



WOOLWORTHS HOLDINGS LIMITED
2020 Annual Results



PRESENTATION OUTLINE

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OF THE YEAR

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FINANCIAL
OVERVIEW

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UPDATE AND
OUTLOOK

OVERVIEW OF THE YEAR

Roy Bagattini
Group CEO



APPRECIATION

WHL

Remarkable support by our teams for each other, their customers and their communities

- Our primary focus has been the **health and wellness** of our people, the **safety** of our customers, and the **protection of jobs** for all our employees
- Confronted **immediate challenges** but also leveraged **unique opportunities**
- **Thank you to each and every one of our employees** who work tirelessly and passionately everyday to serve our millions of customers



WOOLWORTHS HOLDINGS LIMITED FINAL RESULTS 2020 ANALYST PRESENTATION

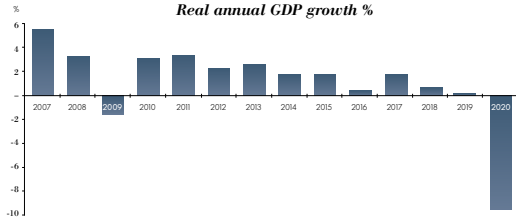
ECONOMIC OVERVIEW

WHL

Weakening macro and consumer confidence exacerbated by COVID-19

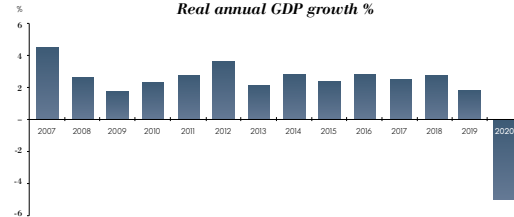
SOUTH AFRICA

Real annual GDP growth %

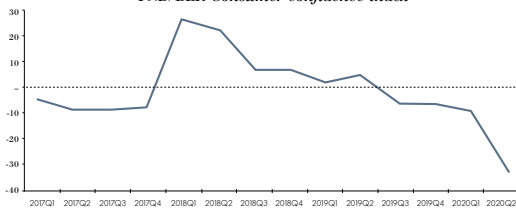


AUSTRALIA

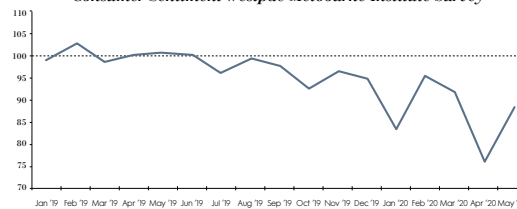
Real annual GDP growth %



FNB/BER Consumer confidence index



Consumer Sentiment Westpac-Melbourne Institute Survey



OVERVIEW OF THE YEAR

WHL

Exceptionally challenging and tumultuous year for all our businesses

- **WSA Food** delivered an exceptional performance, underpinning Group results
- **WSA FBH's** disappointing H1 performance further exacerbated by lockdown restrictions in H2
- **WFS** hampered by lower book and revenue growth and higher impairments
- **David Jones** suffered an EBIT loss, despite the positive uplift from the redeveloped Elizabeth Street store
- **Country Road Group** sales more adversely impacted due to store closures
- **Execution of numerous initiatives** to stabilise our businesses, protect liquidity and strengthen our balance sheet
- It is critical to **learn from this crisis, reassess strategies and capture opportunities**



FINANCIAL OVERVIEW

(PRE IFRS 16)

Reeza Isaacs
Group CFO



WOOLWORTHS HOLDINGS LIMITED FINAL RESULTS 2020 ANALYST PRESENTATION

GROUP PERFORMANCE

The challenging trading conditions due to the pandemic placed significant pressure on H2 performance

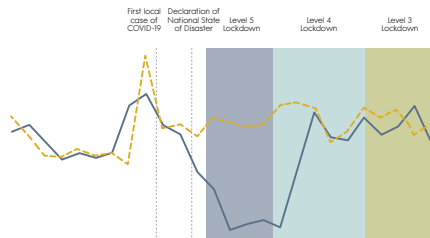
	H1	H2	Full year
<i>Turnover and concession sales</i>	+3.8% to R40.9 billion	-4.0% to R37.4 billion	-0.1% to R78.3 billion
<i>Adjusted EBITDA</i>	-7.6% to R3.9 billion	-47.5% to R1.8 billion	-25.4% to R5.7 billion
<i>Adjusted profit before tax</i>	-12.3% to R2.4 billion	-94.1% to R0.1 billion	-46.0% to R2.5 billion
<i>Adjusted diluted HEPS</i>	-11.7% to 179.1 cps	-90.5% to 14.5 cps	-45.7% to 193.6 cps
<i>Dividend per share</i>	89.0cps	<i>Dividend suspended until the current situation stabilises</i>	

The results are presented on a pro IFRS 16 and 52-week comparable basis unless stated otherwise. IFRS 16 results are presented in the Appendix

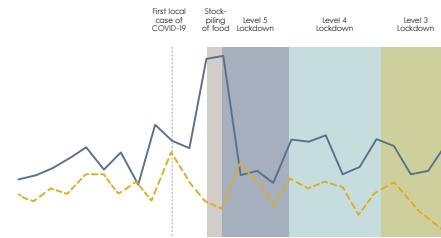
IMPACT OF COVID-19 ON H2 SALES PERFORMANCE

