



WOOLWORTHS HOLDINGS LIMITED

2021 Annual Results



PRESENTATION OUTLINE

01

OVERVIEW
OF THE YEAR

02

FINANCIAL
OVERVIEW

03

UPDATE AND
OUTLOOK



OVERVIEW OF THE YEAR

Roy Bagattini
Group CEO

OVERVIEW OF FY21

We have taken clear and decisive actions to improve the strength of our businesses, ending the year in a far healthier position

- **Simplified structures** to reduce complexity and enable more agile ways of working
- Introduced **new sustainability targets** for 2025 and beyond
- **Launch of Inclusive Justice Initiative**, including the Just Wage initiative
- **Commendable result and demonstrable progress against strategic initiatives** attributable to the resilience and commitment of our people:
 - Sales + 9.7%; operating profit +44%; aDHEPS +103%; net debt -91% to R1.1bn
- Well-positioned into new year with **refreshed Group Strategic Framework**
- **Final dividend** of 66 cps



APPRECIATION

The past year has tested our resolve, but we have risen to the challenge, driven by the passion and commitment of our people

- **A big thank you to each of our 45 000 people**, especially those on the front line, for their dedication and courage in the face of ongoing challenges
- **Sincere appreciation to our loyal suppliers and partners** for their commitment to our business
- **Thank you to our customers** for their continued support and deep trust they place in our brands



FINANCIAL OVERVIEW

Reeza Isaacs
Group Finance Director



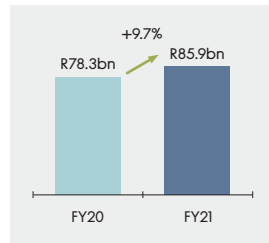
WOOLWORTHS HOLDINGS LIMITED ANNUAL RESULTS 2021 ANALYST PRESENTATION

FINANCIAL OVERVIEW

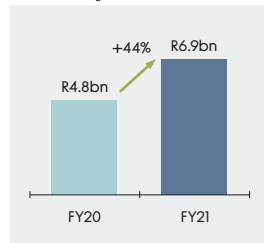
WHL

- Stronger trade across the Group
- Operating profit growth across all businesses
- Operating profit margin improvement

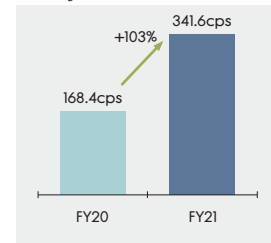
Turnover and concession sales



Adjusted EBIT

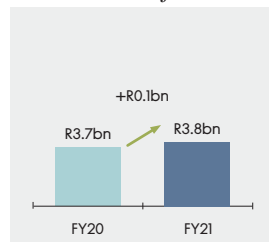


Adjusted diluted HEPS

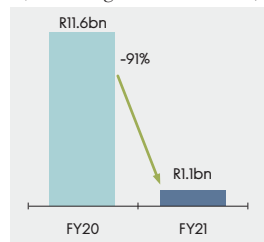


- Positive cash flows from trade, sale of properties and working capital management
- Significantly stronger balance sheet with reduced net borrowings and a cash position of A\$357m in Australia
- Resuming dividend

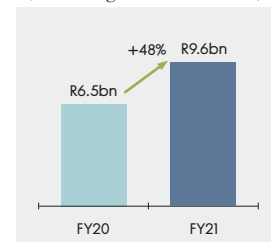
Free cash flow*



Net borrowings (excluding lease liabilities)



Net equity (including lease liabilities)



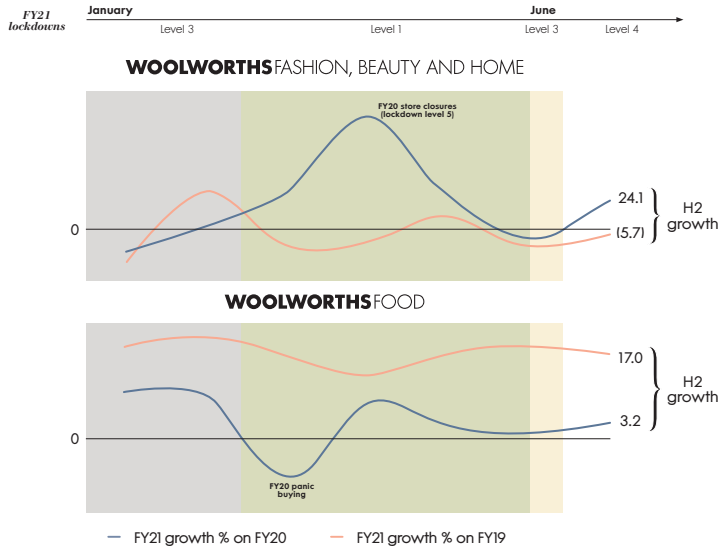
* Operating cash flows before expansion capex and property sales

