



WOOLWORTHS HOLDINGS LIMITED

2021 Interim Results



PRESENTATION OUTLINE

01

OVERVIEW OF
THE PERIOD

02

FINANCIAL
OVERVIEW

03

UPDATE AND
OUTLOOK

A photograph of three women standing in a field of tall, golden-brown grass. The woman on the left is wearing a light green long-sleeved top and white pants, with her arms crossed. The woman in the middle is wearing a light grey long-sleeved top and white pants, looking towards the camera. The woman on the right is wearing a pink long-sleeved top and pink pants, looking off to the side. The background shows a cloudy sky and distant hills.

OVERVIEW OF FIRST HALF FY21

Roy Bagattini
Group CEO

APPRECIATION

WHL

Our teams have been exceptional in the way they have supported each other, our customers, and our communities

- The impact of **Covid-19 has been more pervasive** than initially anticipated
- Our primary focus has remained the **health and wellness of our people** and the **safety of our customers**
- Our **teams have continued to show up** in support of each other, our customers and our communities
- A **big thank you to our suppliers** for their exceptional partnership **and to our customers** for their support and trust
- **Thank you to each and every one of our people** for their extraordinary commitment and resilience in the face of ongoing challenges



WOOLWORTHS HOLDINGS LIMITED INTERIM RESULTS 2021 ANALYST PRESENTATION

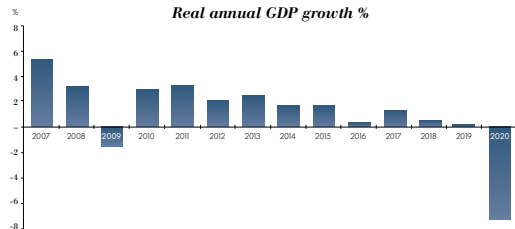
ECONOMIC OVERVIEW

WHL

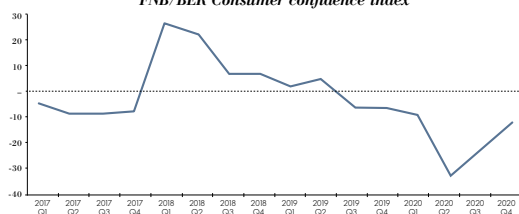
Weakening macro and consumer confidence exacerbated by Covid-19

SOUTH AFRICA

Real annual GDP growth %

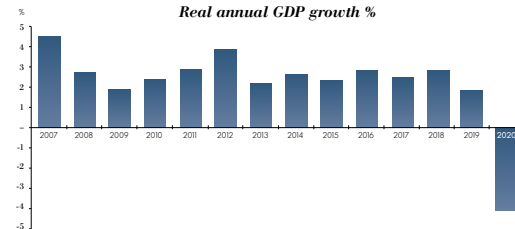


FNB/BER Consumer confidence index

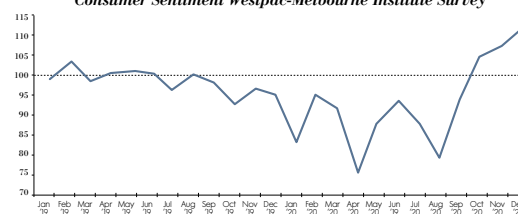


AUSTRALIA

Real annual GDP growth %



Consumer Sentiment Westpac-Melbourne Institute Survey



OVERVIEW OF THE PERIOD

WHL

Credible performance in a tough environment, with good progress against strategic initiatives

- In **South Africa**:
 - **Stand-out performance from Food**, underpinning Group results – 10th consecutive year of market share growth
 - **FBH continues to underperform**
 - **WFS remains impacted** by constrained consumer conditions
- In **Australia**, despite the 12-week lockdown in Victoria, focus on **trading our businesses delivered improved profitability**, in part due to negotiated rent abatement and government support initiatives
- A key focus has been **strengthening the Group's balance sheet** – improved liquidity and significantly reduced net debt
- **Pleasing progress** across strategic initiatives, **but further work to be done**





FINANCIAL OVERVIEW

Reeza Isaacs
Group CFO

WOOLWORTHS HOLDINGS LIMITED INTERIM RESULTS 2021 ANALYST PRESENTATION

GROUP PERFORMANCE

Strong operating profit growth, improved cash flow and a more resilient balance sheet for the half

	26 weeks Dec 2020	26 weeks Dec 2019	Change
<i>Turnover and concession sales</i>	R43.0^{bn}	R40.9^{bn}	+5.3%
<i>Adjusted profit before tax</i>	R2.7^{bn}	R2.1^{bn}	+24.6%
<i>Adjusted EBIT</i>	R3.9^{bn}	R3.4^{bn}	+14.5%
<i>Adjusted diluted HEPS</i>	193.7^{cps}	162.2^{cps}	+19.4%
<i>Free cash flow</i>	R3.5^{bn}	R1.9^{bn}	R1.6^{bn}
<i>Net borrowings (excluding lease liabilities)</i>	R6.8^{bn}	R11.8^{bn}	R5.0^{bn}
<i>Net debt (excluding lease liabilities) to EBITDA</i>	1.1x	1.6x	

