

MYER HOLDINGS LIMITED

ABN 14 119 085 602

APPENDIX 4D

HALF-YEAR REPORT

ASX Listing Rule 4.2A.3

Current reporting period: 26 weeks ended 27 January 2024

Previous corresponding period: 26 weeks ended 28 January 2023

Results for announcement to the market

					\$m
Total sales from ordinary activities	down	(3.0%)	to		1,829.1
Profit attributable to members of Myer Holdings Limited	down	(22.4%)	to		50.5
Net profit after tax before restructuring, space exit costs and other significant items	down	(19.9%)	to		52.0

Dividends

	Amount per security	Franked amount per security
Current reporting period		
2024 interim dividend	3.0 cents	3.0 cents
2023 final dividend	1.0 cents	1.0 cents
Previous corresponding period		
2023 interim dividend	4.0 cents	4.0 cents
2023 special dividend	4.0 cents	4.0 cents
2022 final dividend	2.5 cents	2.5 cents

Record date for determining entitlements to the interim dividend

28 March 2024

Commentary on results for the period

For an explanation of the results refer to the ASX and media release.

Net tangible assets per ordinary security

	27 January 2024	28 January 2023
Net tangible assets per ordinary security ¹	(\$0.18)	(\$0.14)

1. Includes right-of-use assets and lease liabilities recognised in accordance with AASB 16 Leases

This report is based on the Half-Year Financial Report for the half-year ended 27 January 2024, which has been reviewed by PricewaterhouseCoopers. Additional Appendix 4D disclosures can be found in the attached Half-Year Financial Report, which contains the Directors' Report, the Directors' Declaration and the consolidated financial statements for the half-year ended 27 January 2024.

This information should be read in conjunction with the 2023 Annual Financial Report and public announcements made in the period by Myer Holdings Limited, in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and ASX Listing Rules.

HALF-YEAR FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 27 JANUARY 2024

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DIRECTORS' REPORT

The directors present their report on the consolidated entity consisting of Myer Holdings Limited (the Company) and the entities it controlled (collectively referred to as the Group) at the end of, or during, the half-year ended 27 January 2024.

Directors

The following persons were directors of the Company during the half-year and/or up to the date of this Directors' Report:

Director	Position
Ari Mervis	Chairman (appointed 9 November 2023) and independent non-executive director
JoAnne Stephenson	Chairman and independent non-executive director (retired on 9 November 2023)
John King	Chief Executive Officer and Managing Director
Dave Whittle	Independent non-executive director
Jacque Naylor	Independent non-executive director
Terrence McCartney	Non-executive director
Olivia Wirth	Independent non-executive director (appointed 9 November 2023)
Gary Weiss AM	Independent non-executive director (appointed 9 November 2023)

Review of Operations

A review of the operations of the Group during the half-year and the results of these operations are contained in Myer's ASX and media release for the period accompanying this report.

Auditor's Independence Declaration

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 3.

Rounding of Amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and, except where otherwise stated, amounts in the Half-Year Financial Report have been rounded off to the nearest hundred thousand dollars.

This report is made in accordance with a resolution of directors.



Ari Mervis
Chairman
Melbourne
13 March 2024



Auditor's Independence Declaration

As lead auditor for the review of Myer Holdings Limited for the half-year ended 27 January 2024, 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 Myer Holdings Limited and the entities it controlled during the period.

A handwritten signature in black ink that reads 'Alison Tait Milner'.

