

Super Retail
Group



Inspiring you to
live your passion



Super Retail Group Limited

2020 | FULL YEAR RESULTS PRESENTATION

**SUPERCHEAP
AUTO**

rebell

BCF

macpac

Authorised for release by the Super Retail Group Board

24 August 2020



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Group Highlights



Executive Summary

SUPER RETAIL GROUP'S FOUR CORE BRANDS HAVE LEADING POSITIONS IN ATTRACTIVE LIFESTYLE CATEGORIES AND ARE WELL POSITIONED TO BENEFIT FROM CHANGING CONSUMER BEHAVIOUR

Super Retail Group responded to COVID-19 quickly and effectively	• Super Retail Group responded promptly to protect the health and safety of team members and customers and to introduce cost, cash flow and liquidity measures • COVID-19 is driving a number of shifts in consumer behaviour – online channel shift, at-home fitness and leisure, DIY auto repairs, outdoor activities and domestic tourism • Super Retail Group's four core brands are well positioned to take advantage of these trends
Omni-retail strategy validated by resilient trading performance during COVID-19	• The Group's omni-retail strategy has enabled our businesses to adapt quickly to consumer trends during COVID-19 and delivered a solid trading performance • All Australian stores remained open during the peak 2019/20 COVID-19 lockdown period⁽¹⁾ • Keeping stores open for our customers while successfully pivoting to meet increased demand in online sales channels enabled the Group to profitably navigate an extremely challenging period for retail and deliver 44% online sales growth • Trading has rebounded strongly during the fourth quarter, with 27.2 per cent Group like-for-like (LFL) sales growth in May and June, reflecting pent-up demand for domestic travel, leisure and outdoor activities
Conservative balance sheet provides flexibility to invest in omni-retail capability and pursue growth opportunities	• Super Retail Group successfully completed a \$203m equity raising in July 2020, which will provide the Group with additional flexibility in a more uncertain economic environment • Following the equity raising, the Group has no net bank debt • The strong balance sheet enables ongoing execution of Super Retail Group's strategy and pursuit of strategic growth initiatives • Super Retail Group will continue to invest in omni-retail capabilities, supply chain investments, simplification of the business model and working capital to take advantage of elevated sales in certain categories, footprint optimisation and organic market share growth opportunities
Strong trading momentum has continued in 2020/21	• Group LFL sales growth of 32% in first seven weeks of 2020/21 • Robust trading across all four core brands and favourable gross margin compared to prior corresponding period (pcp)

Financial Highlights

SALES



- Group sales up 4.2% to \$2,825.2m
- Group LFL sales growth of 3.6%

EARNINGS



- Segment EBITDA up 4.3% to \$328.1m¹
- Segment EBIT up 3.5% to \$236.1m¹
- Group EBIT margin steady at 8.4%¹
- Normalised NPAT up 1.0% to \$154.1m¹
- Final fully franked dividend of 19.5 cents per share

ONLINE



- Online sales up 44.4% to \$290.5m
- Online sales represented 10% of total sales and 15% of fourth quarter sales
- Online sales more than doubled in the fourth quarter vs pcp
- More than 1m new online customers in 2019/20
- Online conversion rates up across all brands

BALANCE SHEET



- Strong balance sheet with no net bank debt following \$203m equity raising successfully completed in July
- Significant covenant headroom
- Financial flexibility to pursue growth opportunities

(1) Excludes AASB 16 Leases and other items excluded from normalised profit as defined in the segment note, to enable a more meaningful comparison with the prior comparative periods (pcp)





Operating Highlights

CUSTOMERS



- 6.6m active club members up 8.2% on pcp
- Average customer NPS up 1.8% to 60.7
- Active club members represent 59% of Group sales

OMNI-CHANNEL



- Opened Macpac Australian DC
- Online order management system phase 1 implementation finalised
- Finalised Click & Collect roll out in Macpac NZ
- Click & Collect up 41% on pcp

BRANDS



- Outstanding brand awareness scores reflect core four brand strength – Supercheap Auto 86%, rebel 93%, BCF 76% and Macpac 82%¹

SUSTAINABILITY



- Named as a sustainability leader in the retail sector in the SAM Sustainability Yearbook 2020
- Dow Jones Sustainability Index (DJSI) score of 52
- Increased recycling rate by 2% to 65%
- Reduced carbon emissions by 8% on pcp

TEAM

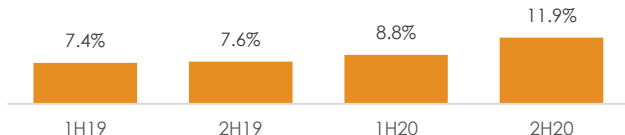


- Improved safety performance. Total Recordable Injury Frequency Rate (TRIFR) decreased by 25% vs pcp
- One-off thank you payment of between \$250 and \$1,000 to permanent, frontline team members for their extraordinary efforts during COVID-19

(1) Stellar Market Research 2020, Prompted Brand Awareness. Macpac NZ only

Well positioned to benefit from consumer response to COVID-19

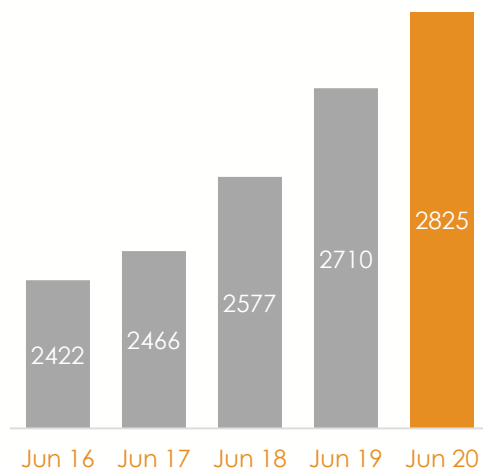
SUPER RETAIL GROUP'S FOUR CORE BRANDS ARE EXPECTED TO BENEFIT FROM CONSUMER TRENDS EMERGING FROM THE PANDEMIC