All numbers are post IFRS 16 unless stated otherwise

WOOLWORTHS HOLDINGS LIMITED INTERIM RESULTS 2021 ANALYST PRESENTATION

GROUP INCOME STATEMENT

WHL

	26 weeks Dec 2020 Rm	26 weeks Dec 2019 Rm	% change	
Turnover and concession sales	43 047	40 882	5.3	Improvement on LY despite a Covid-19 impacted half
Gross profit	14 552	14 134	3.0	Above market Food performance, FBH affected by lower footfall, consumer confidence and discretionary spend
Adjusted EBITDA	6 362	5 705	11.5	
Adjusted EBIT	3 926	3 429	14.5	
WSA Fashion, Beauty and Home	582	969	(39.9)	Australia performance resilient despite Covid-19, buoyed by pent-up demand, government subsidies and rent relief
WSA Food	1 531	1 243	23.2	
Woolworths Financial Services (50% of PAT)	89	159	(44.0)	Includes IFRS 16 lease finance costs, bank and bondholder costs down 8.3% due to lower gearing and base rates
David Jones	639	403	58.6	
Country Road Group	1 085	655	65.6	
Net finance and other costs	(1 263)	(1 291)	(2.2)	
Adjusted profit before tax	2 663	2 138	24.6	
Tax	(780)	(575)	35.7	
Adjusted profit after tax	1 883	1 563	20.5	
Adjustments (post-tax)	881	10		
Profit after tax	2 764	1 573	75.7	
Adjusted diluted HEPS (cents)	193.7	162.2	19.4	
Effective tax rate	22.7%	26.9%		Effective tax rate lower due to utilisation of prior year assessed losses

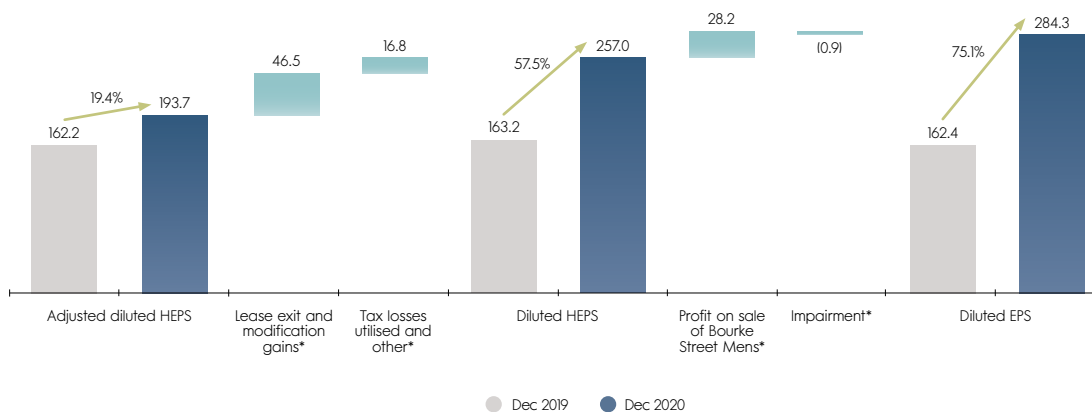
	Dec 2020 Rm	Dec 2019 Rm
Adjustments (post-tax)		
Profit on sale of Bourke Street Mens	274	-
Lease exit and modification gains	452	18
Tax losses utilised	174	-
Forex losses	(15)	(6)
Other	(4)	(2)
	881	10

WOOLWORTHS HOLDINGS LIMITED INTERIM RESULTS 2021 ANALYST PRESENTATION

EPS, HEPS AND ADJUSTED HEPS

WHL

Adjusted diluted HEPS increased by 19.4%



* Post-tax

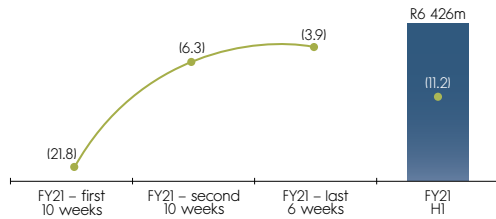
WOOLWORTHS HOLDINGS LIMITED INTERIM RESULTS 2021 ANALYST PRESENTATION

SALES PERFORMANCE

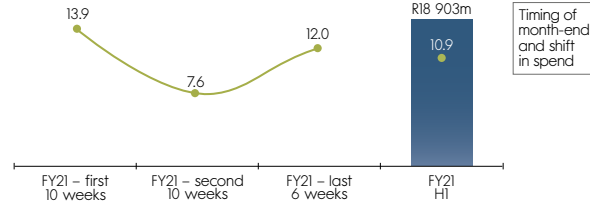
WHL

Improving sales run rates across the Group

WOOLWORTHS FASHION, BEAUTY AND HOME

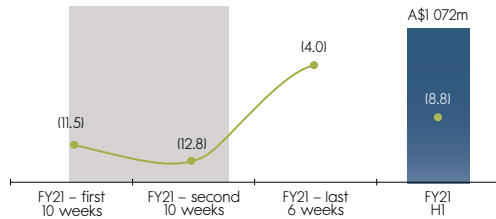


WOOLWORTHS FOOD

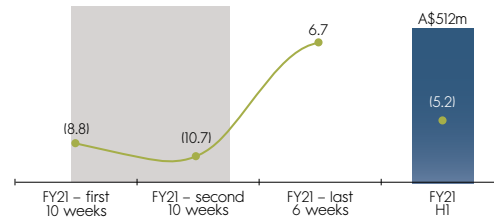


Timing of month-end and shift in spend

DAVID JONES



COUNTRY ROAD GROUP



● Sales ● % on LY ● State of Victoria 12-week lockdown

WOOLWORTHS HOLDINGS LIMITED INTERIM RESULTS 2021 ANALYST PRESENTATION

WOOLWORTHS FASHION, BEAUTY AND HOME **WHL**

Covid-19 challenged environment, with continued pressure on discretionary spend

	26 weeks Dec 2020 Rm	26 weeks Dec 2019 Rm	% change
Turnover and concession sales	6 426	7 236	(11.2)
Gross profit margin	45.9%	46.6%	
Expenses	2 372	2 410	(1.6)
Adjusted EBIT	582	969	(39.9)
EBITDA	1 011	1 405	(28.0)
EBIT margin	9.1%	13.4%	
EBIT margin (pre IFRS 16)	7.0%	11.5%	

