

A photograph of three women standing on a rocky beach. The woman on the left has short blonde hair and is wearing a white off-the-shoulder top and wide-leg trousers. The woman in the middle has dark curly hair and is wearing a white short-sleeved dress. The woman on the right has short dark hair and is wearing a white halter-neck top and a long, tiered skirt. They are all smiling and looking towards the camera. The background shows the ocean and a cloudy sky.

WOOLWORTHS HOLDINGS LIMITED

INTERIM RESULTS

H 1 F Y 2 0 2 3

PRESENTATION OUTLINE

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THE PERIOD

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OVERVIEW

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OUTLOOK
AND Q&A



OVERVIEW OF THE PERIOD

Roy Bagattini

Group CEO

OVERVIEW OF THE PERIOD

WHL

Relentless focus on the execution of our strategies is yielding results

- **Strong Group performance** across all operating divisions
 - Results not directly comparable: lockdowns in Australia in H1 FY22 | loadshedding in SA in H1 FY23
 - **Turnover and concession sales +16.3%*** on LY for the half | +8.8% on LY in last 6 weeks (comparable period)
 - **aEBIT +48%** on LY
 - **adHEPS +75.5%** on LY
 - **Interim dividend per share +97%** on LY
- **FBH** turnaround strategy continues to gain traction
- **Food** improved its run-rate throughout the period, notwithstanding impact of loadshedding
- **CRG and DJ** maintained their positive momentum throughout the period
- **Sale of David Jones** will be transformational for the WHL Group

aEBIT	adHEPS
+48%	+75.5%
on LY	on LY

* Constant currency





LOADSHEDDING CONSIDERATIONS

WHL

Our differentiated value chain and past investments are enabling us to mitigate the significant impacts of loadshedding on profitability

- Widespread impact across the South African economy, **affecting every aspect of our business**
- Incurring **c.R20 – R30m/month** in food waste and diesel costs (during stage 6)
- Stores fully operational for trade
- Our primary focus has been our **commitment to quality**, and protecting the **trust customers place in our brand**
- **Past investments** in cold chain and energy supply capabilities proving beneficial
- Our **integrated supply chain** enables us to build a holistic, end-to-end and fully resilient response plan

STRATEGIC UPDATE

Roy Bagattini

Group CEO



A REMINDER: WHL INVESTMENT THESIS

WHL

WHL is a pre-eminent retailer of iconic brands, with significant self-driven opportunities to grow earnings independent of our macro economic context

- 1. Highest return on capital Food business** in South Africa with unparalleled back-end capabilities in high-end foods, and **further room to grow share** of wallet by improving the accessibility of our superior-quality, premium private-label offering
- 2. Near-term opportunities in FBH**, with significant scope to **improve the profitability of Fashion**, whilst simultaneously **growing profitable market share in Beauty and Home**
- 3. Value creation in Australia provides upside optionality** in the case of both David Jones and Country Road Group, with each business now able to pursue its respective strategic ambitions
- 4. Strengthened balance sheet** and **sound capital allocation principles** drive **strong and improving free cash flow conversion**, with potential to return excess cash to shareholders
- 5. Industry-leading, highly-regarded Good Business Journey programme** is embedded in all aspects of the business, in line with the Group's vision of being **one of the world's most responsible retailers**



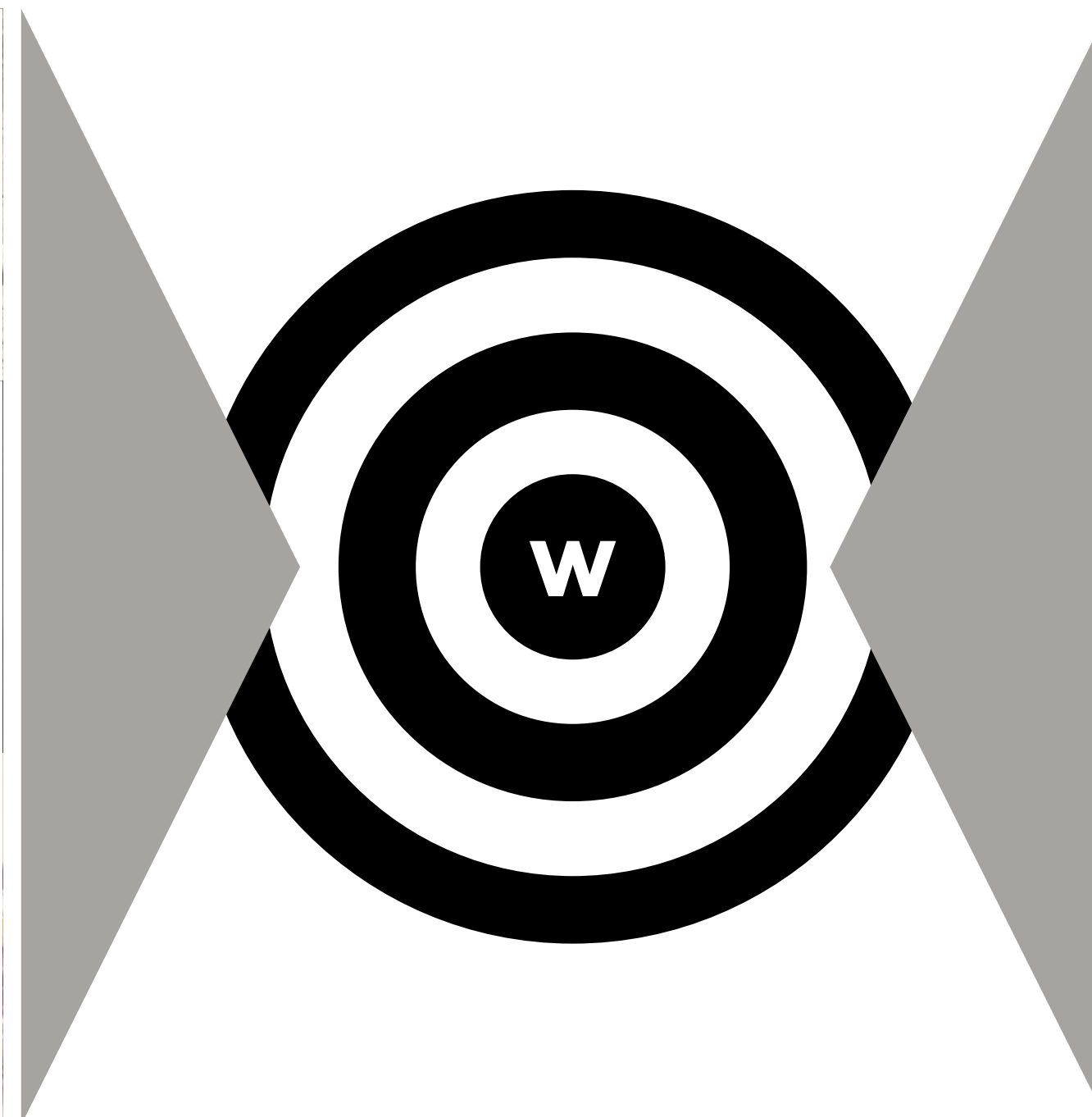
1. OUR FOOD BUSINESS

WHL

The “holy grail”: The sweet spot which balances giving our customers the best overall proposition in the market, and our shareholders the highest return on capital in the sector

BEST
for customers

BEST
for shareholders

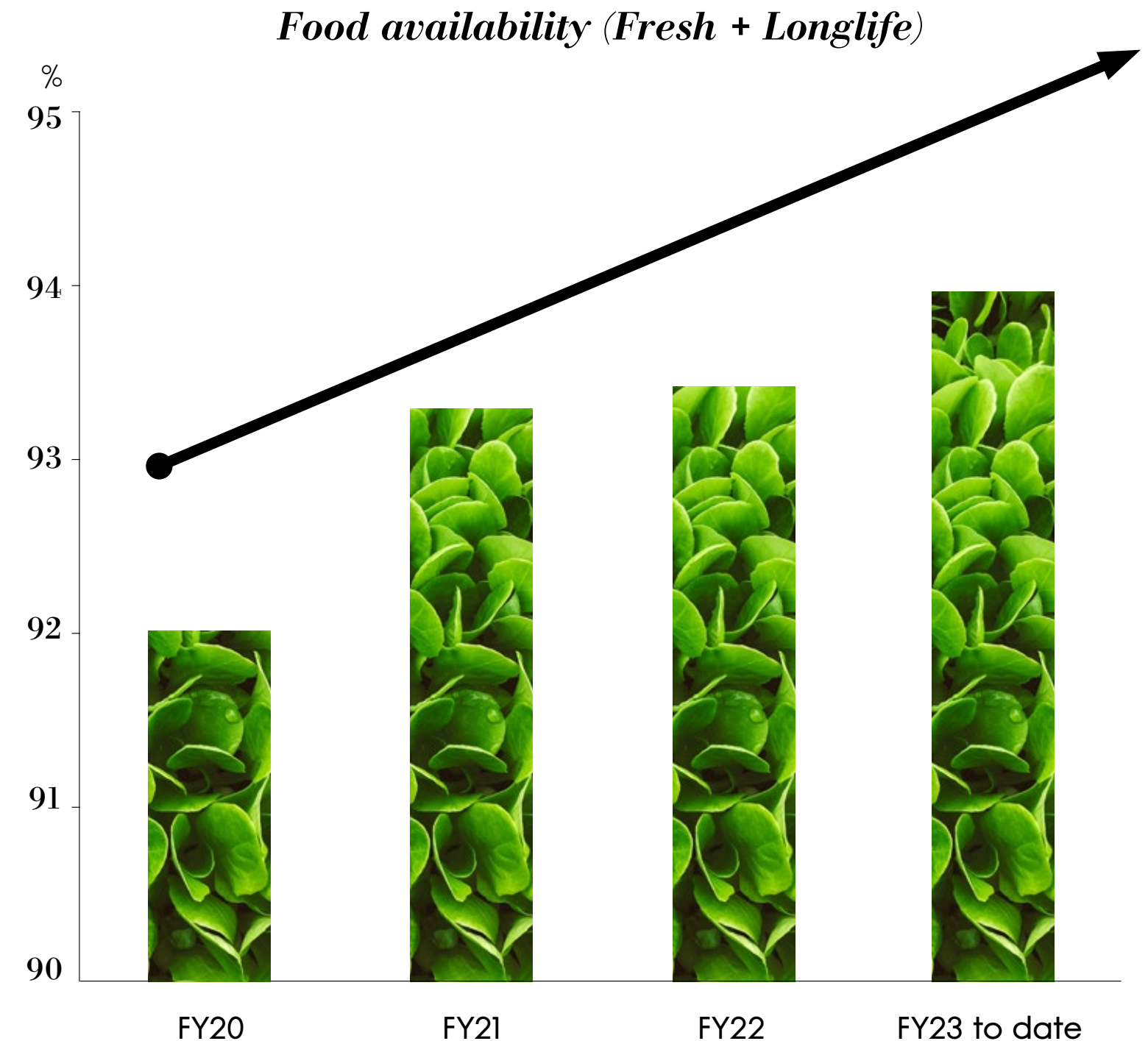


1. OUR FOOD BUSINESS (continued)

WHL

Our biggest opportunity lies in growing our core business through driving availability, amplifying our value proposition, and increasing our market presence

- Improving **availability**
 - **+50bps** vs LY
 - December availability above both LY and YTD levels
 - **Fresh availability >3 ppts higher than FY20**, with room for further improvement
- Amplifying our **differentiated value proposition**
 - Continued **investment into price** – WSA internal food inflation of **6.8%** vs food CPI of **12.4%** (as at Dec '22)
- Expanding our **market place presence**
 - Accelerating **space growth**
 - Further opening of WCellar | NowNow | new concepts
 - **Dash** footprint doubled vs LY | sales +>150% on LY | 80% customer reach by financial year-end
 - Increasing **marketing communication**