Debt/Equity
4.9x FY20, 2.1x FY21

H2 SALES PERFORMANCE – SOUTH AFRICA

WHL

The impact of Covid-19 on last year's second half significantly impacted current year growth with Food and FBH trading off abnormally high and low bases respectively



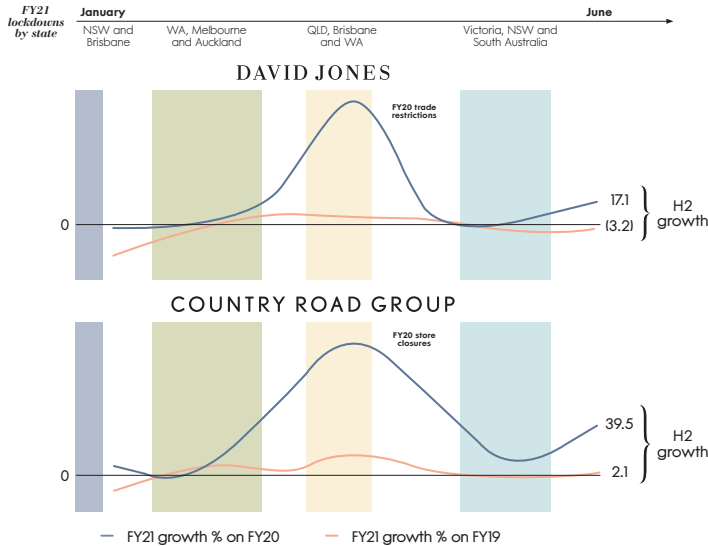
- Prior year base impacted by level 5 lockdown and trade restrictions in May FY20
- Below FY19 levels impacted by Covid-19, lower demand for formalwear, initiatives to reduce space and streamline private label offering

- Notwithstanding a very demanding base (+13.2% growth in H2 last year) H2 still grew by 3.2%
- 17% growth on FY19 (18.4% for the full year)

H2 SALES PERFORMANCE – AUSTRALIA

WHL

Strong second half sales growth notwithstanding lockdown restrictions, albeit off a non-comparable base



- Trade significantly constrained in H2 FY20 due to Covid-19 restrictions resulting in a lower base
- Sales down 3.2% on FY19 impacted by Covid-19, lower footfall, particularly in CBD's and reduced space

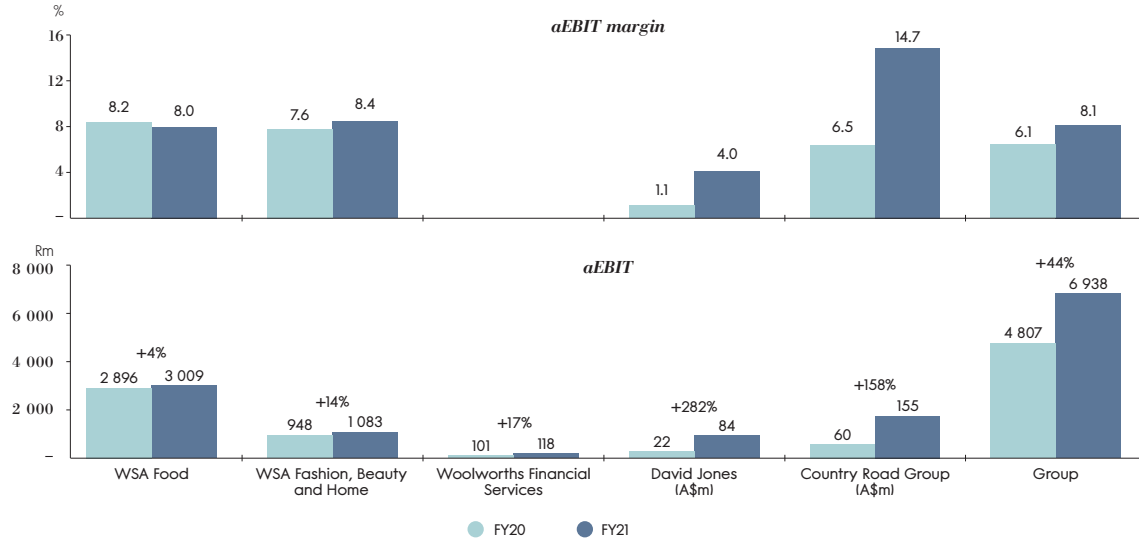
- Stores closed for a protracted period in H2 FY20
- Growth of 2.1% on FY19 notwithstanding Covid-19, supported by transfer to online
- Strong performance from Country Road brand in particular