Alison Tait Milner
Partner
PricewaterhouseCoopers

Melbourne
13 March 2024

CONSOLIDATED INCOME STATEMENT

for the half-year ended 27 January 2024

	Half-Year Ended	
	2024	2023
	26 weeks	26 weeks
	\$m	\$m
Total sales	1,829.1	1,884.9
Concession sales	(424.9)	(407.1)
Sale of goods	1,404.2	1,477.8
Sales revenue deferred under customer loyalty program	(27.0)	(27.6)
Revenue from sale of goods	1,377.2	1,450.2
Other operating revenue	109.0	104.6
Cost of goods sold	(821.1)	(871.6)
Operating gross profit	665.1	683.2
Selling expenses	(388.7)	(387.9)
Administration expenses	(157.3)	(155.7)
Restructuring, space exit (costs)/reversals and other significant items	(1.6)	-
Earnings before interest and tax	117.5	139.6
Finance revenue	2.4	1.9
Finance costs	(46.9)	(48.1)
Net finance costs	(44.5)	(46.2)
Profit before income tax	73.0	93.4
Income tax expense	(22.5)	(28.4)
Profit for the period attributable to owners of Myer Holdings Limited	50.5	65.0
Earnings per share attributable to the ordinary equity holders of the Company:	Cents	Cents
Basic earnings per share	6.1	7.9
Diluted earnings per share	6.0	7.7

The above consolidated income statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the half-year ended 27 January 2024

	Half-Year Ended	
	2024	2023
	26 weeks	26 weeks
	\$m	\$m
Profit for the period	50.5	65.0
Other comprehensive (loss)		
Items that may be reclassified to profit or loss:		
Cash flow hedges	(1.1)	(13.2)
Exchange differences on translation of foreign operations	(0.3)	(0.6)
Other comprehensive (loss) for the period, net of tax	(1.4)	(13.8)
Total comprehensive income for the period attributable to owners of Myer Holdings Limited	49.1	51.2

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

CONSOLIDATED BALANCE SHEET

as at 27 January 2024

	Notes	27 January 2024 \$m	29 July 2023 \$m	28 January 2023 \$m
ASSETS				
Current assets				
Cash and cash equivalents		272.9	179.7	326.4
Trade and other receivables and prepayments		40.0	28.4	35.3
Inventories		373.1	371.3	383.6
Derivative financial instruments	3	4.3	6.0	2.1
Total current assets		690.3	585.4	747.4
Non-current assets				
Property, plant and equipment		329.3	321.7	313.5
Right-of-use assets		1,103.5	1,101.4	1,156.0
Intangible assets		306.8	305.2	308.8
Deferred tax assets		124.9	121.9	106.1
Derivative financial instruments	3	0.2	0.4	0.4
Other non-current assets		1.2	0.8	1.3
Total non-current assets		1,865.9	1,851.4	1,886.1
Total assets		2,556.2	2,436.8	2,633.5
LIABILITIES				
Current liabilities				
Trade and other payables		484.2	401.7	495.8
Lease liabilities		154.5	154.3	148.4
Provisions		68.0	73.4	66.0
Derivative financial instruments	3	0.8	1.4	11.9
Current tax liabilities		13.3	9.8	7.2
Other liabilities		0.1	0.1	0.2
Total current liabilities		720.9	640.7	729.5
Non-current liabilities				
Borrowings		61.2	60.1	59.1
Lease liabilities		1,484.9	1,490.6	1,541.1
Provisions		5.4	4.9	4.3
Derivative financial instruments	3	0.2	-	1.7
Total non-current liabilities		1,551.7	1,555.6	1,606.2
Total liabilities		2,272.6	2,196.3	2,335.7
Net assets		283.6	240.5	297.8
EQUITY				
Contributed equity	4	734.0	734.0	735.2
Accumulated losses		(460.9)	(503.1)	(432.8)
Reserves		10.5	9.6	(4.6)
Total equity		283.6	240.5	297.8

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half-year ended 27 January 2024

	Notes	Contributed equity \$m	Accumulated losses \$m	Reserves \$m	Total \$m
Balance as at 30 July 2022		737.1	(477.3)	7.6	267.4
Net profit for the period		-	65.0	-	65.0
Other comprehensive income for the period		-	-	(13.8)	(13.8)
Total comprehensive income for the period		-	65.0	(13.8)	51.2
Transactions with owners in their capacity as owners:					
Acquisition of treasury shares		(1.9)	-	-	(1.9)
Employee share schemes		-	-	1.6	1.6
Dividends Paid		-	(20.5)	-	(20.5)
Balance as at 28 January 2023		735.2	(432.8)	(4.6)	297.8
Balance as at 29 July 2023		734.0	(503.1)	9.6	240.5
Net profit for the period		-	50.5	-	50.5
Other comprehensive loss for the period		-	-	(1.4)	(1.4)
Total comprehensive income/(loss) for the period		-	50.5	(1.4)	49.1
Transactions with owners in their capacity as owners:					
Employee share schemes		-	-	2.3	2.3
Dividends Paid	5	-	(8.3)	-	(8.3)
Balance as at 27 January 2024		734.0	(460.9)	10.5	283.6