GET WOOLIES FOOD FAST



W

Woolies Dash

Woolies Dash is now in even more areas

GET WOOLIES FOOD DELIVERED IN STAY-COLD COOLERS FAST, FRESH, TODAY

All your faves



FAST FRESH TODAY FAST FRESH TODAY FAST FRESH TODAY FAST FRESH

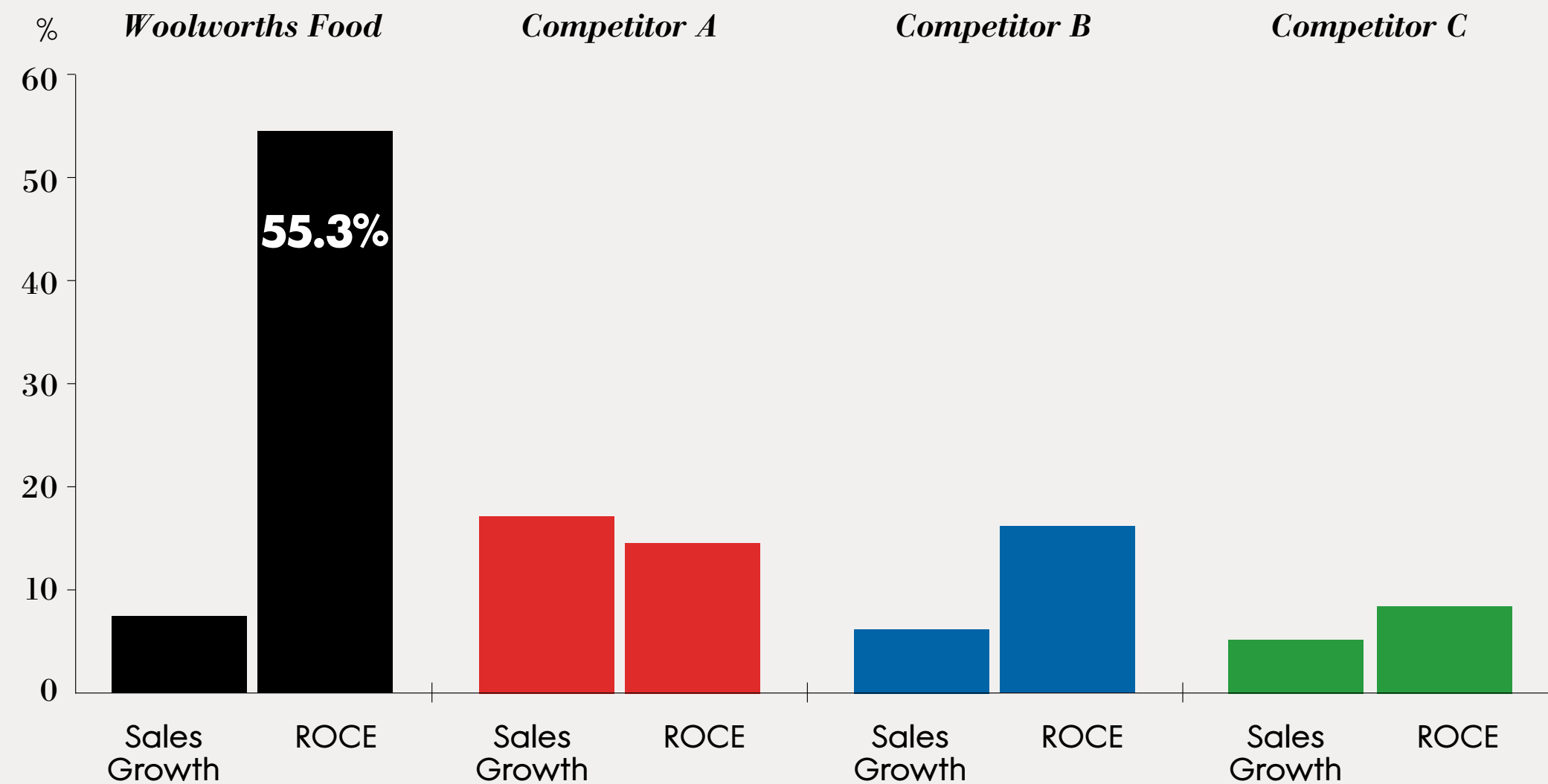
SAME DAY STAY-COLD FOOD DELIVERY

1. OUR FOOD BUSINESS (continued)

WHL

Notwithstanding significant opportunities to drive profitable topline growth, our industry-leading ROCE will remain the real driver of value creation for our shareholders

*Sales growth and ROCE: Woolworths Food vs listed competitors**



* Based on most recent trading updates and latest financial statements

2. OUR FASHION, BEAUTY & HOME BUSINESSES

WHL

We are making clear progress in turning around our Fashion business and restoring underlying operational and financial health

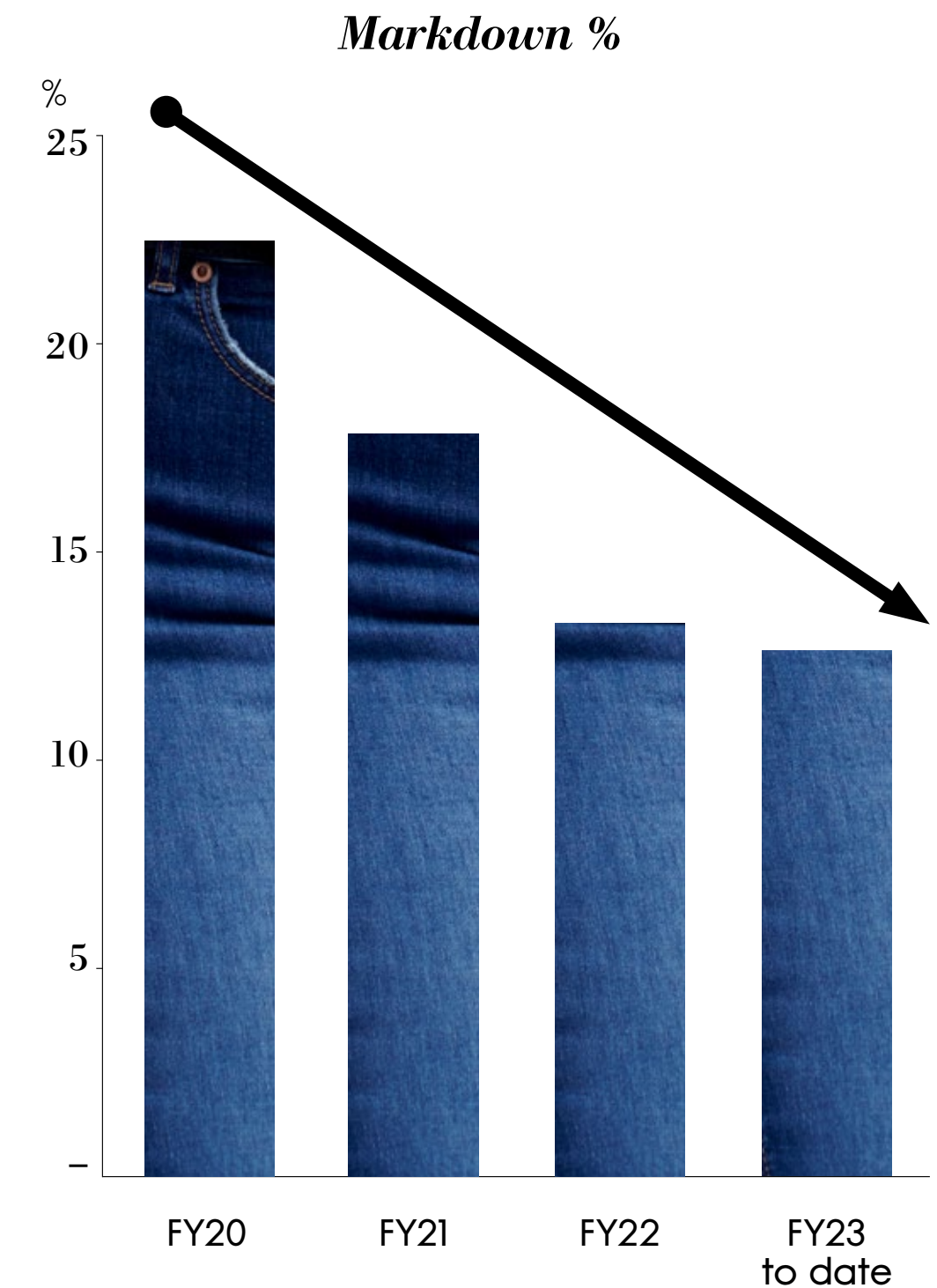
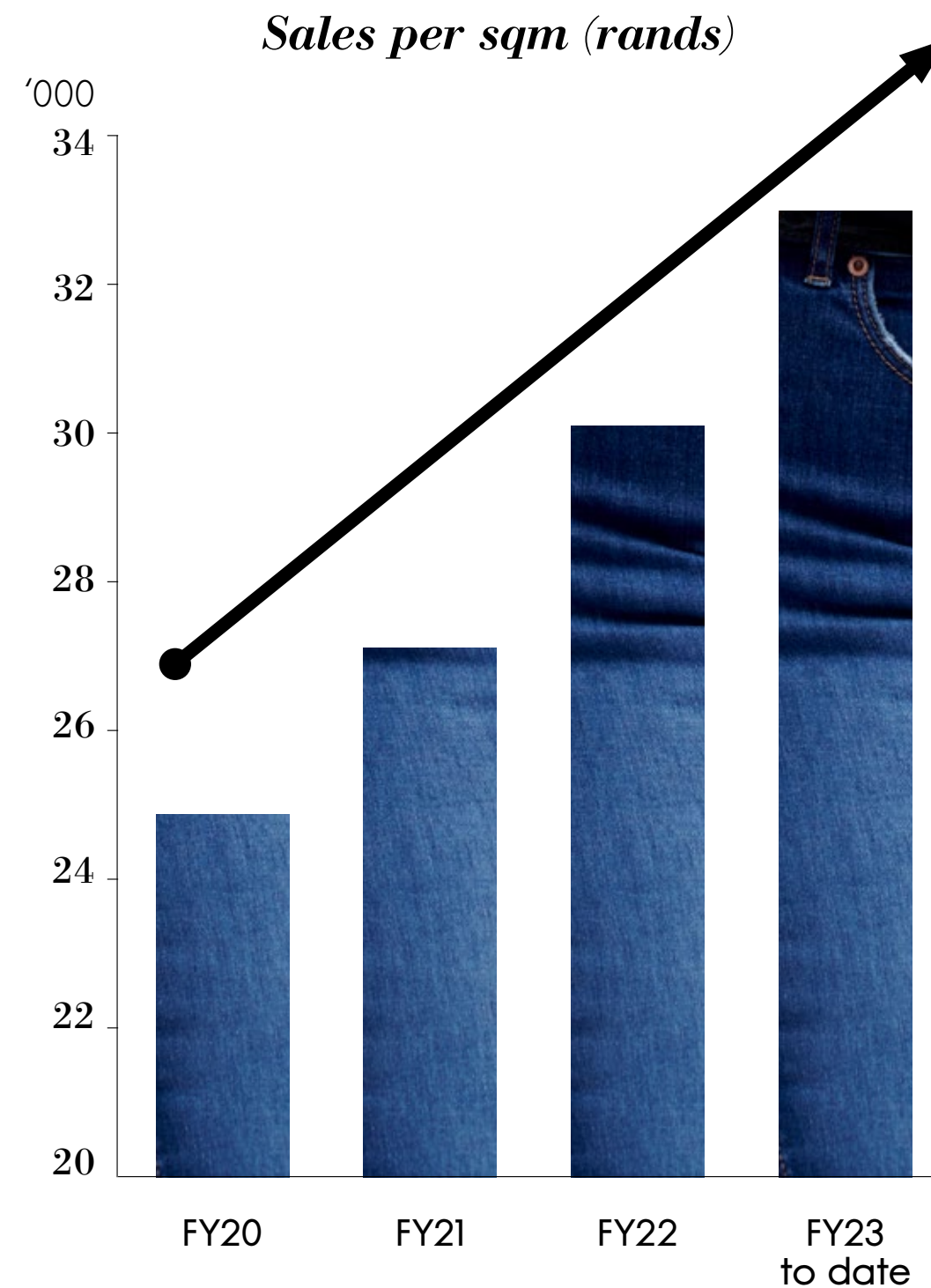
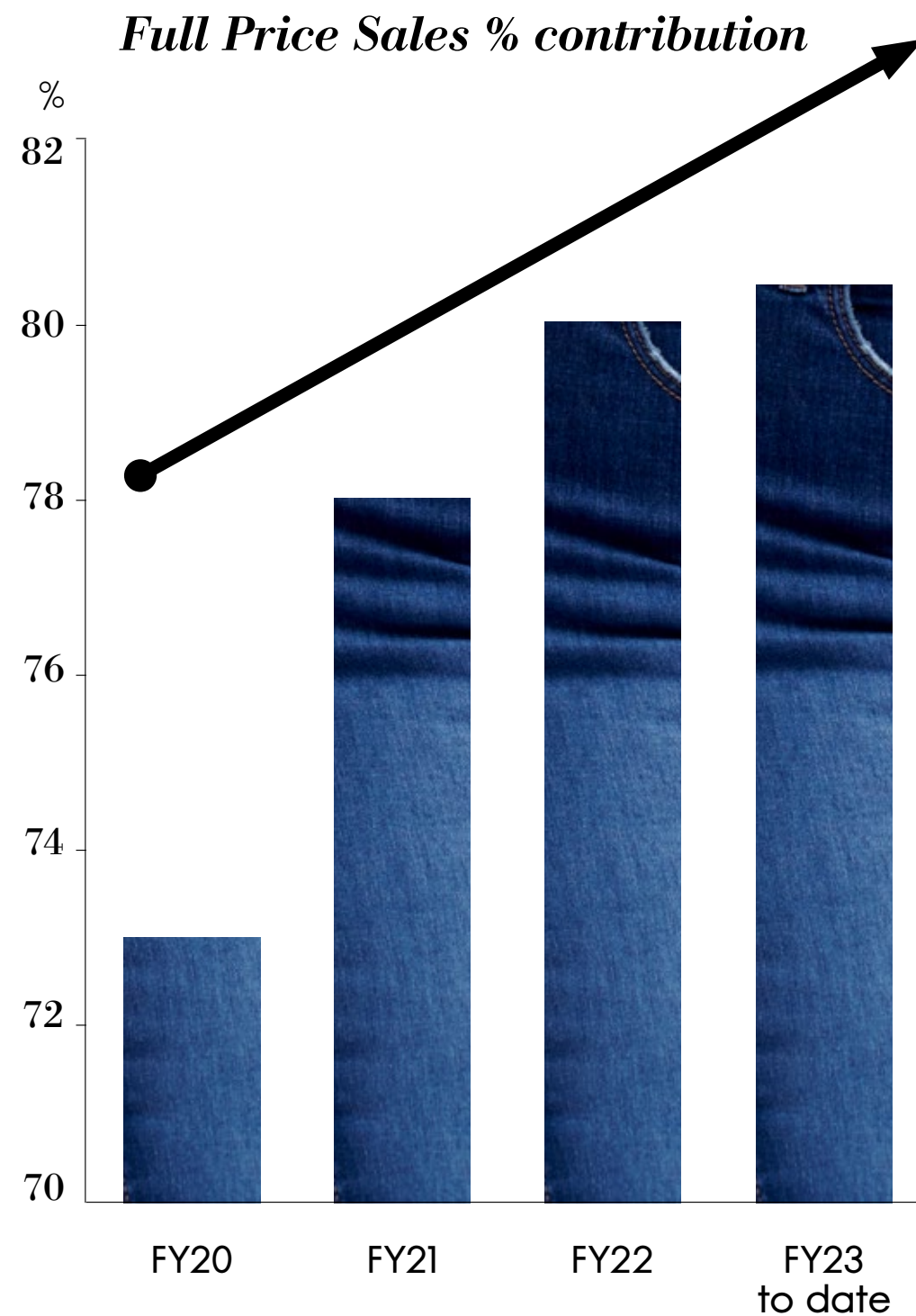
- **Improving *quality* (as opposed to *quantity*)** of sales
 - “**Edit to amplify**” strategy focuses on “**must win**” categories
 - **Data insights** improving **product relevance and appeal**
 - **Full-price sales up >7ppts** since FY20
- **Footprint reduced by >10%** over past 3 years
 - **Trading density +>30%**
 - **New format WEdit** trading ahead of expectations
- Significant reduction in **markdown %**
 - **Scope for further optimisation leveraging Advanced Analytics**
- Opportunity to **improve availability, stock allocation and replenishment** across the business