- Price movement was 2.4%; a smaller winter sale due to lower year-end stock levels and a smaller Black Friday, in line with the market; we over-index in formal wear
- Womenswear and Menswear were down; Kidswear grew market share and Home and Beauty were the strongest performing groups
- Online sales up 118.8%, representing 4.0% of SA sales
- GP margin was impacted by mix of lower-margin sales, with continued investment in price and price disruptors
- Expenses were down on last year, with savings from variable store costs, offset by higher utilities and Covid-19 related costs; other operating costs were flat



WOOLWORTHS FOOD

WHL

Another market-leading performance from Food

	26 weeks Dec 2020 Rm	26 weeks Dec 2019 Rm	% change
Turnover and concession sales	18 903	17 040	10.9
Gross profit margin	24.8%	24.6%	
Expenses	3 124	2 927	6.7
Adjusted EBIT	1 531	1 243	23.2
EBITDA	1 983	1 659	19.5
EBIT margin	8.2%	7.5%	
EBIT margin (pre IFRS 16)	7.7%	6.9%	

- Price movement of 71% and underlying product inflation at 4.8%; volume growth was driven by product innovation and price investment, supported by good availability
- Very strong trade over December despite Covid-19 trade restrictions, with Christmas ranges resonating well with customers
- Online sales grew by 158.5% contributing 2.2% to sales
- GP margin was 20 bps higher than last year, with price investment offset by lower waste, volume rebates and distribution cost efficiencies
- Expenses were volume-driven but below sales growth and includes online and Covid-19 related costs, and a higher incentive provision



WOOLWORTHS HOLDINGS LIMITED INTERIM RESULTS 2021 ANALYST PRESENTATION

WOOLWORTHS FINANCIAL SERVICES

WHL

Healthy portfolio, despite the tough environment

	Dec 2020 Rm		Dec 2019 Rm		% change
Average total financial services assets	13 003		13 053		(0.4)
Income statement		% to book		% to book	
Interest income	822	12.6	1 103	16.9	(25.5)
Interest paid	202	3.1	347	5.3	(41.8)
Net interest income	620	9.5	756	11.6	(18.0)
Impairment charge	266	4.1	219	3.3	21.5
Risk-adjusted margin	354	5.4	537	8.2	(34.1)
Non-interest revenue	397	6.1	448	6.9	(11.4)
Operating costs	503	7.7	543	8.3	(7.4)
Profit before tax	248	3.8	442	6.8	(43.9)
Return on equity	21.3%		35.0%		

- The closing book was down 2.2% year-on-year
- Interest income was lower due to repo rate reductions and lower discretionary spend; non-interest revenue down due to fewer transactions
- The annualised impairment rate at 4.1%; impairment stabilising post Covid-19 and the Macro Economic Variable (MEV) provision
- Costs were well controlled, down 7.4%
- ROE at 21%, significantly down but above cost of capital



DAVID JONES

WHL

An improved operating performance, with the negative effects of the Victoria lockdown and lower footfall offset by government support and rent relief

	26 weeks Dec 2020 A\$m	26 weeks Dec 2019 A\$m	% change
Turnover and concession sales	1 072	1 176	(8.8)
Gross profit margin	34.8%	35.1%	
Own buy gross profit margin	41.5%	40.3%	
Concession gross profit margin	25.1%	25.7%	
Expenses	326	383	(14.9)
Financial services operating profit	9	12	(25.0)
Adjusted EBIT	56	42	33.3
EBITDA	127	115	10.4
EBIT margin	5.2%	3.6%	
EBIT margin (pre IFRS 16)	2.7%	1.7%	

- Victoria lockdown and decline in footfall in CBD stores impacted trade, strong Black Friday and Christmas campaigns, but lower Boxing Day sales
- Online sales grew by 55.5%, contributing 17.7% to sales
- GP margins were enhanced by a lower level of promotions, offset by a higher mix of lower-margin sales and increase in online fulfilment costs
- Expense growth was managed through cost-out initiatives and space reduction, including the Market Street exit
- During the lockdown, we suffered significant loss of sales and margin while we retained our staff. We negotiated rent relief from our landlords to offset the drop in trade and utilised JobKeeper to support our staff, which together amounted to A\$39 million
- Financial services impacted by lower discretionary spend
- Earnings up on last year, including Food losses of A\$12 million



COUNTRY ROAD GROUP

WHL

A pleasing performance, especially from the Country Road brand

	26 weeks Dec 2020 A\$m	26 weeks Dec 2019 A\$m	% change
Turnover	512	541	(5.2)
Gross profit margin	60.0%	62.3%	
Expenses	215	274	(21.5)
Adjusted EBIT	94	65	44.6
EBITDA	158	134	17.9
EBIT margin	18.4%	12.0%	
EBIT margin (pre IFRS 16)	16.0%	10.4%	

- Sales were up 6.7% in the last six weeks, driven by Country Road brand, despite the Victoria lockdown and lower footfall in CBD and airport stores
- Online sales grew by 52.5%, contributing 31.6% to sales
- GP margin was impacted by weaker exchange rates and online fulfilment costs, offsetting gains from higher full-priced sales
- Expenses were down on last year due to reduction in discretionary costs and space optimisation
- As with David Jones, we retained our staff despite lost sales as a result of Covid-19. The rent relief from landlords and JobKeeper support amounted to A\$35 million, offsetting the adverse sales loss and support cost to staff
- ROS of 16.0% was 560 bps ahead of last year

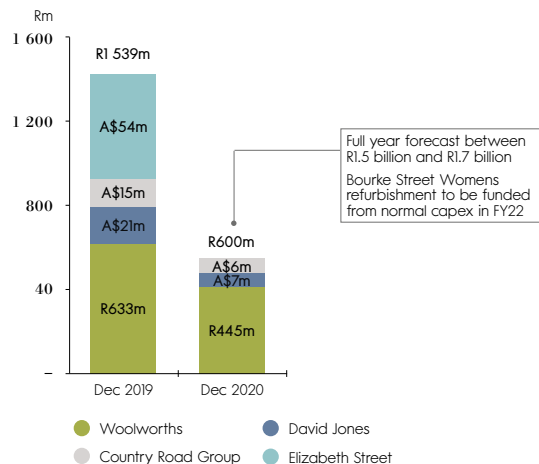


WOOLWORTHS HOLDINGS LIMITED INTERIM RESULTS 2021 ANALYST PRESENTATION

CAPITAL EXPENDITURE

WHL

Capex lower but accelerated spend in digital, online and other growth initiatives