	COVID-19 impact on consumer	Impact on sales during COVID-19	Potential trends as restrictions ease										
Channel shift to online 1	- Mobility restrictions forcing reduction of in-store shopping - Purpose-driven shopping - Home delivery encouraged	Significant uplift in online sales from new and existing customers as in-store shoppers shifted to the online channel Group online sales as a % of Group sales  <table><thead><tr><th>Period</th><th>Online sales as a % of Group sales</th></tr></thead><tbody><tr><td>1H19</td><td>7.4%</td></tr><tr><td>2H19</td><td>7.6%</td></tr><tr><td>1H20</td><td>8.8%</td></tr><tr><td>2H20</td><td>11.9%</td></tr></tbody></table>	Period	Online sales as a % of Group sales	1H19	7.4%	2H19	7.6%	1H20	8.8%	2H20	11.9%	Consumer has become familiar and comfortable shopping online – particularly expected to impact online favourable categories of apparel and footwear
Period	Online sales as a % of Group sales												
1H19	7.4%												
2H19	7.6%												
1H20	8.8%												
2H20	11.9%												
Trend towards health and wellness 2	- Closure of gyms - Restrictions on outdoor exercising - Limited leisure options but greater leisure time - Suspension of team sports	- Increased at-home consumption - Consumers working from home driving a significant uplift in "comfort athleisure clothing" - Shift in Rebel mix to weights and gym equipment, personal fitness, and home entertainment goods - Supercheap Auto increase in DIY / household projects products	- Re-commencement of grassroots, school and professional sporting seasons - Likely to see increased general physical activity due to health and wellness trend - Ongoing restrictions for gyms drive focus on home-based exercise										
Pent-up demand for domestic tourism and leisure activity 3	- Travel restrictions - Closure of camping grounds and national parks (particularly over peak Easter camping period) - Ban on fishing in some states	Restrictions on camping and fishing activity over Easter shifted customer demand into May and June as restrictions eased	- Offshore travel restrictions to drive demand for domestic tourism and leisure (e.g. camping, hiking) - Local leisure activities re-opening										

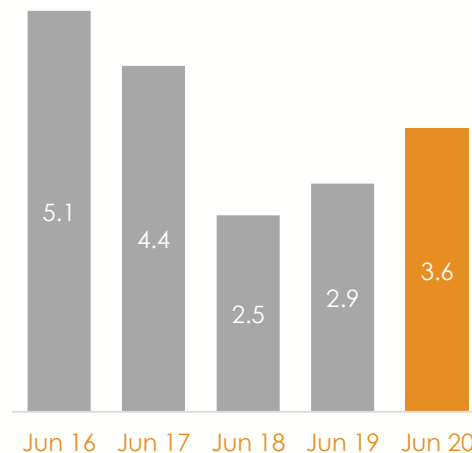
Track record of sales growth

THE GROUP HAS CONTINUED TO DELIVER TOP LINE GROWTH AND POSITIVE LIKE-FOR-LIKE SALES GROWTH DESPITE THE IMPACT OF SUMMER BUSHFIRES AND COVID-19

GROUP
SALES (\$M)



GROUP
% LFL SALES GROWTH



LFL SALES GROWTH
BY BRAND

2019/20	SALES GROWTH	LFL SALES GROWTH
SUPERCHEAP AUTO	7.6%	6.3%
rebel	3.3% ⁽¹⁾	2.7% ⁽¹⁾
BCF	4.0%	3.0%
macpac	(5.0%)	(9.1%)
Total Group	4.2%	3.6%

Strong sales rebound in May and June

SALES REBOUNDED STRONGLY DURING THE FOURTH QUARTER AS COVID-19 RESTRICTIONS EASED AND CONSUMERS RESUMED DOMESTIC TRAVEL, EXERCISE AND OUTDOOR LEISURE ACTIVITIES

Segment	LFL sales growth			Sales (\$m)
	Mar 2020 (weeks 1-38) ¹	April 2020 – June 2020 (weeks 39-52) ²	2019/2020 (weeks 1-52)	2019/20 (weeks 1-52)
Supercheap Auto	3.2%	15.0%	6.3%	1,119.7
rebel	3.5%	0.4%	2.7%	1,038.6
BCF	(2.2%)	21.3%	3.0%	535.0
Macpac	(4.7%)	(17.5%)	(9.1%)	131.9
Total	1.9%	8.4%	3.6%	2,825.2

- Despite a weak April due to peak COVID-19 lockdown, overall Group LFL sales were up by 8.4% in the fourth quarter² vs pcp
- Trading rebounded strongly during the fourth quarter reflecting lockdown exit and pent-up demand for domestic travel, leisure and outdoor activities.
- The Group achieved 27.2% LFL sales growth in May and June comprising:

LFL sales growth (May and June)¹

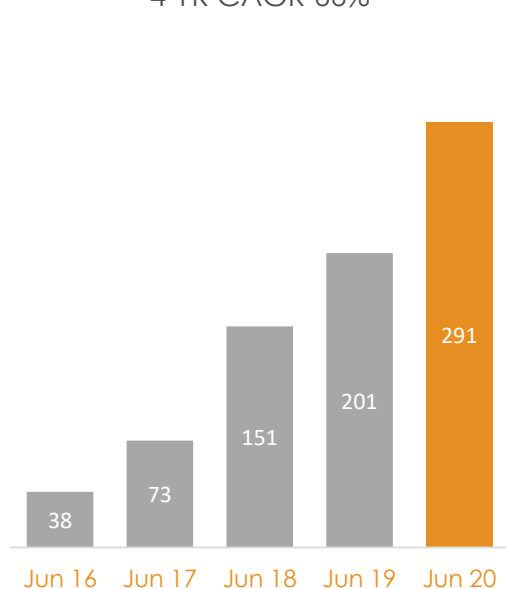
- Supercheap Auto 33.6%
- rebel 9.1%
- BCF 68.1%
- Macpac 7.8%
- Strong shift to online with Group online sales in the fourth quarter more than doubling vs pcp to approximately 15% of Group sales
- Gross margin percentage in the fourth quarter was down vs pcp, impacted by a shift in product mix towards higher value / lower margin products and higher proportion of online sales. The Gross margin decline was outweighed by cost mitigation measures and cost leverage, increasing EBIT margins in the fourth quarter
- Stock levels at balance date were lower than pcp due to strong sales performance, the impact of liquidity measures undertaken in March and April and certain supplier performance issues
- The Group had two businesses qualify for government wage support totaling \$6.5m covering the period March to June 2020. Both Supercheap Auto and Macpac qualified for the "wage subsidy" in New Zealand and Macpac qualified for the JobKeeper allowance in Australia

Online sales growth of 44%

OMNI-RETAIL CAPABILITY PROVIDED THE GROUP WITH THE AGILITY TO PIVOT TO ONLINE SALES CHANNELS TO MEET CUSTOMER DEMAND DURING PEAK COVID-19 LOCKDOWN PERIOD