2. OUR FASHION, BEAUTY & HOME BUSINESSES

WHL

We are making clear progress in turning around our Fashion business and restoring underlying operational and financial health





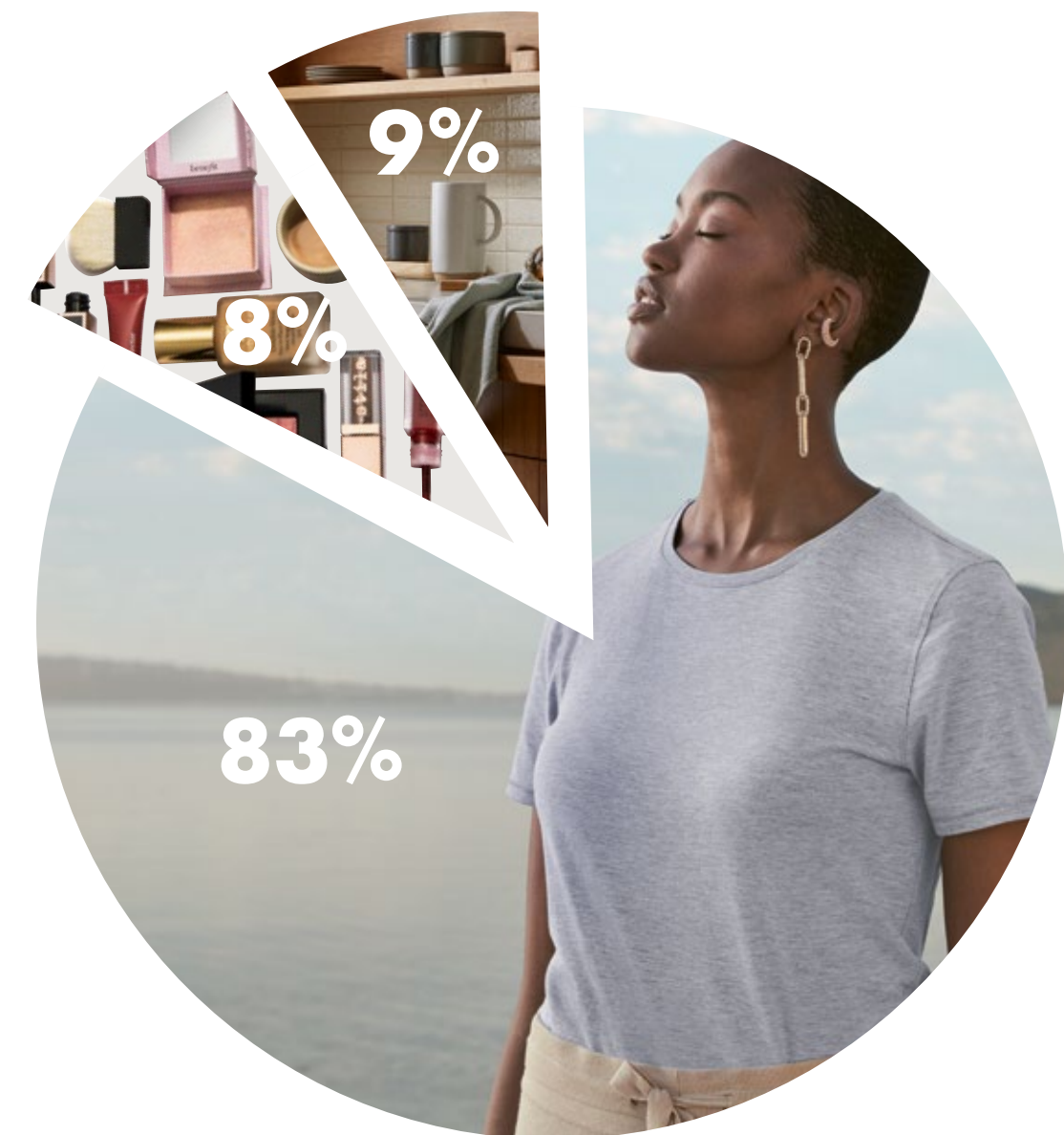
2. OUR FASHION, BEAUTY & HOME BUSINESSES (continued)

WHL

We have scope to profitably grow our market share in Beauty and Home

- We have clear opportunities to make our overall **FBH business even bigger**
- Positioning our Beauty business to be **the beauty shopping destination in South Africa**
 - Growing **both branded and private** label propositions
 - Expanding **physical footprint and online penetration**
 - Market-leading **personalisation and service**
- Scope to **grow market share in Home**
 - Currently refreshing our strategy

FBH turnover and concession sales contribution %



● Fashion ● Beauty ● Home



3. VALUE CREATION IN AUSTRALIA

WHL

The sale of David Jones unlocks significant value for the WHL Group

- **Considerable progress** in the execution of DJ's refreshed strategy
 - **Improved underlying operational and financial health**
- DJ is **trading more profitably** than it has for years | **well positioned** to embark on its next phase of growth
- **Transforms WHL balance sheet** through removal of c.R22bn in liabilities
- Enables **greater level of management focus on the Woolworths and CRG businesses** (both core to the Group's objectives)

3. VALUE CREATION IN AUSTRALIA (continued)

Country Road Group has significant runway for growth and continues to grow in significance in the WHL Group

- **Optimising current network of stores**
 - **Footprint reduced by >10%** over the past 3 years
 - **Trading density +>30%**
 - Investing in **new store formats**
- Attracting more customers by expanding into **new channels and regions**
- Investing and leading in **omni-channel experience**
- **Establishing a common platform of capabilities across** all brands to unlock further synergies and efficiencies
- Building brands in the **South African market**

WHL





COUNTRY ROAD GROUP



4. CAPITAL ALLOCATION

WHL

Strengthened balance sheet and sound capital allocation principles drive strong and improving free cash flow conversion

1. BALANCE SHEET

- **Total net borrowings of c.R700m | net cash of c.A\$350m** in Australia
- **Returned R1.6bn of capital** from David Jones to WHL
- Sale of DJ **releases c.R22bn of liabilities** from the balance sheet (incl. R17.4bn lease liabilities)

2. INVESTMENT AND GROWTH

- **Investing R8bn** over next 3 years
- Increased **capex towards digital and data**, enabling IT, and Food and FBH supply chains

3. SHAREHOLDER RETURNS

- Interim **dividend +97%** on LY | Normalised payout ratio at 70%
- **Repurchased further R1.5bn** shares in H1 FY23
- To date, **4.3% of shares bought back** at c.R59/share






5. OUR GOOD BUSINESS JOURNEY

Our Good Business Journey (GBJ) is centred around three pillars: a commitment to a thriving and resilient environment, being ethical and fair, and inclusive justice



FOCUS AREAS



-  PACKAGING AND WASTE
-  WATER
-  ENERGY AND CLIMATE CHANGE

HEADLINE GOALS

- Net zero carbon impact by 2040
- 100% of our energy from renewable sources by 2030



FOCUS AREAS




-  SUSTAINABLE FARMING
-  ETHICAL SOURCING

HEADLINE GOALS

- A fully transparent, traceable, and ethical supply chain by 2025
- All our private label products can be reused, repaired, resold or recycled by 2025



FOCUS AREAS

-  PEOPLE
-  SOCIAL DEVELOPMENT
-  HEALTH AND WELLNESS

HEADLINE GOALS

- Just Transition
- Inclusive Growth



5. OUR GOOD BUSINESS JOURNEY (continued)

Our GBJ is embedded in everything we do, in line with our vision to be one of the world's most responsible retailers

- **Deeply entrenched sustainability programme** – 15 year globally-acknowledged track record
- Fully committed to an **ethical supply chain from floor to store, and farm to fork**
- Incorporated in our **capital management and executive remuneration**
 - ESG-linked debt and deposits
 - Long-term incentives
- Making a **real and meaningful difference** to our people and our communities

Woolies wage almost

30%

above retail sector average wage

Woolies wage more than

65%

above SA minimum wage

**THANK YOU TO ALL
OUR TEAM MEMBERS
FOR YOUR PASSION
AND COMMITMENT
AND TO EVERYONE
IN OUR EXTENDED
ECOSYSTEM FOR YOUR
CONTINUED SUPPORT.**



A top-down photograph of fresh green peas and pea pods scattered on a light-colored marble surface. The peas are vibrant green and some are still in their pods. The text 'FINANCIAL OVERVIEW' is centered over the image in a large, white, serif font, with a thin white horizontal line underneath it.

