



WOOLWORTHS HOLDINGS LIMITED

# INTERIM RESULTS

## FY24



# PRESENTATION OUTLINE

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OVERVIEW OF  
THE PERIOD

**02**

FINANCIAL  
OVERVIEW

**03**

STRATEGIC UPDATE  
AND OUTLOOK

**04**

Q&A



# OVERVIEW OF THE PERIOD

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***Roy Bagattini***

*Group CEO*





# OVERVIEW OF THE PERIOD

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**WHL**

*Respectable result, notwithstanding external challenges and a high prior period base; we've done a lot of heavy lifting and our strategies are working*

- **Group performance** impacted by increasingly tough macros in both geographies and a high prior period base in Australia
  - **Turnover and concession sales +5.4%** on LY | Momentum improved in last 6 weeks to **+7.2%** on LY
  - **aEBIT -6.2 %** on LY | **adHEPS -5.6%** on LY | **Interim dividend -6.6%** on LY
- **Woolworths** delivered **double-digit profit growth**
  - Stand-out performance from **Food** business
  - **Fashion, Beauty, and Home** (FBH) maintained GP margin despite softer topline impacted by poor availability
  - **Woolworths Financial Services** (WFS) doubled its profits
- **Country Road Group** (CRG) performance reflects tough Australian macro, weaker A\$, and high comparative base; lower profit on LY impacting overall Group result
- Group performance highlights importance and **benefits of a diversified portfolio** and immense **value of our brands**
- **Balance sheet extremely healthy**, and Group remains **highly cash generative**





# FINANCIAL OVERVIEW

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***Zaid Manjra***  
*Group Finance Director*



# FINANCIAL OVERVIEW FOR THE HALF

WHL

*Group results impacted by challenging macros and base effects in apparel, particularly in Australia | Balance sheet remains strong | Highly cash generative*

## CONTINUING OPERATIONS

Turnover and  
concession sales

**+5.4%**

on LY to R38.1bn

Adjusted  
EBIT

**-6.2%**

on LY to R3.3bn

Adjusted diluted  
HEPS

**-5.6%**

on LY to 209.7cps

Interim  
dividend

**-6.6%**

on LY to 148.0cps

Net borrowings  
(excluding lease liabilities)

**R4.1bn**

WSA net debt: R4.7bn | Australia  
net cash: A\$44m | R671m LY

Net debt / EBITDA

**1.2x**

0.9x LY

ROCE

**22.3%**

22.5% LY (19.5% Total Group)  
WACC of 13.5%

Cash conversion ratio

**92.5%**

86.9% LY



# DAVID JONES UPDATE

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**WHL**

*David Jones sale transformational to the Group | On track to achieve operational separation by year-end*

- Final tranche of sale proceeds received during the half
- Reminder – the sale unlocked R7.7bn of value and removed liabilities of R21bn from balance sheet
- Retained Bourke Street property as an investment asset – value > R2.5bn
- Operational separation of Country Road Group from David Jones is on track for completion by year-end – on time, within budget
- Group costs previously allocated to David Jones to be reduced within the year



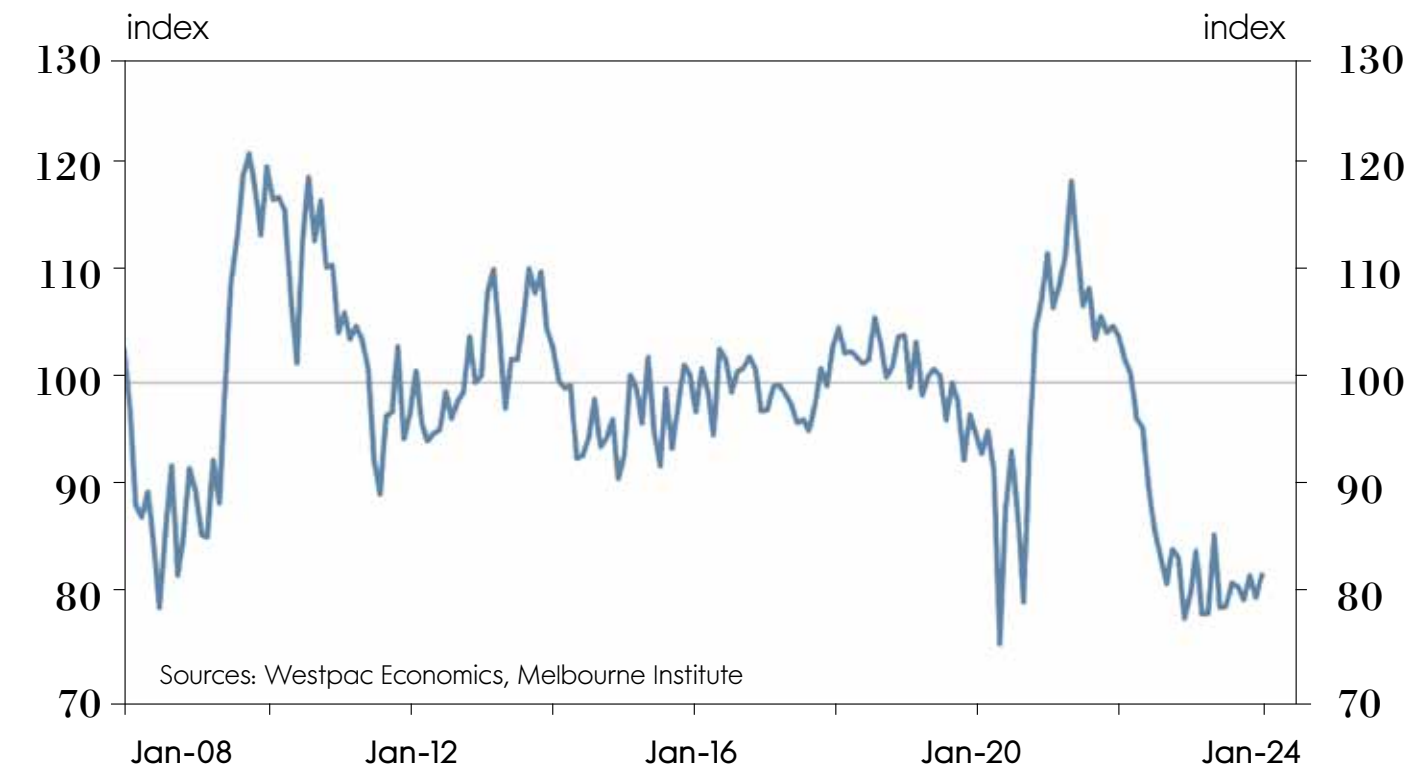
# AUSTRALIAN RETAIL SECTOR

**WHL**

*Trading conditions materially worse than expected – further tightening in discretionary spend, higher consumer debt levels and cost of living, with interest rates remaining higher for longer*

- **Consumer sentiment amongst the lowest** since the mid 70's
- RBA cash rate has increased from 0.10% to 4.35% over the past two years
- **Household savings** lowest since the GFC
- Retail industry disproportionately impacted by the **shift in consumer spending** from goods to services

## CONSUMER SENTIMENT INDEX





# SOUTH AFRICAN MACRO CONTEXT

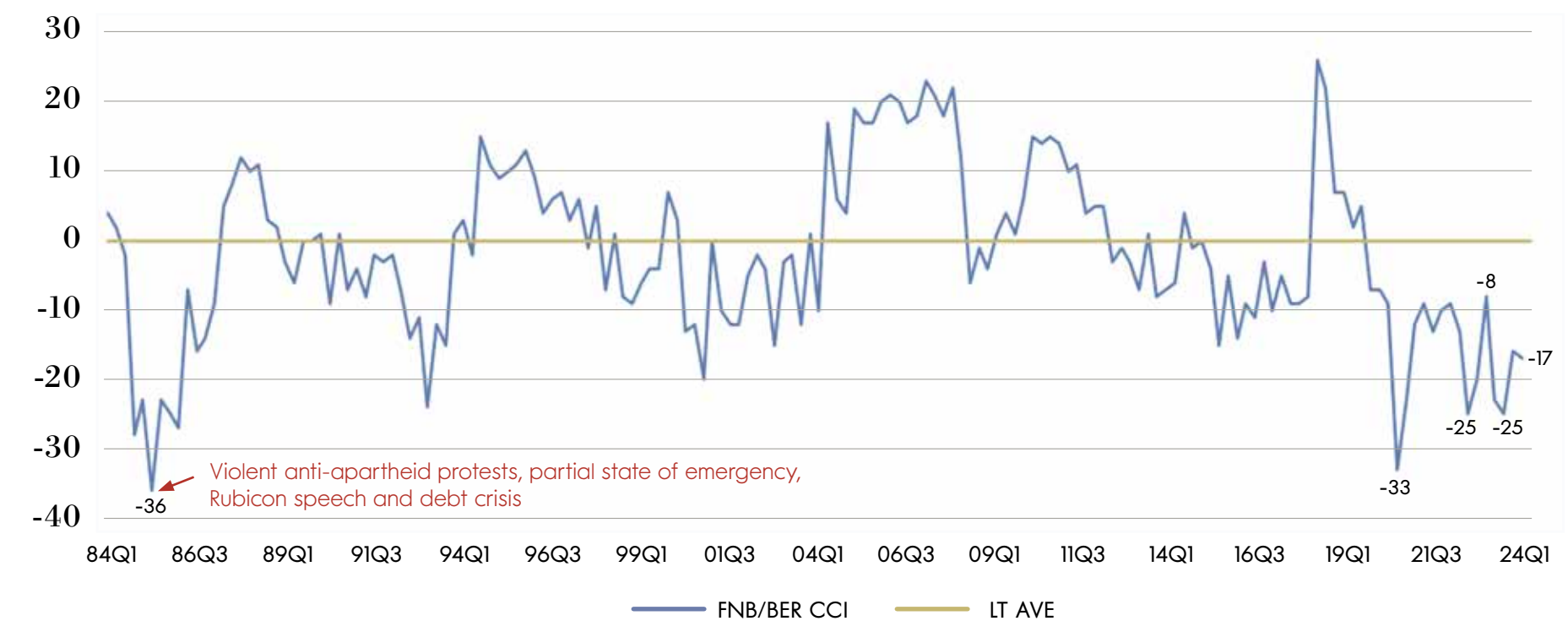
**WHL**

*Continued macroeconomic headwinds severely impacting consumer confidence and discretionary spend*

## Higher living costs and unexpected business interruptions:

- Higher levels of loadshedding
- Deteriorating transport infrastructure and port congestions
- Q1 Western Cape taxi strike
- Avian flu

## LOWEST FOURTH QUARTER FNB/BER CONSUMER CONFIDENCE INDEX READING IN MORE THAN TWO DECADES





# LOADSHEDDING CONSIDERATIONS

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**WHL**

*Our Woolies difference has never been more evident than it has throughout loadshedding: the trust our customers place in our brand, our unique supplier partnerships, and the investments we have made in our value chain*

- **Pronounced impact on South African economy,** business and consumer confidence
- Mainly impacts our predominantly Fresh food business
  - **c.R20-30m/month** in food waste and diesel costs
- Have not passed any loadshedding costs on to our customers
- **Costs fully ring-fenced** and will flow to the bottom line as/when loadshedding eases

*Primary focus has been protecting the integrity of our brand, our unrelenting commitment to quality, and the customer trust bestowed upon us*