ONLINE SALES (\$M)

4 YR CAGR 66%



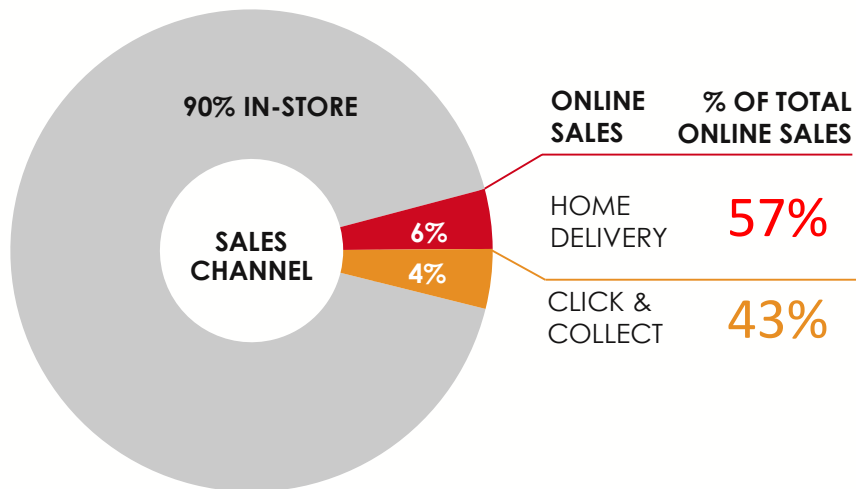
BRAND PERFORMANCE

	ONLINE SALES (\$M)	ONLINE SALES GROWTH VS PCP
	82	37%
	141	49%
	45	33%
	22	83%
Total Group	291 ¹	44%

Capturing the demand shift to online channels

ONLINE SALES HAVE INCREASED TO 10% OF GROUP TOTAL SALES IN 2019/20 (UP FROM 7% ON PCP)

GROUP SALES BY CHANNEL¹



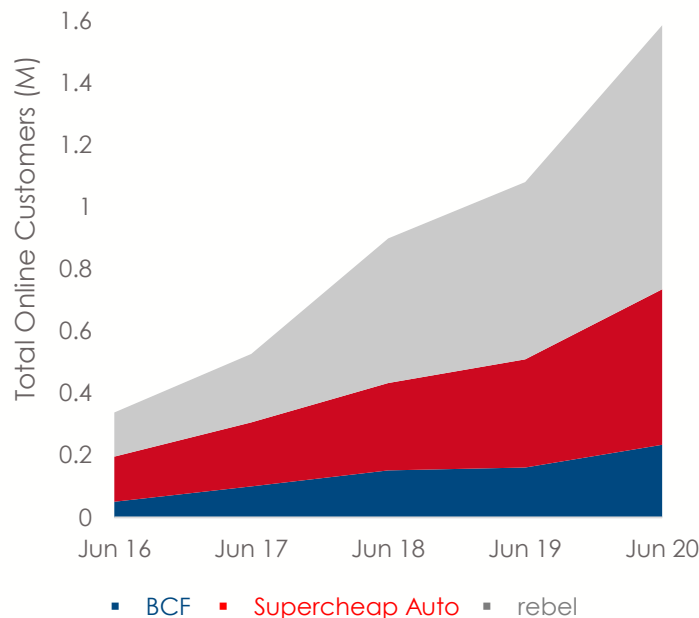
BRAND SALES BY CHANNEL¹

	In-store	Click & Collect	Home Delivery
SUPERCHEAP AUTO	93%	5%	2%
rebel	86%	4%	10%
BCF	91%	6%	3%
macpac	83%	1%	16%
TOTAL GROUP	90%	4%	6%

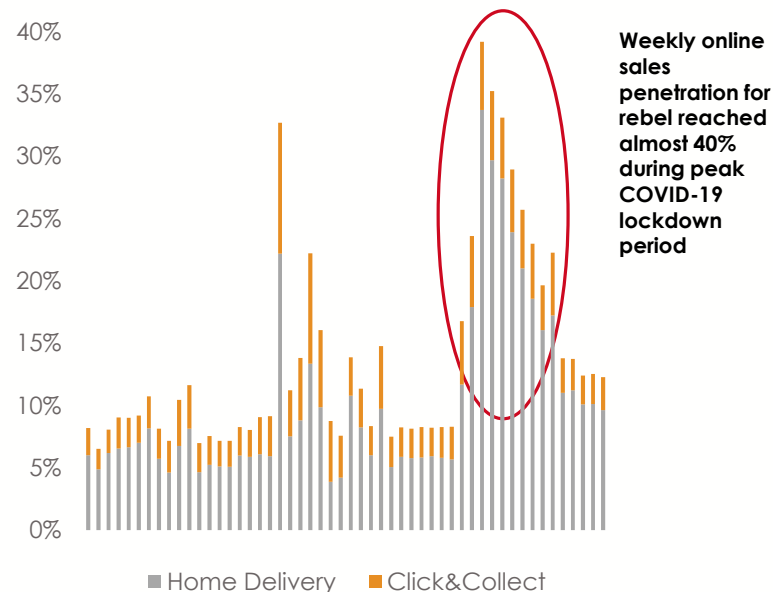
Consumer behaviour supports omni-retail focus

GROWTH IN NEW ONLINE CUSTOMERS AND CHANNEL SHIFT TO ONLINE CREATES POTENTIAL FOR A STEP CHANGE IN ONLINE SALES PENETRATION TO ABOVE PRE COVID-19 LEVELS