FINANCIAL OVERVIEW

Reeza Isaacs
Group Finance Director

FINANCIAL OVERVIEW

WHL

- Strong trade and operational performance, with aEBIT +48% and aPBT +70% (although not fully comparable)
- adHEPS +76% and interim dividend +97%
- ROCE +630bps to 19.5%
- FCF per share +29%, with cash conversion at a healthy 94%
- R1.5bn shares repurchased in the period (4.3% repurchased since June LY)
- Repatriated R1.6bn from DJ to WHL
- Sale of David Jones will strengthen an already robust balance sheet

Turnover and concession sales

+16.3% on LY*
to R49.9bn

aEBIT

+48.3% on LY
to R4.8bn
(+24.7% on normalised basis)

aPBT

+70.1% on LY
to R3.8bn

Net borrowings

R671m

WSA net debt: R4.7bn | Aus net cash: A\$351m
Net debt/EBITDA: 1.6x (2.0x LY)**

adHEPS

+75.5% on LY
to 284.7cps

Interim dividend

+96.9% on LY
to 158.5cps

Return on capital employed

19.5%
+630bps from LY

Free cash flow per share

+29.3% on LY
to 269.0cps (Dec 2021: 208.0cps)

* Constant currency

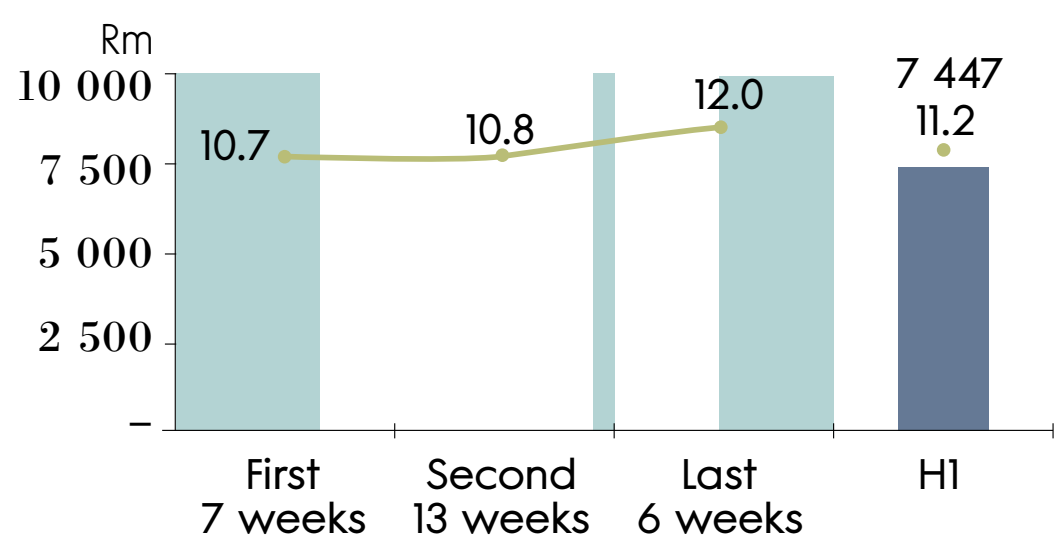
** Post IFRS 16 and pre DJ sale

SALES PERFORMANCE FOR THE HALF

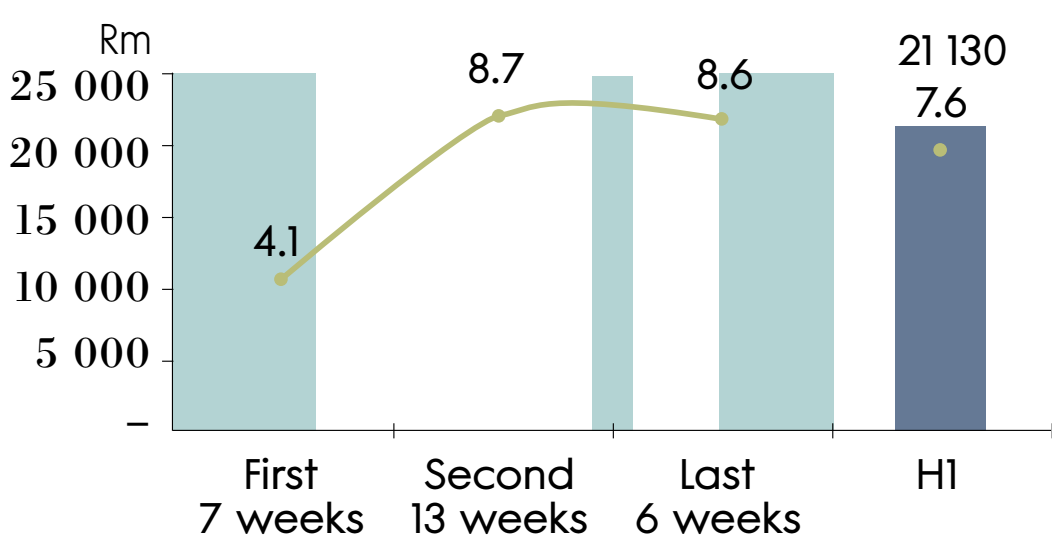
WHL

FBH and Food sales momentum improved progressively over the period, notwithstanding high levels of power outages ('loadshedding'); Positive comp growth off a demanding post-lockdown base in Australia

WOOLWORTHS FASHION, BEAUTY AND HOME



WOOLWORTHS FOOD



South Africa

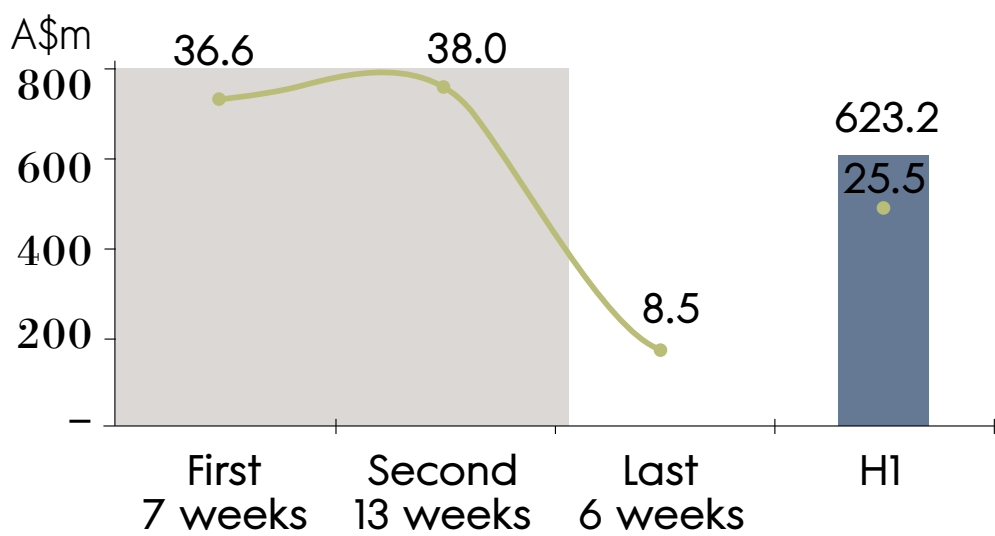
FBH

- Improved momentum in the last six weeks over Black Friday and festive season

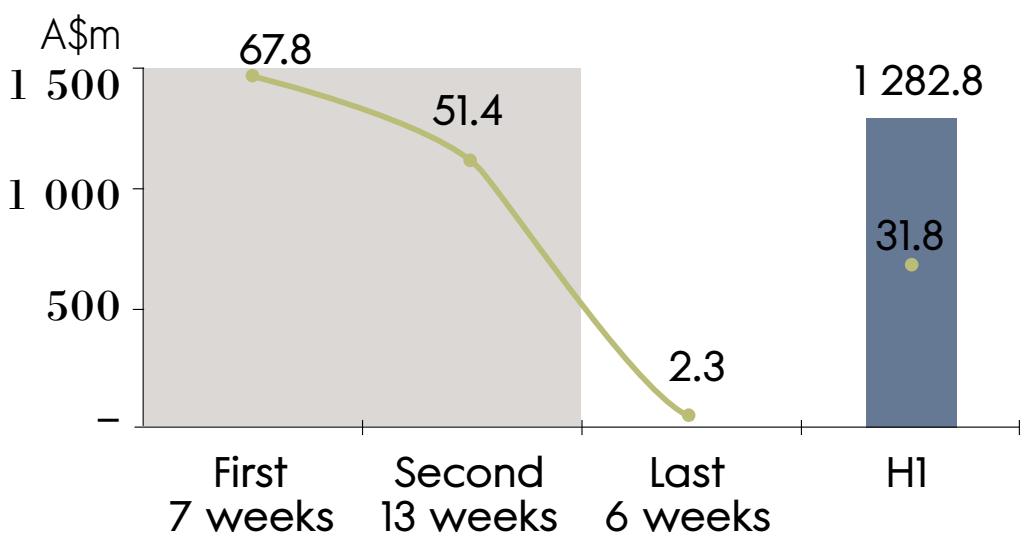
Food

- Improving run rate over the half; 8.6% growth in the last six weeks, notwithstanding power outages

COUNTRY ROAD GROUP



DAVID JONES



Australia

- Strong growth over the last six weeks in CRG
- Positive DJ growth on a pent-up demand driven base

GROUP INCOME STATEMENT

WHL

Positive leverage through the income statement; Sales +19% | GP +22% | aEBIT +48% | aPBT +70%

	Dec 2022 Rm	Dec 2021 Rm	% change	
Turnover and concession sales	49 906	42 128	18.5	Improved sales and margins with positive leverage through to aEBIT
Gross profit	17 283	14 124	22.4	
Adjusted EBITDA	7 037	5 438	29.4	
Adjusted EBIT	4 765	3 213	48.3	Growth impacted by loadshedding
Woolworths Fashion, Beauty and Home	979	780	25.5	
Woolworths Food	1 412	1 409	0.2	
Woolworths Financial Services (50% of PAT)	60	85	(29.4)	
David Jones	1 235	391	>100	
Country Road Group	1 079	548	96.9	Up significantly in A\$
Net finance and other costs	(999)	(999)	–	
Adjusted profit before tax	3 766	2 214	70.1	
Tax	(1 079)	(638)	69.1	
Adjusted profit after tax	2 687	1 576	70.5	DJ transaction costs to date, forex adjustments offset by prior period DJ tax losses
Adjustments (post-tax)	50	34		
Profit after tax	2 737	1 610	70.0	
Adjusted diluted HEPS (cents)	284.7	162.2	75.5	Lower SA corporate tax rate and prior period DJ tax losses
Effective tax rate	25.7%	28.7%		
Adjusted effective tax rate	28.7%	28.8%		
WANOS (millions)	930.4	958.5	(2.9)	Reduction in WANOS from share repurchases

WOOLWORTHS FASHION, BEAUTY AND HOME **WHL**

aEBIT +26% with further improvement in revenue growth, margin and productivity metrics

	Dec 2022 Rm	Dec 2021 Rm	% change
Turnover and concession sales	7 447	6 697	11.2
Gross profit margin	48.0%	46.3%	
Expenses	2 586	2 351	10.0
Adjusted EBIT	979	780	25.5
Adjusted PBT	824	608	35.5
EBIT margin	13.1%	11.6%	

- Sales +11.2% for the half and +12.0% in last six weeks
- Comparable sales +11.0% | Price movement of 10.8% – inflation and higher full-price sales
- Online now 4.2% of South African sales
- 2.2% reduction in trading space | Trading densities +12%
- GP margin at 48.0% (+170bps) | Lower markdowns
- Store cost growth below inflation, notwithstanding loadshedding; other costs driven by investment in strategic initiatives
- aEBIT +25.5% | aEBIT margin +150bps to 13.1% (tracking in line with upwardly-revised medium-term guidance)
- Adjusting for loadshedding costs, aEBIT growth is 28.4% and aEBIT margin is 13.4%
- ROCE increased by 560bps to 23.0%



aEBIT margin
>13%

Improving trade momentum through the period, however, loadshedding negatively impacted costs and waste

	Dec 2022 Rm	Dec 2021 Rm	% change
Turnover and concession sales	21 130	19 630	7.6
Gross profit margin	23.8%	24.1%	
Expenses	3 604	3 322	8.5
Adjusted EBIT	1 412	1 409	0.2
Adjusted PBT	1 293	1 282	0.9
EBIT margin	6.7%	7.2%	