WHL

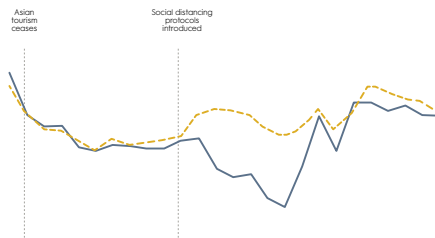
WOOLWORTHS FASHION, BEAUTY AND HOME



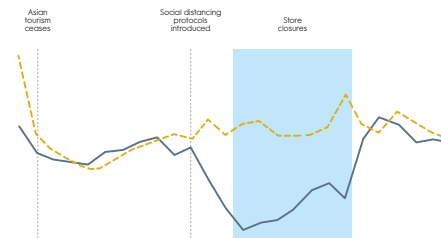
WOOLWORTHS FOOD



DAVID JONES



COUNTRY ROAD GROUP

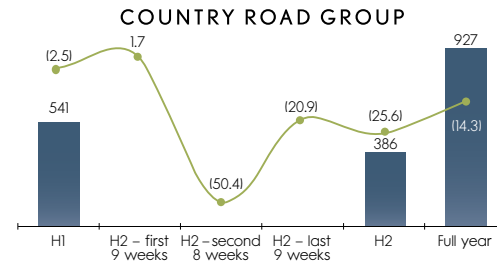
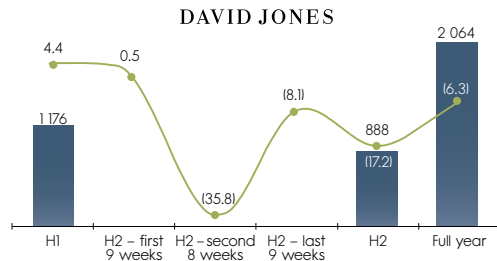
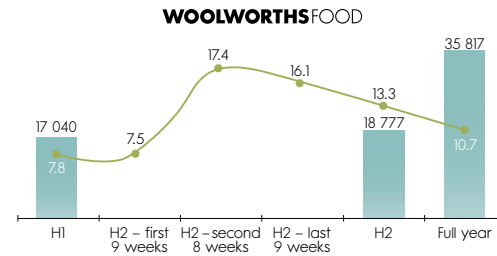
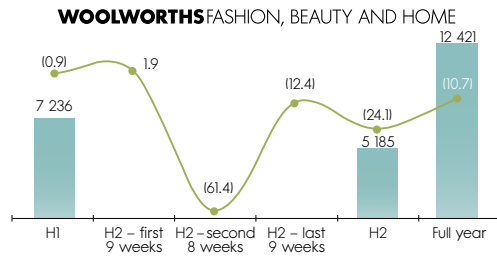


— 2019 — 2020

WOOLWORTHS HOLDINGS LIMITED FINAL RESULTS 2020 ANALYST PRESENTATION

H1, H2 AND FULL YEAR SALES PERFORMANCE

WHL



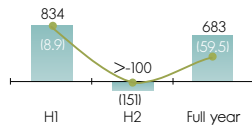
● Sales (Rm) ● Sales (A\$m) ● % on LY

WOOLWORTHS HOLDINGS LIMITED FINAL RESULTS 2020 ANALYST PRESENTATION

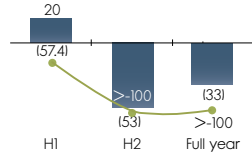
H1, H2 AND FULL YEAR EBIT PERFORMANCE

WHL

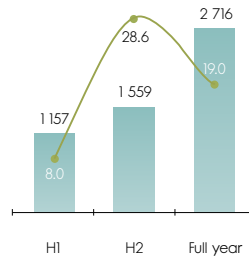
WOOLWORTHS FASHION, BEAUTY AND HOME



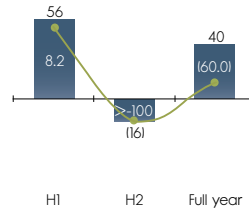
DAVID JONES



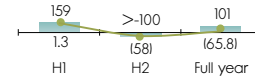
WOOLWORTHS FOOD



COUNTRY ROAD GROUP



WOOLWORTHS FINANCIAL SERVICES (50% of PAT)

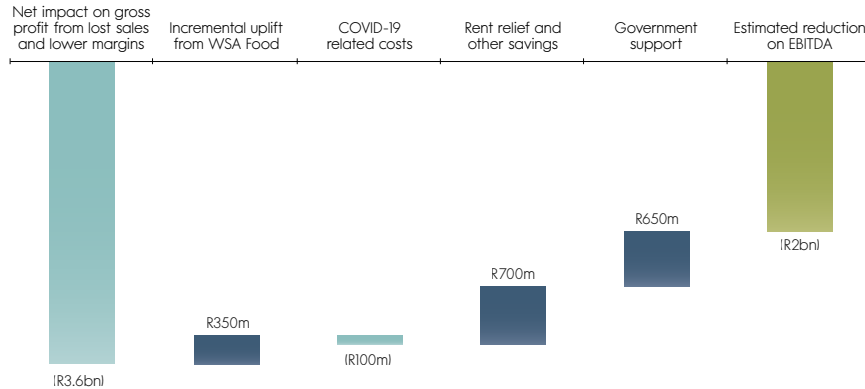


● αEBIT (Rm) ● αEBIT (A\$m) — % on LY

IMPACT OF COVID-19 ON EBITDA

WHL

Lost sales in our discretionary businesses due to the pandemic had a significant impact on EBITDA, notwithstanding a strong Food performance



WOOLWORTHS HOLDINGS LIMITED FINAL RESULTS 2020 ANALYST PRESENTATION

GROUP INCOME STATEMENT

WHL

	52 weeks Jun 2020 Rm	52 weeks Jun 2019 Rm	% change
Turnover and concession sales	78 262	78 335	(0.1)
Gross profit	25 336	27 473	(7.8)
Adjusted EBITDA	5 740	7 699	(25.4)
Adjusted EBIT	3 570	5 659	(36.9)
WSA Fashion, Beauty and Home	683	1 686	(59.5)
WSA Food	2 716	2 283	19.0
Woolworths Financial Services (50% of PAT)	101	295	(65.8)
David Jones	(331)	380	>(100)
Country Road Group	401	1 015	(60.5)
Net finance and other costs	(1 084)	(1 058)	2.5
Adjusted profit before tax	2 486	4 601	(46.0)
Tax	(627)	(1 186)	(47.1)
Adjusted profit after tax	1 859	3 415	(45.6)
Adjustments (post-tax)	(1 067)	(4 619)	
Profit/(loss) after tax	792	(1 204)	>100
Diluted EPS (cps)	81.6	(126.0)	>100
Effective tax rate	53.5%	38.8%	
Adjusted effective tax rate	25.2%	25.8%	

Finance costs impacted by lower net debt and base rates, offset by higher margins and amortised costs on refinancing in Australia

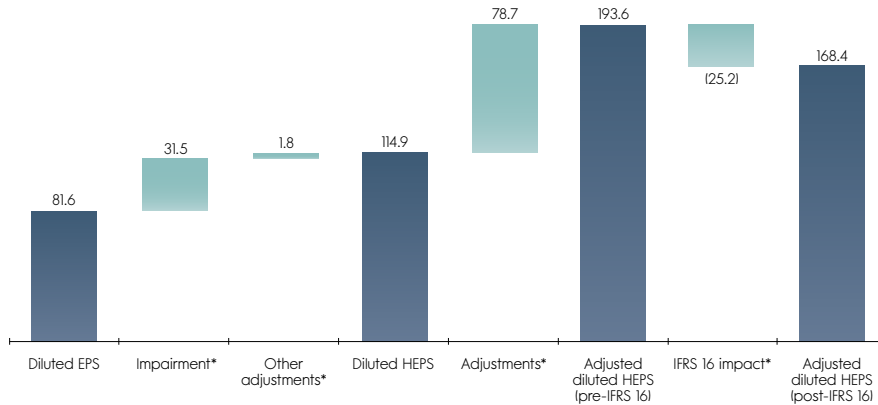
Adjustments	2020 Rm	2019 Rm
Impairment of assets	(305)	(4 326)
Restructure costs	8	(150)
Net onerous leases raised	(267)	(137)
Forex gains/(losses)	3	(6)
Deferred tax on assessed losses not recognised	(506)	-
	(1 067)	(4 619)

