



**ASX Release**

12 November 2024

**ADDRESS BY MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER LEAH WECKERT**

**COLES GROUP LIMITED 2024 ANNUAL GENERAL MEETING – 12 NOVEMBER 2024**

Please see attached the address to be delivered by the Managing Director and Chief Executive Officer to shareholders at this morning's Annual General Meeting.

**For more information:**

**Investors**

Anita Healy  
Mobile: +61 411 109 108

Lisa Zimmet  
Mobile: +61 428 857 242  
E-mail: [investor.relations@colesgroup.com.au](mailto:investor.relations@colesgroup.com.au)

**Media**

Jace Armstrong  
Mobile: +61 431 987 599

Jessica Tancred  
Mobile: +61 405 436 943  
E-mail: [media.relations@coles.com.au](mailto:media.relations@coles.com.au)

*This announcement was authorised for release by Daniella Pereira, Company Secretary.*

**Coles Group 2024 Annual General Meeting**  
**Managing Director & Chief Executive Officer's address to shareholders**

Thank you, James, and welcome to everyone joining us for our AGM this year.

Over the past 12 months, our dedicated team members have been working hard to advance our purpose of 'Helping Australians eat and live better every day'.

In doing so, this year has certainly not been without its challenges as the Chairman has already touched on. But, we have continued to focus on delivering great value and exceptional service to our customers, every day. And, that will never change.

So, I would like to take this opportunity upfront to thank our more than 115,000 team members for their commitment to our customers this year. Thank you for exemplifying our Coles values – Care for each other, Have Courage to make the right choices, Deliver for our Customers and Create for the future – in every act of customer service, be it large or small.

I will now move on to our operational highlights.

We know that the current cost-of-living environment is tough for Australians, particularly as increasing household costs make it more difficult to balance the household budget.

This means our commitment to delivering value has never been more important. With this in mind, we have made significant investments in our value offering over the past 12 months.

Through our value campaigns, our Weekly Specials, our extensive Exclusive to Coles and Exclusive Liquor Brand portfolios, as well as our loyalty programs and collectibles campaigns, we have been able to help customers fit more into their weekly budget.

Flybuys continues to be a favourite among Australian households and remains key to helping us deliver added value to our customers. In FY24, Flybuys active members increased by 5.3% to 9.5 million, and more than two million members redeemed points for the first time at Coles, demonstrating the program's growing impact.

Our Exclusive to Coles range is another way customers have continued to seek out value. We now have around 6,000 products ranging from affordable basics through to unique and indulgent premium items.

To help customers more easily identify key value Own Brand items, in FY24 we launched the Coles Simply brand with bright yellow redesigned packaging. With 111 products in the range, Coles Simply offers great value, ensuring customers can find quality items at low prices within the category.

For those looking for a more premium offering within the Own Brand stable, our Coles Finest range offers premium options across categories such as meat, bread, ready meals and pantry staples like vinegar and maple syrup. In FY24 Coles Finest sales grew by 20%, highlighting the demand for ingredients to help customers create restaurant-quality meals at home.

Customers are increasingly shopping both in-store and online. Our investments in our eCommerce offering mean shopping online is easier and more convenient than ever. Upgraded app and web features, greater availability, reduced Click & Collect wait times and increased personalisation have all resulted in a 22% improvement in Online NPS.

For personal use only

This has supported strong sales growth in our online channel. At the end of FY24, we reported a Supermarkets eCommerce sales growth of 30.1% (normalised) for the financial year, and in Q1, we reported Supermarkets eCommerce sales growth of 22.4%.

We continue to grow our Coles 360 retail media business, including through the roll out of in-store screens and new measurement tools for advertisers. This will be an important growth adjacency for Coles in the future.

Our team's dedication and commitment to the communities they serve is the backbone of our success.

In FY24, we provided \$38.5m in community support and donated the equivalent of almost 40 million meals to our food rescue partners, SecondBite and Foodbank. We also awarded \$3.7 million through our Coles Nurture Fund to help Australian producers innovate and grow.

We remain committed to investing in community sport, and this year we continued to support Little Athletics centres across Australia in addition to the Coles Healthy Kicks program. We also announced a new partnership with Football Australia's MiniRoos, the official junior grassroots program for soccer in Australia.

Within Coles, we were pleased to achieve our highest-ever engagement score in our mysay survey, placing Coles in the top quartile of Australian companies, with a three-percentage point improvement versus the prior year.

The physical and psychological safety of our team is a high priority. As the Chairman has already mentioned, we were pleased to report an improved injury frequency rate in FY24. We also focused on mental health initiatives, conducting training across the business and celebrating RUOK Day.

We are, however, increasingly concerned by a rising trend of threatening situations directed towards our front-line team members over the past 12 to 18 months.

We are working with industry to address this worrying trend happening across many retailers, while continuing to roll out de-escalation training to our team members to help reduce the number and severity of incidents.

Moving now to our financial results.

In FY24, we delivered Group sales revenue growth from continuing operations of 5.7%, on a normalised basis. This was supported by a positive customer response to our value campaigns and the successful execution of key events including Christmas and Easter.

EBITDA and EBIT growth on a normalised basis, from continuing operations was 5.0% and 5.7% respectively.

Our Simplify and Save to Invest program continued to drive efficiencies with the primary purpose of offsetting inflationary cost pressures and enabling investment back into the business. We realised efficiencies of \$238 million in FY24 and are on track to deliver in excess of \$1 billion in benefits over four years.

Pleasingly for customers, Supermarkets inflation continued to moderate, with inflation across FY24 at 2.5%, a significant reduction on 6.7% in FY23.

Moving on to FY25, our Q1 Supermarkets sales growth was 3.5%, while Liquor sales remained flat. Total Supermarkets price inflation remained steady at 1.5% in the first quarter and inflation excluding tobacco moderated to 1%.

Now, hearing carols on Coles Radio is a surefire sign Christmas is only a few short weeks away.

With more customers telling us they will be celebrating with loved ones at home this year, we are excited to be a part of many Christmas celebrations. We have sourced more than 400 Own Brand products and exclusive specialty drinks to make Christmas easy, delicious and affordable.

As we look forward to the year ahead, we will continue to deliver in line with our purpose.

With our two new Customer Fulfilment Centres and second Automated Distribution Centre now in operation, we look forward to progressing with the planning of our recently announced Victorian Automated Distribution Centre which, once completed, will service Victoria and Tasmania, as well as integrating into our existing supply chain in parts of South Australia and Western Australia.

We also remain focused on operational execution and continuing to improve availability and loss.

In closing, I would like to extend my thanks to James and the Coles Board for their support and guidance.

To our customers, thank you for your loyalty, and to our 115,000 team members, thank you again for your commitment and dedication.

Finally, to our more than 420,000 shareholders, your continued support is invaluable.

We wish you all a wonderful and safe Christmas and New Year.

Before handing back to James, I'd like to share two videos with you. The first highlights our new Customer Fulfilment Centres, while the second showcases some of our suppliers and the beautiful fresh produce and products we're offering at Coles this festive season.