- Strong festive season performance with last six weeks of H1 sales +8.6%
- Comparable sales +5.4% | Price movement of 6.8% well below food inflation of 12.4% | space grew by 2.5%
- Online sales +22.7%, now 3.6% of South African sales, supported by Dash rollout (now 74 stores)
- GP margin 30bps down, impacted by loadshedding-related waste and diesel costs and price investment
- Adjusting for loadshedding costs (excluding sales impacts), aEBIT growth is 5.1% and aEBIT margin is 7.0%
- ROCE at 55.3% is +80bps on LY

Sales growth
7.6%
 notwithstanding loadshedding

FINANCIAL IMPACT OF LOADSHEDDING ON WOOLWORTHS SA

WHL

Loadshedding impact felt on every line of our income statement

Business disruption

- Significant power outages over the period, with loadshedding reaching stage 6
- 99% of stores have generators, however, not all shopping centres have back-up power supply
- More pronounced impact on Food, due to our predominantly fresh business
- Significant impact on suppliers, with disruption to availability and higher cost of doing business

Financial impacts for the 6 months*

- Food impact was R70m – increased waste (R20m or 0.1%); incremental diesel costs in stores and DCs (R50m)
- FBH impact was R20m – incremental diesel costs
- Total diesel costs of R100m
- Incurring c.R20 – R30m/month in waste and diesel costs (during stage 6)

** Note that the above does not include the impact of lost sales, and ancillary repairs and maintenance costs*



WOOLWORTHS FINANCIAL SERVICES

WHL

17% book growth driven by demand and new credit card accounts, which impacted impairments

	Dec 2022 Rm		Dec 2021 Rm		% change
Average total financial services assets	14 337		12 919		11.0
Income statement		% to book		% to book	
Net interest income	791	11.0	677	10.5	16.8
Impairment charge	401	5.5	261	4.0	53.6
Risk-adjusted margin	390	5.4	416	6.4	(6.3)
Non-interest revenue	492	6.9	416	6.4	18.3
Operating costs	684	9.5	597	9.2	14.6
Profit before tax	198	2.8	235	3.6	(15.7)
Tax	78	1.1	65	1.0	20.0
Profit after tax	120	1.7	170	2.6	(29.4)
Return on equity	12.6%		19.3%		

- Net interest income +16.8% from book growth and year-on-year repo rate increases of 325bps
- Impairment rate of 5.5% (new business and normalisation post Covid)
- Non-interest revenue +18.3%, due to increase in card transactions
- ROE lower from higher equity required, given growth of book (16.0% on a 12 month basis, +290bps on LY)



Closing book

+17.2%

COUNTRY ROAD GROUP

WHL

Growing contributor to Group profit underpinned by strong performance in Country Road brand

	Dec 2022 A\$m	Dec 2021 A\$m	% change
Turnover	623.2	496.5	25.5
Gross profit margin	63.5%	59.5%	
Expenses	303.8	249.0	22.0
Adjusted EBIT	93.2	48.0	94.2
Adjusted PBT	85.6	38.7	>100
EBIT margin	15.0%	9.7%	

- Revenue growth driven by improved product ranges and brand investments, notwithstanding 5.5% reduction in space
- Online sales contribution of 26% vs 34% LY (normalised to pre-Covid level)
- Very strong performance from RSA across all brands with sales +25%
- GP margin +400bps to 63.5% from higher full-price sales, elevated product assortments and mix
- Expense growth on lockdown-impacted base
- Strong operating leverage with aEBIT growth +94%; normalised growth of +25%



aEBIT margin
15.0%

DAVID JONES

WHL

Successful execution of turnaround strategy delivered an exceptional result for the period

	Dec 2022 A\$m	Dec 2021 A\$m	% change
Turnover and concession sales	1 282.8	973.1	31.8
Gross profit margin	36.4%	35.0%	
Expenses	369.5	319.9	15.5
Financial services operating profit	9.0	9.9	(9.1)
Adjusted EBIT	106.5	30.8	>100
Adjusted PBT	72.7	(4.3)	>100
EBIT margin	8.3%	3.2%	

- Higher footfall drove flagship and CBD store performance
- Space reduced by a further 3.6%
- Online sales contributed 17.2% of total sales vs 28.1% LY
- GP margin +140bps to 36.4% on lower levels of clearance and improved inventory management
- Expense growth on lockdown-impacted base
- aEBIT margin of 8.3%; normalised growth of +78%
- Healthy EBITDA, ending the period with A\$264m net cash

Pre IFRS 16 EBITDA
A\$99m
for the half

CAPITAL EXPENDITURE



Increased spend on strategic investments including digital, data, online and supply chain capacity and capability



- FY23 includes investment in growth initiatives, such as FBH Value Chain transformation, DC capacity and supply chain capability
- CRG forecast includes wholesale and concession expansion
- Excluding DJ capex, FY23 spend expected to increase by R1.1bn on FY22
- R8bn targeted in the next three years (excluding DJ) with investments in technology and data, digital and online, loyalty and demand management

	Dec 2022	Dec 2021
ROCE	19.5%	13.2%
WACC	12.5%	11.5%



GROUP BALANCE SHEET

WHL

Robust balance sheet with healthy net equity position

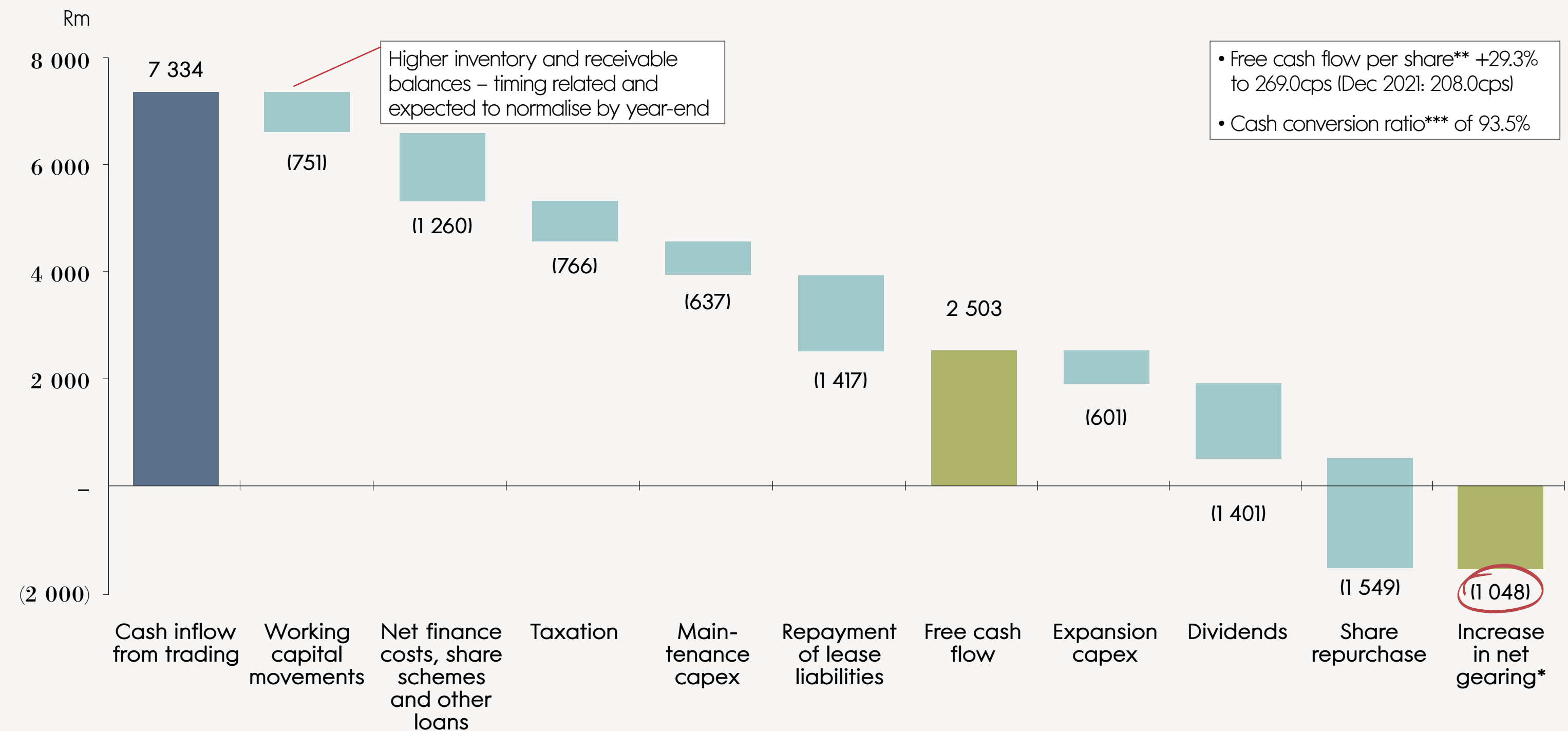
	Dec 2022 Rm	Dec 2021 Rm	Constant currency % change	
Assets				
Property, plant and equipment and intangible assets	17 393	16 992	1.8	
Right-of-use assets	19 627	20 671	(5.7)	• Increase due to inflation and earlier arrival of FBH and CRG winter intake
Investments in joint ventures	1 006	915	9.9	
Inventories	10 820	9 473	13.7	
Receivables, derivatives and loans	2 991	2 217	34.3	• Timing of debtor settlements
Deferred tax and tax assets	3 508	3 420	1.9	
Cash and cash equivalents	6 069	6 484	(7.0)	
Total assets	61 414	60 172		
Equity and liabilities				
Shareholders' funds	12 246	11 069	9.7	• Increase in equity notwithstanding share repurchases and dividends
Borrowings and overdrafts	6 687	6 176	8.3	
Lease liabilities	27 898	28 928	(4.3)	• Impact of space reduction and lease modifications
Deferred tax and tax liabilities	162	85	95.3	
Payables, derivatives and provisions	14 421	13 914	3.2	
Total equity and liabilities	61 414	60 172		
Net borrowings/(cash)	671	(258)		• SA borrowings of R4.7bn and Aus net cash of A\$351m
Net gearing including lease liabilities*	20 312	21 319		• >80% of SA debt is linked to ESG targets
Net debt to EBITDA* (times)	1.6	2.0		
Net debt to Equity* (times)	1.7	1.9		
Period-end exchange rate (R/A\$)	11.4	11.3		

* Based on lease liabilities net of deferred tax

CASH GENERATION

WHL

Strong balance sheet and cash generation has enabled R1.5bn share repurchases and a resumption of normalised dividends



* Net gearing excludes R119m currency translation impact
** Free cash flow (before dividends, expansion capex and share repurchases) divided by WANOS
*** Cash generated by operating activities as a percentage of Adjusted EBITDA

SALE OF DAVID JONES

Sale of DJ will transform the WHL balance sheet and returns profile

Current status

- Expected completion 27 March 2023 with a FY23 – 24 transition period
- Repatriated R1.6bn from DJ to WHL
- Melbourne flagship property retained by WHL

Expected impacts on WHL post completion

- Net proceeds in excess of carrying value
- Group cost base reduces by R10bn p.a. with a more stable earnings profile
- Group central costs previously allocated to DJ of R100m as well as regional shared costs will be reduced over the short to medium-term
- Transaction and separation costs during the transition will be treated as abnormal
- Group liabilities reduces by R21.9bn*, including lease liabilities of R17.4bn*; reduction in weighted average lease expiry
- ROCE improvement by >500bps | Net debt to EBITDA improvement from 1.6x to 1.1x
- More management time and capital on SA and CRG growth opportunities



* Based on December 2022 results

CAPITAL ALLOCATION AND RETURNS TO SHAREHOLDERS

WHL

Enhancing shareholder returns with further share buybacks in the period and resumption of full-year dividends at a 70% payout ratio