Depreciation and amortisation

	26 weeks Dec 2020	26 weeks Dec 2019	% change
Woolworths (Rm)	482	474	1.7
David Jones (A\$m)	36	35	2.9
Country Road Group (A\$m)	17	19	(10.5)
Total Group pre IFRS 16 (Rm)	1 083	1 023	5.9
Right-of-use assets amortisation (IFRS 16) (Rm)	1 353	1 253	8.0
Total Group post IFRS 16 (Rm)	2 436	2 276	7.0

WOOLWORTHS HOLDINGS LIMITED INTERIM RESULTS 2021 ANALYST PRESENTATION

GROUP BALANCE SHEET

WHL

Significant progress in strengthening the balance sheet

	Dec 2020 Rm	Dec 2019 Rm	Constant currency % change	
Assets				
Property, plant and equipment	14 009	14 610	(12.0)	Includes sale of Bourke Street Mens
Intangible assets	7 745	7 373	(2.3)	
Right-of-use assets	17 320	19 321	(17.6)	Lower inventory levels across Apparel segments from improved trade, lower intake
Investments in joint ventures	831	890	(6.6)	
Inventories	8 724	9 006	(8.5)	
Trade and other receivables and loans	1 982	1 711	9.8	Increased due to timing of debtor settlements
Derivative financial instruments	138	98	40.8	
Deferred tax and tax assets	3 141	3 439	(15.7)	
Cash and cash equivalents	8 372	2 214	>100	
Total assets	62 262	58 662	(1.7)	
Equity and liabilities				
Shareholders' funds	8 000	6 569	6.7	Increased by R1.5 billion (from June 2020) with a pre IFRS 16 net debt to equity ratio of 0.6x
Borrowings and overdrafts	15 101	13 997	2.5	
Lease liabilities	24 335	26 190	(14.8)	
Other non-current liabilities	777	691	8.2	
Derivative financial instruments	977	308	>100	
Deferred tax and tax liabilities	426	483	(11.4)	
Trade and other payables and provisions	12 646	10 424	14.2	Higher trade balances on extended payment terms and timing of payments
Total equity and liabilities	62 262	58 662	(1.7)	
Net gearing	6 772	11 783		Reduced by R5.0 billion (analysed further on net gearing slide)
Net gearing including lease liabilities*	23 933	30 639		
Net working capital	824	(1 101)		
Period-end exchange rate (R/A\$)	11.1	9.8		

* Based on lease liabilities net of deferred tax

IFRS 16: UPDATE TO GROUP LEASE PORTFOLIO **WHL**

Lease liabilities have reduced in line with our strategic objectives to optimise space

	Group	WSA	DJ	CRG
	Rm	Rm	A\$m	A\$m
Lease liabilities				
Dec 2019	26 190	7 070	1 424	525
Dec 2020	24 335	6 753	1 163	424
Number of leases: Dec 2019	1 068	492	69	507
Number of leases: Dec 2020	1 035	512	62	461
Average remaining lease term (years): Dec 2019	8.7	7.4	11.2	3.3
Average remaining lease term (years): Dec 2020	7.8	6.1	10.6	2.8
Average remaining lease term with no options (years): Dec 2020	7.7	3.4	10.4	2.7

- The number of leases across the Group have reduced in DJ, CRG and FBH, while Food has increased. We exited leases for unprofitable stores, either at the end of the lease term or earlier, if commercially feasible
- Lease terms have reduced across the Group, as we exited leases and exercised break clauses
- As announced on SENS, the sale and leaseback of the Elizabeth Street property was for a cash consideration of A\$510 million, key terms of the lease agreement are:
 - An initial term of 20 years, with 5 options to renew, each for a further 10 years;
 - The purchase price reflects a 5% capitalisation rate with a base annual fixed rental of A\$25.5 million and a 2.5% annual escalation, and a variable component. The total rental will be below the weighted average rental/sales ratio of the existing David Jones lease portfolio and is a market related rate



WOOLWORTHS HOLDINGS LIMITED INTERIM RESULTS 2021 ANALYST PRESENTATION

NET GEARING

WHL

Net gearing has reduced significantly in SA and Australia

	Dec 2020	Jun 2020	Dec 2019	
WHL Net debt (Rm)	(6 772)	(11 624)	(11 783)	Net gearing significantly lower due to trade, working capital management, property sale and suspension of dividends
Interest-bearing debt	(15 068)	(17 061)	(13 240)	
Net cash and cash equivalents	8 296	5 437	1 457	
Unutilised committed facilities – Group	6 454	6 340	8 674	
Net debt to EBITDA (times)	1.1	2.0	1.6	
SA Net debt (Rm)	(5 853)	(7 299)	(8 067)	
Interest-bearing debt	(8 442)	(8 687)	(8 689)	
Net cash and cash equivalents	2 589	1 388	622	
Rate*	7.05%	7.70%	8.67%	
Unutilised committed facilities – SA	5 944	5 914	5 486	
Aus Net debt (A\$m)	(83)	(366)	(379)	
Interest-bearing debt	(598)	(708)	(464)	Cash planned to be held on balance sheet through December, reducing after period-end through the working capital cycle and settlement of facilities
Net cash and cash equivalents	515	342	85	
Rate*	4.66%	4.39%	5.19%	
Unutilised committed facilities – Aus	46	36	325	