Effective tax rate impacted by non recognition of deferred tax on assessed losses; adjusted effective tax rate marginally lower than LY

EPS, HEPS AND ADJUSTED HEPS

WHL

Adjusted diluted HEPS declined 45.7% for the year (-11.7% in H1 and -90.5% in H2)



* Post-tax

WOOLWORTHS HOLDINGS LIMITED FINAL RESULTS 2020 ANALYST PRESENTATION

WOOLWORTHS FASHION, BEAUTY AND HOME **WHL**

Disappointing H1 performance, exacerbated by lockdown restrictions in H2

	H2 2020 Rm	52 weeks Jun 2020 Rm	52 weeks Jun 2019 Rm	% change
Turnover	5 185	12 421	13 908	(10.7)
Gross profit margin	40.4%	44.0%	47.5%	
Adjusted EBIT	(151)	683	1 686	(59.5)
EBIT margin	(2.9%)	5.5%	12.1%	
EBITDA	28	1 057	2 106	(49.8)

- Comp sales growth of -10.9% (H2 -23.9%); Price movement of 0.7% and -0.9% in Fashion; Space growth of 1.0%
- Impact of COVID-19 was significant as stores were closed for 5 weeks, and then re-opened with trade restrictions
- Essentials traded well while formal struggled; Beauty outperformed the market; Inventory was 18% down on LY
- Online sales growth of 35.4%, contributing 2.0% to sales; H2 up 41.3%, contributing 2.6% to sales
- GP margins impacted by promotions and clearance activity post lockdown
- Store and other operating costs were 2.5% (H2: 9.0%) and 3.4% (H2: 12.4%) below prior year respectively



WOOLWORTHS HOLDINGS LIMITED FINAL RESULTS 2020 ANALYST PRESENTATION

WOOLWORTHS FOOD

WHL

H2 benefitted from stock piling pre lockdown; positive momentum continued post lockdown

	H2 2020 Rm	52 weeks Jun 2020 Rm	52 weeks Jun 2019 Rm	% change
Turnover	18 777	35 817	32 342	10.7
Gross profit margin	25.1%	24.9%	24.8%	
Adjusted EBIT	1 559	2 716	2 283	19.0
EBIT margin	8.4%	7.7%	7.2%	
EBITDA	1 893	3 329	2 853	16.7

- Continued market share growth with uninterrupted growth since September 2011
- Comp sales growth for the year of 8.0% (H2 11.0%); price movement of 6.5% - impact of bulk buying; space growth of 2.6%
- Enhanced reputation during the crisis, leveraging its strengths in quality, and trust in safety and hygiene; strong performance despite closure of stores due to COVID-19 incidents and restrictions on sale of certain categories
- Online sales growth of 57.2% (H2 87.8%), contributing 1.2% of sales (H2 1.4%)
- GP margins up due to lower waste and supply chain costs and higher volume rebates, notwithstanding continued price investment
- Store costs growth of 9.1% driven by volume growth and COVID-19 related costs; other operating costs up 5.5%



WOOLWORTHS HOLDINGS LIMITED FINAL RESULTS 2020 ANALYST PRESENTATION

WOOLWORTHS FINANCIAL SERVICES

WHL

A credible performance despite higher impairments due to store closures, lower discretionary spend and lower interest rates

	H2 2020 Rm	Jun 2020 Rm		Jun 2019 Rm		% change
Average total financial services assets		13 185		12 295		7.2
Income statement			% to book		% to book	
Interest income	1 032	2 135	16.2	2 142	17.4	(0.3)
Interest paid	291	638	4.8	663	5.4	(3.8)
Net interest income	741	1 497	11.4	1 479	12.0	1.2
Impairment charge	824	1 043	7.9	461	3.7	>100
Risk-adjusted margin	(83)	454	3.4	1 018	8.3	(55.4)
Non-interest revenue	432	380	6.7	847	6.9	3.9
Operating costs	510	1 053	8.0	1 045	8.5	0.8
Profit before tax	(161)	281	2.1	820	6.7	(65.7)
Return on equity		11.3%		33.2%		

- Year-on-year book growth of 2.0% (9.0% at 31 March 2020)
- Impairment charge, which includes collection costs, increased significantly as a result of a deterioration in collections and an IFRS 9 macro-economic adjustment. Impairment rate was 4.2% for the 9 months ended March 2020



WOOLWORTHS HOLDINGS LIMITED FINAL RESULTS 2020 ANALYST PRESENTATION

DAVID JONES

WHL

Loss of footfall across the chain was partially offset by a shift to online and the Elizabeth Street store reopening

	H2 2020 A\$m	52 weeks Jun 2020 A\$m	52 weeks Jun 2019 A\$m	% change
Turnover and concession sales	888	2 064	2 204	(6.4)
Gross profit margin	30.3%	33.0%	35.7%	
Own buy gross profit margin		36.3%	40.9%	
Concession gross profit margin		25.8%	26.4%	
Adjusted EBIT	(53)	(33)	37	>(100)
EBIT margin	(6.0%)	(1.6%)	1.7%	
EBITDA	(15)	40	103	(61.2)

- Comp sales growth of -6.9% (H2 -14.4%); Space reduction of 0.8%
- Traded through the pandemic but impacted by drop in footfall across the chain. Elizabeth Street started trading from fourth quarter but still affected by the drop in CBD activity and tourism
- Online sales growth of 74.1% (H2 up 100.7%) contributing 14.2% (H2 18.4%) to sales
- Own buy gross profit decline due to promotions and clearance
- Store costs increased by 1.2% (H2: reduced by 2.3%) and other operating costs reduced by 30.3% (H2: -63.9%)



COUNTRY ROAD GROUP

WHL

Store closures adversely impacted trade; strong Country Road brand and online performance

	H2 2020 A\$m	52 weeks Jun 2020 A\$m	52 weeks Jun 2019 A\$m	% change
Turnover	386	927	1 082	(14.3)
Gross profit margin	53.4%	58.6%	61.7%	(60.0)
Adjusted EBIT	(16)	40	100	(60.0)
EBIT margin	(4.1%)	4.3%	9.2%	
EBITDA	5	80	138	(42.0)

- Comp sales -8.7% (H2 -21.7%); Space reduced by 5.3% due to Myer exit and store closures
- Stores were closed for 2 months, with only online and DJ pads trade; CR performed well but Politix struggled given the high proportion of formal in product offer
- Online sales growth of 15.4% (H2 28.1%) contributing 25.5% (H2 33.5%) to sales
- GP margins also impacted by clearance activity
- Store costs decreased by 10.0% (H2: 15.3%); other operating costs were down 12.1% (H2: 29.5%)