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the half-year ended 27 January 2024

	Notes	Half-Year Ended	
		2024 26 weeks \$m	2023 26 weeks \$m
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		1,662.9	1,739.9
Payments to suppliers and employees (inclusive of goods and services tax)		(1,376.1)	(1,442.1)
		286.8	297.8
Interest paid		(46.4)	(47.1)
Income tax paid		(21.7)	(40.2)
Net cash inflow from operating activities		218.7	210.5
Cash flows from investing activities			
Payments for property, plant and equipment		(34.3)	(35.6)
Payments for intangible assets		(14.0)	(16.9)
Lease incentives and contributions received		3.4	15.0
Interest received		2.4	1.9
Net cash outflow from investing activities		(42.5)	(35.6)
Cash flows from financing activities			
Payments for principal portion of lease liabilities		(74.7)	(70.0)
Dividends paid to equity holders of the parent	5	(8.3)	(20.5)
Payment for acquisition of treasury shares	4	-	(1.9)
Net cash outflow from financing activities		(83.0)	(92.4)
Net increase in cash and cash equivalents		93.2	82.5
Cash and cash equivalents at the beginning of the period		179.7	243.9
Cash and cash equivalents at end of the period		272.9	326.4

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half-year ended 27 January 2024

1 Segment Information

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer that are used to make strategic decisions about the allocation of resources.

The Chief Executive Officer considers the business based on total store and product portfolio, and has identified that the Group operates in Australia in the department store retail segment.

The Group also undertakes activities outside the department store retail business through its subsidiaries: sass & bide and Marcs and David Lawrence. On the basis that these subsidiaries represent less than 10% of the total Group's operations and have similar economic characteristics to the department store retail business, they have not been disclosed as separate reporting segments.

Seasonality of operations

The financial performance of the Group is subject to seasonal fluctuations in sales volumes, and as such revenue and profit is historically weighted in favour of the first half of the financial period, driven by the Christmas trading period.

2 Expenses

Restructuring, space exit costs/(reversals) and other significant items

The following individually significant items are included within restructuring, space exit costs/(reversals) and other significant items in the consolidated income statement:

	Half-Year Ended 2024 26 weeks \$m	2023 26 weeks \$m
Restructuring, space exit costs/(reversals) and other significant items ¹	1.6	-
Income tax benefit ¹	(0.1)	-
Restructuring, space exit costs/(reversals) and other significant items, net of tax	1.5	-

1. Restructuring, space exit costs and other significant items includes taxation adjustments, and implementation costs for certain Software as a Service (SaaS) applications that are one off in nature but cannot be capitalised.

3 Fair Value Measurement of Financial Instruments

As at 27 January 2024 and 29 July 2023, the Group held the following derivative financial instruments:

	27 January 2024 \$m	29 July 2023 \$m
Current assets		
Forward foreign exchange contracts	4.3	6.0
Total current derivative financial instrument assets	4.3	6.0
Non-current assets		
Forward foreign exchange contracts	0.2	0.4
Total non-current derivative financial instrument assets	0.2	0.4
Current liabilities		
Forward foreign exchange contracts	0.8	1.4
Total current derivative financial instrument liabilities	0.8	1.4
Non-current liabilities		
Forward foreign exchange contracts	0.2	-
Total non-current derivative financial instrument liabilities	0.2	-

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liabilities either directly (as prices) or indirectly derived from prices; and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All of the Group's financial instruments were valued using the Level 2 technique, with no transfers between levels during the period.