Robust balance sheet

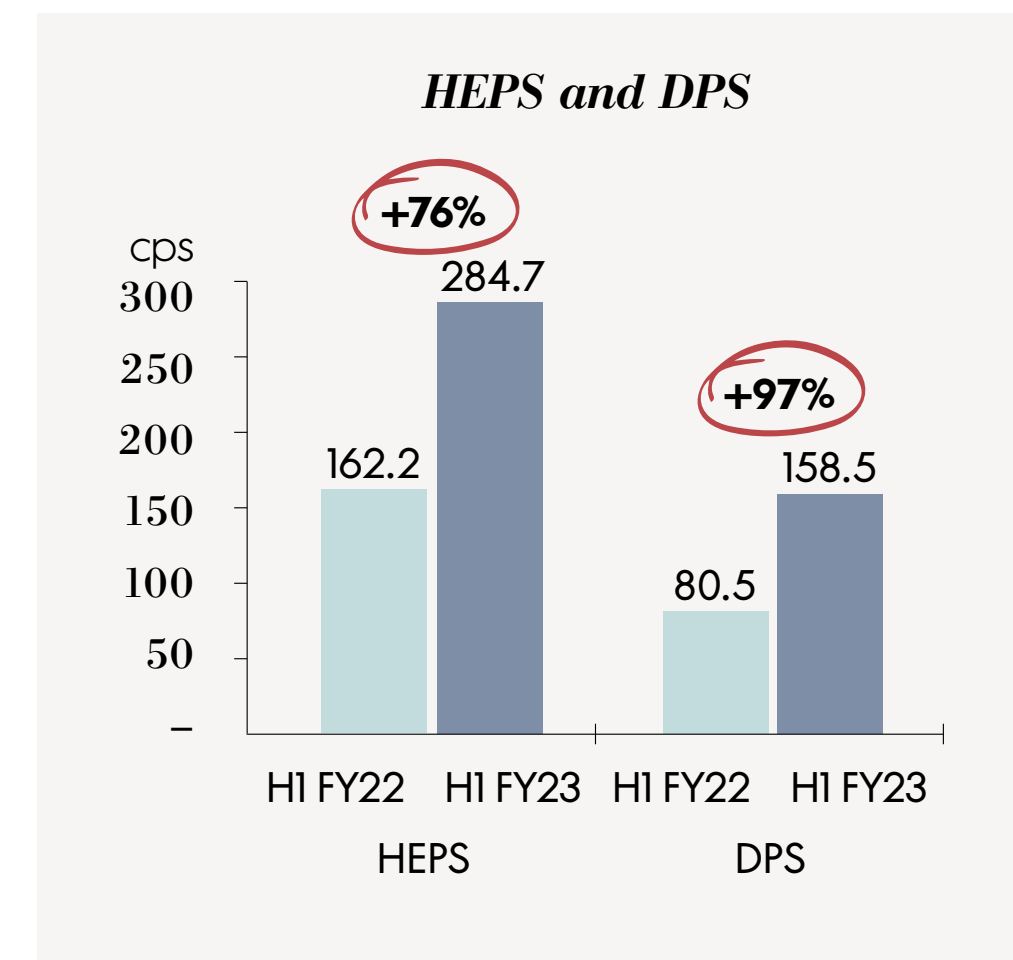
- Net borrowings of R0.7bn
- Strong liquidity position
- Repatriation of R1.6bn from DJ to WHL
- R8bn earmarked for organic growth over the next 3-years

Dividends

- 76% increase in HEPS to 284.7cps
- Interim dividend of 158.5cps (+97% on LY) declared in respect of VWSA and CRG earnings at a 70% payout ratio

Share buybacks

- Repurchased a further R1.5 billion shares during the period
- Since June, repurchased 4.3% of shares in issue, at an average price of R58.67

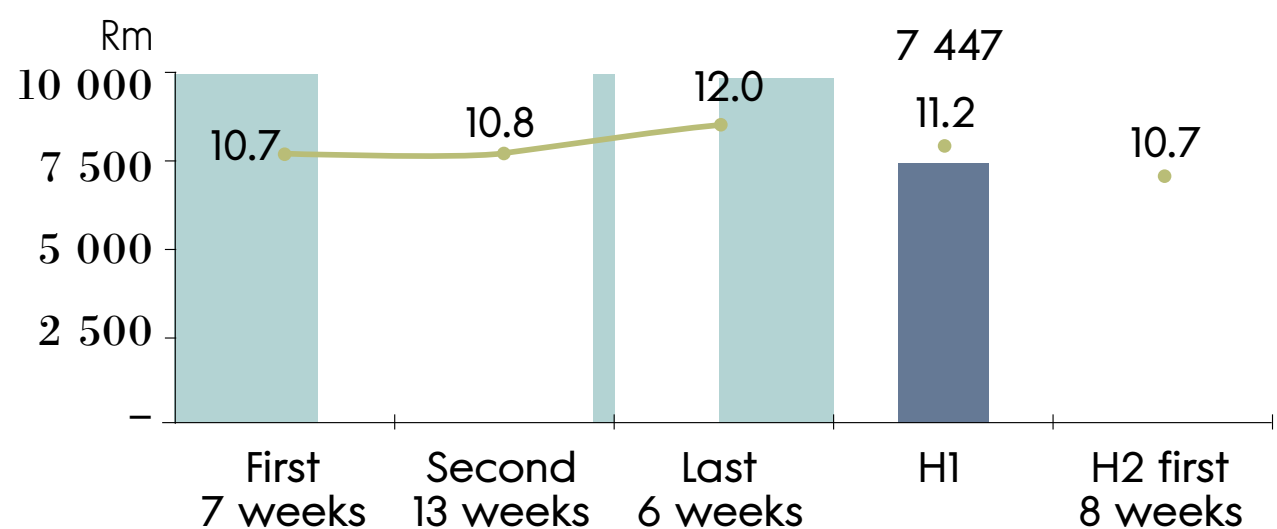


RECENT TRADING

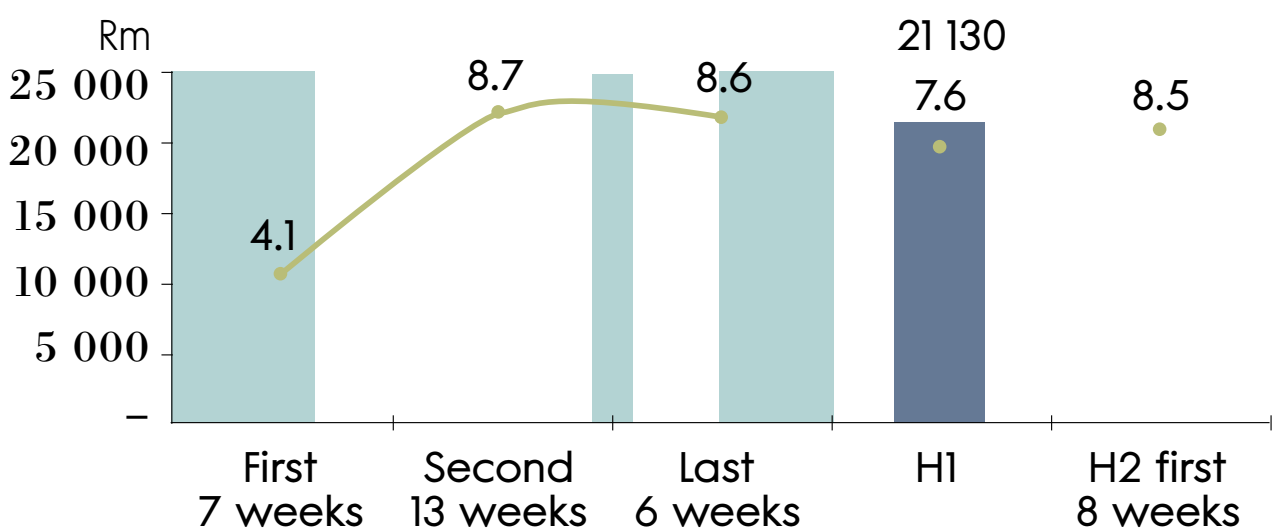
WHL

Positive trading momentum across the Group in the first eight weeks of H2

WOOLWORTHS FASHION, BEAUTY AND HOME



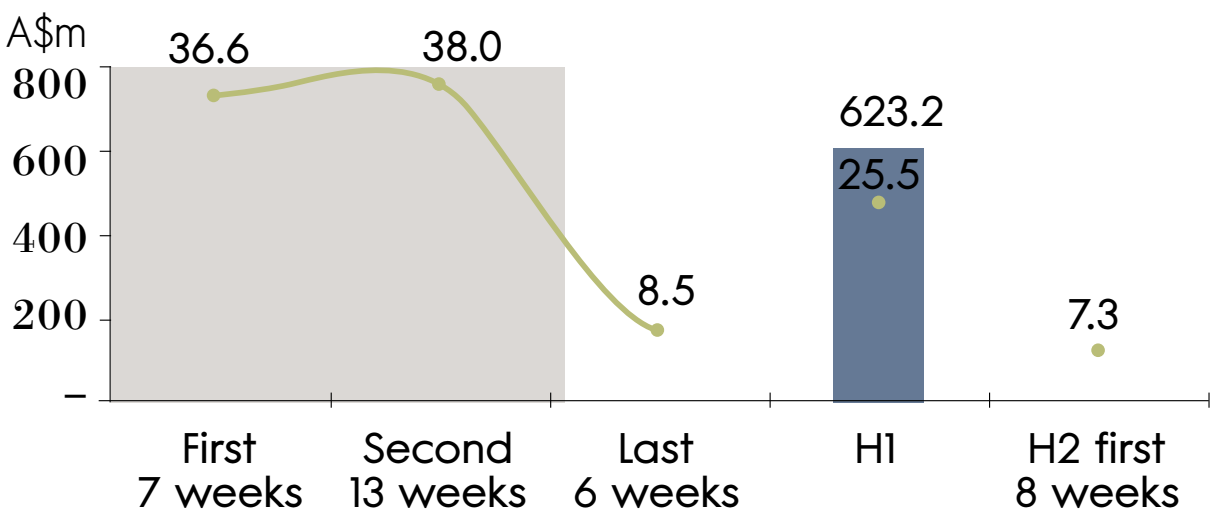
WOOLWORTHS FOOD



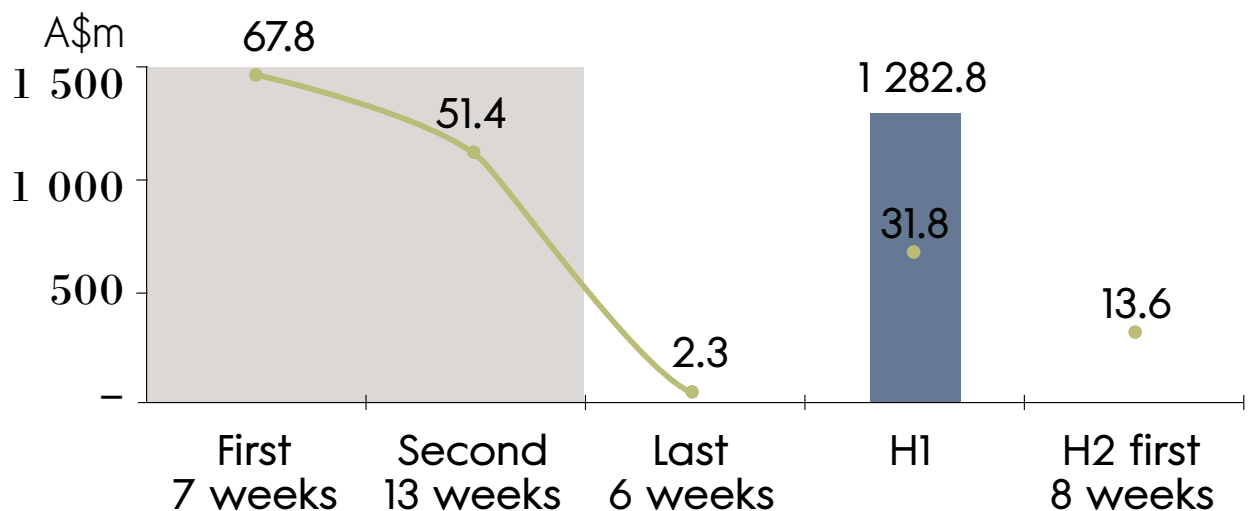
South Africa

- Sales momentum continues into H2
- H2 FBH expected price movement of 12.0%
- H2 Food expected price movement of 7.0% – 8.0%

COUNTRY ROAD GROUP



DAVID JONES



Australia

- Continued strong growth on a normalised base

OUTLOOK

Roy Bagattini
Group CEO



OUTLOOK

WHL

Trading environment expected to be more challenging in second half | remain confident in our ability to create long-term, sustainable and meaningful value for our stakeholders

- **Headwinds in H2 likely to result in slower profit growth vs H1**
 - Higher interest rates and inflation
 - Softening consumer demand
 - Ongoing loadshedding in South Africa
 - Trading against tougher comparative base
- **Remain confident**, however, in our self-driven opportunities, and the traction we are seeing in the execution of our strategies
 - Reiterate **high conviction** iro medium-term **margin targets**
- Significantly **strengthened and better-structured Group** post DJ sale
 - **Well-positioned to invest in Woolworths and CRG** to the benefit of all stakeholders