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

WOOLWORTHS HOLDINGS LIMITED INTERIM RESULTS 2021 ANALYST PRESENTATION

COVENANTS

WHL

Covenants amended and testing waived for December; we are within the pre Covid-19 covenant limits for SA and Australia

Covenants*

	Dec 2020	Jun 2020	Dec 2019	Bank limit
SA Bank covenants**				
Net debt to EBITDA (times)	1.5	1.7	1.7	<3.0
Interest cover (times)	5.6	5.4	6.0	>3.5
Aus Bank covenants***				
Net debt to EBITDA (times)	0.6	3.1	1.7	<3.0
Fixed Charge Cover Ratio (times)	1.5	1.3	1.7	>1.5

Australian debt and capital structure post sale of Elizabeth Street

- Property sale proceeds of A\$510.0 million expected to be received in H2 and will be applied to Australian bank and bondholder debt
- Will establish separate covenant groups and separate facilities for DJ and CRG
- WHL second lien loan remains available as part of the CRG facilities (not expected to be utilised)

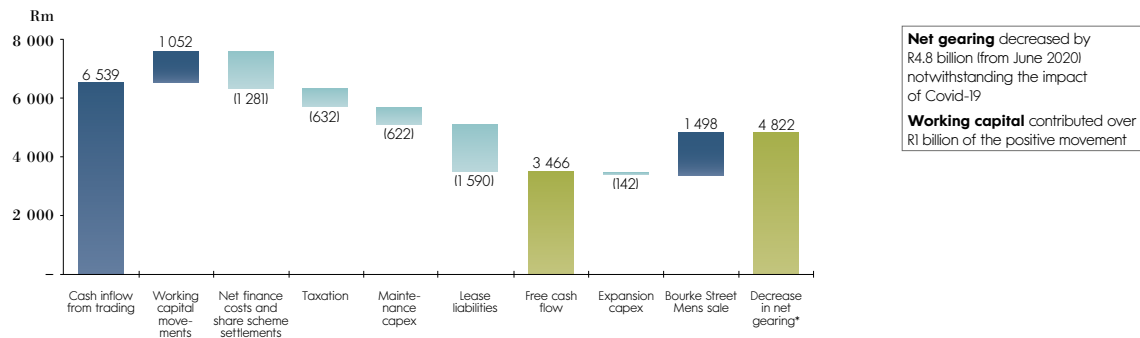
* Bank covenants exclude IFRS 16

** SA Bank covenants amended for June and December 2020. Net Debt to EBITDA to <4.5x, and Interest cover to >2.1x

*** Aus Bank covenants waived for June and December 2020

CASH GENERATION FOR THE 26 WEEKS ENDED 27 DECEMBER 2020 **WHL**

Positive cash generation though improved trade, working capital management and sale of Bourke Street Mens



Net gearing decreased by R4.8 billion (from June 2020) notwithstanding the impact of Covid-19

Working capital contributed over R1 billion of the positive movement

* Net gearing excludes R30 million currency translation impact

DIVIDEND AND CAPITAL STRUCTURE

WHL

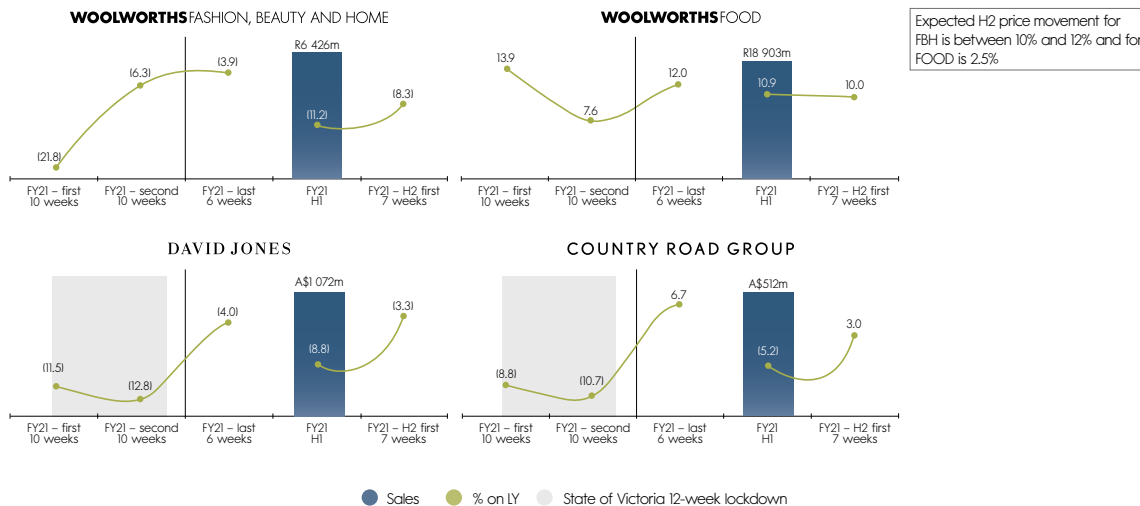
- We are committed to building a stronger balance sheet and capital structure with a sustainable level of debt throughout the Group
- Group gearing ratio at 1.1x (Australia at 0.6x and SA at 1.5x)
- In the light of Covid-19 and the ongoing uncertainty and volatility, we consider it in the best interest of the Company not to declare a dividend in respect of this reporting period
- This position will be reconsidered at year-end

WOOLWORTHS HOLDINGS LIMITED INTERIM RESULTS 2021 ANALYST PRESENTATION

RECENT TRADING

WHL

Seven weeks post H1 sales growth





UPDATE AND OUTLOOK

Roy Bagattini
Group CEO

TRANSFORMATION UNDERWAY

WHL

1

UNLOCK AND
CREATE VALUE
IN AUSTRALIA
AND NEW
ZEALAND

2

DRIVE FASHION
TURNAROUND
AND GROWTH
IN BEAUTY
AND HOME

3

EXPAND
LEADERSHIP
POSITION
IN FOOD

4

ACCELERATE
DATA AND
DIGITAL
INITIATIVES

5

AMPLIFY
OUR GOOD
BUSINESS
JOURNEY

1

UNLOCK AND CREATE VALUE IN AUSTRALIA AND NEW ZEALAND

WHL

We are successfully executing several initiatives to unlock and create value in ANZ