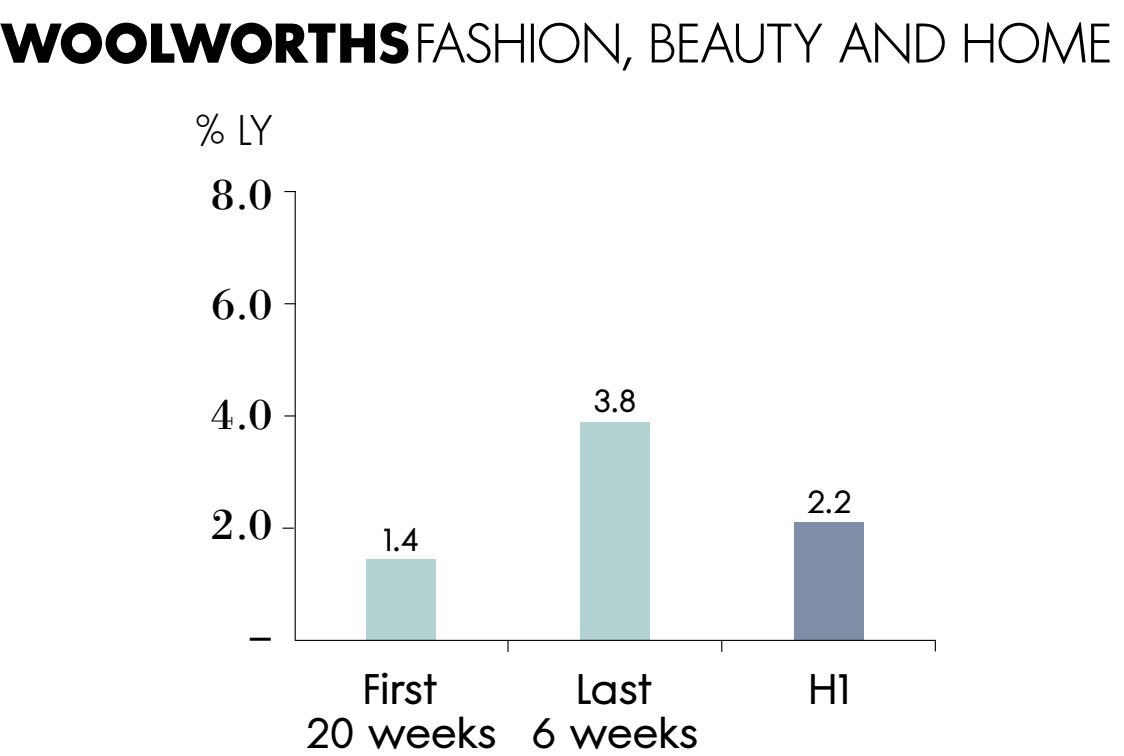
# SALES PERFORMANCE

WHL

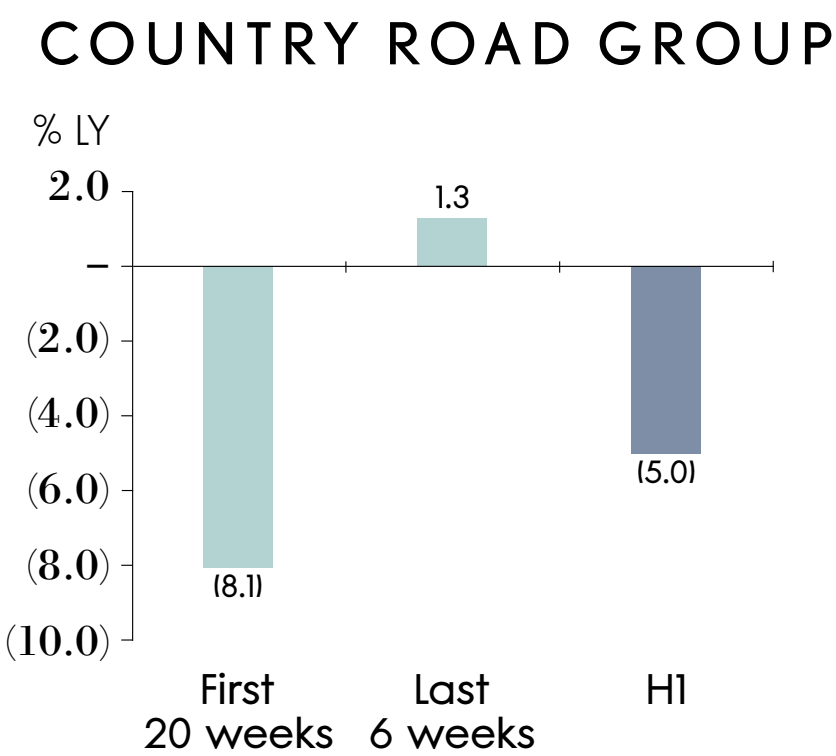
*Exceptional Food performance throughout the half underpinned by market-leading like-for-like growth | FBH impacted by availability | CRG facing greater-than-expected pullback in discretionary spend off a high base*



**Food** momentum continued throughout the half, supported by improved availability and strong festive season trade, notwithstanding external headwinds



**FBH** trade hampered by inventory flow due to port delays, poor availability and pressure on consumer; improved over last six weeks



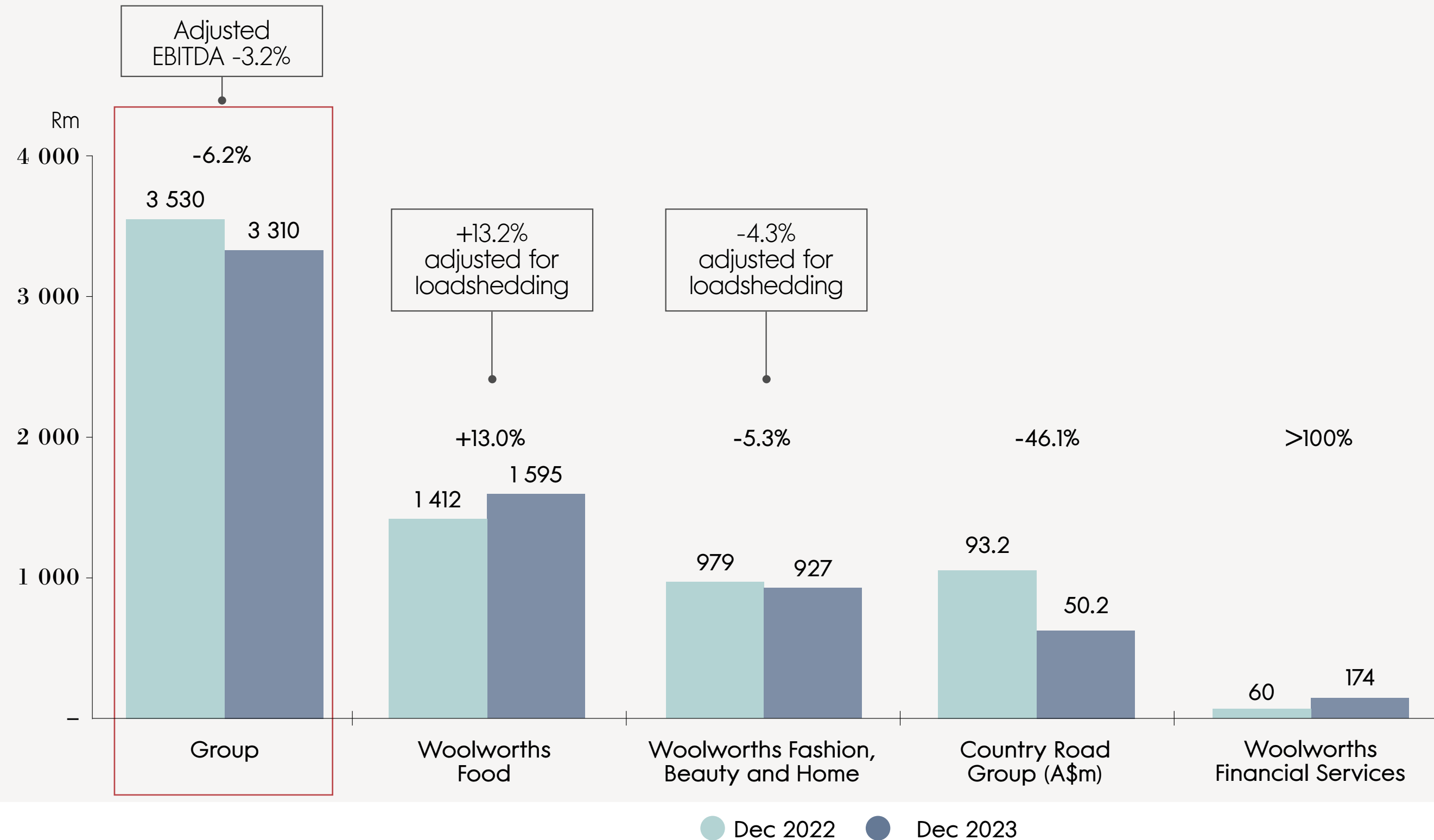
**CRG** performance declined off a high base (+25%); positive growth in last six weeks over key festive season; in line with LY in ZAR



# SEGMENTAL ADJUSTED EBIT

**WHL**

*Group aEBIT -6.2% on LY off a high base (LY +25%) | aEBITDA -3.2% on LY | Standout performance in Food and WFS, offset by muted performance in apparel businesses*





# WOOLWORTHS FOOD

WHL

*Positive operational leverage throughout the income statement and best-in-class ROCE*

Strong like-for-like (+7.2%) topline performance, notwithstanding impact of loadshedding, taxi strike and Avian flu | GP margin gains from optimising promotions and value chain efficiencies | Double-digit aEBIT growth, with an aEBIT margin of 7.3% adjusted for loadshedding

Turnover and  
concession sales

**+8.4%**

on LY to R22.9bn

Gross  
profit margin

**24.6%**

+0.8ppts on LY

aEBIT

**+13.0%**

on LY to R1.6bn  
+13.2% adjusted for loadshedding

aEBIT margin

**7.0%**

+0.3ppts on LY  
7.3% adjusted for loadshedding

ROCE

**57.4%**

+2.3ppts on LY





# WOOLWORTHS FASHION, BEAUTY, AND HOME

**WHL**

*Continued focus on improving quality of sales and underlying financial health*

Topline growth challenged by availability, port delays and tough macro environment | Beauty sales +16% | GP margin maintained through higher full-price sales, notwithstanding negative mix effects | Costs well managed, at below inflation

Turnover and  
concession sales

**+2.2%**

on LY to R7.6bn

Gross  
profit margin

**48.0%**

in line with LY

ROCE

**22.9%**

-0.2ppts on LY

aEBIT

**-5.3%**

on LY to R0.9bn  
-4.3% adjusted for loadshedding

aEBIT margin

**12.2%**

-0.9ppts on LY  
12.6% adjusted for loadshedding





# COUNTRY ROAD GROUP

WHL

*Decline in consumer demand impacting short-term profitability | High base (aEBIT LY +94%)*

Sales impacted by lower traffic and discretionary spend | Country Road brand performing well ahead of market | GP margin impacted by weaker A\$ and higher promotional activity to clear inventory | Costs tightly managed, notwithstanding investment in new channels and space

<div>Turnover</div> <div>-5.0%</div> <div>on LY to A\$592.2m</div>	<div>Gross profit margin</div> <div>62.1%</div> <div>-1.4ppts on LY</div>	<div>ROCE</div> <div>10.9%</div> <div>-6.9ppts on LY</div>
<div>aEBIT</div> <div>-46.1%</div> <div>on LY to A\$50.2m</div>	<div>aEBIT margin</div> <div>8.5%</div> <div>-6.5ppts on LY</div>	





# WOOLWORTHS FINANCIAL SERVICES

WHL

*On recovery path, with profit double that of LY*

Average book growth +10.2%, driven by new accounts and credit card advances | Impairment rate remains elevated; however, below prior period peak | Costs exceptionally well managed, down on LY

Closing book growth

**+4.9%**

on LY to R15.7bn

Net interest income

**+23.1%**

+6.3ppts on LY

Impairment rate

**6.3%**

+0.8ppts on LY

PAT

**+102.5%**

on LY to R122m  
(excl. IFRS 17 transition adjustment)

ROE

**22.4%**

+9.8ppts on LY





# GROUP BALANCE SHEET

WHL

*Strong balance sheet provides a solid platform as we shift into optimise, invest and growth phase*

<ul style="list-style-type: none"><li>• <b>Net borrowings</b> increase from higher capex investment and share buybacks last year</li><li>• <b>&gt;80%</b> of SA utilised debt linked to <b>ESG targets</b></li><li>• <b>Net debt / EBITDA</b> well within targeted gearing and covenants</li><li>• <b>Working capital</b> reduction driven by improved inventory management</li><li>• Average remaining <b>lease term at 3.3 years</b> (excluding options)</li><li>• <b>ROCE</b> well ahead of cost of capital</li></ul>	<div>Net borrowings</div> <div>R4.1bn</div> <div>WSA net debt: R4.7bn   Australia net cash: A\$44m   R671m LY</div>	<div>Lease liabilities</div> <div>R10.7bn</div> <div>Weighted average lease term reduced by 5.3%</div>
	<div>Net debt / Equity</div> <div>1.0x</div> <div>0.7x LY</div>	<div>Net debt / EBITDA</div> <div>1.2x</div> <div>0.9x LY</div>
	<div>Working capital</div> <div>+R0.2bn</div>	<div>ROCE</div> <div>22.3%</div> <div>22.5% LY (19.5% Total Group) WACC of 13.5%</div>

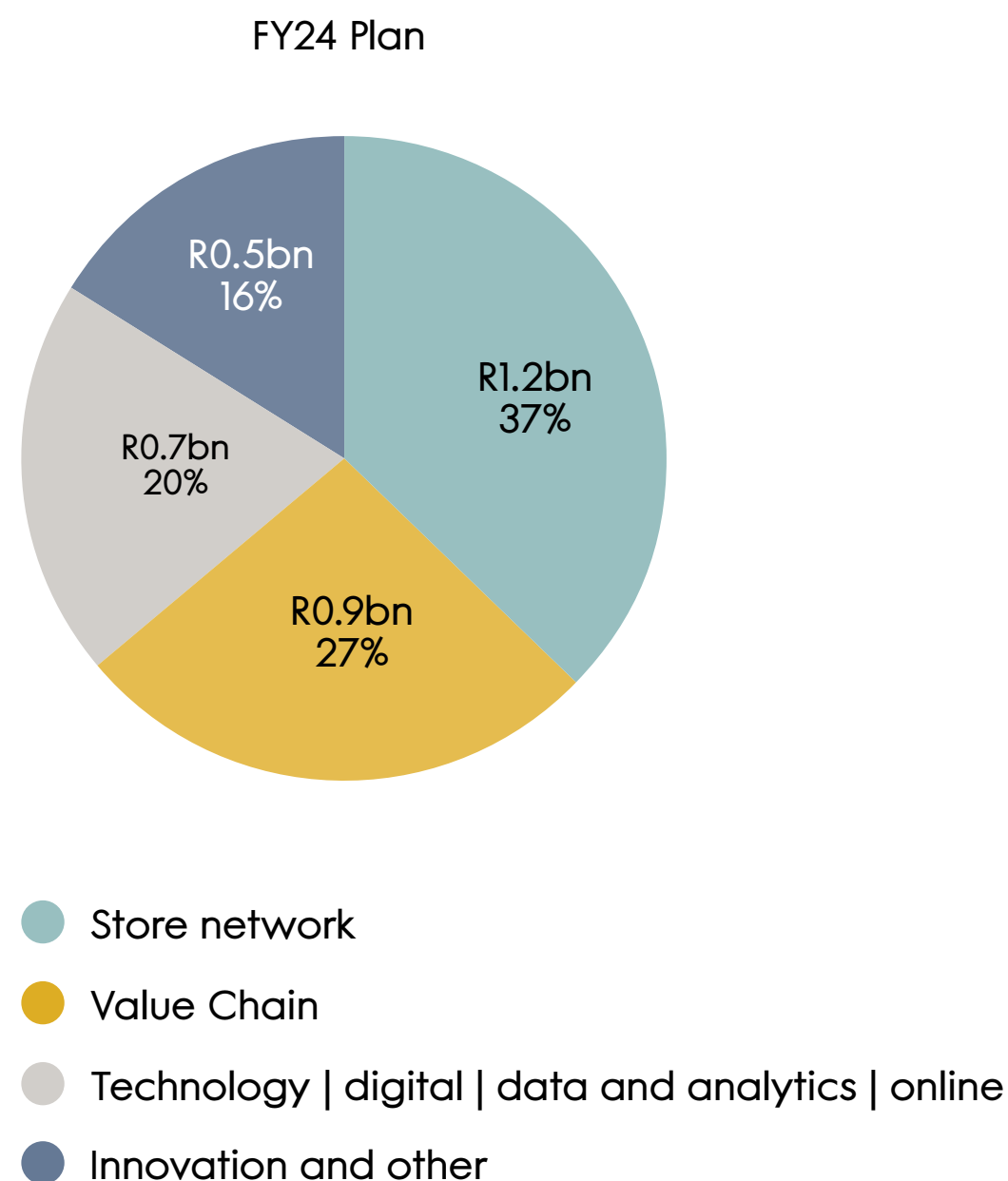


# CAPITAL EXPENDITURE

WHL

*Investing R10bn over 3 years in support of growth strategies*

Investment in capacity and capability throughout the value chain | data and analytics | digital and online | store network