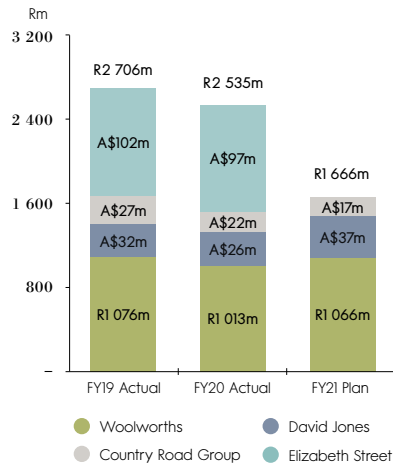


WOOLWORTHS HOLDINGS LIMITED FINAL RESULTS 2020 ANALYST PRESENTATION

CAPITAL EXPENDITURE

WHL

Targeted capex reduction in H2 and FY21; FY21 pulled back by R1 billion from previous guidance



Depreciation and amortisation*

	52 weeks Jun 2020	52 weeks Jun 2019	% change
Woolworths (Rm)	987	990	(0.3)
David Jones (A\$m)	73	66	10.6
Country Road Group (A\$m)	40	38	5.3
Total Group (Rm)	2 170	2 040	6.4

* Pre IFRS 16

WOOLWORTHS HOLDINGS LIMITED FINAL RESULTS 2020 ANALYST PRESENTATION

GROUP BALANCE SHEET

WHL

Several key initiatives underway to further strengthen the balance sheet; targeting a sustainable capital structure of 1.5x Net debt to EBITDA

	Jun 2020 Rm	Jun 2019 Rm	Constant currency % change	
Assets				
Property, plant and equipment	16 280	14 295	(0.1)	
Intangible assets	8 228	7 283	1.4	
Investments in joint ventures	742	810	(8.4)	
Inventories	8 054	8 325	(11.3)	Lower levels of stock due to reduced intake and stock clearance in the second half
Trade and other receivables and loans	2 414	1 518	44.7	Increased from timing of debtor settlements, unpaid JobKeeper and government grants
Derivative financial instruments	283	185	41.6	
Deferred tax and tax assets	1 411	1 600	(24.4)	
Cash and cash equivalents	5 534	1 913	>100	
Total assets	42 946	35 929	6.7	
Equity and liabilities				
Shareholders' funds	10 790	9 443	(5.7)	R10.8 billion at the end of the period (pre IFRS 16), with a net debt to equity ratio of 1.1x (prior year 1.3x)
Borrowings and overdrafts	17 158	14 393	9.7	
Operating lease accrual and fair value lease adjustment	1 770	1 761	(13.6)	
Other non-current liabilities	890	805	2.7	
Derivative financial instruments	341	178	86.5	
Deferred tax and tax liabilities	242	138	48.6	
Trade and other payables and provisions	11 755	9 211	16.7	Increased from higher trade balances and extended payment terms; higher accruals in Aus (rent and tax deferrals)
Total equity and liabilities	42 946	35 929	6.7	
Net gearing	11 624	12 480	(12.5)	
Year-end exchange rate (R/A\$)	11.8	9.9		

WOOLWORTHS HOLDINGS LIMITED FINAL RESULTS 2020 ANALYST PRESENTATION

NET GEARING AND COVENANTS

WHL

Significant focus on cash generation and preservation initiatives across the Group resulted in an improved net gearing position at year-end, despite COVID-19

Net gearing

	Jun 2020	Jun 2019
WHL Net debt (Rm)	(11 624)	(12 480)
Interest-bearing debt	(17 061)	(13 522)
Net cash and cash equivalents	5 437	1 042
Unutilised committed facilities – Group	6 340	8 147
Net debt to EBITDA (times)	2.0	1.6
SA Net debt (Rm)	(7 299)	(8 327)
Interest-bearing debt	(8 687)	(8 685)
Net cash and cash equivalents	1 388	358
Rate**	7.70%	9.00%
Unutilised committed facilities – SA	5 914	5 199
Aus Net debt (A\$m)	(366)	(420)
Interest-bearing debt	(708)	(489)
Net cash and cash equivalents	342	69
Rate**	4.39%	4.04%
Unutilised committed facilities – AUS	36	298

* Bank covenants exclude IFRS 16

** Partially hedged all-in rate including amortisation of upfront costs

*** SA Bank covenants relaxed for June and December

Covenants*

	Jun 2020	Jun 2019	Bank limit
SA Bank covenants***			
Net debt to EBITDA (times)	1.7	1.6	<3.0
Interest cover (times)	5.4	6.1	>3.5
Aus Bank covenants			
Net debt to EBITDA (times)	3.1	1.8	<3.0
Fixed cover charge ratio (times)	1.3	1.7	>1.5

Lenders in Australia granted suspension of covenant testing for June and December reporting

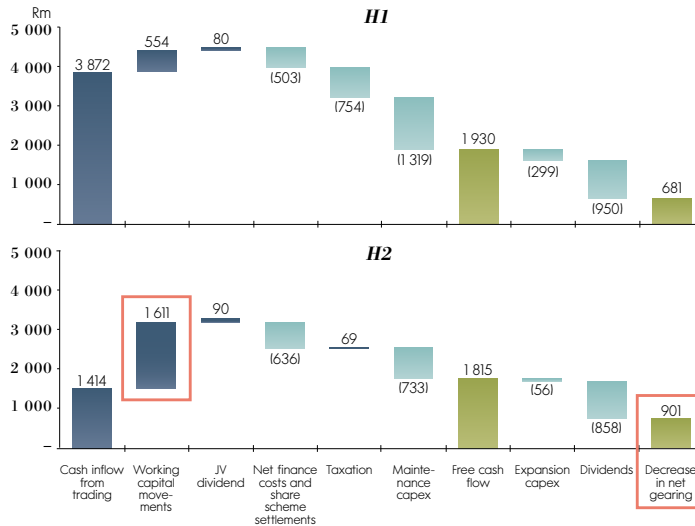
Lower base rates in SA and Aus, offset by higher margins and amortised costs from Aus debt refinancing

WOOLWORTHS HOLDINGS LIMITED FINAL RESULTS 2020 ANALYST PRESENTATION

CASH GENERATION

WHL

Positive cash generation in H2 through minimising operating and capital expenditure and proactively managing working capital



Net gearing excludes R726 million currency translation impact

Net gearing for the second half decreased by R901 million. Overall decrease in net gearing for the year was R1.6 billion, notwithstanding the impact of COVID-19 and Elizabeth Street spend, which ramped up in H2 as we completed the project.

Working capital contributed R2.2 billion of the positive movement for the year, through the focus on inventory reduction and extending supplier and other payment terms.