TOTAL ONLINE CUSTOMERS BY BRAND¹
4 YR CAGR 47%



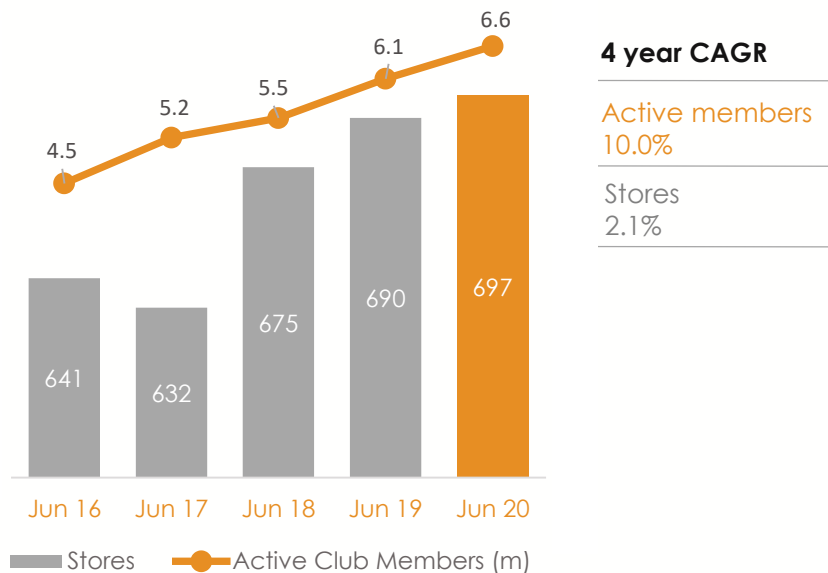
REBEL ONLINE SALES
AS % OF WEEKLY SALES (2019/20)



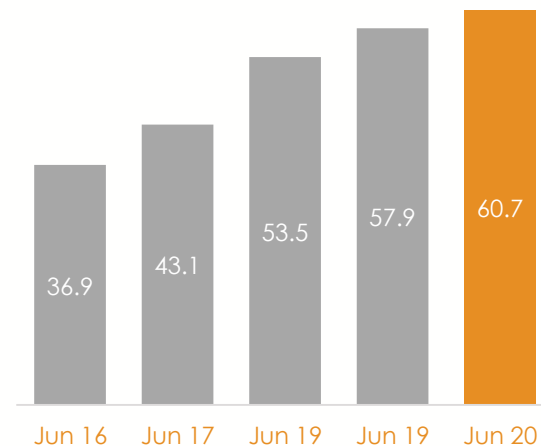
Customer growth outpacing new store growth

ACTIVE CLUB MEMBERS HAVE GROWN TO 6.6 MILLION AND CUSTOMER SATISFACTION HAS IMPROVED

STORE NUMBERS AND ACTIVE CLUB MEMBERS



AVERAGE CLUB MEMBER NPS¹



Large, growing and active club membership base

CLUB MEMBERSHIP AND % SALES FROM CLUB MEMBERS INCREASED ACROSS ALL BRANDS



 **1.71M active¹ club members**  **4%**

 **63 NPS²**  **from 61**

 **40% - sales from active club members**  **from 39%**

 **2.88M active¹ club members**  **12%**

 **55 NPS²**  **from 57**

 **66% - sales from active club members**  **from 61%**

 **1.54M active¹ club members**  **6%**

 **64 NPS²**  **from 61**

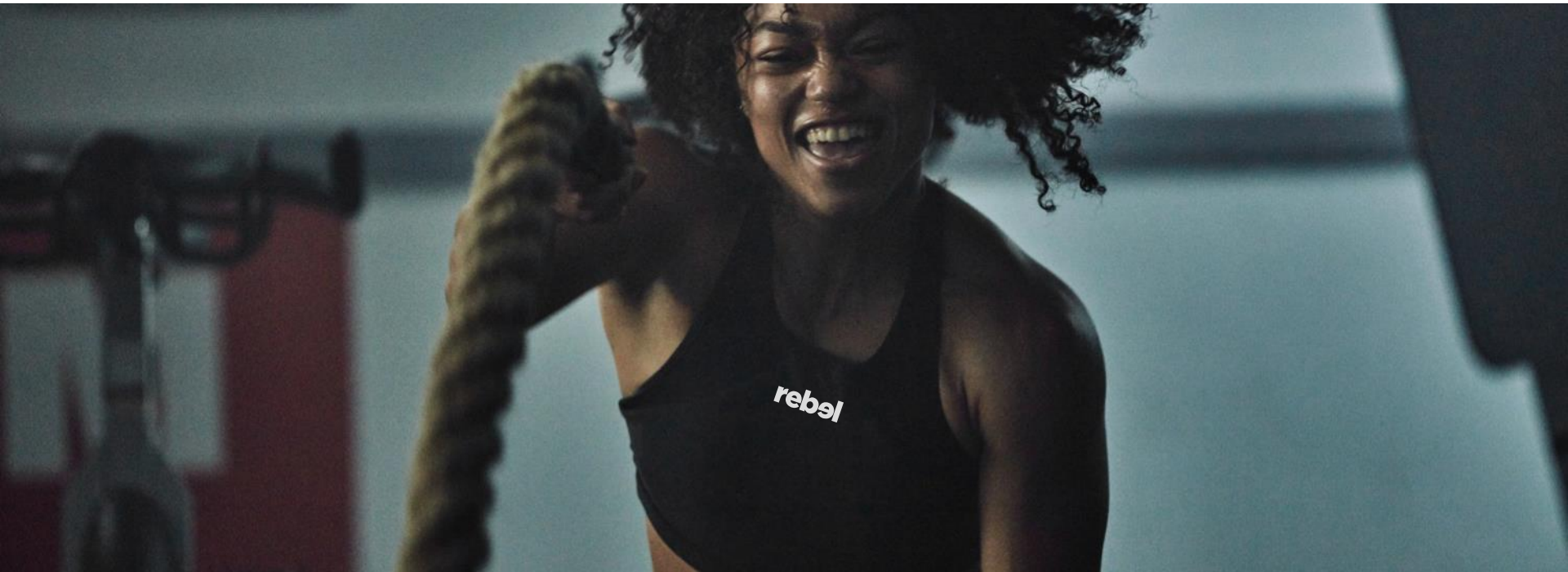
 **83% - sales from active club members**  **from 81%**

 **0.45M active¹ club members**  **10%**

 **67 NPS^{2,3}**

 **64% - sales from active club members**  **from 65%**

2019/20 Financial Results



Group results

\$m	2019/20 Post AASB 16	2019/20 Pre AASB 16 ¹	2018/19 Pre AASB 16	Change % ²
Total sales	2,825.2	2,825.2	2,710.4	4.2
Total segment EBITDA	533.2	328.1	314.7	4.3
Segment D&A	268.2	92.0	86.6	6.2
Total segment EBIT	265.0	236.1	228.1	3.5
Normalised NPAT	148.2	154.1	152.5	1.0
Other items not included in normalised NPAT	(38.0)	(38.0)	(13.2)	-
Profit attributable to owners (pre AASB 16)	n/a	116.1	139.3	(16.7)
AASB 16 adjustment	n/a	(5.9)	n/a	n/a
Profit attributable to owners	110.2	110.2	139.3	(20.9)