The fair value of forward foreign exchange contracts is determined using the present value of future cash flows based on the forward exchange rates at the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half-year ended 27 January 2024

4 Contributed Equity

	27 January 2024	29 July 2023	27 January 2024	29 July 2023
	Number of shares	Number of shares	\$m	\$m
Ordinary shares - fully paid	821,278,815	821,278,815	780.0	780.0
Shares issued to Myer Equity Plans Trust at market value	10,547,466	-	6.2	-
Closing balance	831,826,281	821,278,815	786.2	780.0
Treasury shares				
Opening balance	(2,113,515)	(1,147,053)	(46.0)	(42.9)
Shares issued to Myer Equity Plans Trust at market value	(10,547,466)	-	(6.2)	-
Shares issued for performance rights granted	10,547,466	-	-	-
Shares acquired by Myer Equity Plans Trust on market at \$0.58	-	(3,260,930)	-	(1.9)
Shares issued under transformation incentive plan	1,147,055	2,742,226	-	-
Shares issued under short-term incentive plan	209,934	-	-	-
Shares issued on exercise of options at \$0.55	304,724	901,045	-	-
Shares acquired by Myer Equity Plans Trust on market at \$0.88	-	(1,348,803)	-	(1.2)
Closing balance of Treasury shares	(451,802)	(2,113,515)	(52.2)	(46.0)
Closing balance	831,374,479	819,165,300	734.0	734.0

5 Dividends

	2024 26 weeks \$m	2023 26 weeks \$m
(a) Ordinary shares		
Final fully franked dividend for the period ended 29 July 2023 of 1.0 cents (2022: 2.5 cents) per fully paid ordinary share, paid 16 November 2023.	8.3	20.5
(b) Dividends not recognised at the end of the half-year		
Since the end of the half-year, the directors have recommended an interim dividend of 3.0 cents (2023: interim dividend of 4.0 cents and special dividend of 4.0 cents), per fully paid ordinary share and fully franked at a tax rate of 30 percent. The aggregate amount of the proposed dividends expected to be paid on 16 May 2024, but not recognised as a liability at the end of the half-year, is:	25.0	65.7

6 Subsequent Events

Dividends on the Company's ordinary shares

Subsequent to 27 January 2024, the directors have recommended an interim dividend of 3.0 cents (2023: interim dividend of 4.0 cents and special dividend of 4.0 cents), per fully paid ordinary share and fully franked at a tax rate of 30 percent, payable on 16 May 2024. The financial effect of the interim dividend has not been recognised in the half-year financial statements ended 27 January 2024 and will be recognised in the subsequent financial statements.

7 Basis of Preparation of Half-Year Report

This condensed consolidated interim financial report for the half-year ended 27 January 2024 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This Half-Year Financial Report does not include all the information and disclosures normally included in an Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Report for the period ended 29 July 2023 and any public announcements made by Myer Holdings Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies applied in this Half-Year Financial Report are consistent with those applied in the previous financial period and corresponding interim reporting period.

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.

DIRECTORS' DECLARATION

In the directors' opinion:

(a) the financial statements and notes set out on pages 4 to 10 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the consolidated entity's financial position as at 27 January 2024 and of its performance for the half-year ended on that date; and

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

This declaration is made in accordance with a resolution of the directors.



Ari Mervis
Chairman
Melbourne
13 March 2024



Independent auditor's review report to the members of Myer Holdings Limited

Report on the financial report

Conclusion

We have reviewed the financial report of Myer Holdings Limited (the Company) and the entities it controlled during the period (together the Group), which comprises the consolidated balance sheet as at 27 January 2024, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period from 30 July 2023 to 27 January 2024, 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 financial report of Myer Holdings 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 27 January 2024 and of its performance for the period from 30 July 2023 to 27 January 2024
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 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 financial report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

Auditor's responsibilities for the review of the financial report


Our responsibility is to express a conclusion on the 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 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 27 January 2024 and of its performance for the period from 30 July 2023 to 27 January 2024, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a 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


Alison Tait Milner
Partner

Melbourne
13 March 2024