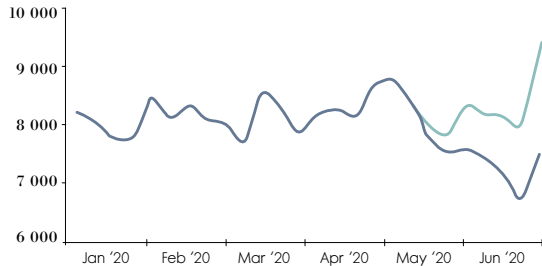
WOOLWORTHS HOLDINGS LIMITED FINAL RESULTS 2020 ANALYST PRESENTATION

GROUP LIQUIDITY

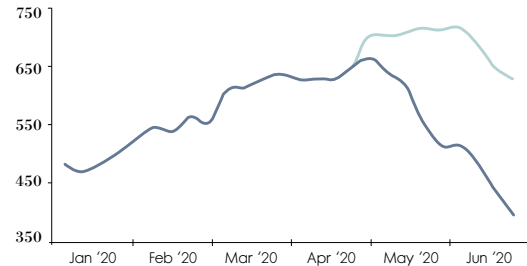
WHL

While the funding support to the Australian Group remains available, no funds have flowed due to the better than expected liquidity position

*South Africa Net gearing
(R)*



*Australasia Net gearing
(A\$m)*



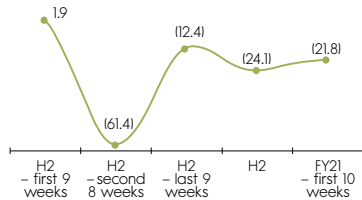
— Actual — WHL view of impact of COVID-19 on net gearing (Apr 2020)

WOOLWORTHS HOLDINGS LIMITED FINAL RESULTS 2020 ANALYST PRESENTATION

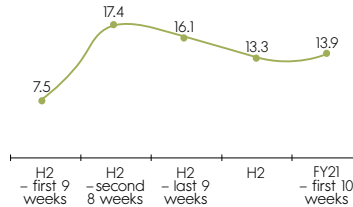
RECENT TRADING

WHL

WOOLWORTHS FASHION, BEAUTY AND HOME



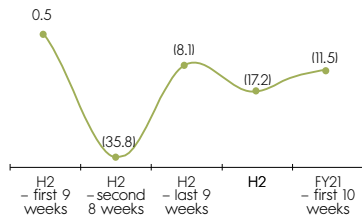
WOOLWORTHS FOOD



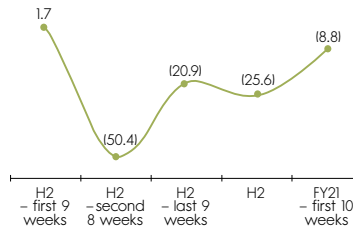
FBH: first 10 weeks impacted by smaller winter clearance due to a lower year-end stock position; reduced formal wear sales and later summer launch; FBH price movement for H1 expected to be -1.7%

Food: positive sales momentum continued; Food price movement for H1 expected to be 6.8%

DAVID JONES



COUNTRY ROAD GROUP



DJ and CRG sales negatively impacted by the closure of stores in Victoria resulting from the stage 4 lockdown, lower footfall in CBD locations and airport stores

● % on LY

A woman with long dark hair in a ponytail, wearing a white sleeveless dress, stands in profile on a hillside. The background features a range of mountains under a cloudy sky.

UPDATE AND OUTLOOK

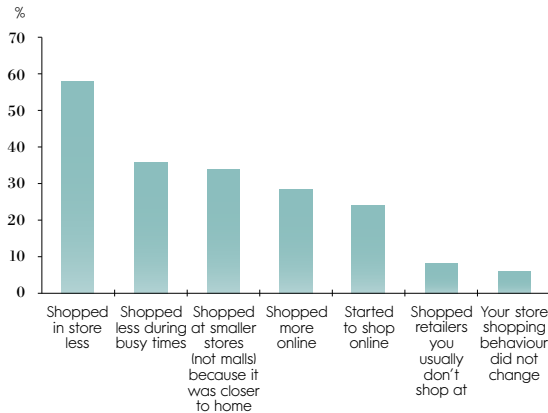
Roy Bagattini
Group CEO

IMPACT OF COVID-19 ON CUSTOMERS' BEHAVIOUR

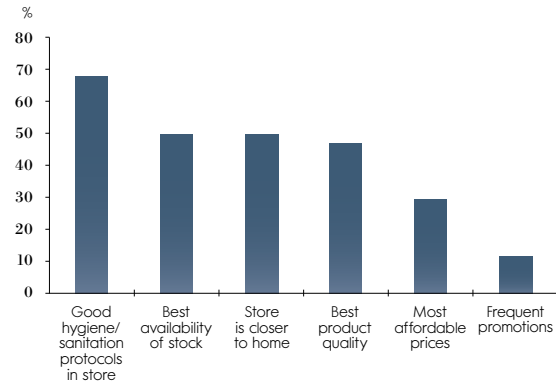
WHL

Our customers' shopping behaviour was significantly impacted by COVID-19

Changes in shopping behaviour



Key drivers of store choice



LESSONS WE HAVE LEARNT FROM NAVIGATING THE COVID-19 CRISIS **WHL**

We are amplifying and accelerating certain initiatives which may otherwise have taken longer

Our customers' lifestyles and shopping behaviours have changed

- Amplified shift to digital
- Heightened price sensitivity and reduced discretionary spend
- Focus on hygiene, safety and contactless experiences
- Reduced frequency of shop but increased average basket size
- Shift from larger malls to smaller, convenient stores
- Accelerated trend to health and wellness, home nesting and comfort
- Higher expectations of corporate purpose, sustainability and transparency

...we are intensifying our efforts to meet their evolving needs and expectations

- Prioritising capital spend and operational focus towards digital transformation
- Continue to right-size store portfolio while driving convenience channels
- Greater investment in our value proposition
- Focus on growing in-demand categories
- Amplify our Good Business Journey as a key differentiator

AUSTRALASIA RESTRUCTURE AND UNLOCK OF VALUE

WHL

We are undertaking several key initiatives to unlock value in Australasia

- **Demonstrable progress** in several key areas
 - Redeveloped **Elizabeth Street store** showing encouraging signs, but learnings need to be leveraged across the store portfolio
 - **CRG product exclusivity**, following Myer exit
 - **Refreshed Country Road brand** delivering results
 - Market-leading **digital performance** in CRG and benefits from **new online platform** in David Jones
- Strategies continue to be reassessed, but COVID-19 required **prioritisation of initiatives** to stabilise the business
 - Successfully secured **suspension of testing of covenants** from banks and bondholders
 - **Support provided by WHL** of A\$75 million loan facility secured by second lien – no drawdown has been made to date



AUSTRALASIA RESTRUCTURE AND UNLOCK OF VALUE

WHL

We are undertaking several key initiatives to unlock value in Australasia

- We are making **progress on our capital plan**
 - **Sale of Bourke Street menswear building** for A\$121 million
 - **Good interest in remaining David Jones properties** – non-binding indicative offers received from several parties
- Progress being made on **discussions with landlords** – cost optimal approach to achieving significant reduction in space and occupancy costs
- A range of **cost-out initiatives**, targeting >A\$20 million across Australasia
- **BP roll-out and partnership** progressing well; **comprehensive review of DJ Food business** underway to stem current losses