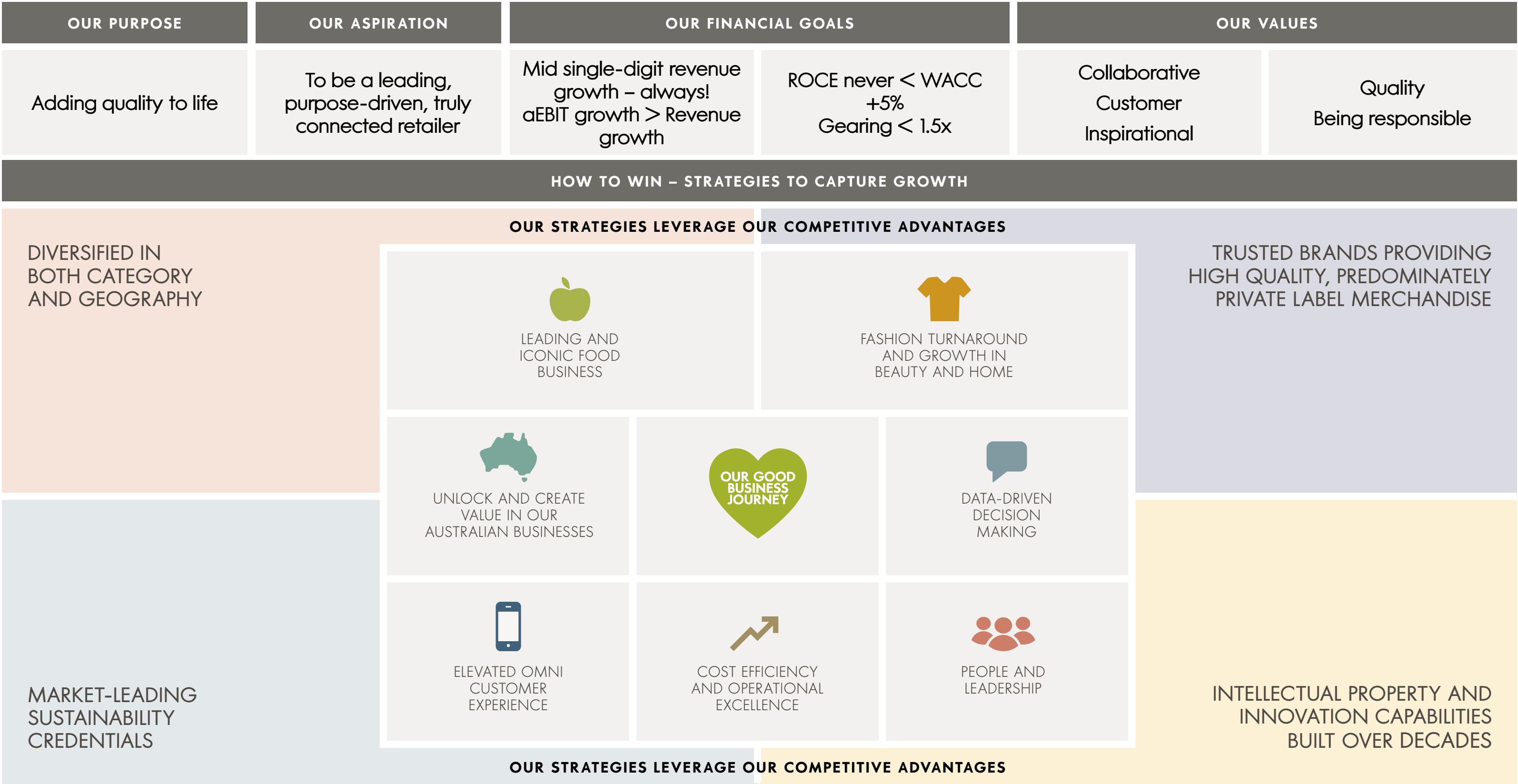


APPENDIX



- 1.** WHL GROWTH BLUEPRINT
- 2.** GROUP PERFORMANCE
- 3.** SEGMENTAL INCOME STATEMENTS
- 4.** IFRS 16 – IMPACT BY SEGMENT
- 5.** CAPITAL EXPENDITURE
- 6.** NET BORROWINGS/(CASH)
- 7.** AUSTRALIAN BALANCE SHEETS
- 8.** GROUP BALANCE SHEET – EXCLUDING DAVID JONES
- 9.** TRADING SPACE
- 10.** STORE LOCATIONS

WHL GROWTH BLUEPRINT



GROUP PERFORMANCE

WHL

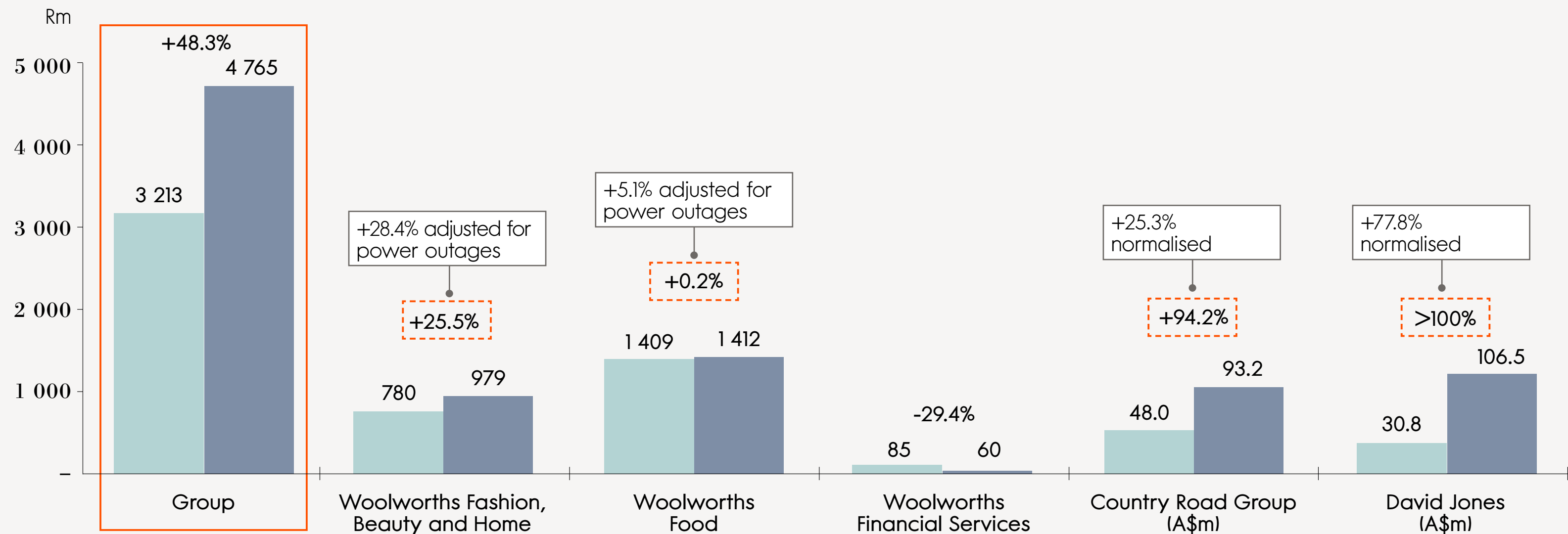
	<i>Dec 2022</i>	<i>Dec 2021</i>	<i>Change</i>
Turnover and concession sales	R49.9^{bn}	R42.1^{bn}	+18.5%
Adjusted profit before tax	R3.8^{bn}	R2.2^{bn}	+70.1%
Adjusted EBIT	R4.8^{bn}	R3.2^{bn}	+48.3%
Adjusted diluted HEPS	284.7^{cps}	162.2^{cps}	+75.5%
Interim dividend per share	158.5^{cps}	80.5^{cps}	+96.9%
Free cash flow	R2.5^{bn}	R2.0^{bn}	R0.5^{bn}
Net borrowings/(cash) (excluding lease liabilities)	R671^m	(R258^m)	R929^m
Net debt to EBITDA	1.6x <i>(1.4x ex share buybacks)</i>	2.0x	

* All numbers are post IFRS 16 unless otherwise stated

SEGMENTAL EARNINGS FOR THE HALF

WHL

aEBIT +48.3% on LY, driven by FBH, DJ and CRG performances; Food earnings growth impacted by power outages and related costs



H1 FY23 GROUP SEGMENTAL INCOME STATEMENT

WHL

	Woolworths				David Jones	Country Road Group	Treasury	Intragroup	Group
	FBH Rm	Food Rm	Logistics Rm	WFS Rm	Rm	Rm	Rm	Rm	Rm
Dec 2022									
Turnover and concession sales	7 447	21 130	347	–	14 878	7 228	–	(1 124)	49 906
Concession sales	(61)	(388)	–	–	(5 504)	–	–	1 124	(4 829)
Turnover	7 386	20 742	347	–	9 374	7 228	–	–	45 077
Cost of sales	3 843	15 799	347	–	5 322	2 639	–	(156)	27 794
Gross profit	3 543	4 943	–	–	4 052	4 589	–	156	17 283
Other revenue	22	73	–	–	1 364	16	–	(309)	1 166
Expenses	2 586	3 604	–	–	4 285	3 526	4	(153)	13 852
Store costs	1 636	2 544	–	–	3 186	2 251	–	(309)	9 308
Other operating costs	950	1 060	–	–	1 099	1 275	4	156	4 544
Financial services and joint venture	–	–	–	60	104	–	–	–	164
Adjusted profit before interest and tax	979	1 412	–	60	1 235	1 079	(4)	–	4 761
Net finance costs	(155)	(119)	–	–	(391)	(88)	(242)	–	(995)
Adjusted profit before tax	824	1 293	–	60	844	991	(246)	–	3 766
Adjustments	(21)	(15)	–	–	(17)	(28)	–	–	(81)
Profit before tax	803	1 278	–	60	827	963	(246)	–	3 685

H1 FY22 GROUP SEGMENTAL INCOME STATEMENT

WHL

	Woolworths				David Jones	Country Road Group	Treasury	Intragroup	Group
	FBH Rm	Food Rm	Logistics Rm	WFS Rm	Rm	Rm	Rm	Rm	Rm
Dec 2021									
Turnover and concession sales	6 697	19 630	305	–	10 798	5 494	–	(796)	42 128
Concession sales	(23)	(308)	–	–	(3 389)	–	–	796	(2 924)
Turnover	6 674	19 322	305	–	7 409	5 494	–	–	39 204
Cost of sales	3 583	14 663	305	–	4 460	2 219	–	(150)	25 080
Adjusted gross profit	3 091	4 659	–	–	2 949	3 275	–	150	14 124
Other revenue	40	72	–	–	842	11	–	(211)	754
Expenses	2 351	3 322	–	–	3 508	2 738	7	(61)	11 865
Store costs	1 536	2 366	–	–	2 735	1 914	–	(211)	8 340
Other operating costs	815	956	–	–	773	824	7	150	3 525
Financial services and joint venture	–	–	–	85	108	–	–	–	193
Adjusted profit before interest and tax	780	1 409	–	85	391	548	(7)	–	3 206
Net finance costs	(172)	(127)	–	–	(385)	(102)	(206)	–	(992)
Adjusted profit before tax	608	1 282	–	85	6	446	(213)	–	2 214
Adjustments	18	(21)	–	–	46	–	–	–	43
Profit before tax	626	1 261	–	85	52	446	(213)	–	2 257