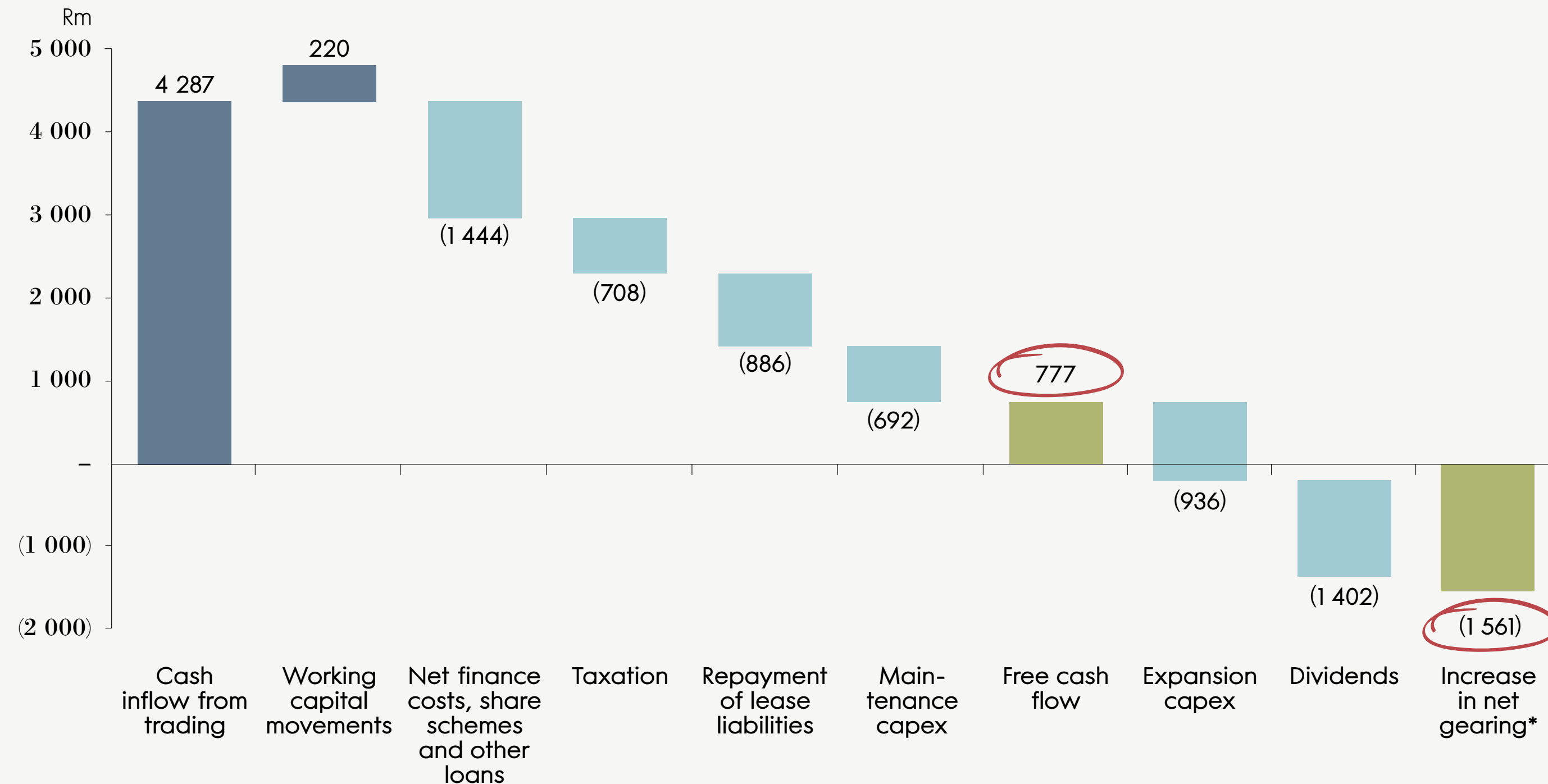




# CASH FLOW

**WHL**

*Positive free cash flow | Cash conversion ratio >90%, up from LY, notwithstanding increased capex*



\* Net gearing excludes R15m currency translation impact



# CAPITAL ALLOCATION AND RETURNS TO SHAREHOLDERS

**WHL**

## *Our aspirations:*

**Real** mid-single digit  
revenue growth

**αEBIT growth**  
> revenue growth

**ROCE**  
> WACC + 5%

**Gearing**  
< 1.5x

## *What we delivered in H1:*

### **BALANCE SHEET**

- Sale of DJ transformational
- Strong balance sheet metrics support growth
- Free cash flow of R0.8bn
- No net borrowings in Australia; WSA Net debt / EBITDA well within target

### **INVESTMENT AND GROWTH**

- Capex +36% on LY
- Capex directed towards digital and data, enabling IT, Food and FBH supply chains and value chain transformation

### **SHAREHOLDER RETURNS**

- Interim dividend of 148cps
- Payout ratio of 70% on adjusted earnings
- Year-on-year shares in issue reduced by 2.4% (3.7% weighted) – benefiting DPS



# RECENT TRADING AND OUTLOOK

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**WHL**

## **FOOD**

- Price movement in H2 expected at 6% - 7%
- Net space planned at +2.9% for the full year
- First eight weeks trade in H2 +8.5% - lower inflation

## **FBH**

- Price movement in H2 expected at 9% - 10%
- Net space expected to remain flat for the year
- First eight weeks trade -7.5% - significantly smaller clearance due to lower inventory levels

## **CRG**

- First eight weeks trade -8.2% - weak consumer sentiment and discretionary spend continues into Q3





# STRATEGIC UPDATE AND OUTLOOK

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***Roy Bagattini***

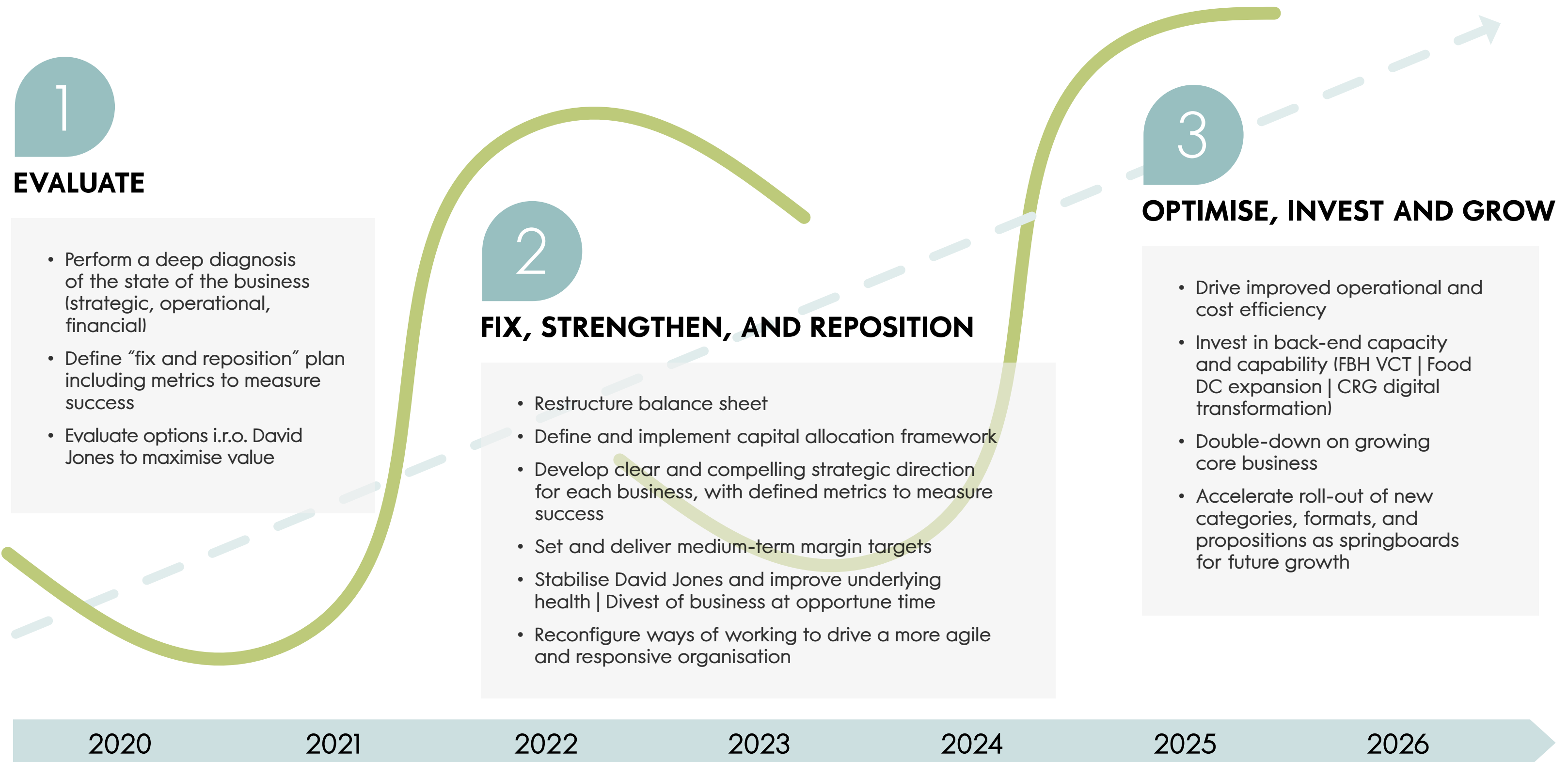
*Group CEO*





# REMINDER: OUR STRATEGIC JOURNEY AND PROGRESS

**WHL**





# WOOLWORTHS FOOD

WHL

*We continue to strengthen our holy grail whilst simultaneously growing our core business and pursuing new avenues of growth*

- We remain focused on our “**holy grail**” which underpins **the strength and resilience** of our Food business, and its market-leading credentials
- Several levers enabling growth in the **core business**:
  - Improving **on-shelf availability**
  - Amplifying **trusted value**
  - Increasing **market place presence**
- Strengthening and investing in **critical enablers** whilst leveraging our existing and **differentiated skills, expertise and back-end capabilities**
- Increasing focus on **new growth initiatives** across a number of newer categories, formats and adjacencies