↑ Restructure the balance sheet to ensure sustainable funding structure

- Bourke Street Menswear and Elizabeth Street buildings sold for A\$121 million and A\$510 million respectively
- Net gearing significantly reduced and new financing facilities established
- Covenant separation achieved
- No funds have flowed from WHL

➔ Refreshed product and brand strategy

- Strategy successfully implemented in Country Road brand and delivering exceptional performance
- CRG brand exclusivity – the right call
- DJ outperforming in premium and luxury brands

↑ Create inspiring and engaging omni experiences

- Further space optimisation to support key growth categories
- Enabled digitally-led customer service and personalisation



1

UNLOCK AND CREATE VALUE IN AUSTRALIA AND NEW ZEALAND

WHL

We are successfully executing several initiatives to unlock and create value in ANZ

↑ Stabilise and improve GP margin

- DJ clearance stock down 34% on LY
- Successful Country Road product strategy resulting in more full-priced sales

➔ Reduce space and occupancy costs

- Exited 3.7% and 1.7% of space in DJ and CRG respectively in H1
- Established clear pathway to c.20% (DJ) and c.15% (CRG) space reduction by FY23

↑ Cost out initiatives

- On track to achieve targeted annualised savings of A\$20 million

↓ Stem losses in DJ Food

- Remain committed to achieving break-even position during FY22

↑ Appointment of new CEO

- Scott Fyfe appointed as DJ CEO



2

DRIVE FASHION TURNAROUND AND GROWTH IN BEAUTY AND HOME

WHL

Our immediate priority is to improve the underlying health of our fashion business – we are editing to amplify

- Our challenges lie both in **strategy and execution**
- A deep **understanding of the customer** is imperative
- Historical approach **lacked sufficient granularity and insight**
 - Limited analytics
 - Broad characterisation of segments – gender, age, ethnicity, income
- Encouraged **too broad an interpretation** of who the customer was – widely varying brand and product expressions from season to season
- Comprehensive and holistic understanding of our **targeted customer must underpin the turnaround strategy**



2 DRIVE FASHION TURNAROUND AND GROWTH IN BEAUTY AND HOME

WHL

Our immediate priority is to improve the underlying health of our fashion business – we are editing to amplify

➔ Refreshed brand and product strategy

- Continued market share decline over H1, notwithstanding stronger performance in the last six weeks of the half
- Completed strategic review:
 - Increasing our casualwear ranges to reduce reliance on formalwear
 - Launched a stronger and more extensive athleisure range
 - Exiting from StudioW and WCollection clothing ranges – edit to amplify
- Highly selective use of complementary brands to reinforce category authority (e.g. Birkenstock)
- Continued momentum in Beauty and Home, with particular focus on online

➔ Shifting value perception

- Initial price investment of R250 million in select categories supported by stronger marketing message

ANZ FBH FOOD DATA & DIGITAL GBJ

WOOLWORTHS
THE DIFFERENCE

NOW FROM **199**
SUMMER SANDALS
BY BIRKENSTOCK

NOW FROM **249**
EASY CARE FORMAL SHIRTS
A 20% OFF DISCOUNT

NOW FROM **49⁹⁵**
SUSTAINABLE COTTON TEES
50% OFF WITH COUPON

W WEEKENDS LASTING 72 HOURS
90⁰⁰
COTTON DRESSES
EXTRA 10% OFF WHEN YOU BUY FROM YOUR WOOLWORTHS CLUB

2

DRIVE FASHION TURNAROUND AND GROWTH IN BEAUTY AND HOME

WHL

Our immediate priority is to improve the underlying health of our fashion business – we are editing to amplify

➔ Drive sourcing efficiencies

- Developed refreshed, integrated sourcing strategy, including leveraging local opportunities

➔ Simplify structures and processes

- Commenced streamlining our structures and processes to improve efficiency in ways of working
- Removed layer of decision-making

➔ Reduce space and improve productivity

- 1.9% space reduction in HI, on track to deliver c.7% reduction by June 2021



3

EXPAND LEADERSHIP POSITION IN FOOD

WHL

We will actively protect and grow our market share

↑ Strengthening our core

- Continued market share gain in HI supported by ongoing focus on product quality, innovation and price investment
- Continued development of long-term supplier relationships
- Expanded our ranges in response to global trends and customer needs

➔ Improve value proposition

- Initial price investment of R250 million into poultry has increased penetration from existing customers and also attracted new customers
- Launch of 'Promotional Price for Longer' campaign supported strong uplift in sales and improved redemptions

↑ Provide easy and accessible convenience

- 0.4% space growth in HI, on track to deliver c.1% growth by June 2021
- Initiative to make small and medium stores bigger yielding results
 - extensions achieving trading density above national average
- Continued rollout of Click and Collect locations
- Launched trial of Woolies Dash



4

ACCELERATE DATA AND DIGITAL INITIATIVES

WHL

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

➔ **Use data to inform decision-making across all businesses**

- AWS Advanced Analytics Foundation now in place for all businesses
- Various Proof of Concept use cases underway

➔ **Accelerate transformation in digital engagement and grow sales through online channels**

- Strong performance supported by increased fulfilment particularly over peak periods
- CRG is a market-leading omni player; David Jones is ramping up online penetration
- WSA Food Click and Collect was a stand-out, accounting for >25% of Food online sales
- Woolies Dash trial introduced in South Africa – operationally challenging with ramp-up capacity and on-time deliveries lagging both demand and our own expectations
- Accelerate learnings through collaboration across the Group