WOOLWORTHS HOLDINGS LIMITED ANNUAL RESULTS 2021 ANALYST PRESENTATION

ADJUSTED EBIT

WHL

Clear and decisive actions to improve the financial health of our Group drove improved operating performance across all businesses, with Group aEBIT up 44% on last year

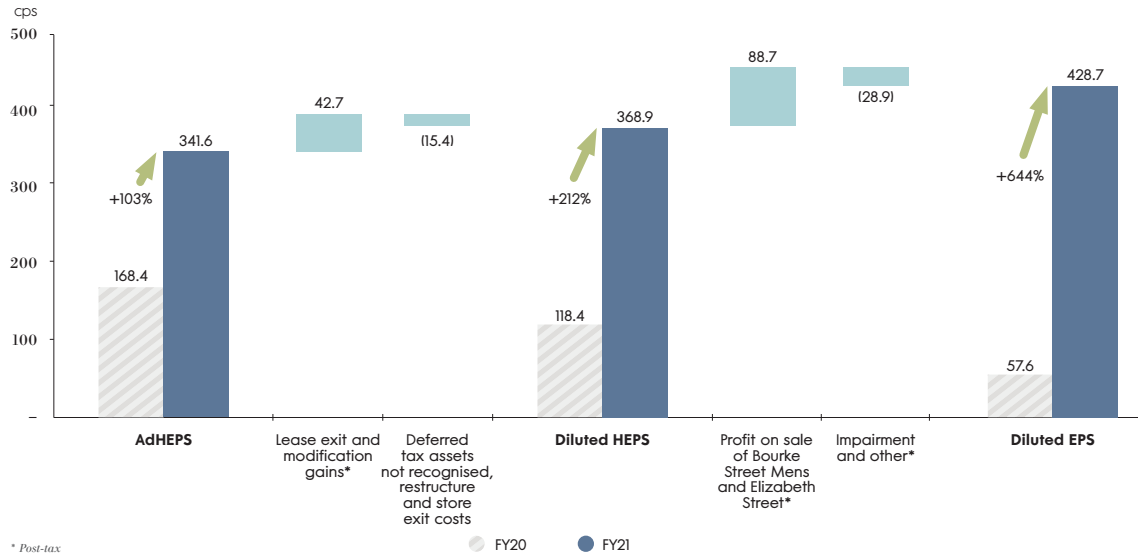


WOOLWORTHS HOLDINGS LIMITED ANNUAL RESULTS 2021 ANALYST PRESENTATION

EPS, HEPS AND ADJUSTED HEPS

WHL

Adjusted diluted HEPS increased by 103% to 342cps



WOOLWORTHS HOLDINGS LIMITED ANNUAL RESULTS 2021 ANALYST PRESENTATION

WOOLWORTHS FASHION, BEAUTY AND HOME

Top-line impacted by reduced demand for formalwear, strategic initiatives to streamline private label offering and rationalise unproductive space; key focus is on improving underlying financial health

	H2 2021 Rm	H2 %	Jun 2021 Rm	Jun 2020 Rm	FY %
Turnover and concession sales	6 434	24.1	12 860	12 421	3.5
Gross profit margin	45.1%		45.5%	44.0%	
Expenses	2 411	21.0	4 783	4 537	5.4
Adjusted EBIT	501	>100	1 083	948	14.2
Adjusted EBITDA	909	125.6	1 920	1 808	6.2
EBIT margin	7.8%		8.4%	7.6%	
EBIT margin (pre IFRS 16)	5.4%		6.2%	5.5%	

- Sales down 7.5% on FY19
- Positive start to winter trade in H2 FY21, hampered by lockdown restrictions
- Beauty and Home grew on average 18.2%
- Comparable store sales growth of 4.2% on price movement of 7.5% (5.3% in Fashion)
- Space reduced by 6.4% with improved trading densities
- Online sales up 11.4%, now 4.1% of SA sales
- Increased contribution from Africa (>10% of sales), gaining market share, and enhancing overall margin
- GP margins up on LY due to higher clearance in the base, but still below pre-Covid-19 levels
- Store and other operating costs up 5.4% on LY (LY H2 includes UIF TERS and rent relief)