# PRICE PERCEPTION: WOOLWORTHS VS LISTED PEERS

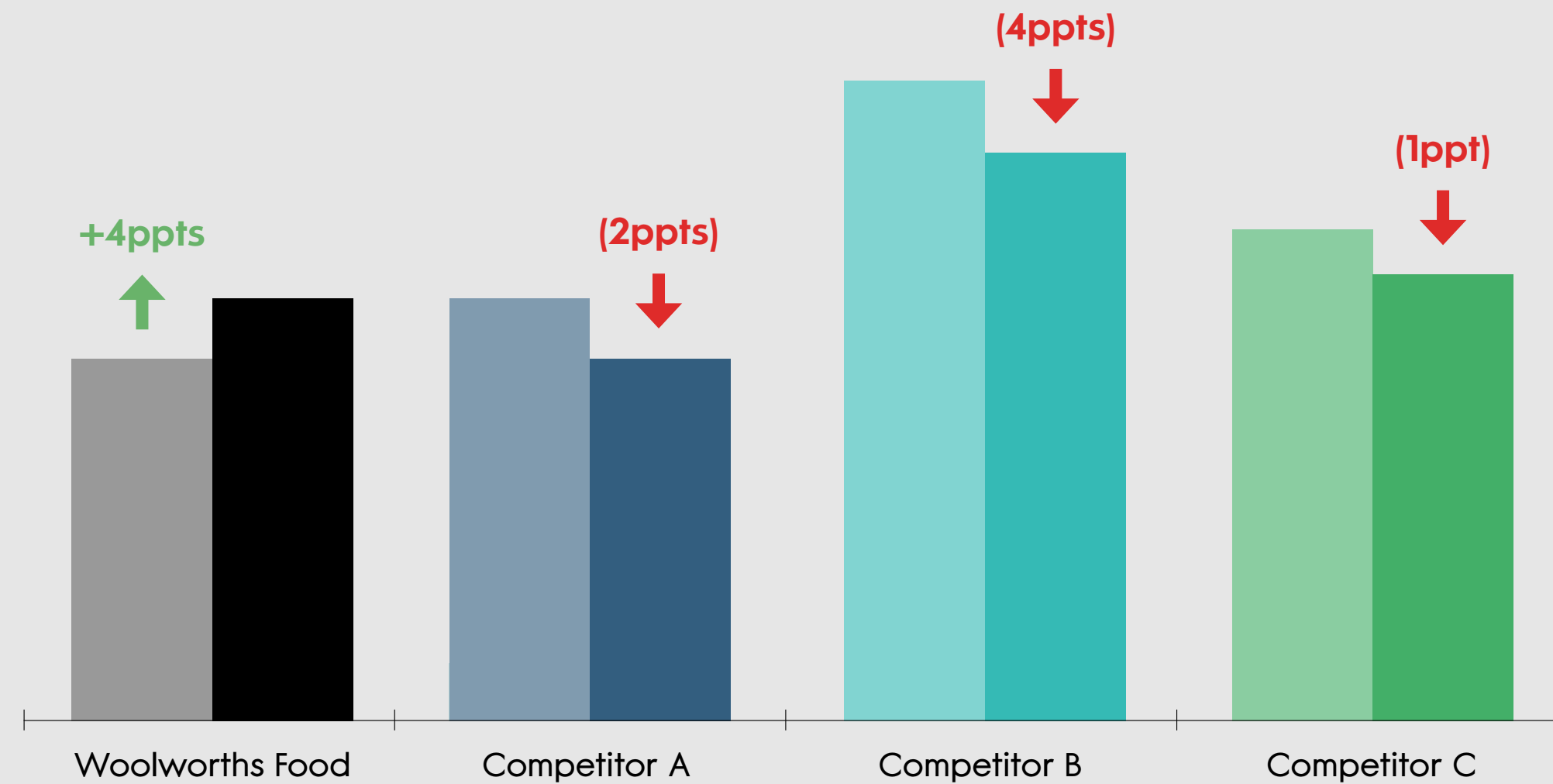
**WHL**

*Less than what I would expect to pay*

Nov '20 vs Nov '23

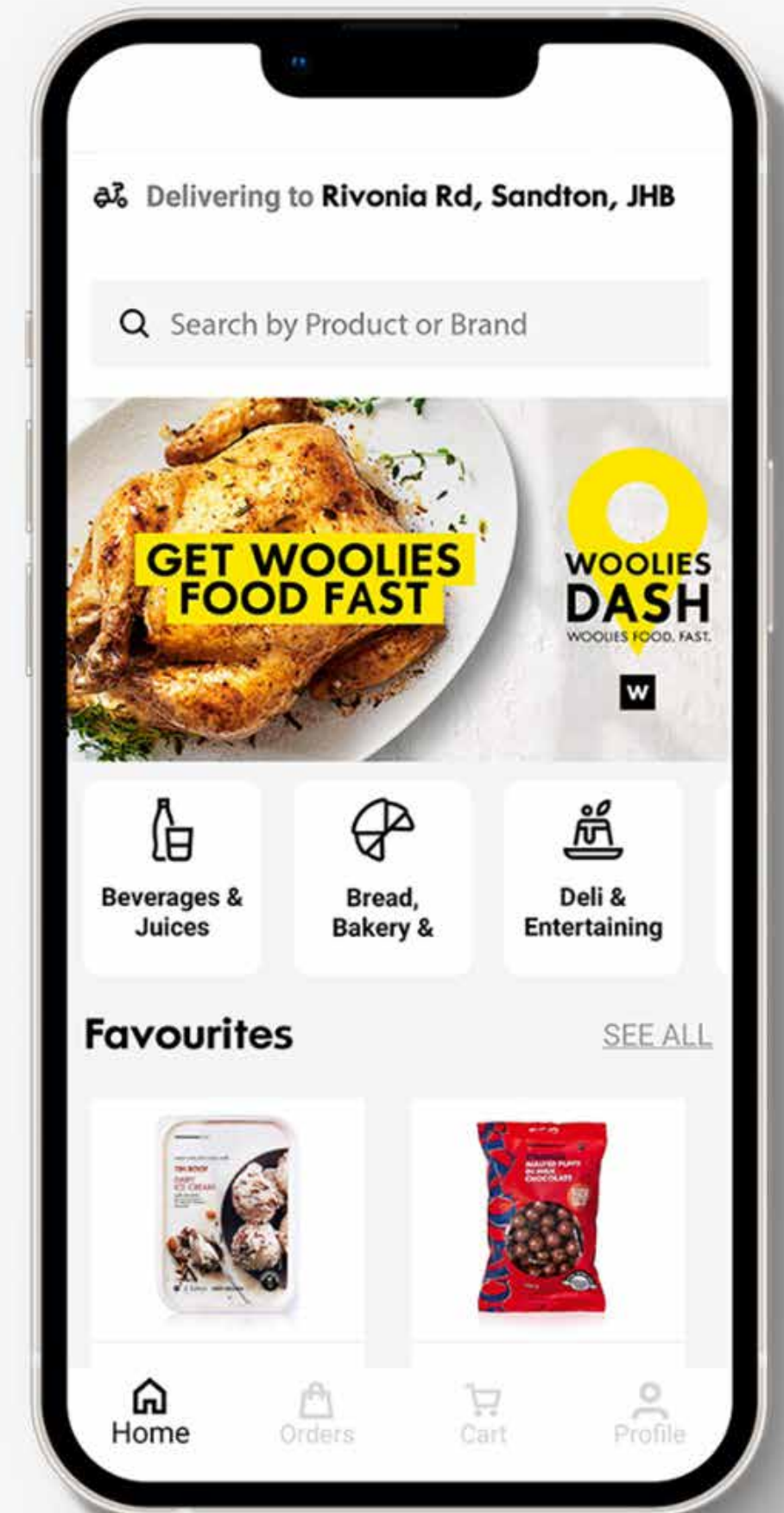
**EVERYDAY  
WLIST™**

**NEW LOWER  
PRICES  
EVERY DAY**



Source: Bi-annual tracker study

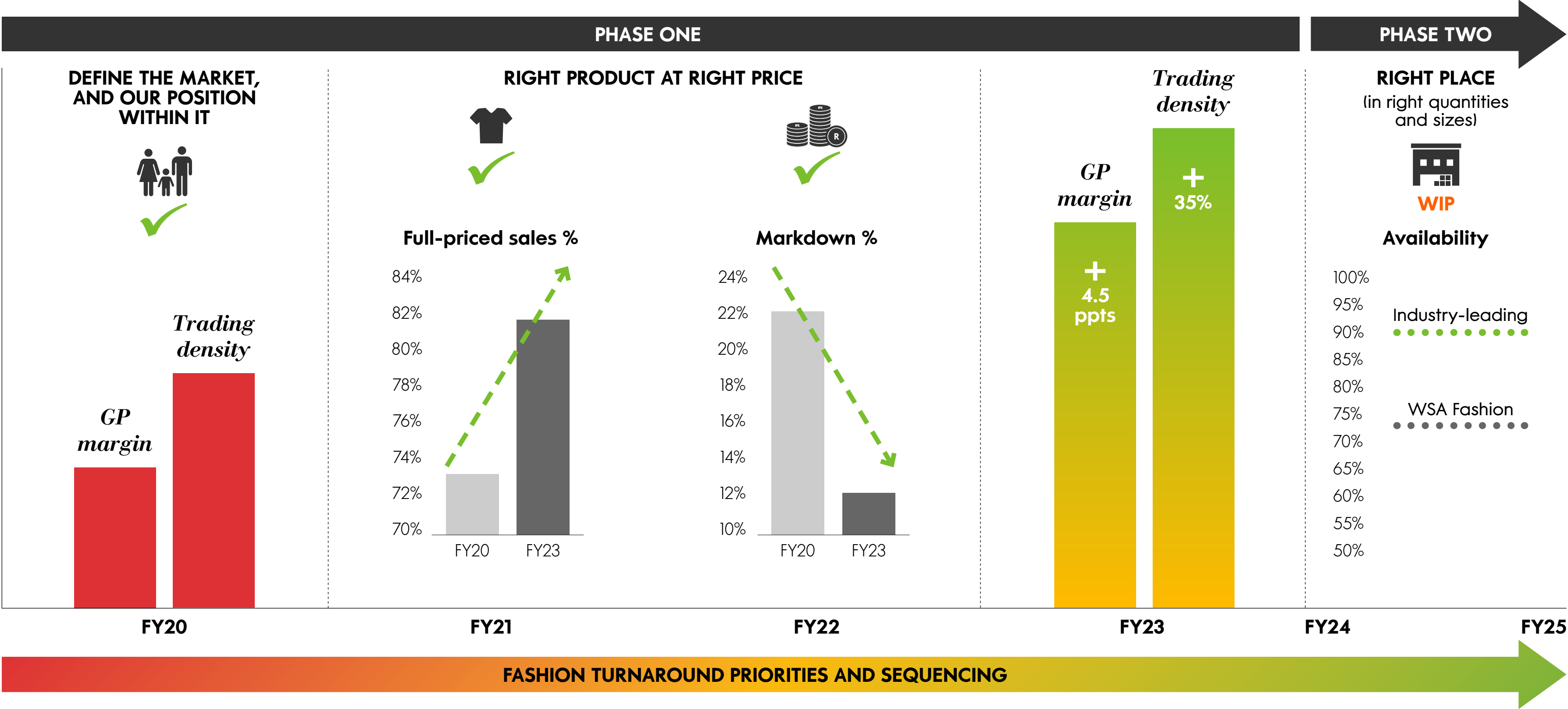






# FASHION TURNAROUND PRIORITIES AND SEQUENCING

We have made significant progress on the turnaround of our business and are now pursuing our next biggest commercial opportunity



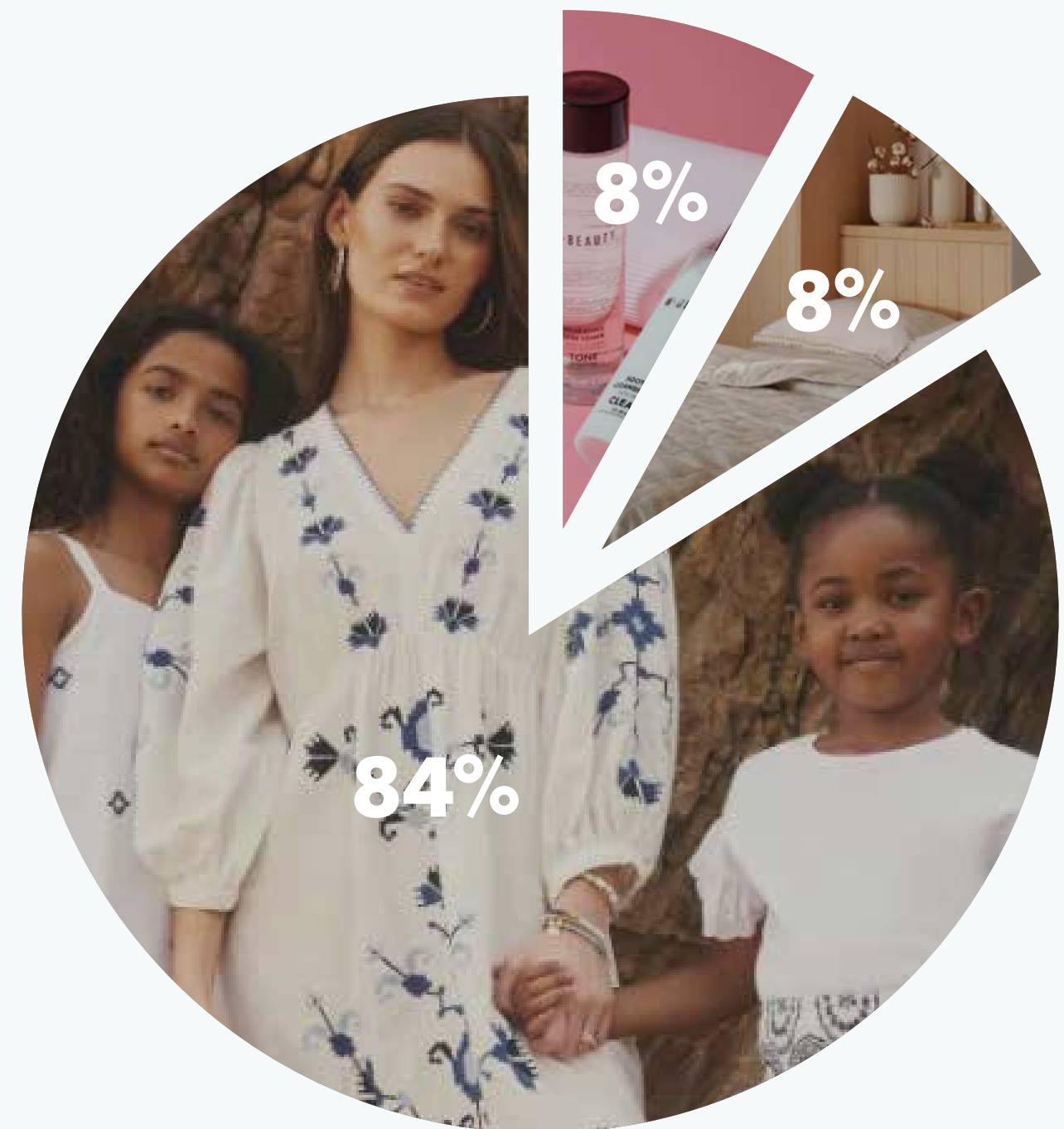


# WOOLWORTHS FASHION, BEAUTY AND HOME

**WHL**

*We will continue to drive the turnaround of our Fashion business, with a particular focus on availability, whilst profitably growing Beauty and Home*

- Continued focus on “**right product at the right price**” anchored in our “must win” categories
- Improving **availability** is our next biggest commercial **opportunity**, supported by ongoing investment in our Value Chain Transformation
- Actively pursuing profitable new space as we **accelerate the roll-out of WEdit**
- Positioning our strongly-growing **Beauty business as the beauty shopping destination** in South Africa
- Implementing a **discreet growth strategy for Home**, focusing on relevant “must win” categories and cross-shop opportunities





# COUNTRY ROAD GROUP

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**WHL**

*Significant scope for growth by leveraging CRG's competitive advantages and unlocking the full potential of existing brands*

- Unlocking the **full potential of CRG brands**, leveraging learnings from Country Road brand's success to reposition other brands
- Driving **wholesale opportunity**, including presence in Myer
- Investing in **existing stores** and exploring **new channels and markets**
- Leveraging **unique position in South African market**
- **Continuing to invest for longer-term growth**, including a future-fit IT operating model, common platform of capabilities across brands, an enhanced digital platform, and upgraded loyalty programmes





# COUNTRY ROAD



This store is targeting a  
5 Star Green Star rating.