WOOLWORTHS FBH TURNAROUND

WHL

We are focused on fixing and repositioning our FBH business

- Our challenges lie both in **strategy and execution**
- Insufficient focus on acquiring **new and aspiring customers**
- Relatively long, inflexible **lead times**
- Sub-optimal **economies of scale** due to wide assortment
- New MD, **Manie Maritz**, started in June 2020
- A **holistic review of our FBH strategy and execution** is underway
 - Leverage **local supply chain** opportunities
 - Grow our **market share in Beauty and other categories**
 - Build on **momentum in Home**, particularly in online sales
 - **Reduce space and improve productivity** metrics



MAINTAINING LEADERSHIP IN **WOOLWORTHS**FOOD

WHL

We will amplify our investment to protect and actively grow our market share

- Extend our leadership position in **product quality and innovation**
- Expand our **advantage in our Fresh** food offering while developing **future growth categories**
- Provide our customers with **easy and accessible convenience**, through a variety of formats, channels and inspiring meal solutions
- Further investment in our **value proposition** supported by value chain optimisation
 - Targeted price investment of R750 million over the next two to three years
- Continued focus on our **supplier relationships** – a key competitive advantage



OUR GOOD BUSINESS JOURNEY

WHL

Sustainability is core to our business and a distinct competitive advantage

- Our **deeply divided and unequal society** is a reality that will continue to affect business and its sustainability
- Active citizenry calls for a meaningful contribution to **inclusive growth for all our people**
- Significant progress made against **packaging reduction** commitments
- Across the Group, a focus on **responsible sourcing of commodities** continued
- 10th anniversary of Woolworths' pioneering **Farming for the Future programme** which is focused on growing food in a more sustainable way
- The Group achieved a 175% **reduction in energy consumption** per square metre against its 2005 baseline
- **Water usage declined** in Woolworths stores by 60% per square metre against a 2007 baseline
- Approval of WHL **science-based carbon reduction target**, the first for a South African-based retailer
- The Group is currently finalising its **new GBJ and BEE targets for 2025**



ACCELERATING DATA AND DIGITAL INITIATIVES

WHL

We are prioritising our capital and operational spend and focus towards data and digital transformation

- **Data-driven decision-making** will start to inform all our business decisions
- Critical to respond to the **seismic shift in digital engagement** and exponential **growth in online channels**
- COVID-19 highlights shortcomings and the **need to accelerate transformation**
 - **Click and Collect** launched in South Africa
 - **Further initiatives underway** to fast-track the building of our online capability, leveraging progress already made in CRG across the Group



OUTLOOK

WHL

The operating environment is challenging and fluid, and will remain so for the foreseeable future

- The full economic impact of the pandemic is yet to be felt, especially on peoples' livelihoods – we will not lose sight of our role in **supporting our communities and broader society**
- Looking ahead, **consumer spend will remain constrained**
- **Heightened competition and promotional activity** likely to persist, notwithstanding industry consolidation
- **Apparel, home and beauty businesses plan for some recovery**, off a low base, whereas **Food is trading against more demanding comparatives**
- Currently defining a **new strategic framework**, and **streamlining the operating model** of the Group



APPENDIX

WOOLWORTHS HOLDINGS LIMITED FINAL RESULTS 2020 ANALYST PRESENTATION

GROUP INCOME STATEMENT

WHL

Jun 2020	Woolworths				David Jones Rm	Country Road Group Rm	Treasury Rm	Intragroup Rm	Group Rm
	FBH Rm	Food Rm	Logistics Rm	WFS Rm					
Turnover and concession sales	12 421	35 817	517	–	21 542	9 655	–	(1 690)	78 262
Concession sales	–	(676)	–	–	(7 068)	–	–	1 690	(6 054)
Turnover	12 421	35 141	517	–	14 474	9 655	–	–	72 208
Cost of sales	6 953	26 397	517	–	9 235	4 034	–	(264)	46 872
Gross profit	5 468	8 744	–	–	5 239	5 621	–	264	25 336
Other revenue	17	117	–	–	1 828	59	–	(493)	1 528
Expenses	4 802	6 145	–	–	7 650	5 279	13	(229)	23 660
Store costs	3 287	4 484	–	–	6 697	3 728	–	(493)	17 703
Other operating costs	1 515	1 661	–	–	953	1 551	13	264	5 957
Financial services	–	–	–	101	252	–	–	–	353
Adjusted profit before interest and tax	683	2 716	–	101	(331)	401	(13)	–	3 557
Net finance costs	–	–	–	–	(98)	8	(981)	–	(1 071)
Adjusted profit before tax	683	2 716	–	101	(429)	409	(994)	–	2 486
Adjustments	(63)	(5)	–	–	(650)	(60)	(4)	–	(782)
Profit/(loss) before tax	620	2 711	–	101	(1 079)	349	(998)	–	1 704
Adjusted effective tax rate									25.2%

WOOLWORTHS HOLDINGS LIMITED FINAL RESULTS 2020 ANALYST PRESENTATION

GROUP INCOME STATEMENT

WHL

Jun 2019 (52 weeks)	Woolworths				David Jones Rm	Country Road Group Rm	Treasury Rm	Intragroup Rm	Group Rm
	FBH Rm	Food Rm	Logistics Rm	WFS Rm					
Turnover and concession sales	13 908	32 342	483	–	22 363	10 986	–	(1 747)	78 335
Concession sales	–	(746)	–	–	(7 579)	–	–	1 747	(6 578)
Turnover	13 908	31 596	483	–	14 784	10 986	–	–	71 757
Cost of sales	7 298	23 763	483	–	8 791	4 197	–	(248)	44 284
Gross profit	6 610	7 833	–	–	5 993	6 789	–	248	27 473
Other revenue	17	135	–	–	1 989	67	–	(523)	1 685
Expenses	4 941	5 685	–	–	7 851	5 841	14	(275)	24 057
Store costs	3 373	4 110	–	–	6 426	4 111	–	(523)	17 497
Other operating costs	1 568	1 575	–	–	1 425	1 730	14	248	6 560
Financial services	–	–	–	295	249	–	–	–	544
Adjusted profit before interest and tax	1 686	2 283	–	295	380	1 015	(14)	–	5 645
Net finance costs	–	–	–	–	(5)	22	(1 061)	–	(1 044)
Adjusted profit before tax	1 686	2 283	–	295	375	1 037	(1 075)	–	4 601
Adjustments	(7)	(1)	–	–	(6 466)	(88)	(7)	–	(6 569)
Profit/(loss) before tax	1 679	2 282	–	295	(6 091)	949	(1 082)	–	(1 968)