WOOLWORTHS HOLDINGS LIMITED ANNUAL RESULTS 2021 ANALYST PRESENTATION

WOOLWORTHS FOOD

Another outstanding result with continued market share and volume gains, notwithstanding the high Covid-19 base

	H2 2021 Rm	H2 %	Jun 2021 Rm	Jun 2020 Rm	FY %
Turnover and concession sales	19 383	3.2	38 286	35 817	6.9
Gross profit margin	24.3%		24.5%	24.9%	
Expenses	3 203	5.4	6 327	5 965	6.1
Adjusted EBIT	1 478	(10.6)	3 009	2 896	3.9
Adjusted EBITDA	1 935	(10.0)	3 918	3 809	2.9
EBIT margin	7.7%		8.0%	8.2%	
EBIT margin (pre IFRS 16)	7.4%		7.6%	7.7%	

- Continued market share gains with growth of 3% above market on a 12mma basis
- Sales up 18.4% on FY19
- Comparable stores sales growth of 5.7% on price movement of 5.2% (underlying inflation of 4.9%) and volume growth of 1.6%
- Improved trading densities notwithstanding space growth of 0.6%
- Online sales up 118%, contributing 2.3% to SA sales supported by expanded Click-and-Collect and On Demand
- GP margin reflects continued price investment in key categories and growing online contribution
- Store and other operating costs up 6.1% with comp store cost growth of 4.7%
- Market-leading operating margin notwithstanding price investment and impact of online



WOOLWORTHS HOLDINGS LIMITED ANNUAL RESULTS 2021 ANALYST PRESENTATION

WOOLWORTHS FINANCIAL SERVICES

Improvement across all key metrics, with the quality of the book reflecting the underlying strength of the business

	Jun 2021 Rm		Jun 2020 Rm		% change
Average total financial services assets	13 054		13 185		(1.0)
Income statement		% to book		% to book	
Interest income	1 665	12.8	2 135	16.2	(22.0)
Interest paid	399	3.1	638	4.8	(37.5)
Net interest income	1 266	9.7	1 497	11.4	(15.4)
Impairment charge	690	5.3	1 043	7.9	(33.8)
Risk-adjusted margin	576	4.4	454	3.4	26.9
Non-interest revenue	778	6.0	880	6.7	(11.6)
Operating costs	1 021	7.8	1 053	8.0	(3.0)
Profit before tax	333	2.6	281	2.1	18.5
Tax	98	0.8	80	0.6	22.5
Profit after tax	235	1.8	201	1.5	16.9
Return on equity	13.6%		11.3%		

- Closing book up 0.7% to R13.2bn
- H2 saw growth in new accounts and healthy credit limit extensions
- Net Interest Income impacted by low interest rates
- Market leading impairment rate of 5.3% reflects quality of book, focus on customer collections and payment relief measures
- H2 Impairment charge to book improvement (6.5% vs 12.4% LY)
- Improving ROE



WOOLWORTHS HOLDINGS LIMITED ANNUAL RESULTS 2021 ANALYST PRESENTATION

DAVID JONES

Encouraging improvement across key metrics, notwithstanding continued disrupted trading environment

	H2 2021 A\$m	H2 %	Jun 2021 A\$m	Jun 2020 A\$m	FY %
Turnover and concession sales	1 040	17.1	2 112	2 064	2.3
Gross profit margin	35.7%		35.2%	33.0%	
Own buy gross profit margin	41.0%		40.2%	36.5%	
Concession gross profit margin	25.2%		25.2%	25.9%	
Expenses	360	19.6	686	684	0.3
Financial services operating profit	17	41.7	26	24	8.3
Adjusted EBIT	28	>100	84	22	281.8
Adjusted EBITDA	95	72.7	222	170	30.6
EBIT margin	2.7%		4.0%	1.1%	
EBIT margin (pre IFRS 16)	(0.2%)		1.3%	(1.6%)	