# OUR GOOD BUSINESS JOURNEY

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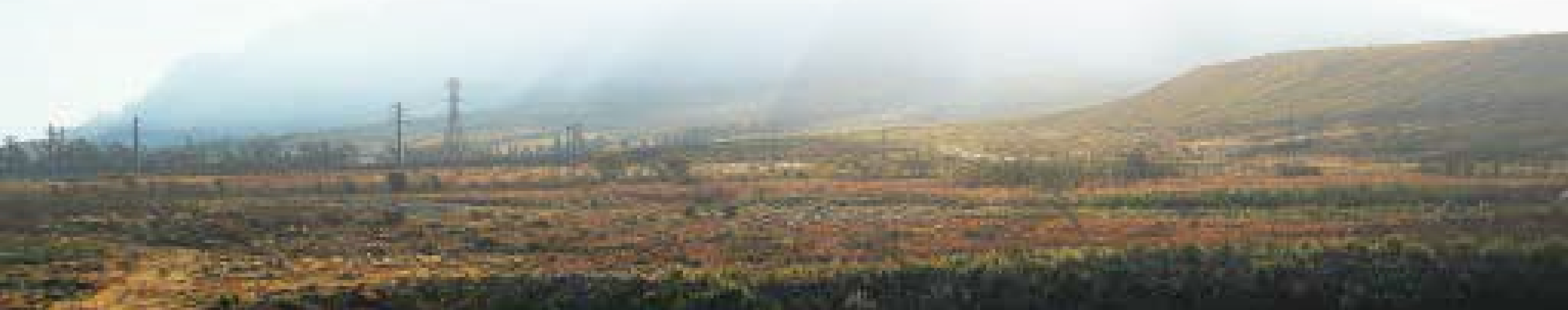
**WHL**

*Our Good Business Journey remains embedded in everything we do and is a distinct competitive advantage*

- **Deeply entrenched sustainability programme** – investing time, capital and expertise since 2007
- Fully committed to an **ethical supply chain** from floor to store, and farm to fork
- Actively taking steps to building a **thriving and resilient environment**
- Incorporated in our **capital management and executive remuneration**
- Making a **real and meaningful difference to our people and our communities**
  - Our **Inclusive Justice Initiative** embraces the principles of diversity and inclusivity
  - Our **“Just Wage”** is almost 20% above the retail sector average, and already more than 50% above the new national minimum



**inclusive  
justice**  
initiative





# OUR GOOD BUSINESS JOURNEY

WHL



## INCLUSIVE JUSTICE



WOOLWORTHS SOUTH AFRICA  
STORE STAFF NOW EARN ALMOST  
20% ABOVE THE RETAIL SECTOR  
MINIMUM AVERAGE AND  
**>50%**  
ABOVE THE NEW SOUTH AFRICAN  
MINIMUM WAGE.

WHL GROUP  
IS THE FIRST  
MAJOR SOUTH  
AFRICAN RETAILER  
TO BECOME A  
SIGNATORY TO  
THE UN WOMEN'S  
EMPOWERMENT  
PRINCIPLES



WOOLWORTHS CONTRIBUTED

**R7  
BILLION**

TOWARDS THE REVENUES OF  
BLACK AND BLACK WOMEN-OWNED  
SUPPLIERS IN OUR SUPPLIER BASE  
IN FY23.



The total Group  
community  
contribution  
exceeds

**R1bn**

Of that,

**c.R900m**

worth of surplus food  
is donated to charity.



WE INVEST MORE THAN

**R200  
MILLION**

IN TRAINING AND DEVELOPMENT  
OF EMPLOYEES ACROSS  
THE GROUP EVERY YEAR.



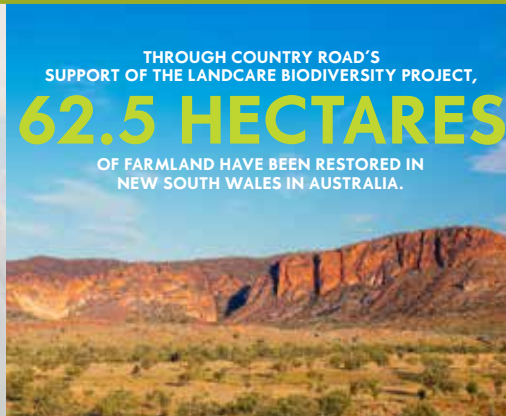
## ETHICAL AND FAIR

**100%**

OF COTTON AND TIMBER USED  
IN WOOLWORTHS FASHION,  
BEAUTY AND HOME PRODUCTS  
ARE RESPONSIBLY SOURCED.



THROUGH COUNTRY ROAD'S  
SUPPORT OF THE LANDCARE BIODIVERSITY PROJECT,  
**62.5 HECTARES**  
OF FARMLAND HAVE BEEN RESTORED IN  
NEW SOUTH WALES IN AUSTRALIA.



**100%**

OF COCOA AND PALM OIL  
USED IN WOOLWORTHS FOOD  
ARE RESPONSIBLY SOURCED.



**100%**  
OF WOOLWORTHS FOOD  
**85%**

OF WOOLWORTHS FASHION,  
BEAUTY AND HOME PRIVATE LABEL  
PRODUCTS EACH HAVE AT LEAST  
**ONE SUSTAINABILITY  
ATTRIBUTE.**

This means that each product has at least one  
characteristic that minimises the negative impact  
on either the environment or society.



MORE THAN  
**90%**  
OF WOOLWORTHS  
FOOD AND  
**33%**  
OF WOOLWORTHS  
FASHION, BEAUTY AND  
HOME PRODUCTS ARE  
**LOCALLY  
SOURCED.**

The Group became  
a **foundational member**  
of the **Ethical Trading Initiative**,

an alliance of companies, trade unions and NGOs

working together  
to collectively **promote**  
**respect for workers' rights**  
in supply chains.



## THRIVING AND RESILIENT

### COUNTRY ROAD

Country Road Group is the only Australian  
fashion brand publicly **committed to achieving**  
**Green Star certification** for its stores.

**12 STORES**  
are currently  
**5-STAR  
CERTIFIED.**



Country Road launched the  
**Climate Fund**,  
providing  
**A\$1.5 million**  
in **grant funding**

over three years, to organisations working  
on projects aimed at mitigating climate change  
and building climate resilience.

IN A SOUTH AFRICAN RETAIL FIRST,  
WOOLWORTHS ROLLED OUT  
**>40 ELECTRIC  
VEHICLES**  
FOR ONLINE DELIVERIES.



**BRING A BAG  
TAKE A BAG**

WOOLWORTHS ROLLED  
OUT A **BAG SHARE STAND** AND  
A **REUSABLE BAG** RECYCLING INITIATIVE  
IN ITS FOOD STORES.

ALL OUR STORES  
ACROSS OUR  
GROUP ARE  
**PLASTIC  
SHOPPING  
BAG FREE.**



**MSCI**



retained our AAA rating in the latest ranking.  
Only 7% of companies in the Retail – Consumer  
Discretionary category were rated AAA.



**SUSTAINALYTICS**

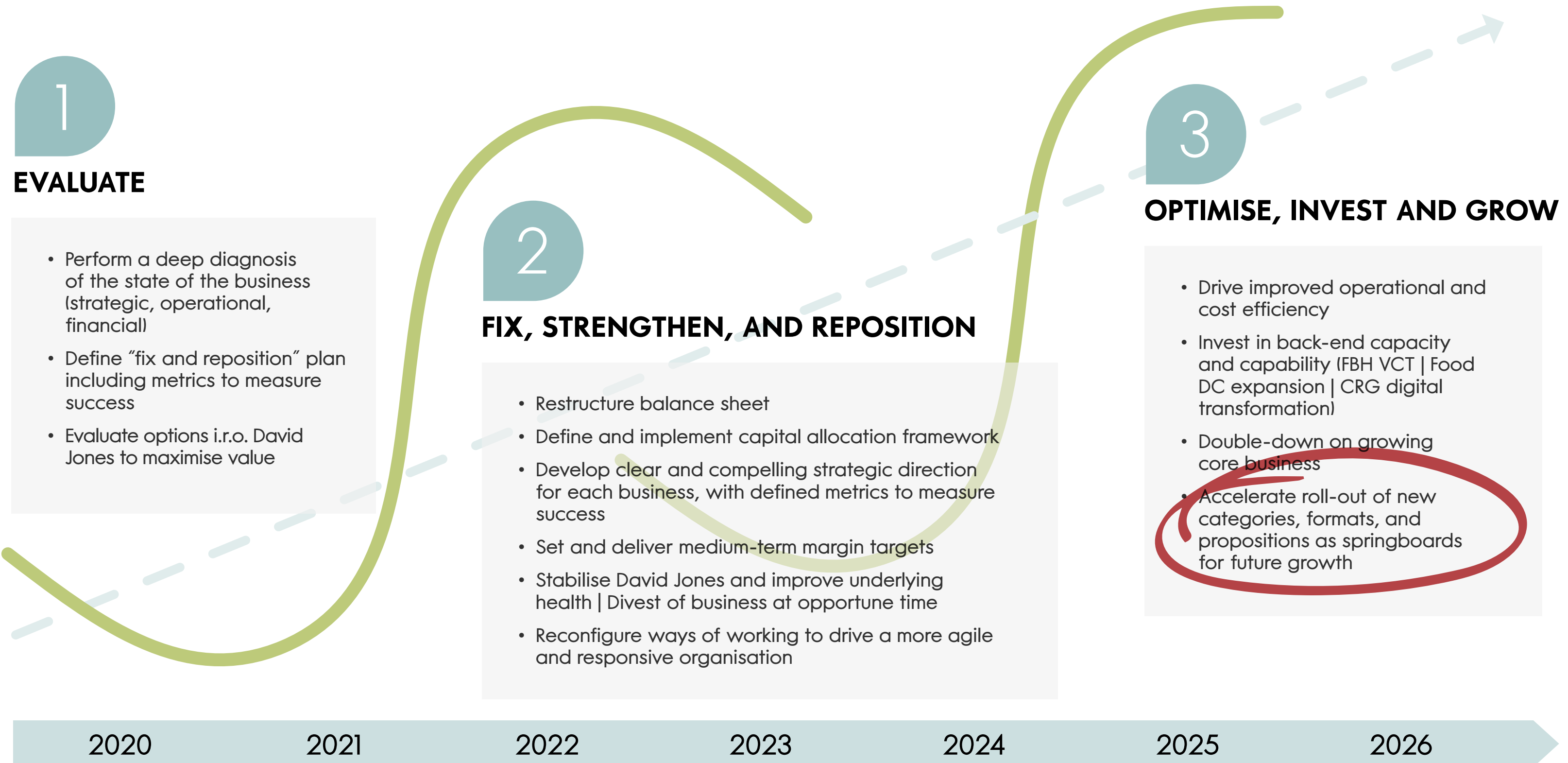
included in Sustainalytics' 2024 ESG Top-Rated  
Companies List - one of only 15 companies from  
the Africa/Middle East region

MAKING A DIFFERENCE 



# REMINDER: OUR STRATEGIC JOURNEY AND PROGRESS

**WHL**



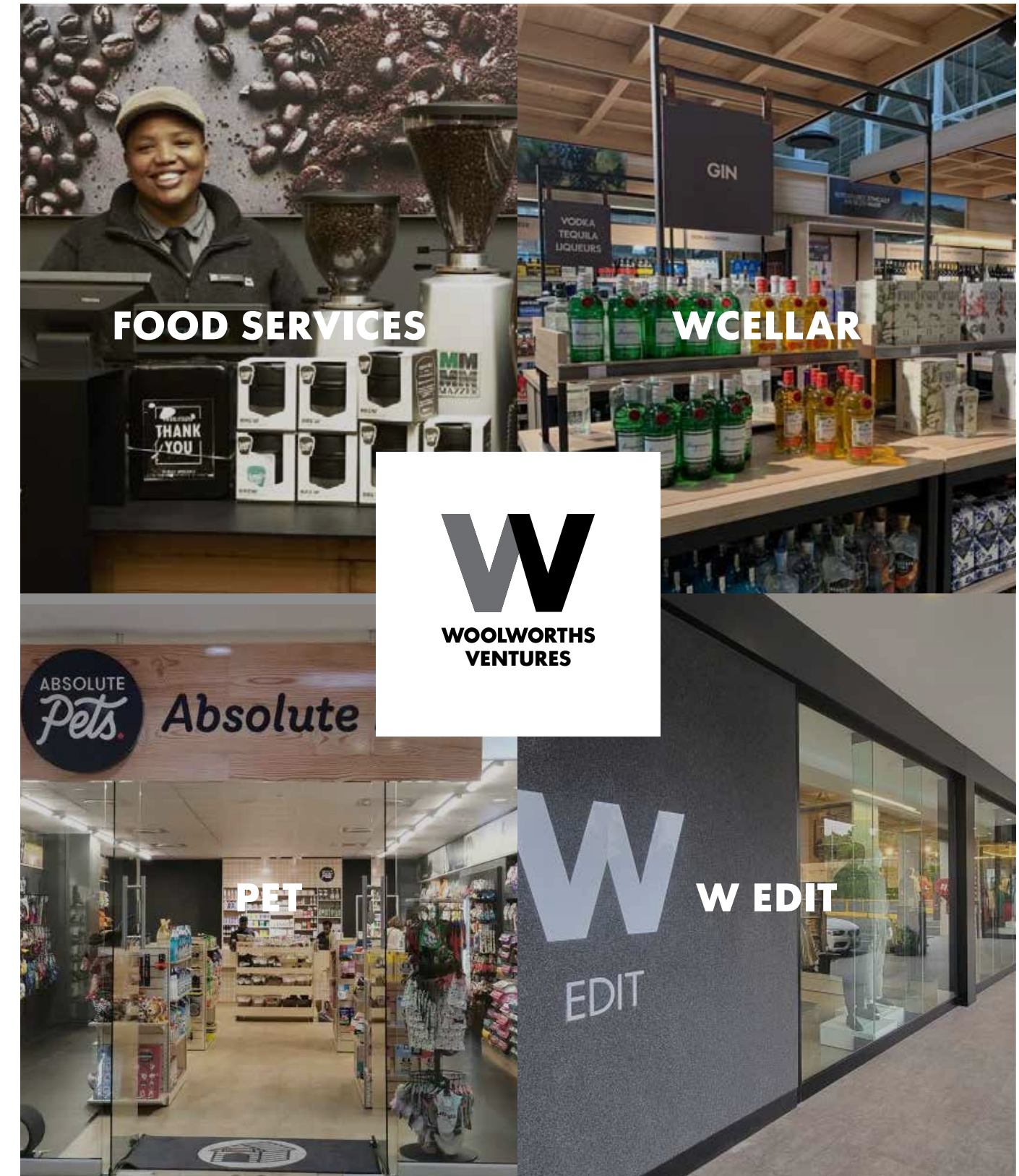


# INTRODUCING WOOLWORTHS VENTURES

**WHL**

*Woolworths Ventures will play a key role in accelerating the execution of strategic growth initiatives in the next phase of our investment thesis*