(1) Excludes AASB 16 Leases to enable a more meaningful comparison with pcip

(2) Change from 2018/19 Pre AASB 16 to 2019/20 Pre AASB16

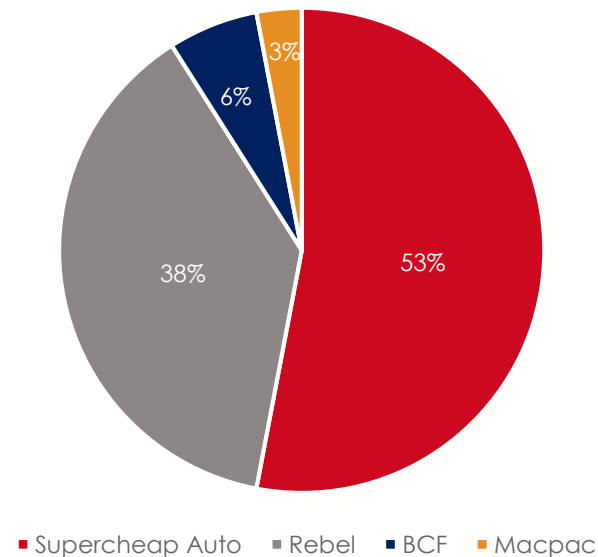
(3) For detail on impact of AASB 16 Leases on consolidated income statement refer to the Appendix

(4) Other items not included in normalised NPAT in line with previous guidance provided in investor presentation dated 15 June 2020. Detailed in the Appendix

Segment results

\$m	2019/20		2018/19	
Segment	Sales	EBIT ¹	Sales	EBIT
Supercheap Auto	1,119.7	134.9	1,040.6	120.6
rebel	1,038.6	96.6	1,016.4	93.8
BCF	535.0	15.7	514.6	20.8
Macpac	131.9	7.2	138.8	13.0
Group and Unallocated		(18.3)		(20.1)
Total	2,825.2	236.1	2,710.4	228.1

2019/20 EBIT CONTRIBUTION (BY BRAND)¹



Supercheap Auto



- Total sales growth of 7.6% driven by like-for-like sales growth and contribution from new stores
- Like-for-like sales growth of 6.3% reflected both transaction growth and increased units per sale driving higher average transaction value
- 33.6% like-for-like sales growth in May and June
- Online sales grew by 37% to 7% of sales
- Category shift towards essential and DIY products during peak COVID-19 lockdown period
- Auto accessories and auto maintenance delivered the strongest category growth. Like-for-like sales growth was achieved in all categories including tools and outdoors.
- Segment EBIT margin improved by 40bps to 12.0%
- Active Club Plus membership increased to 1.71m and club members represented 40% of total sales
- SCA opened 4 new stores and closed 1 store with 326 stores at period end

\$m	2019/20 Pre AASB 16 ¹	Change on PCP ²	2019/20 Post AASB 16
Sales	1,119.7	7.6%	1,119.7
LFL sales growth		6.3%	
Segment EBITDA	174.7	11.9%	242.0
EBITDA margin %	15.6%	0.6%	21.6%
Segment EBIT	134.9	11.9%	141.6
Segment EBIT margin %	12.0%	0.4%	12.6%
Segment normalised PBT	n/a	n/a	129.2

- Total sales growth of 3.3%¹ driven by like-for-like sales growth
- Like-for-like sales growth of 2.7%¹ was driven by higher average transaction value
- 9.1% like-for-like sales growth in May and June
- Online sales grew by 49% to represent 14% of sales
- Fitness and hardgoods were the best performing categories as COVID-19 lockdown led to strong demand for home fitness products
- Apparel and footwear sales recovered during the fourth quarter as COVID-19 restrictions eased
- Gross margins increased due to lower promotional activity. Operating expenses increased in rebel mostly due to an increased share of group infrastructure as the business fully migrated into Group distribution centres and expanded online. The operating expense increase partially offset gross margin expansion
- Active club membership increased to 2.88m and club member sales represented 66% of rebel sales
- Infinite Retail business was closed, \$15.9m of sales were recorded for the year at a small loss
- Rebel closed 1 store resulting in 160 stores at period end

\$m	2019/20 Pre AASB 16 ²	Change on PCP ³	2019/20 Post AASB 16
Sales	1,038.6	3.3% ¹	1,038.6
LFL sales growth		2.7% ¹	
Segment EBITDA	126.6	3.3%	205.1
EBITDA margin %	12.2%	0.1%	19.7%
Segment EBIT	96.6	3.0%	110.6
Segment EBIT margin %	9.3%	0.1%	10.6%
Segment normalised PBT	n/a	n/a	96.0

- Accelerated growth with last fourteen weeks of the year delivering 21.3% LFL sales growth
- Total sales increased by 4.0% driven by LFL sales growth
- Like-for-like sales increased by 3.0% due to increased transactions and higher average transaction value
- 68.1% like-for-like sales growth in May and June
- Fishing, camping and apparel were the strongest performing categories
- Material uplift in camping and fishing sales in the fourth quarter as COVID-19 restrictions eased
- Online sales grew by 33% to represent 9% of sales
- Segment EBITDA and Segment EBIT were both lower than pcp as a result of the impact of summer bushfires on peak Christmas trading period and impact of COVID-19 lockdown on key Easter period
- Segment EBIT margin declined by 110bps to 2.9%, key driver was gross margin compression
- Active club membership increased to 1.54m and club member sales represented 83% of BCF sales
- BCF opened 4 stores and closed 1 store resulting in 139 stores at period end

\$m	2019/20 Pre AASB 16 ¹	Change on PCP ²	2019/20 Post AASB 16
Sales	535.0	4.0%	535.0
LFL sales growth		3.0%	
Segment EBITDA	34.9	(13.2%)	79.3
EBITDA margin %	6.5%	(1.3%)	14.8%
Segment EBIT	15.7	(24.5%)	23.4
Segment EBIT margin %	2.9%	(1.1%)	4.4%
Segment normalised PBT	n/a	n/a	15.0

- Sales fell by 5.0% as a result of a 9.1% decline in like-for-like sales
- In Australia, like-for-like sales decreased by 9.7% as a result of the impact of summer bushfires on peak Christmas trading and impact of COVID-19 on store foot traffic and key Easter trading period
- In New Zealand, like-for-like sales decreased by 8.2% mainly due to government mandated seven week store shutdown relating to COVID-19
- 7.8% like-for-like sales growth in May and June
- Online sales grew by 83%, to represent 17% of sales
- Second half delivered EBIT of \$4.9m compared to \$5.5m in pcpc even with New Zealand store closures
- Active club membership increased to 0.45m and club members represented 64% of Macpac sales
- Macpac opened three stores and closed one store resulting in 72 stores at period end