5

AMPLIFY OUR GOOD BUSINESS JOURNEY

WHL

Sustainability is core to our business, a distinct competitive advantage and a critical enabler of our strategies across the Group

↑ Developed new GBJ goals after celebrating the conclusion of our 2020 goals

- Contribution of c.R4 billion to our **local communities** over the last five years
- 175% **improvement in energy productivity** (m²/MWh) from a 2005 baseline
- 92% of WSA's and 80% of CRG's **cotton sustainably sourced**
- Over 90% of Woolworths Food and FBH products, and over 75% of CRG products, have **at least one sustainability attribute**
- 87% of all **Food packaging** can be recycled
- 151 Woolworths stores are now **plastic bag free**, as are all CRG stores and concessions in ANZ and South Africa. All new Woolworths Foods stores will be launched plastic bag free
- GBJ **gaining traction** in the Australian businesses
- Across the Group, we are working towards our **Inclusive Justice vision** of inspiring inclusive growth for all our people

ANZ	FBH	FOOD	DATA & DIGITAL	GBJ
-----	-----	------	----------------	-----



**inclusive
justice**
initiative

OUTLOOK

WHL

We are pleased with steady progress being made against strategic initiatives, but are cognisant that we are up against a tough second half

- The operating environment will remain **challenging and unpredictable**
 - Weak macroeconomic outlook exacerbated by potential Covid-19 outbreaks; consumer discretionary spend will remain constrained
 - Food business is up against a tough comparable base
 - Government support initiatives to mitigate impact of lost sales, have come to an end
- Notwithstanding these challenges, we expect to show **ongoing and real progress against our strategic initiatives**
- Re-establish **financial credibility** and restore our **rightful place**



APPENDIX

WOOLWORTHS HOLDINGS LIMITED INTERIM RESULTS 2021 ANALYST PRESENTATION

GROUP INCOME STATEMENT

WHL

	Woolworths				David Jones Rm	Country Road Group Rm	Treasury Rm	Intragroup Rm	Group Rm
	FBH Rm	Food Rm	Logistics Rm	WFS Rm					
Dec 2020									
Turnover and concession sales	6 426	18 903	280	–	12 472	5 978	–	(1 012)	43 047
Concession sales	(1)	(242)	–	–	(4 215)	–	–	1 012	(3 446)
Turnover	6 425	18 661	280	–	8 257	5 978	–	–	39 601
Cost of sales	3 477	14 042	280	–	4 990	2 396	–	(136)	25 049
Gross profit	2 948	4 619	–	–	3 267	3 582	–	136	14 552
Other revenue	6	36	–	–	1 068	20	–	(250)	880
Expenses	2 372	3 124	–	–	3 807	2 517	1	(114)	11 707
Store costs	1 600	2 265	–	–	3 308	1 808	–	(284)	8 697
Other operating costs	772	859	–	–	499	709	1	170	3 010
Financial services	–	–	–	89	111	–	–	–	200
Adjusted profit before interest and tax	582	1 531	–	89	639	1 085	(1)	–	3 925
Net finance costs	–	–	–	–	(83)	–	(1 179)	–	(1 262)
Adjusted profit before tax	582	1 531	–	89	556	1 085	(1 180)	–	2 663
Adjustments	(15)	(3)	–	–	943	(11)	–	–	914
Profit before tax	567	1 528	–	89	1 499	1 074	(1 180)	–	3 577

WOOLWORTHS HOLDINGS LIMITED INTERIM RESULTS 2021 ANALYST PRESENTATION

GROUP INCOME STATEMENT

WHL

Dec 2019	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	7 236	17 040	253	-	11 812	5 464	-	(923)	40 882
Concession sales	-	(392)	-	-	(3 968)	-	-	923	(3 437)
Turnover	7 236	16 648	253	-	7 844	5 464	-	-	37 445
Cost of sales	3 864	12 547	253	-	4 714	2 064	-	(131)	23 311
Gross profit	3 372	4 101	-	-	3 130	3 400	-	131	14 134
Other revenue	7	69	-	-	1 019	20	-	(266)	849
Expenses	2 410	2 927	-	-	3 867	2 765	5	(135)	11 839
Store costs	1 642	2 130	-	-	3 141	1 947	-	(266)	8 594
Other operating costs	768	797	-	-	726	818	5	131	3 245
Financial services	-	-	-	159	121	-	-	-	280
Adjusted profit before interest and tax	969	1 243	-	159	403	655	(5)	-	3 424
Net finance costs	-	-	-	-	(13)	-	(1 273)	-	(1 286)
Adjusted profit before tax	969	1 243	-	159	390	655	(1 278)	-	2 138
Adjustments	4	13	-	-	(3)	-	-	-	14
Profit before tax	973	1 256	-	159	387	655	(1 278)	-	2 152

WOOLWORTHS HOLDINGS LIMITED INTERIM RESULTS 2021 ANALYST PRESENTATION

AUSTRALASIA BALANCE SHEET

WHL

	Dec 2020 A\$m			Dec 2019 A\$m		
	David Jones	Country Road Group	Total	David Jones	Country Road Group	Total
Assets						
Property, plant and equipment	799	106	905	926	134	1 060
Intangible assets ^{1&2}	88	364	452	93	367	460
Right-of-use assets	752	348	1 100	954	437	1 391
Inventories	261	117	378	331	133	464
Trade and other receivables, deferred tax and tax assets	217	188	405	260	180	440
Total assets	2 117	1 123	3 240	2 564	1 251	3 815
Liabilities, excluding borrowings	(483)	(268)	(751)	(438)	(174)	(612)
Lease liabilities	(1 163)	(424)	(1 587)	(1 429)	(514)	(1 943)
Capital employed	471	431	902	697	563	1 260
Equity ^{1&2}	373	446	819	424	457	881
Net borrowings/(cash)	98	(15)	83	273	106	379
Period-end exchange rate (R/A\$)			11.1			9.8