- Significant progress already made in fixing and repositioning our Group
- Focus now shifting to **optimising, investing and growing** our businesses
- **Launched Woolworths Ventures**, to provide strategic growth initiatives with the dedicated focus needed to pursue their ambitions
  - Includes **WEdit, WCellar, Pet, and Food Services**
- Allows for **greater speed and agility** in executing new growth initiatives, without compromising our core businesses
- This is a first for our Group and has the potential to be **a real game changer for us**





# ABSOLUTE PETS ACQUISITION

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**WHL**

*Acquisition of South Africa's leading pet care retailer, Absolute Pets, will allow us to accelerate our shared growth ambitions to become the end-to-end pet care destination of choice*

- **SENS announcement** on 31 October 2023
  - Intention to acquire 93.45% of shares in Absolute Pets | Remaining management stake to be acquired over agreed period
  - Business established in 2005 | >150 stores nationwide
  - Complementary brand positioning | Well-established market presence | Strong management team
  - Consideration to be settled in cash
- **Deal subject to fulfillment of conditions** for transactions of this nature
  - Currently in final stages of Competition Commission process
    - **conclusion expected in Q4 FY24**





# OUTLOOK

WHL

*Whilst second half outlook remains challenging, we are firmly committed to our margin targets notwithstanding the investments we are making in various strategic initiatives*

- **H2 likely to be as challenging as H1** with consumers still under pressure in both geographies
- **WE ARE** driving even greater focus on **controlling costs, improving availability, and managing inventory** to protect near-term profitability
- **WE REMAIN** committed to our **medium-term margin guidance**, notwithstanding the investments we are making
- **WE WILL CONTINUE** to invest in, optimise, and grow our businesses, leveraging our strong balance sheet and strengthened foundations
- **WE ARE** doubling down on execution, to ensure we emerge even stronger and fitter than before

Medium-term (FY26) aEBIT margin targets:

FBH **>14%**

FOOD **>7%**

CRG **>12%**







**THANK YOU!**  
*to our customers for your loyalty and trust, and to all  
our suppliers, partners and teams for your remarkable  
commitment, dedication and passion*

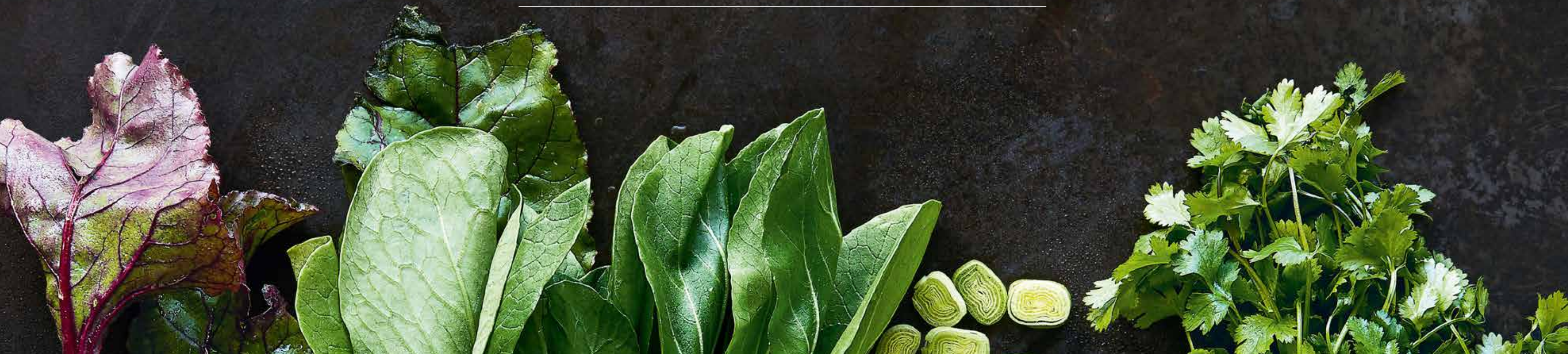




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# APPENDIX

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# APPENDIX CONTENTS

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**WHL**

- GROUP PERFORMANCE
- GROUP INCOME STATEMENT
- GROUP BALANCE SHEET
- INCOME STATEMENTS BY BUSINESS
- IFRS 16 - IMPACT BY BUSINESS
- CAPITAL EXPENDITURE
- NET BORROWINGS/(CASH)
- AUSTRALIAN BALANCE SHEETS
- TRADING SPACE
- STORE LOCATIONS





# GROUP PERFORMANCE

WHL

	Continuing operations	Total Group
Turnover and concession sales	R38.1bn <i>+5.4% on LY</i>	R38.1bn <i>-23.6% on LY</i>
Adjusted profit before tax	R2.6bn <i>-12.1% on LY</i>	R2.6bn <i>-31.8% on LY</i>
Adjusted EBIT	R3.3bn <i>-6.2% on LY</i>	R3.3bn <i>-30.5% on LY</i>
Adjusted diluted HEPS	209.7cps <i>-5.6% on LY</i>	209.7cps <i>-26.3% on LY</i>
Interim dividend per share	148.0cps <i>-6.6% on LY</i>	
Free cash flow	R0.8bn	
Net borrowings (excluding lease liabilities)	R4.1bn	
Net debt to EBITDA	1.2x	



# GROUP INCOME STATEMENT

**WHL**

	Dec 2023 Rm	Dec 2022 Rm	% change	
<b>Turnover and concession sales</b>	<b>38 112</b>	<b>36 152</b>	<b>5.4</b>	Strong Food growth offsetting weaker apparel growth
<b>Gross profit</b>	<b>13 761</b>	<b>13 231</b>	<b>4.0</b>	
<b>Adjusted EBITDA</b>	<b>4 873</b>	<b>5 033</b>	<b>(3.2)</b>	
<b>Adjusted EBIT</b>	<b>3 310</b>	<b>3 530</b>	<b>(6.2)</b>	WSA +10%, offset by CRG
Woolworths Fashion, Beauty and Home	927	979	(5.3)	
Woolworths Food	1 595	1 412	13.0	
Woolworths Financial Services (50% of PAT)	174	60	>100	Includes R52m IFRS 17 transition adjustment
Country Road Group	614	1 079	(43.1)	
Unallocated David Jones costs	(86)	–		Group costs previously allocated to DJ
Net rental income/(costs)	95	(4)		
Net finance and other costs	(751)	(604)	24.3	Higher debt levels and increased base rates
<b>Adjusted profit before tax</b>	<b>2 568</b>	<b>2 922</b>	<b>(12.1)</b>	
Tax	(671)	(827)	(18.9)	
<b>Adjusted profit after tax</b>	<b>1 897</b>	<b>2 095</b>	<b>(9.5)</b>	
Adjustments (post-tax)	(76)	(52)		Includes DJ/CRG separation costs and transaction costs for proposed acquisition
<b>Profit after tax</b>	<b>1 821</b>	<b>2 043</b>	<b>(10.9)</b>	
Adjusted diluted HEPS (cents)	209.7	222.1	(5.6)	
Effective tax rate	25.8%	28.5%		
Adjusted effective tax rate	26.1%	28.3%		Reduced effective tax rate from higher contribution from WSA at a lower tax rate; increased post-tax contribution from WFS
WANOS (millions)	896.1	930.4	(3.7)	



# GROUP BALANCE SHEET

**WHL**

	Dec 2023 Rm	Dec 2022 Rm	Constant currency % change	
<b>Assets</b>				
Property, plant and equipment, investment property and intangible assets	16 768	14 335	12.2	Investment in capacity and capability throughout the value chain, data, digital and online/store network
Right-of-use assets	8 134	8 076	(3.2)	
Investments in joint ventures	1 191	1 006	18.4	
Inventories	7 603	7 391	0.2	Lower inventory levels in FBH offsetting higher inventory in CRG
Receivables, derivatives and loans	2 132	2 560	(19.7)	
Deferred tax and tax assets	1 206	909	33.2	
Cash and cash equivalents	2 906	6 069	(53.3)	
Assets held for sale	–	21 068	(100.0)	
<b>Total Assets</b>	<b>39 940</b>	<b>61 414</b>		
<b>Equity and liabilities</b>				
Shareholders' funds	11 628	12 246	(11.4)	
Borrowings and overdrafts	6 946	6 687	3.6	
Lease liabilities	10 652	10 535	(2.5)	
Deferred tax and tax liabilities	59	28	>100	
Payables, derivatives and provisions	10 655	9 979	4.8	
Liabilities associated with assets held for sale	–	21 939	(100.0)	
<b>Total equity and liabilities</b>	<b>39 940</b>	<b>61 414</b>		
<b>Net borrowings</b>	<b>4 105</b>	<b>671</b>		Well within gearing limits
<b>Net gearing including lease liabilities*</b>	<b>11 623</b>	<b>8 194</b>		
<b>Net debt to EBITDA* (times)</b>	<b>1.2</b>	<b>0.9</b>		
<b>Net debt to Equity* (times)</b>	<b>1.0</b>	<b>0.7</b>		
Period-end exchange rate (R/A\$)	12.5	11.4		

\* Based on lease liabilities net of deferred tax

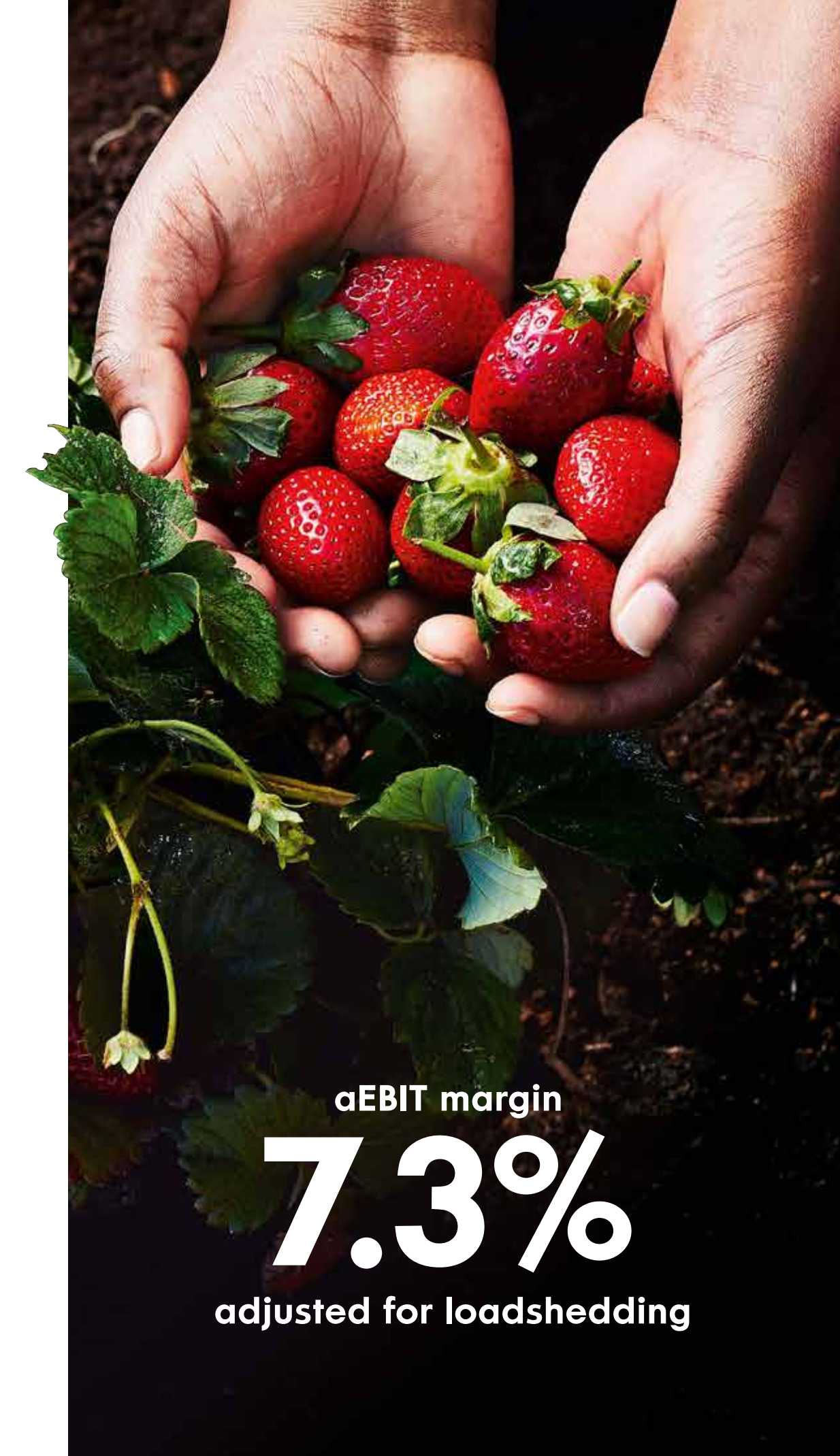


# WOOLWORTHS FOOD

*Positive operational leverage throughout the income statement and best-in-class ROCE*

	Dec 2023 Rm	Dec 2022 Rm	% change
Turnover and concession sales	22 911	21 130	8.4
Gross profit margin	24.6%	23.8%	
Expenses	4 003	3 604	11.1
Adjusted EBIT	1 595	1 412	13.0
Adjusted PBT	1 445	1 293	11.8
Adjusted EBITDA	2 033	1 854	9.7
αEBIT margin	7.0%	6.7%	
ROCE	57.4%	55.1%	