WOOLWORTHS HOLDINGS LIMITED FINAL RESULTS 2020 ANALYST PRESENTATION

AUSTRALASIA BALANCE SHEET

WHL

	Jun 2020 A\$m			Jun 2019 A\$m		
	David Jones	Country Road Group	Total	David Jones	Country Road Group	Total
Assets						
Property, plant and equipment	918	114	1 032	893	138	1 031
Intangible assets ^{1&2}	91	367	458	89	366	455
Inventories	226	121	347	292	121	413
Trade and other receivables, deferred tax and tax assets	264	195	459	174	149	323
Total assets	1 499	797	2 296	1 448	774	2 222
Non-current and current non-interest bearing liabilities	(406)	(254)	(660)	(514)	(212)	(726)
Capital employed, net of cash balances	1 093	543	1 636	934	562	1 496
Year-end exchange rate (R/A\$)			11.8			9.9

¹ David Jones excludes brands impaired at Group

² Country Road Group includes David Jones notional goodwill allocation

WOOLWORTHS HOLDINGS LIMITED FINAL RESULTS 2020 ANALYST PRESENTATION

TRADING SPACE

WHL

	Jun 2020 000m ²	Jun 2019 000m ²	% change	Projected Jun 2021 000m ²	% change	Projected Jun 2022 000m ²	% change	Projected Jun 2023 000m ²	% change
Woolworths Fashion, Beauty and Home	485	478	1.0	462	(4.7)	445	(3.7)	429	(3.6)
South Africa	440	435	1.1	416	(5.5)	399	(4.1)	382	(4.3)
Rest of Africa	45	43	4.7	46	2.2	46	-	47	2.2
Woolworths Food	262	255	2.6	265	1.1	269	1.5	274	1.9
South Africa	253	247	2.4	255	0.8	258	1.2	263	1.9
Engen	3	3	-	4	33.3	4	-	4	-
Rest of Africa	6	5	20.0	6	-	7	16.7	7	-
David Jones	472	475	(0.8)	466	(1.3)	458	(1.7)	442	(3.5)
Country Road Group*	115	121	(5.3)	110	(4.3)	103	(6.4)	102	(1.0)
Australasia	100	106	(5.7)	95	(5.0)	88	(7.4)	87	(1.1)
South Africa	15	15	-	15	-	15	-	15	-

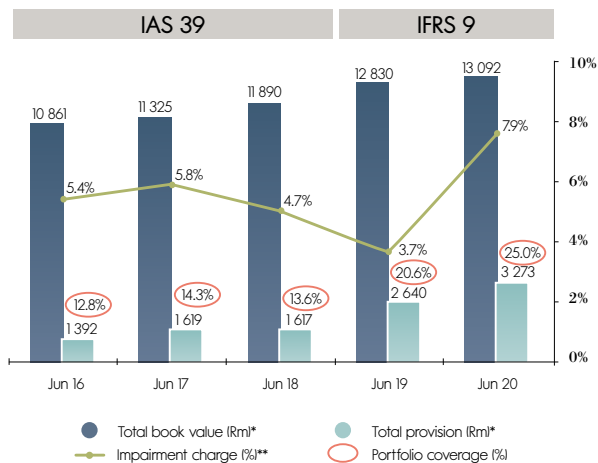
* Includes 27 305m² Country Road Group brand concessions in David Jones stores

WOOLWORTHS HOLDINGS LIMITED FINAL RESULTS 2020 ANALYST PRESENTATION

WOOLWORTHS FINANCIAL SERVICES

WHL

Book performance



* Total book and provision include legal portfolio
 ** Includes collection costs

Contribution to sales

% of retail sales purchased on Woolworths cards	Jun 2020	Jun 2019
Total Fashion, Beauty and Home	23.6%	23.9%
Total Food	10.6%	11.3%
Aggregate Woolworths card and credit card contribution	14.0%	15.1%

IFRS 16

INTRODUCTION

WHL

- Effective beginning of 2020 financial year (1 July 2019)
- We have adopted the **modified retrospective approach**
- **Comparative amounts** are not restated. Opening retained earnings is adjusted on Day 1 (1 July 2019). Results for FY20, excluding IFRS 16 adjustments, have been presented to enable comparability to FY19
- Significant impact on our financial reporting:
 - **Balance sheet:** Right-of-use (ROU) assets and Lease liabilities brought onto the balance sheet
 - **Income statement:** change in structure and categorisation of costs
 - Operating profit and margin increases: rental costs replaced with depreciation and finance costs
 - PBT and EPS decrease initially, as lease portfolio is, on average, in the earlier part of lease term
 - **Key ratio** changes: EBITDA, Operating margin, ROCE, ROA and debt ratios
- IFRS 16 does not impact our financial fundamentals, operations or cash flows. However, there has been an increased focus on reducing the tenure and increasing the flexibility and variability of our lease agreements

WOOLWORTHS HOLDINGS LIMITED FINAL RESULTS 2020 ANALYST PRESENTATION

GROUP INCOME STATEMENT

WHL

	Pre IFRS 16 52 weeks Jun 2020 Rm	Adjustment Rm	Post IFRS 16 52 weeks Jun 2020 Rm	52 weeks Jun 2019 Rm
Woolworths Fashion, Beauty and Home	683	265	948	1 686
Woolworths Food	2 716	180	2 896	2 283
WFS (50% of PATI)	101	–	101	295
Woolworths	3 500	445	3 945	4 264
David Jones	(331)	580	249	380
Country Road Group	401	212	613	1 015
Adjusted profit before interest and tax	3 570	1 237	4 807	5 659
Net finance and other costs	(1 084)	(1 555)	(2 639)	(1 058)
Adjusted profit before tax	2 486	(318)	2 168	4 601
Adjustments	(782)	16	(766)	(6 569)
Profit/(loss) before tax	1 704	(302)	1 402	(1 968)

WOOLWORTHS FASHION, BEAUTY AND HOME

WHL

INCOME STATEMENT

	Pre IFRS 16 52 weeks Jun 2020 Rm	Adjustment Rm	Post IFRS 16 52 weeks Jun 2020 Rm	52 weeks Jun 2019 Rm
Turnover	12 421	–	12 421	13 908
Cost of sales	6 953	–	6 953	7 298
Gross profit	5 468	–	5 468	6 610
Other revenue	17	–	17	17
Expenses	4 802	(265)	4 537	4 941
Store costs	3 287	(254)	3 033	3 373
Other operating costs	1 515	(11)	1 504	1 568
Adjusted operating profit	683	265	948	1 686
Gross profit margin – on turnover	44.0%		44.0%	47.5%
Operating profit margin – on turnover	5.5%		7.6%	12.1%