\$m	2019/20 Pre AASB 16 ¹	Change on PCP ²	2019/20 Post AASB 16
Sales	131.9	(5.0%)	131.9
LFL sales growth		(9.1%)	
Segment EBITDA	10.1	(35.3%)	25.0
EBITDA margin %	7.7%	(3.6%)	19.0%
Segment EBIT	7.2	(44.6%)	7.7
Segment EBIT margin %	5.5%	(3.9%)	5.8%
Segment normalised PBT	n/a	n/a	5.8

Group & unallocated

- Group and unallocated includes:
 - Corporate costs
 - Costs not allocated to segments
 - Omni-retail development
- Total costs of \$18.3m (EBIT)
- Corporate costs \$0.1m lower than pcg
- Un-utilised distribution centre costs \$0.1m higher than pcg
- Omni-retail and digital costs \$1.8m lower than pcg

\$m	2019/20 Pre AASB 16 ¹	Change on PCP ²	2019/20 Post AASB 16
EBIT	(18.3)	(1.8)	(18.3)
Comprising:			
Corporate costs	(12.1)	(0.1)	(12.1)
Un-utilised distribution centre costs	(3.4)	0.1	(3.4)
Digital and omni-retail development	(2.8)	(1.8)	(2.8)

Group balance sheet

- Inventory decreased by \$57.8m compared to June 2019 and reflects higher sales delivery in May and June impacting in-stock position and the impact of liquidity measures implemented following COVID-19 outbreak
- Supercheap Auto, rebel and BCF inventory all decreased as management adopted a conservative approach to inventory management to reduce working capital during peak COVID-19 lockdown
- Net inventory reduction of \$140.5m compared to June 2019 reflects reduced inventory levels and temporary extensions to supplier payment terms granted by trade partners during COVID-19
- No net bank debt as at June 2020 reflecting receipt of \$157.0m institutional proceeds from equity raising, extended supplier terms, rental deferrals and strong fourth quarter trading performance

\$m	Jun 20 pre AASB 16 ²	Jun 19 Pre AASB 16	Statutory Jun 20 ¹
Inventory			
Supercheap Auto	189.8	200.9	189.8
rebel	140.1	181.1	140.1
BCF	128.9	135.6	128.9
Macpac	43.6	42.6	43.6
Total Inventory	502.4	560.2	502.4
Trade & other payables	(445.4)	(362.7)	(442.3)
Net inventory investment	57.0	197.5	60.1
Property, plant and equipment & computer software	345.7	382.3	322.2
Net bank debt	(32.6)	386.7	(37.3)

Returns and capital ratios

- Normalised EPS of 78.0 cents was 0.9% higher than pcg
- Basic EPS (Pre AASB 16) of 58.8 cents was 16.7% lower than pcg reflecting \$38.0m after tax of abnormal items (in line with previous guidance)
- Super Retail Group has determined a final dividend of 19.5 cents per share representing 55% of underlying NPAT for the second half
- Normalised fixed charge cover ratio of 2.1 times consistent with prior year
- Debt facilities are operating comfortably in compliance with financial covenants
- Return on Capital of 14.4% remains above WACC

	2019/20 Pre AASB16 ²	2018/19 Pre AASB16	2019/20 Post AASB16
Normalised EPS ¹	78.0c	77.3c	
Basic EPS (Pre AASB 16)	58.8c	70.6c	55.8c
DPS	19.5c	50.0c	
	12 mths to Jun 20	12 mths to Jun 19	12 mths to Jun 20
Reported Annualised Post Tax Return on Capital (ROC) ¹	14.4%	13.3%	16.4%
Fixed charge cover – normalised EBITDAL	2.1x	2.1x	5.1x
Net Debt / EBITDA - normalised	(0.1x)	1.2x	1.8x
Average Net Debt	\$371m	\$448m	\$371m

(1) Based on normalised net profit after tax

(2) Excludes AASB 16 Leases to enable a more meaningful comparison with pcg

Group cash flow

- Strong operating cash flow of \$404.9m (pre AASB 16 Leases) has been supported by actions taken to respond to COVID-19. The impact of these actions are circa \$160m and are expected to reverse next financial year
- Capital expenditure investment in omni-retail capabilities and spend on new stores and store refurbishment was moderated due to COVID-19
- Investment in store capex of \$28.0m is split: \$9.8m in Supercheap Auto, \$10.1m in rebel, \$5.3m in BCF and \$2.8m in Macpac
- \$157.0m cash proceeds received from institutional component of 1 for 7 entitlement offer which raised a total of approximately \$203m
- The interim dividend of \$42.5m was cancelled due to COVID-19
- Other capital expenditure includes investments in omni-retailing capabilities, data, cyber, networking, core information systems, order management system and inventory planning and execution projects

\$m	2019/20 Pre AASB 16 ¹	2018/19 Pre AASB 16	2019/20 Statutory ²
Operating cash flow	404.9	240.9	610.7
Stores	(28.0)	(28.6)	(28.0)
Other capex	(39.8)	(61.2)	(39.8)
Payment of subsidiaries/JV	(0.1)	(0.7)	(0.1)
Investing cash flow	(67.9)	(90.5)	(67.9)
Dividends & interest	(72.7)	(115.1)	(110.0)
Lease principal payments	(3.3)	(3.3)	(171.8)
Issue of shares	157.0	n/a	157.0
External debt repayment	(140.0)	(40.0)	(140.0)
Financing cash flow	(59.0)	(158.4)	(264.8)
Net cash flow	278.0	(8.0)	278.0

Corporate Strategy



Our Strategy

THE THREE PRIMARY VALUE LEVERS



5 STRATEGIC DRIVERS



**GROW THE FOUR
CORE BRANDS**



**LEVERAGE CLOSENESS
TO OUR CUSTOMER**



**CONNECTED OMNI-
RETAIL SUPPLY CHAIN**



**SIMPLIFY THE
BUSINESS**



**EXCEL IN OMNI-
RETAIL EXECUTION**

Strategy execution remains on track



GROW THE FOUR CORE BRANDS



LEVERAGE CLOSENESS TO OUR CUSTOMER



CONNECTED OMNI-RETAIL SUPPLY CHAIN



SIMPLIFY THE BUSINESS



EXCEL IN OMNI-RETAIL EXECUTION

Current Focus Areas

- New concept rebel Doncaster store
- 5-year organic brand strategies and private brand review in train
- Key range and assortment alignment to customer need commenced
- Relationships with global partners further solidified
- Extended exclusive partnership agreement with Under Armour to 2025
- Entered 10-year strategic partnership with Fanatics, global leader in sports merchandise