- Comparable sales +7.2%, with price movement of 9.1% | Space growth 3.3%
- Online sales +47%, 5.1% of SA sales, supported by increased penetration of Dash
- GP margin +0.8ppts, driven by value chain efficiencies and optimised promotions
- Expenses +11.1%, impacted by higher loadshedding, online costs and investments
- αEBIT margin in line with medium-term target | 7.3% adjusted for loadshedding



αEBIT margin  
**7.3%**  
adjusted for loadshedding

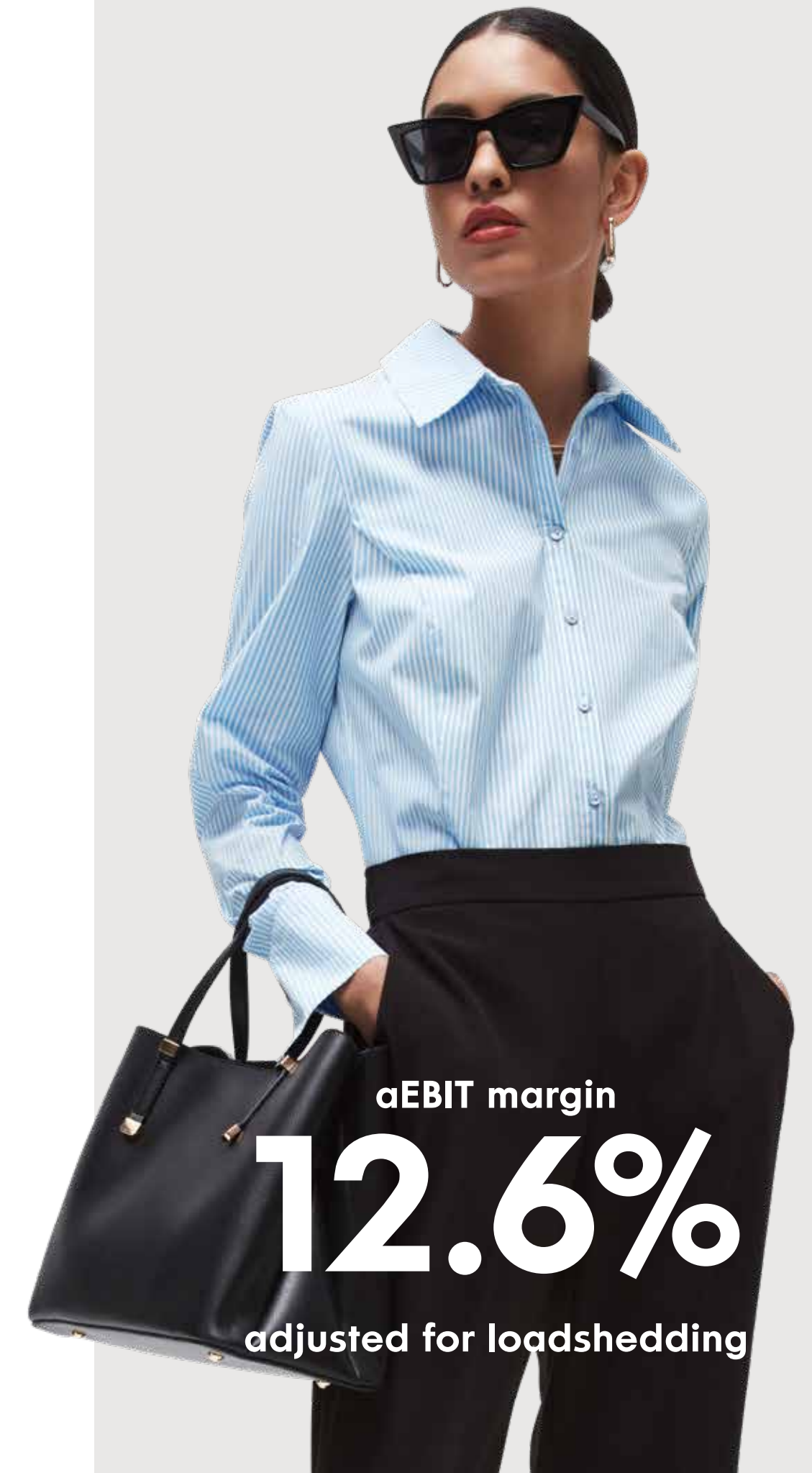


# WOOLWORTHS FASHION, BEAUTY AND HOME

*Continued focus on improving quality of sales and underlying financial health*

	Dec 2023 Rm	Dec 2022 Rm	% change
Turnover and concession sales	7 608	7 447	2.2
Gross profit margin	48.0%	48.0%	
Expenses	2 708	2 586	4.7
Adjusted EBIT	927	979	(5.3)
Adjusted PBT	738	824	(10.4)
Adjusted EBITDA	1 294	1 400	(7.6)
aEBIT margin	12.2%	13.1%	
ROCE	22.9%	23.1%	

- Comparable sales +1.5%, price movement of 11.4% from higher full-price sales and reduced markdowns
- Trading space increased by 0.3%
- Online sales +27%, 5.4% of SA sales
- GP margin in line with LY, further improvement in full-price sales, offsetting negative mix effects from higher Beauty contribution
- Expenses contained to +4.7%; below inflation, notwithstanding return to net positive space growth
- aEBIT margin of 12.6% adjusted for loadshedding



aEBIT margin  
**12.6%**  
adjusted for loadshedding

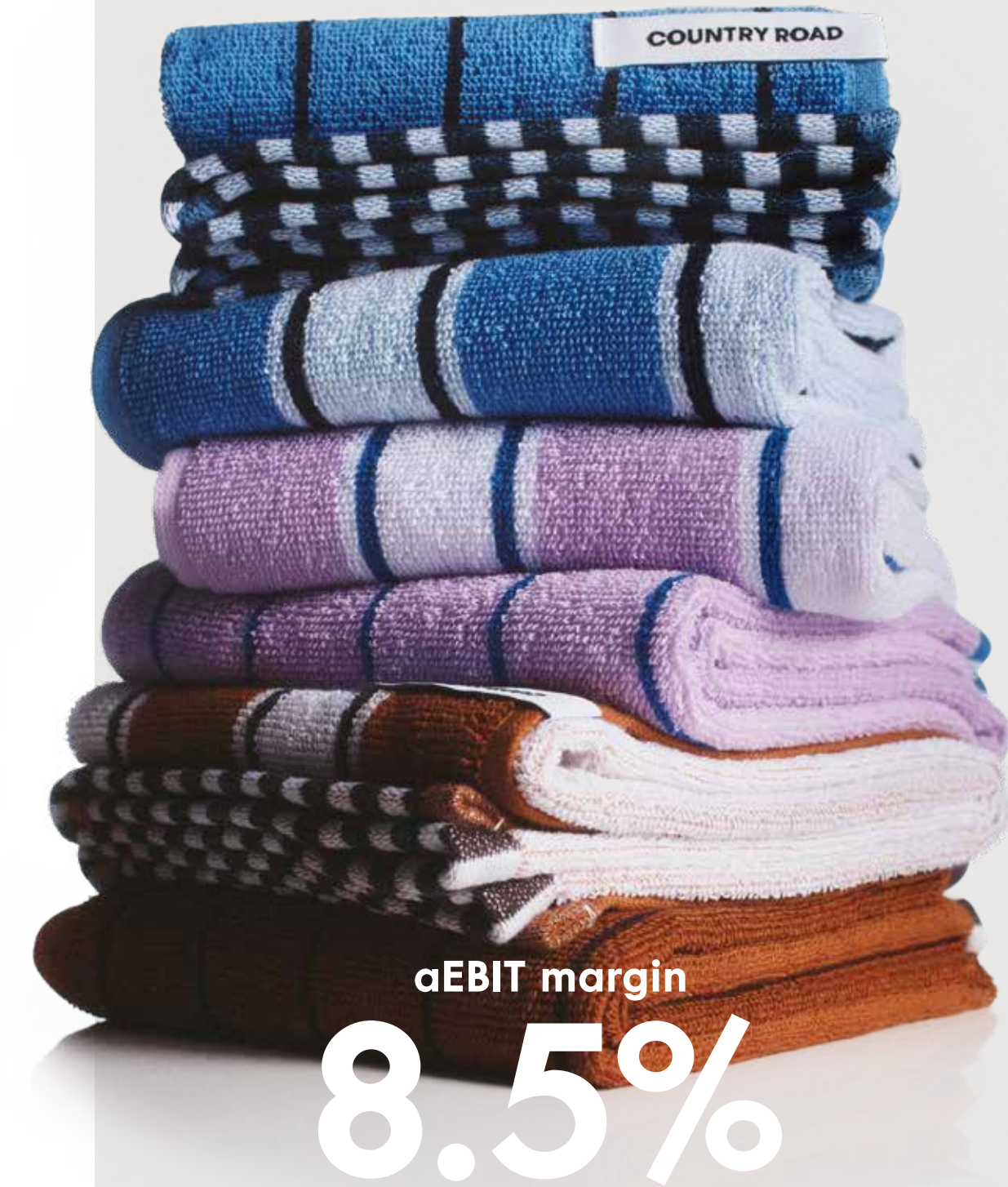


# COUNTRY ROAD GROUP

*Decline in consumer demand and weaker A\$ impacting short-term profitability | High base (aEBIT +94% LY)*

	Dec 2023 A\$m	Dec 2022 A\$m	% change
Turnover	592.2	623.2	(5.0)
Gross profit margin	62.1%	63.5%	
Expenses	323.2	303.8	6.4
Adjusted EBIT	50.2	93.2	(46.1)
Adjusted PBT	39.6	85.6	(53.7)
Adjusted EBITDA	112.3	148.3	(24.3)
aEBIT margin	8.5%	15.0%	
ROCE	10.9%	17.8%	

- Trading space increased by 6.6%, mainly from Myer expansion
- Online sales contribution 26.8%
- GP margin impacted by weaker A\$ and higher promotional activity
- Expenses contained, despite increased investment in space and channels





# WOOLWORTHS FINANCIAL SERVICES

*On recovery path, with profit double that of LY*

	Dec 2023 Rm		Dec 2022 Rm		% change
Average total financial services assets	15 802		14 337		10.2%
<b>Income statement</b>		% to book		% to book	
<b>Net interest income</b>	<b>974</b>	<b>12.3</b>	<b>791</b>	<b>11.0</b>	<b>23.1</b>
Impairment charge	500	6.3	401	5.5	24.7
<b>Risk-adjusted margin</b>	<b>474</b>	<b>6.0</b>	<b>390</b>	<b>5.4</b>	<b>21.5</b>
Non-interest revenue	491	6.2	492	6.9	(0.2)
Operating costs	626	7.9	684	9.5	(8.5)
<b>Profit before tax</b>	<b>339</b>	<b>4.3</b>	<b>198</b>	<b>2.8</b>	<b>71.2</b>
Tax	96	1.2	78	1.1	23.1
<b>Profit after tax</b>	<b>243</b>	<b>3.1</b>	<b>120</b>	<b>1.7</b>	<b>&gt;100</b>
50% share	<b>122</b>		<b>60</b>		
IFRS 17 transition adjustment	52		-		
<b>Profit after IFRS 17 adoption</b>	<b>174</b>		<b>60</b>		
Return on equity	22.4%		12.6%		

- Closing book +4.9% on LY, driven by growth in new accounts and credit card advances
- Net interest income growth from higher average book and yields on repo rate increases
- Impairment rate 6.3% vs. 5.5% LY, reflective of consumer strain, reducing from its peak in Q4 FY23
- ROE +9.8ppts from higher profit after tax
- Woolworths card contribution to sales: FBH 18.0% (LY: 18.4%) | Food 8.7% (LY: 9.3%)



ROE  
**22.4%**



# H1 FY24 GROUP SEGMENTAL INCOME STATEMENT

**WHL**

	Woolworths				Country Road Group Rm	Treasury Rm	Intragroup Rm	Group Rm
	FBH Rm	Food Rm	Logistics Rm	WFS Rm				
<b>Dec 2023</b>								
<b>Turnover and concession sales</b>	<b>7 608</b>	<b>22 911</b>	<b>362</b>	–	<b>7 231</b>	–	–	<b>38 112</b>
Concession sales	(103)	(473)	–	–	–	–	–	(576)
<b>Turnover</b>	<b>7 505</b>	<b>22 438</b>	<b>362</b>	–	<b>7 231</b>	–	–	<b>37 536</b>
Cost of sales	3 906	16 929	362	–	2 743	–	(165)	23 775
<b>Gross profit</b>	<b>3 599</b>	<b>5 509</b>	–	–	<b>4 488</b>	–	<b>165</b>	<b>13 761</b>
Other revenue	35	89	–	–	72	113	–	309
Expenses	2 708	4 003	–	–	3 946	18	165	10 840
Store costs	1 771	2 794	–	–	2 481	–	–	7 046
Other operating costs	937	1 209	–	–	1 465	18	165	3 794
Unallocated David Jones costs	–	–	–	–	–	86	–	86
Financial services and joint venture	1	–	–	174	–	–	–	175
<b>Adjusted profit before interest and tax</b>	<b>927</b>	<b>1 595</b>	–	<b>174</b>	<b>614</b>	<b>9</b>	–	<b>3 319</b>
Net finance costs	(189)	(150)	–	–	(131)	(281)	–	(751)
<b>Adjusted profit before tax</b>	<b>738</b>	<b>1 445</b>	–	<b>174</b>	<b>483</b>	<b>(272)</b>	–	<b>2 568</b>
Adjustments	–	(12)	–	–	(83)	(21)	–	(116)
<b>Profit before tax</b>	<b>738</b>	<b>1 433</b>	–	<b>174</b>	<b>400</b>	<b>(293)</b>	–	<b>2 452</b>