- Sales impacted by lower footfall, although Elizabeth Street was up 16.6% on LY
- Online sales increased by 24.4% and contributed 17.3% of sales
- Space reduced by 6.3%
- GP Margin recovery from less clearance and an improved inventory position (own buy GP up 370bps)
- Expenses increased marginally despite the impact of:
 - Government subsidies and rent relief (H2 FY20: A\$42m; H1 FY21: A\$39m)
 - Focused cost-out initiatives on track to deliver annualised savings > A\$20m
- Food loss of A\$15m (EBITDARI) in the current year but clear plan underway to stem losses



COUNTRY ROAD GROUP

Strong performance by the group underpinned by Country Road brand in particular

	H2 2021 A\$m	H2 %	Jun 2021 A\$m	Jun 2020 A\$m	FY %
Turnover	540	39.5	1 052	927	13.5
Gross profit margin	61.7%		60.8%	58.6%	
Expenses	272	26.5	487	489	(0.4)
Adjusted EBIT	61	>100	155	60	158.3
Adjusted EBITDA	119	88.9	277	197	40.6
EBIT margin	11.3%		14.7%	6.5%	
EBIT margin (pre IFRS 16)	9.0%		12.4%	4.3%	

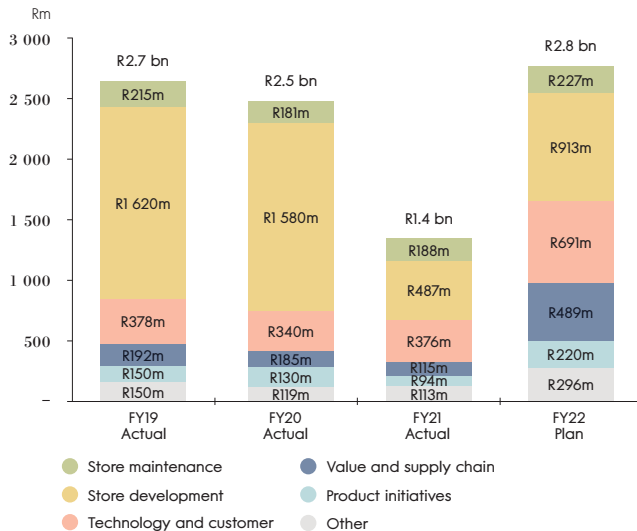
- Strong growth underpinned by performance of Country Road brand and refreshed product offerings across all brands
- Online sales increased by 31%; now 30% of sales
- Space reduced by 2.8%
- GP Margins improved through increased full-price sales
- Expenses well controlled, benefitting from government subsidies and rent relief (H2 FY20: A\$18m; H1 FY21: A\$35m; H2 FY21: A\$7m), reflected in H2 being 26% up on LY



CAPITAL EXPENDITURE

WHL

Investment increasingly shifting to digital, data and online



FY22 Plan

- FY22 capex in line with FY19
- Significant shift from brick-and-mortar to digital, data and online to support strategic growth priorities
- FY22 Store development includes A\$18m spend to consolidate the Bourke Street Mens and Womens stores

ROCE	FY21	FY20
Pre IFRS 16	21.5%	11.7%
Post IFRS 16	14.9%	9.2%

WACC	FY21	FY20
Pre IFRS 16	13.3%	11.8%
Post IFRS 16	11.4%	10.0%

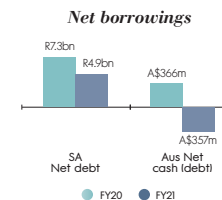
WOOLWORTHS HOLDINGS LIMITED ANNUAL RESULTS 2021 ANALYST PRESENTATION

NET BORROWINGS

WHL

Successful execution of capital plan delivered significant reduction in Group net gearing, covenant separation between DJ and CRG, and a net cash position in Australia

	Jun 2021	Jun 2020
WHL Net debt (Rm)	(1 056)	(11 624)
Interest-bearing debt	(6 540)	(17 061)
Net cash and cash equivalents	5 484	5 437
Unutilised committed facilities – Group	7 285	6 340
SA Net debt (Rm)	(4 882)	(7 299)
Interest-bearing debt	(6 540)	(8 687)
Net cash and cash equivalents	1 658	1 388
Rate*	7.77%	7.70%
Unutilised committed facilities – SA	6 288	5 914
Aus Net cash /(debt) (A\$m)	357	(366)
Interest-bearing debt	–	(708)
Net cash and cash equivalents	357	342
Rate	n/a	4.39%
Unutilised committed facilities – Aus	93	36
Finance costs on borrowings (Rm)	847	1 071
ZAR debt (Rm)	572	761
AUD debt (Rm)	24	30