- Investment in analytical insight and customer strategy leadership
- Customer behavioural analytics and insights leveraged to inform campaign activity
- Execution of pricing strategy delivering positive results

- Consolidation of rebel DCs
- Macpac Australian DC commenced operation
- Group sourcing optimisation and 5-year supply chain strategy in train
- Overseas sourcing project implementation in progress
- Order management System (OMS) phase I implementation complete

- Senior Leadership team KPIs aligned to Group strategy
- IS 5-year strategy, acceleration of migration to cloud based solutions
- Team engagement and communication tools in place (Workplace by Facebook)
- Workforce planning program commenced
- Closed Infinite Retail and Autocrew

- Improved conversion rates across all brands
- Introduced Click & Collect in all Macpac Australian stores
- Click & Collect rollout complete across NZ
- Increased online penetration to 15% of Group sales in fourth quarter

Strategy robust throughout COVID-19



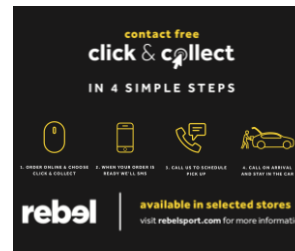
GROW THE FOUR CORE BRANDS



LEVERAGE CLOSENESS TO OUR CUSTOMER



CONNECTED OMNI-RETAIL SUPPLY CHAIN



SIMPLIFY THE BUSINESS



EXCEL IN OMNI-RETAIL EXECUTION

COVID-19 specific actions

- | | | | | |
|--|--|--|--|---|
| <ul style="list-style-type: none"> Alignment of category and range offering mix to changing consumer demand during COVID-19 restrictions (rebel: Fitness and Hard goods; SCA: Tools, In-car Tech, Paint and Panel; BCF: Fishing; Macpac: Domestic Hiking) | <ul style="list-style-type: none"> Customer behavioural analytics and insights leveraged to inform new COVID-19 specific campaign activity (e.g. BCF backyard campout) Shift from catalogues to digital campaigns Maintained customer activity throughout | <ul style="list-style-type: none"> DC assets leveraged to service significant online order demand Customer Contact Centre resourced to support customer requirements | <ul style="list-style-type: none"> Seamless shift to remote support office workforce Digital acceleration program implemented to focus e-commerce activity to manage significantly increased online volume and align offering with changing customer behaviour | <ul style="list-style-type: none"> Contact-free Click & Collect implementation across all Australian standalone stores COVID-19 health & safety measures implemented in all stores Significant online growth successfully executed |
|--|--|--|--|---|

Key outcomes

- | | | | | |
|---|---|---|------------------------------------|--|
| Accelerating sales momentum across all brands following easing of COVID-19 restrictions | NPS remained strong at 60.7
6.6m active club members | Supply Chain cost per unit (CPU) down
Click & Collect at 34.4% of online sales in fourth quarter | Business successfully run remotely | Omni-retail offering uninterrupted ¹
Online sales of ~\$291m, an increase of 44.4% |
|---|---|---|------------------------------------|--|

(1) Omni offering remained available aside from NZ government mandated closures impacting stores for seven weeks and online for four weeks.

2020/21 Trading Update



2020/21 Trading and Operating Update

Group LFL sales growth of 32% in first seven weeks of 2020/21

- Supercheap Auto – circa 23%
- rebel – circa 30%
- BCF – circa 72%
- Macpac – circa 16%

The Group has delivered robust LFL sales growth driven by increased uptake of domestic tourism and travel, exercise and outdoor leisure activities, with favourable gross margin compared to pcp.

LFL sales include the impact of government-mandated closure of 94 stores in Melbourne (35 Supercheap Auto; 32 rebel; 14 Macpac; 13 BCF) from week six and 21 stores in Auckland (12 Supercheap Auto; 9 Macpac) from week seven.¹

Current consumer spending patterns remain volatile and economic outlook is uncertain.

Store development program for 2020/21

- Supercheap Auto: open 5 new stores and refurbish 27 stores
- Rebel: open 1 store, close 6 stores and refurbish 7 stores
- BCF: open 1 new store, close 1 store and refurbish 10 stores
- Macpac: open 4 new stores, close 1 store and refurbish 1 store

Group capex

- Targeting capex in 2020/21 of ~\$90m for investment in digital & omni-retail and to fund store development program

Cashflow

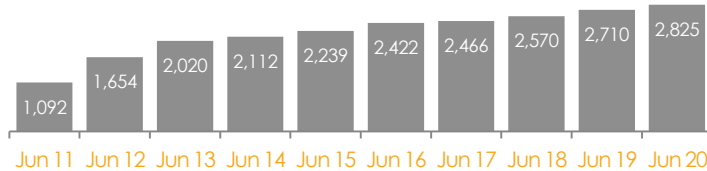
- H1 2020/21 cash flow will reflect “unwind” of rent deferrals and extension to supplier payments granted during H2 2019/20

Appendix

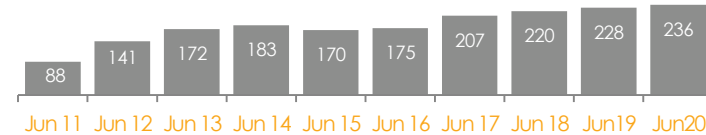


Performance Trends

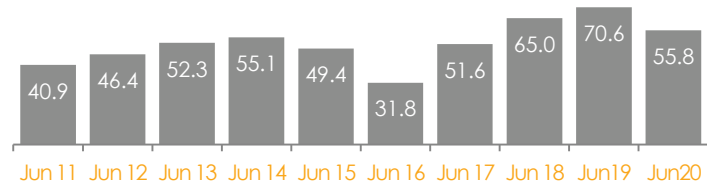
Reported Sales (\$m)