WOOLWORTHS HOLDINGS LIMITED FINAL RESULTS 2020 ANALYST PRESENTATION

WOOLWORTHSFOOD

WHL

INCOME STATEMENT

	Pre IFRS 16 52 weeks Jun 2020 Rm	Adjustment Rm	Post IFRS 16 52 weeks Jun 2020 Rm	52 weeks Jun 2019 Rm
Turnover and concession sales	35 817	–	35 817	32 342
Concession sales	(676)	–	(676)	(746)
Turnover – own buy	35 141	–	35 141	31 596
Cost of sales	26 397	–	26 397	23 763
Gross profit – own buy	8 744	–	8 744	7 833
Concession and other revenue	117	–	117	135
Expenses	6 145	(180)	5 965	5 685
Store costs	4 484	(169)	4 315	4 110
Other operating costs	1 661	(11)	1 650	1 575
Adjusted operating profit	2 716	180	2 896	2 283
Gross profit margin – on turnover	24.9%		24.9%	24.8%
Operating profit margin – on turnover	7.7%		8.2%	7.2%

WOOLWORTHS HOLDINGS LIMITED FINAL RESULTS 2020 ANALYST PRESENTATION

DAVID JONES

WHL

INCOME STATEMENT

	Pre IFRS 16 52 weeks Jun 2020 A\$m	Adjustment A\$m	Post IFRS 16 52 weeks Jun 2020 A\$m	52 weeks Jun 2019 A\$m
Turnover and concession sales	2 064	–	2 064	2 204
Concession sales	(677)	–	(677)	(747)
Turnover – own buy	1 387	–	1 387	1 457
Cost of sales	881	–	881	867
Gross profit – own buy	506	–	506	590
Concession and other revenue	176	–	176	197
Gross profit	682	–	682	787
Expenses	739	(55)	684	775
Store costs	641	(67)	574	633
Other operating costs	98	12	110	142
Department store operating (loss)/profit	(57)	55	(2)	12
Financial services operating profit	24	–	24	25
Adjusted operating (loss)/profit	(33)	55	22	37
Gross profit margin – on turnover and concession sales	33.0%		33.0%	35.7%
Operating profit margin*	(1.6%)		1.1%	1.7%

* Adjusted operating profit as a percentage of turnover and concession sales

COUNTRY ROAD GROUP

WHL

INCOME STATEMENT

	Pre IFRS 16 52 weeks Jun 2020 A\$m	Adjustment A\$m	Post IFRS 16 52 weeks Jun 2020 A\$m	52 weeks Jun 2019 A\$m
Turnover	927	-	927	1 082
Cost of sales	384	-	384	414
Gross profit	543	-	543	668
Other revenue	6	-	6	6
Expenses	509	(20)	489	574
Store costs	359	(19)	340	404
Other operating costs	150	(1)	149	170
Adjusted operating profit	40	20	60	100
Gross profit margin – on turnover	58.6%		58.6%	61.7%
Operating profit margin – on turnover	4.3%		6.5%	9.2%

WOOLWORTHS HOLDINGS LIMITED FINAL RESULTS 2020 ANALYST PRESENTATION

GROUP BALANCE SHEET

WHL

	Pre IFRS 16 Jun 2020 Rm	Adjustment Rm	Post IFRS 16 Jun 2020 Rm	Jun 2019 Rm
Assets				
Property, plant and equipment	16 280	(34)	16 246	14 295
Intangible assets	8 228	–	8 228	7 283
Right-of-use assets	–	20 519	20 519	–
Investments in joint ventures	742	–	742	810
Inventories	8 054	–	8 054	8 325
Trade and other receivables and loans	2 414	(170)	2 244	1 518
Derivative financial instruments	283	–	283	185
Deferred tax and tax assets	1 411	1 805	3 216	1 600
Cash and cash equivalents	5 534	–	5 534	1 913
Total assets	42 946	22 120	65 066	35 929
Equity and liabilities				
Shareholders' funds	10 790	(4 280)	6 510	9 443
Borrowings and overdrafts	17 158	(38)	17 120	14 393
Lease liabilities	–	28 599	28 599	–
Operating lease accrual and fair value lease adjustment	1 770	(1 770)	–	1 761
Other non-current liabilities	890	(155)	735	805
Derivative financial instruments	341	–	341	178
Deferred tax and tax liabilities	242	(91)	151	138
Trade and other payables and provisions	11 755	(145)	11 610	9 211
Total equity and liabilities	42 946	22 120	65 066	35 929
Net gearing*	11 624	20 553	32 177	12 480
Year-end exchange rate (R/A\$)			11.8	9.9

* Post IFRS 16 based on lease liabilities net of deferred tax

WOOLWORTHS HOLDINGS LIMITED FINAL RESULTS 2020 ANALYST PRESENTATION

IMPACT ON KEY METRICS

WHL

		Pre IFRS 16 Jun 2020	Change	Post IFRS 16 Jun 2020
BALANCE SHEET				
Net debt*	Rbn	11.6	19.9	31.5
Net debt to EBITDA*	times	2.0	1.3	3.3
ROCE* & **	%	7.7	(0.6)	7.1
INCOME STATEMENT				
Adjusted EBIT	Rbn	3.6	1.2	4.8
Operating profit margin	%	4.8	1.7	6.5
Adjusted profit before tax	Rbn	2.5	(0.3)	2.2
Adjusted diluted HEPS	cents	193.6	(25.2)	168.4
Interest cover	times	5.4	(1.7)	3.7
CASH FLOW				
Adjusted EBITDA	Rbn	5.7	3.9	9.6
Operating cash flow	Rbn	7.5	3.7	11.1
Free cash flow	Rbn	3.7	-	3.7

* Post IFRS 16 based on lease liabilities net of deferred tax

** Excluding abnormal asset impairments

WOOLWORTHS HOLDINGS LIMITED FINAL RESULTS 2020 ANALYST PRESENTATION

IMPACT BY SEGMENT

WHL

	Group Rm	VSA Rm	DJ A\$m	CRG A\$m
INCOME STATEMENT				
Depreciation	2 602	802	75	97
Finance costs – Lease liabilities	1 555	677	62	22
BALANCE SHEET				
Right-of-use assets	20 519	5 281	898	393
Lease liabilities	(28 599)	(6 727)	(1 379)	(471)
CASH FLOWS				
Lease liabilities repaid (including finance costs)	(3 818)	(1 386)	(129)	(92)
CASH FLOWS				
	Group Rm	ZAR debt Rm	AUD debt A\$m	
Finance costs paid	2 569	1 513	101	
On Lease liabilities	1 427	677	72	
On Interest-bearing debt	1 142	836	29	

DISCLAIMER

WHL

Shareholders are advised that the information in this presentation has not been reviewed and reported on by Woolworths Holdings' external auditors and it does not constitute a profit forecast.

Woolworths Holdings has taken reasonable efforts to ensure the accuracy and completeness of the information contained in this presentation.

This presentation contains certain forward-looking statements with respect to Woolworths Holdings and its business. Forward-looking statements are not statements of fact, but statements based on Woolworths Holdings current estimates, projections, expectations, beliefs and assumptions regarding the group's future performance, financial condition and results. By their nature, forward-looking statements involve risk and uncertainty because they relate to future to future events and circumstances beyond the control of Woolworths Holdings. No assurance can be given that forward-looking statements will prove to be correct and undue reliance should not be placed on such statements.

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