Cth); and

(b) there are reasonable grounds to believe that Super Retail Group Limited will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations by the Group Managing Director and Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001 (Cth).

This declaration is made in accordance with a resolution of the Directors:

Sally Pitkin
Chair

Anthony Heraghty
Group Managing Director and Chief Executive Officer

Brisbane
22 February 2024

Independent auditor's review report to the members of Super Retail Group Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Super Retail Group Limited (the Company) and the entities it controlled during the half-year from 2 July 2023 to 30 December 2023 (together the Group), which comprises the consolidated balance sheet as at 30 December 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Super Retail Group Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 30 December 2023 and of its performance for the half-year ended on that date

2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

PricewaterhouseCoopers, ABN 52 780 433 757
480 Queen Street, BRISBANE QLD 4000, GPO Box 150, BRISBANE QLD 4001
T: +61 7 3257 5000, F: +61 7 3257 5999

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 December 2023 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers

PricewaterhouseCoopers

P.J. Carney

Paddy Carney
Partner

Brisbane
22 February 2024