IFRS 16 – IMPACT BY SEGMENT

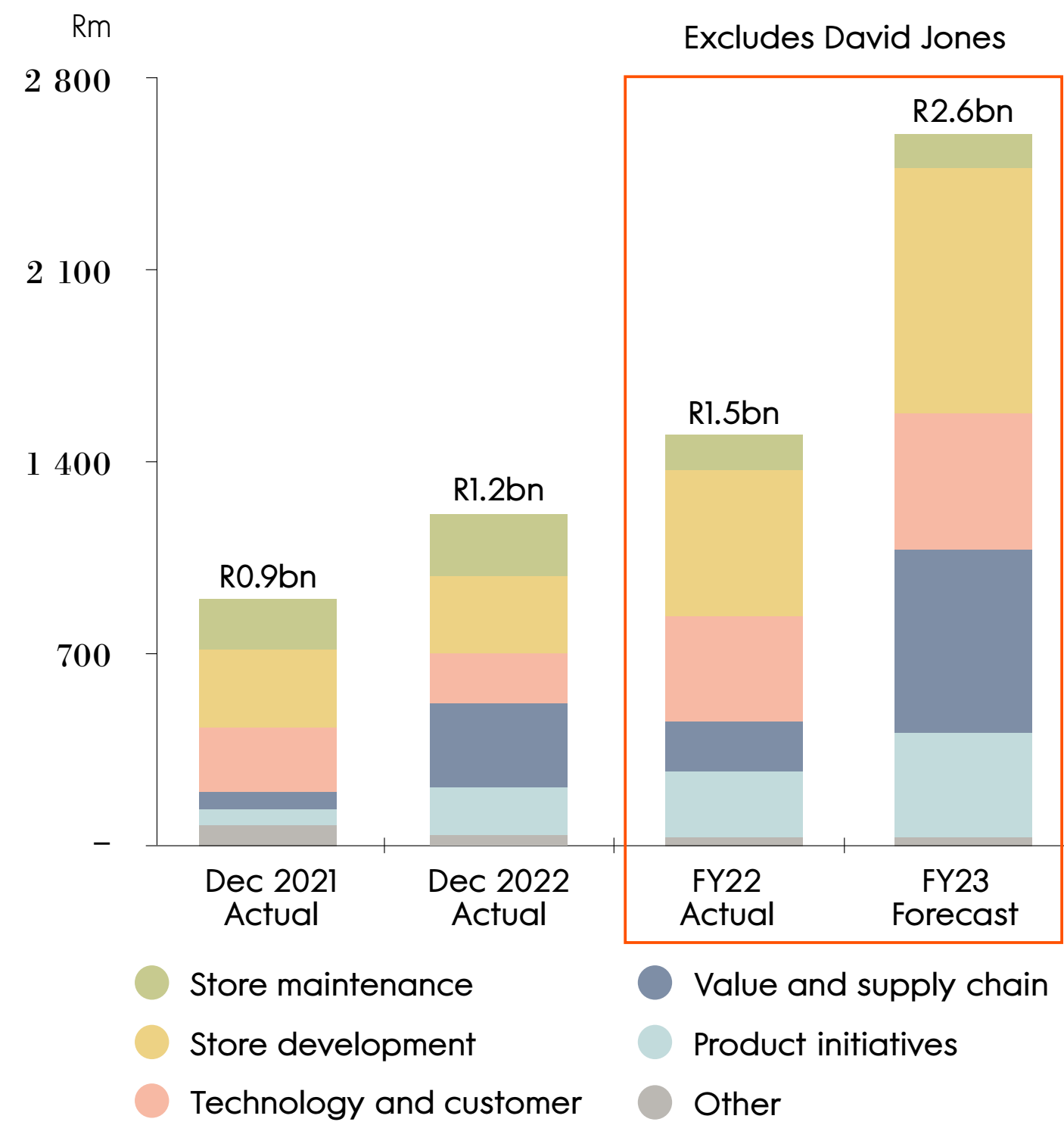
WHL

	Group	WSA	DJ	CRG
	Rm	Rm	A\$m	A\$m
Lease liabilities				
Dec 2021	28 928	6 228	1 629	376
Dec 2022	27 898	6 725	1 518	333
Average remaining lease term (years): Dec 2021	5.2	6.1	15.6	2.5
Average remaining lease term (years): Dec 2022	4.7	5.4	16.3	2.3
Average remaining lease term with no options (years): Dec 2021	3.4	3.0	15.5	2.1
Average remaining lease term with no options (years): Dec 2022	3.2	2.7	16.0	2.1

	Dec 2022				Dec 2021			
	Group	WSA	DJ	CRG	Group	WSA	DJ	CRG
	Rm	Rm	A\$m	A\$m	Rm	Rm	A\$m	A\$m
Income statement								
Depreciation	1 361	435	39	41	1 294	366	40	44
Finance costs	763	274	35	7	774	299	35	8
Balance sheet								
Right-of-use assets	19 627	5 048	1 010	265	20 671	4 737	1 106	300
Cash flows								
Lease liabilities repaid (including finance costs)	2 180	670	78	52	2 209	656	87	55
Finance costs paid	1 048	518	36	9	995	505	35	9
On Lease liabilities	763	274	35	7	774	299	35	8
On Interest-bearing debt	285	244	1	2	221	206	–	1

CAPITAL EXPENDITURE

WHL



Depreciation and amortisation

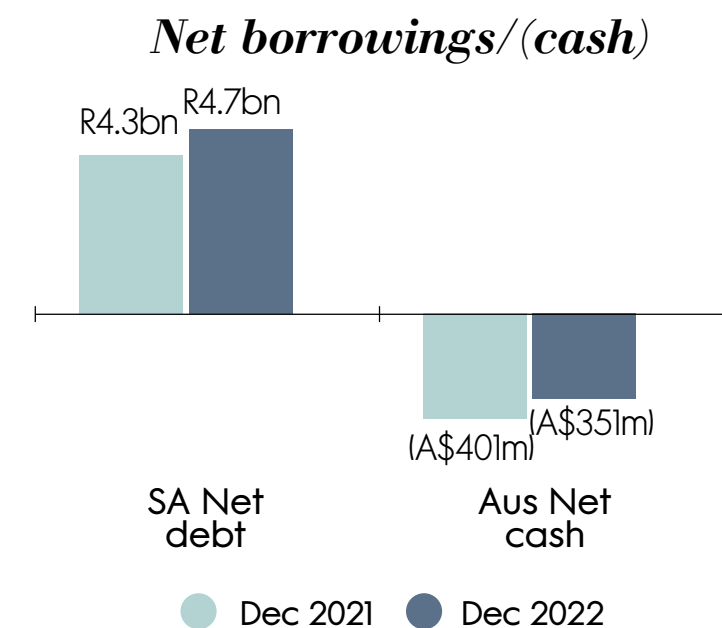
	Dec 2022	Dec 2021	% change
Woolworths (Rm)	428	477	(10.3)
David Jones (A\$m)	27	29	(5.9)
Country Road Group (A\$m)	14	13	7.7
Group pre IFRS 16 (Rm)	911	931	(2.1)
Right-of-use assets (Rm)	1 361	1 294	5.2
Group (Rm)	2 272	2 225	2.1

NET BORROWINGS/(CASH)

WHL

Net borrowings of R671 million after R1.5 billion share repurchase

	Dec 2022	Dec 2021
WHL Net debt/(cash) (Rm)	671	(258)
Interest-bearing debt	6 316	6 160
Net cash and cash equivalents	(5 645)	(6 418)
Unutilised committed facilities – Group	6 115	7 254
SA Net debt (Rm)	4 690	4 285
Interest-bearing debt	6 316	6 013
Net cash and cash equivalents	(1 626)	(1 728)
Borrowing rate*	8.33%	5.71%
Unutilised committed facilities – SA	5 326	6 348
CRG Net cash (A\$m)	(87)	(54)
Interest-bearing debt	–	13
Net cash and cash equivalents	(87)	(67)
Unutilised committed facilities – CRG	69	80
DJ Net cash (A\$m)	(264)	(347)
Net finance costs (Rm)	230	218
ZAR debt (Rm)	242	206
AUD debt (A\$m)	(1)	1



- Covenants within bank limits
 - Net debt to EBITDA improves from 1.1x to 0.7x
 - Interest cover improves from 7.1x to 14.6x
- Leadership position in respect of sustainability linked debt and deposits

Higher base rates

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

AUSTRALIAN BALANCE SHEETS

WHL

	Dec 2022 A\$m			Dec 2021 A\$m		
	David Jones	Country Road Group	Total	David Jones	Country Road Group	Total
Assets						
Property, plant and equipment	383	90	473	405	95	500
Intangible assets ^{1 & 2}	47	357	404	54	355	409
Right-of-use assets	1 010	265	1 275	1 106	300	1 406
Inventories	300	171	471	281	147	428
Trade and other receivables, deferred tax and tax assets	219	105	324	222	354	576
Total assets	1 959	988	2 947	2 068	1 251	3 319
Liabilities, excluding borrowings	(404)	(247)	(651)	(432)	(230)	(662)
Lease liabilities	(1 518)	(333)	(1 851)	(1 629)	(376)	(2 005)
Capital employed	37	408	445	7	645	652
Equity ^{1 & 2}	301	495	796	354	699	1 053
Net cash	(264)	(87)	(351)	(347)	(54)	(401)
Period-end exchange rate (R/A\$)			11.4			11.3

¹ David Jones excludes brands impaired at Group

² Country Road Group includes David Jones notional goodwill allocation

GROUP BALANCE SHEET – EXCLUDING DAVID JONES

WHL

Excluding DJ assets and liabilities has a significant positive impact on the WHL balance sheet

	Dec 2022 Rm	Excluding David Jones Rm	
Assets			
Property, plant and equipment and intangible assets	17 393	14 335	• Includes Bourke Street property at book value
Right-of-use assets	19 627	8 076	• Reduction in ROU assets of R11.6bn
Investments in joint ventures	1 006	1 006	
Inventories	10 820	7 391	• Inventories reduce by a third
Receivables, derivatives and loans	2 991	2 560	
Deferred tax and tax assets	3 508	909	• Deferred tax asset reduction relates mainly to DJ lease liabilities
Cash and cash equivalents	6 069	6 069	
Total assets	61 414	40 346	
Equity and liabilities			
Shareholders' funds	12 246	13 117	
Borrowings and overdrafts	6 687	6 687	
Lease liabilities	27 898	10 535	• Significant reduction in lease liabilities and weighted average lease expiry
Deferred tax and tax liabilities	162	28	
Payables, derivatives and provisions	14 421	9 979	
Total equity and liabilities	61 414	40 346	
Net borrowings	671	3 692	
Net debt to EBITDA* (times)	1.6	1.1	• Substantially improved gearing ratios
Net debt to Equity* (times)	1.7	1.1	

* Based on lease liabilities net of deferred tax

TRADING SPACE

WHL

	Dec 2021 000m ²	% change	Dec 2022 000m ²	% change***	Projected Jun 2023 000m ²	% change	Projected Jun 2024 000m ²	% change	Projected Jun 2025 000m ²
Woolworths Fashion, Beauty and Home*	446	(2.2)	436	(0.7)	430	0.2	431	(0.2)	430
South Africa	400	(2.5)	390	(1.0)	384	–	384	(0.5)	382
Rest of Africa	46	–	46	2.2	46	2.2	47	2.1	48
Woolworths Food	268	2.5	275	2.6	276	4.3	288	3.5	298
South Africa	259	2.3	265	2.7	266	4.1	277	3.6	287
Engen	4	–	4	–	4	–	4	–	4
Rest of Africa	5	20.0	6	–	6	16.7	7	–	7
Country Road Group**	106	(5.5)	100	(3.9)	98	10.2	108	3.7	112
Australasia	91	(6.6)	85	(4.6)	83	12.0	93	4.3	97
South Africa	15	–	15	–	15	–	15	–	15
David Jones*	441	(3.6)	425						

* These projections are linked to contractual agreements and do not reflect negotiations to reduce space currently in flight

** Includes 21 730m² Country Road Group brand concessions in David Jones stores

*** From June 2022

STORE LOCATIONS

WHL

	Dec 2021	Growth	Dec 2022	Growth***	Projected Jun 2023	Growth	Projected Jun 2024	Growth	Projected Jun 2025
Woolworths Fashion, Beauty and Home	264	4	268	14	271	15	286	12	298
South Africa	199	4	203	14	208	14	222	13	235
Rest of Africa	65	–	65	–	63	1	64	(1)	63
Woolworths Food	462	15	477	24	487	29	516	28	544
South Africa*	357	6	363	16	374	25	399	23	422
Engen	83	7	90	7	91	3	94	5	99
Rest of Africa	22	2	24	1	22	1	23	–	23
Country Road Group**	639	(30)	609	(14)	608	90	698	24	722
Australasia	555	(30)	525	(13)	524	90	614	24	638
South Africa	84	–	84	(1)	84	–	84	–	84
David Jones	45	–	45						

* Of which 209 are standalone Food stores

** Includes 365 Country Road Group brand concessions in David Jones stores, which may extend over multiple pads

*** From June 2022

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.

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