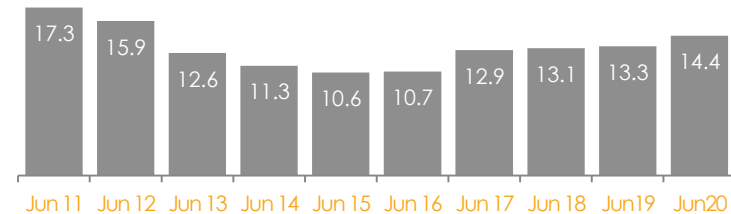
Reported Total Segment EBIT (\$m)



Reported EPS (c)



Normalised Reported Post Tax ROC (%)



- Historical EPS adjusted to take into account the bonus element in the 2011 entitlement offer
- Jun 15 continuing operations only; Jun 14 not adjusted for discontinued operations

- Post Tax ROC adjustment due to capital calculation reclassification
- Jun 15 continuing operations only; Jun 14 not adjusted for discontinued operations

Segment Note

2019/2020

For the period ended 27 June 2020	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	1,119.7	1,038.6	535.0	131.9	2,825.2	-	2,825.2
Inter segment sales	-	-	-	-	-	-	-
Other income	-	0.1	0.1	-	0.2	-	0.2
Total segment revenue and other income	1,119.7	1,038.7	535.1	131.9	2,825.4	-	2,825.4
Segment EBITDA⁽¹⁾	174.7	126.6	34.9	10.1	346.3	(18.2)	328.1
Segment depreciation and amortisation ⁽²⁾	(39.8)	(30.0)	(19.2)	(2.9)	(91.9)	(0.1)	(92.0)
Segment EBIT result	134.9	96.6	15.7	7.2	254.4	(18.3)	236.1
Net finance costs ⁽³⁾							(17.8)
Total segment NPBT							218.3
Segment income tax expense ⁽⁴⁾							(64.2)
Normalised NPAT							154.1
AASB16 Leases adjustment ⁽⁵⁾							(5.9)
Other items not included in the total segment NPAT ⁽⁵⁾							(38.0)
Profit for the period attributable to:							
Owners of Super Retail Group Limited							110.2
Non-controlling interests							-
Profit for the period							110.2

Footnotes to Segment Note

2019/2020

Footnote item	⁽¹⁾ Segment EBITDA adjusted for \$m	⁽²⁾ Segment D&A adjusted for \$m	⁽³⁾ Net finance costs adjusted for \$m	⁽⁴⁾ Segment income tax adjusted for \$m	⁽⁵⁾ Other items not included in total segment NPAT \$m
Team member underpayment remediation	14.7	-	-	4.4	10.3
Execution costs to complete remediation	9.7	-	-	2.9	6.8
Accelerated asset amortisation to support information technology move to cloud	13.7	13.7	-	4.1	9.6
Support office restructure costs	7.9	-	-	2.4	5.5
Interest rate swaps early termination	6.0	-	-	1.8	4.2
Closure costs of non-core businesses – Infinite Retail and Autocrew	2.8	0.3	-	0.8	2.0
Equity accounted losses – Autoguru	0.6	-	-	-	0.6
Provision reversals from previous years	(1.3)	-	-	(0.3)	(1.0)
Impact of AASB 16 Leases adjustment	205.1	176.2	37.3	2.5	5.9
	259.2	190.2	37.3	18.6	43.9

Segment Note

2018/2019

For the period ended 29 June 2019	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 ⁽¹⁾	1,040.6	1,016.4	514.6	138.8	2,710.4	-	2,710.4
Inter segment sales	-	-	-	-	-	-	-
Other income	0.1	1.5	0.2	0.1	1.9	0.9	2.8
Total segment revenue and other income	1,040.7	1,017.9	514.8	138.9	2,712.3	0.9	2,713.2
Segment EBITDA⁽²⁾	156.1	122.6	40.2	15.6	334.5	(19.8)	314.7
Segment depreciation and amortisation	(35.5)	(28.8)	(19.4)	(2.6)	(86.3)	(0.3)	(86.6)
Segment EBIT result	120.6	93.8	20.8	13.0	248.2	(20.1)	228.1
Net finance costs							(21.3)
Total segment NPBT							206.8
Segment income tax expense ⁽³⁾							(54.3)
Normalised NPAT							152.5
Other items not included in the total segment NPAT ⁽⁴⁾							(13.2)
Profit for the period attributable to:							
Owners of Super Retail Group Limited							139.3
Non-controlling interests							(0.1)
Profit for the period							139.2

⁽¹⁾ Includes non-controlling interest (NCI) revenue of \$1.3 million.

⁽²⁾ Adjusted for \$8.9 million of prior year store wages underpayment and remediation costs, \$4.4 million of net business restructuring costs including gains of \$1.7 million due to the release of previous restructuring provisions, \$2.2 million of equity accounted losses, losses on divestment/investments of \$1.7 million and NCI operating result of \$0.1 million.

⁽³⁾ Segment income tax expense of \$54.3 million excludes \$4.0 million relating to the tax effect of prior year store wages underpayment and remediation costs and business restructuring costs.

⁽⁴⁾ Includes \$8.9 million related to the revision of wages underpayment estimates and associated remediation costs, \$4.4 million of net business restructuring costs including gains of \$1.7 million due to the release of previous restructuring provisions, \$2.2 million of equity accounted losses and losses on divestment/investments of \$1.7 million. Total related income tax impact of \$4.0 million.

Post AASB 16 Leases

2019/2020

For the period ended 27 June 2020	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	1,119.7	1,038.6	535.0	131.9	2,825.2	-	2,825.2
Other income	-	0.1	0.1	-	0.2	-	0.2
Total segment revenue and other income	1,119.7	1,038.7	535.1	131.9	2,825.4	-	2,825.4
Segment EBITDA	242.0	205.1	79.3	25.0	551.4	(18.2)	533.2
Segment depreciation and amortisation	(100.4)	(94.5)	(55.9)	(17.3)	(268.1)	(0.1)	(268.2)
Segment EBIT result	141.6	110.6	23.4	7.7	283.3	(18.3)	265.0
Net finance costs	(12.4)	(14.6)	(8.4)	(1.9)	(37.3)	(17.8)	(55.1)
Total segment NPBT	129.2	96.0	15.0	5.8	246.0	(36.1)	209.9
Segment income tax expense							(61.7)
Normalised NPAT							148.2
Other items not included in the total segment NPAT							(38.0)
Profit for the period attributable to:							
Owners of Super Retail Group Limited							110.2
Non-controlling interests							-
Profit for the period							110.2