# H1 FY23 GROUP SEGMENTAL INCOME STATEMENT

**WHL**

Dec 2022	Woolworths				Country Road Group Rm	Treasury Rm	Intragroup Rm	Group Rm
	FBH Rm	Food Rm	Logistics Rm	WFS Rm				
<b>Turnover and concession sales</b>	<b>7 447</b>	<b>21 130</b>	<b>347</b>	–	<b>7 228</b>	–	–	<b>36 152</b>
Concession sales	(61)	(388)	–	–	–	–	–	(449)
<b>Turnover</b>	<b>7 386</b>	<b>20 742</b>	<b>347</b>	–	<b>7 228</b>	–	–	<b>35 703</b>
Cost of sales	3 843	15 799	347	–	2 639	–	(156)	22 472
<b>Gross profit</b>	<b>3 543</b>	<b>4 943</b>	–	–	<b>4 589</b>	–	<b>156</b>	<b>13 231</b>
Other revenue	22	73	–	–	16	–	–	111
Expenses	2 586	3 604	–	–	3 526	4	156	9 876
Store costs	1 636	2 544	–	–	2 251	–	–	6 431
Other operating costs	950	1 060	–	–	1 275	4	156	3 445
Financial services and joint venture	–	–	–	60	–	–	–	60
<b>Adjusted profit before interest and tax</b>	<b>979</b>	<b>1 412</b>	–	<b>60</b>	<b>1 079</b>	(4)	–	<b>3 526</b>
Net finance costs	(155)	(119)	–	–	(88)	(242)	–	(604)
<b>Adjusted profit before tax</b>	<b>824</b>	<b>1 293</b>	–	<b>60</b>	<b>991</b>	<b>(246)</b>	–	<b>2 922</b>
Adjustments	(21)	(15)	–	–	(28)	–	–	(64)
<b>Profit before tax</b>	<b>803</b>	<b>1 278</b>	–	<b>60</b>	<b>963</b>	<b>(246)</b>	–	<b>2 858</b>



# IFRS 16 – IMPACT BY SEGMENT

**WHL**

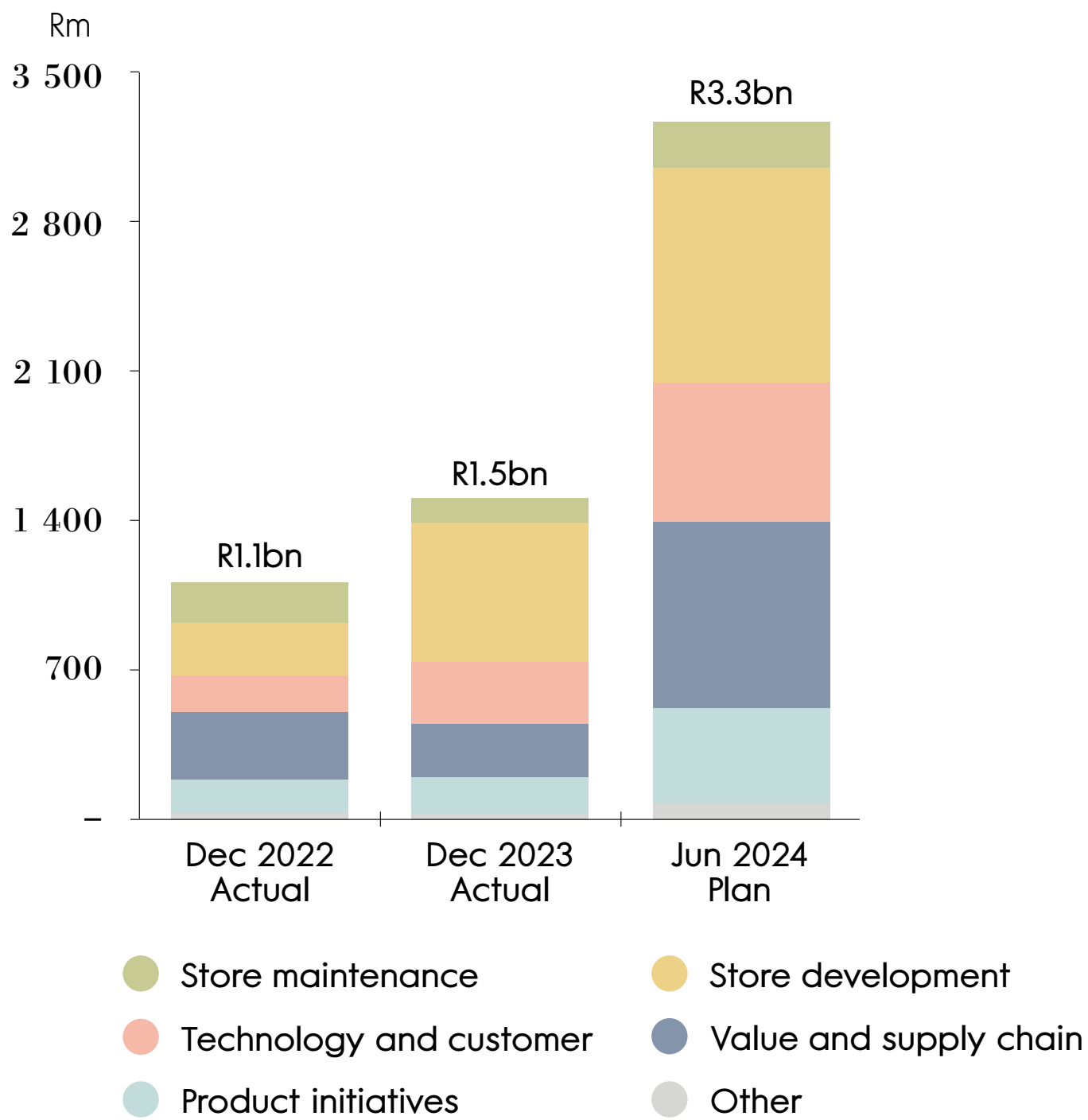
	Group	WSA	CRG
	Rm	Rm	A\$m
<b>Lease liabilities</b>			
Dec 2022	10 535	6 725	333
Dec 2023	10 652	6 220	363
Average remaining lease term (years): Dec 2022	4.0	5.4	2.3
Average remaining lease term (years): Dec 2023	4.4	6.1	2.2
Average remaining lease term with no options (years): Dec 2022	2.4	2.7	2.1
Average remaining lease term with no options (years): Dec 2023	3.3	4.3	2.0

	Dec 2023			Dec 2022		
	Group Rm	WSA Rm	CRG A\$m	Group Rm	WSA Rm	CRG A\$m
<b>Income statement</b>						
Depreciation	881	343	44	907	435	41
Finance costs	470	339	11	360	274	7
<b>Balance sheet</b>						
Right-of-use assets	8 134	4 394	299	8 076	5 048	265
<b>Cash flows</b>						
Lease liabilities repaid (including finance costs)	1 356	664	57	1 271	670	52
Finance costs paid	822	673	12	634	545	8
On Lease liabilities	470	339	11	360	274	7
On Interest-bearing debt	352	334	1	274	271	1



# CAPITAL EXPENDITURE

WHL



## Depreciation and amortisation

	Dec 2023	Dec 2022	% change
Woolworths (Rm)	462	428	7.9
Country Road Group (A\$m)	18	14	28.6
<b>Pre IFRS 16 (Rm)</b>	<b>682</b>	<b>596</b>	<b>14.4</b>
Right-of-use assets (Rm)	881	907	(2.9)
<b>Total (Rm)</b>	<b>1 563</b>	<b>1 503</b>	<b>4.0</b>

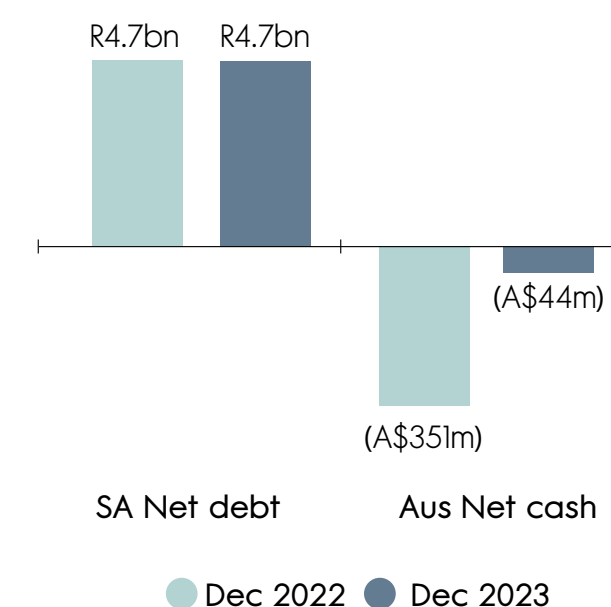


# NET BORROWINGS/(CASH)

**WHL**

	Dec 2023	Dec 2022
<b>WHL Net debt/(cash) (Rm)</b>	<b>4 105</b>	<b>671</b>
Interest-bearing debt	6 915	6 316
Net cash and cash equivalents	(2 810)	(5 645)
Unutilised committed facilities – Group	5 300	6 115
<b>SA Net debt (Rm)</b>	<b>4 652</b>	<b>4 690</b>
Interest-bearing debt	6 665	6 316
Net cash and cash equivalents	(2 013)	(1 626)
Borrowing rate*	9.44%	8.33%
Unutilised committed facilities – SA	5 314	5 326
<b>CRG Net cash (A\$m)</b>	<b>(19)</b>	<b>(87)</b>
Interest-bearing debt	20	–
Net cash and cash equivalents	(39)	(87)
Unutilised committed facilities - CRG	50	69
<b>Osiris Net cash (A\$m)</b>	<b>(25)</b>	<b>(264)</b>
<b>Net finance costs (Rm)</b>	<b>281</b>	<b>242</b>
ZAR debt (Rm)	292	242
AUD debt (A\$m)	(1)	(1)

## Net borrowings/(cash)



Share buybacks (R1.4bn) in H2 FY23 and dividends (R1.4bn)

Repatriated to SA in H2 FY23, following sale of DJ

Higher net debt and increased base rates

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



# AUSTRALIAN BALANCE SHEETS

**WHL**

	Dec 2023 A\$m			Dec 2022 A\$m		
	Country Road Group	Osiris Holdings	Total	Country Road Group	Osiris Holdings	Total
<b>Assets</b>						
Property, plant and equipment and investment property	132	140	272	90	140	230
Intangible assets*	366	–	366	357	–	357
Right-of-use assets	299	–	299	265	–	265
Inventories	180	–	180	171	–	171
Receivables, derivatives, deferred tax and tax assets	119	14	133	105	–	105
<b>Total assets</b>	<b>1 096</b>	<b>154</b>	<b>1 250</b>	<b>988</b>	<b>140</b>	<b>1 128</b>
Liabilities, excluding borrowings	(231)	(3)	(234)	(247)	–	(247)
Lease liabilities	(363)	–	(363)	(333)	–	(333)
<b>Capital employed</b>	<b>502</b>	<b>151</b>	<b>653</b>	<b>408</b>	<b>140</b>	<b>548</b>
Equity*	521	176	697	495	404	899
Net cash	(19)	(25)	(44)	(87)	(264)	(351)

\* Country Road Group includes notional goodwill allocation



# TRADING SPACE

**WHL**

	Dec 2022 000m <sup>2</sup>	% change	Dec 2023 000m <sup>2</sup>	% change*	Projected Jun 2024 000m <sup>2</sup>	% change	Projected Jun 2025 000m <sup>2</sup>	% change	Projected Jun 2026 000m <sup>2</sup>
<b>Woolworths Fashion, Beauty and Home</b>	<b>435.9</b>	<b>0.3</b>	<b>436.9</b>	<b>–</b>	<b>432.2</b>	<b>0.5</b>	<b>434.3</b>	<b>0.6</b>	<b>437.1</b>
South Africa	389.6	0.2	390.5	(0.2)	385.0	0.2	385.9	0.3	387.2
Rest of Africa	46.3	0.3	46.4	1.7	47.2	2.6	48.4	3.1	49.9
<b>Woolworths Food</b>	<b>274.7</b>	<b>3.3</b>	<b>284.9</b>	<b>2.9</b>	<b>286.1</b>	<b>2.8</b>	<b>294.1</b>	<b>2.9</b>	<b>302.6</b>
South Africa	264.4	3.7	274.3	2.9	275.1	2.8	282.9	3.0	291.3
Engen	3.9	4.6	4.0	3.1	4.1	4.8	4.3	3.5	4.5
Rest of Africa	6.4	3.0	6.6	3.8	6.8	–	6.8	0.8	6.9
<b>Country Road Group</b>	<b>99.8</b>	<b>6.6</b>	<b>106.4</b>	<b>6.6</b>	<b>104.4</b>	<b>4.5</b>	<b>109.1</b>	<b>0.7</b>	<b>109.9</b>
Australasia	84.9	7.5	91.2	7.4	89.2	5.3	93.9	0.5	94.4
South Africa	14.9	1.9	15.2	1.9	15.2	–	15.2	1.8	15.5

\* From June 2023



# STORE LOCATIONS



	Dec 2022	Growth	Dec 2023	Growth*	Projected Jun 2024	Growth	Projected Jun 2025	Growth	Projected Jun 2026
<b>Woolworths Fashion, Beauty and Home</b>	<b>268</b>	<b>18</b>	<b>286</b>	<b>21</b>	<b>289</b>	<b>12</b>	<b>301</b>	<b>17</b>	<b>318</b>
South Africa	203	18	221	20	224	9	233	12	245
Rest of Africa	65	–	65	1	65	3	68	5	73
<b>Woolworths Food</b>	<b>477</b>	<b>8</b>	<b>485</b>	<b>14</b>	<b>493</b>	<b>21</b>	<b>514</b>	<b>21</b>	<b>535</b>
South Africa	363	6	369	10	375	15	390	16	406
Engen	90	1	91	3	94	6	100	5	105
Rest of Africa	24	1	25	1	24	–	24	–	24
<b>Country Road Group</b>	<b>609</b>	<b>62</b>	<b>671</b>	<b>65</b>	<b>672</b>	<b>50</b>	<b>722</b>	<b>3</b>	<b>725</b>
Australasia	525	62	587	65	588	50	638	3	641
South Africa	84	–	84	–	84	–	84	–	84

\* From June 2023



# DISCLAIMER

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**WHL**

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