¹ David Jones excludes brands impaired at Group

² Country Road Group includes David Jones notional goodwill allocation

WOOLWORTHS HOLDINGS LIMITED INTERIM RESULTS 2021 ANALYST PRESENTATION

TRADING SPACE

WHL

	Dec 2020 000m ²	Dec 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	474	486	(1.9)	453	(6.6)	436	(3.8)	420	(3.7)
South Africa	428	441	(2.9)	407	(7.5)	389	(4.4)	373	(4.1)
Rest of Africa	46	45	2.2	46	2.2	47	2.2	47	-
Woolworths Food	262	262	0.4	265	1.1	268	1.1	273	1.9
South Africa	254	253	0.4	255	0.8	258	1.2	263	1.9
Engen	3	3	-	4	33.3	4	-	4	-
Rest of Africa	5	6	(16.7)	6	-	6	-	6	-
David Jones	468	486	(3.7)	447	(5.3)	432	(3.4)	411	(4.9)
Country Road Group**	114	116	(1.7)	106	(7.8)	100	(5.7)	99	(1.0)
Australasia	99	101	(2.0)	91	(9.0)	85	(6.6)	84	(1.2)
South Africa	15	15	-	15	-	15	-	15	-

* From June 2020

** Includes 27 704 m² Country Road Group brand concessions in David Jones stores

WOOLWORTHS HOLDINGS LIMITED INTERIM RESULTS 2021 ANALYST PRESENTATION

STORE LOCATIONS

WHL

	Dec 2020	Dec 2019	Growth	Projected Jun 2021	Growth*	Projected Jun 2022	Growth	Projected Jun 2023	Growth
Woolworths Fashion, Beauty and Home	277	282	(5)	265	(14)	257	(8)	247	(10)
South Africa	212	217	(5)	201	(14)	194	(7)	185	(9)
Rest of Africa	65	65	-	64	-	63	(1)	62	(1)
Woolworths Food	453	452	1	456	4	466	10	476	10
South Africa**	348	348	-	348	-	354	6	359	5
Engen	80	80	-	82	2	87	5	92	5
Rest of Africa	25	24	1	26	2	25	(1)	25	-
David Jones	47	49	(2)	45	(2)	43	(2)	43	-
Country Road Group***	710	723	(13)	644	(70)	610	(34)	600	(10)
Australasia	627	640	(13)	561	(70)	527	(34)	517	(10)
South Africa	83	83	-	83	-	83	-	83	-

* From June 2020

** Of which 193 are standalone Food stores

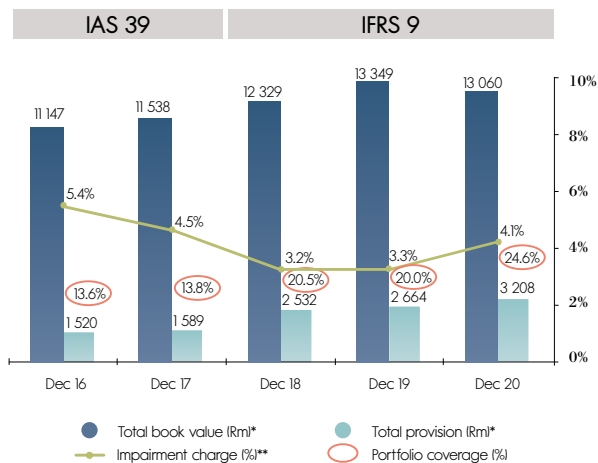
*** Includes 271 Country Road Group brand concessions in David Jones stores, which may extend over multiple pads

WOOLWORTHS HOLDINGS LIMITED INTERIM RESULTS 2021 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	Dec 2020	Dec 2019
Total Fashion, Beauty and Home	21.3%	24.1%
Total Food	9.9%	11.4%
Aggregate Woolworths card and credit card contribution	12.8%	15.3%

WOOLWORTHS HOLDINGS LIMITED INTERIM RESULTS 2021 ANALYST PRESENTATION

IFRS 16 – IMPACT BY SEGMENT

WHL

	Dec 2020				Dec 2019			
	Group Rm	WSA Rm	DJ A\$m	CRG A\$m	Group Rm	WSA Rm	DJ A\$m	CRG A\$m
INCOME STATEMENT								
Depreciation	1 353	399	35	47	1 253	378	38	50
Finance costs – Lease liabilities	774	320	29	9	754	333	31	11
BALANCE SHEET								
Right-of-use assets	17 320	5 130	752	348	19 321	5 680	954	437
Lease liabilities	(24 335)	(6 753)	(1 163)	(424)	(26 190)	(7 070)	(1 424)	(525)
CASH FLOWS								
Lease liabilities repaid (including finance costs)	(2 399)	(685)	(62)	(83)	(1 995)	(657)	(73)	(59)
Finance costs paid	1 307	648	38	18	1 309	743	41	15
On Lease liabilities	809	320	28	14	754	339	30	11
On Interest-bearing debt	498	328	10	4	555	404	11	4

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.

The risks and uncertainties inherent in the forward-looking statements contained in this presentation include, but are not limited to: changes to IFRS and the interpretations, applications and practices subject thereto as they apply to past, present and future periods; domestic business and market conditions; changes in the domestic regulatory and legislative environments; changes to domestic operational, social, economic and political risks; and the effects of both current and future litigation. As a result, Woolworths Holdings actual future financial condition, performance and results may differ materially from those set out in any forward-looking statements.

Woolworths Holdings does not undertake to update any forward-looking statements contained in this presentation and does not assume responsibility for any loss or damage whatsoever and howsoever arising as a result of the reliance by any party thereon, including, but not limited to, loss of earnings, profits, or consequential loss or damage.