- Borrowings reduced by R2.4bn and covenants well within bank limits
- Net debt to EBITDA of 1.2 vs bank covenant <3
- Interest cover of 6.0 vs bank limit of >3.5
- Implemented sustainability linked loans and unlisted bonds on refinancing of R1.65bn

Net cash A\$286m in DJ and A\$71m in CRG
Covenants well within bank limits

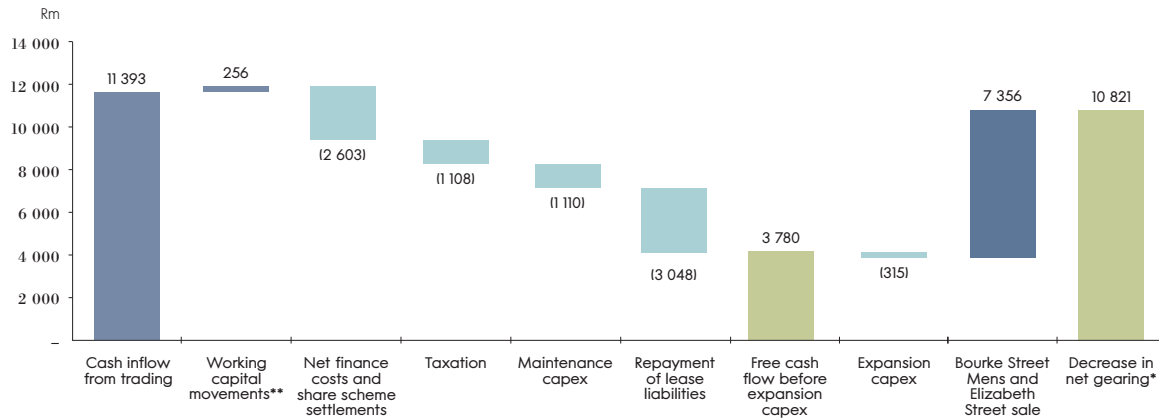
Borrowing costs 21% lower

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

CASH GENERATION

WHL

R10.8bn cash generated through improved trade, reduced capex, decision to suspend dividends, and successful sale of buildings



* Net gearing excludes R253 million currency translation impact

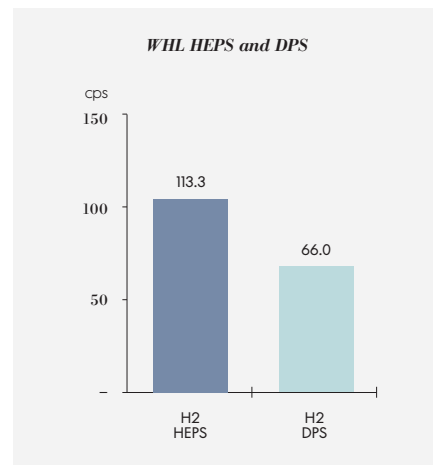
** Positive movement notwithstanding significant reinvestment in working capital post the cash preservation efforts in FY20

DIVIDENDS AND CAPITAL STRUCTURE

WHL

We have resumed dividends; longer-term payout ratio will be dependent on the outlook

- The suspension of dividends assisted in strengthening the Group balance sheet and we are pleased to end FY21 with a far stronger capital position
- Borrowings are within the targeted gearing ratios
 - 1.5x for WSA
 - 1.0x for CRG
 - no debt for DJ
- CRG and DJ are in a cash positive position
- The board has resolved to resume dividends with a proposed payment in respect of Woolworths South Africa for H2 2021
- Given the prevailing market uncertainty and lingering impact of Covid-19, the dividend will be resumed at a payout ratio of 60% (relative to a normalised payout ratio of 70% pre-Covid-19)
- A recommencement of the CRG dividend will be considered in February 2022
- An appropriate longer term Group payout ratio will be revisited once conditions have stabilised

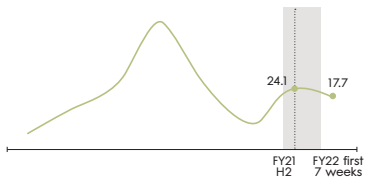


RECENT TRADING

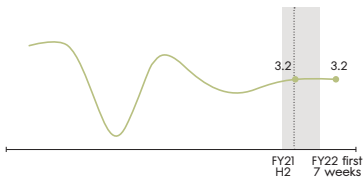
WHL

Post year-end sales severely impacted by lockdown-related store closures in Australia and the third wave and recent civil unrest in South Africa

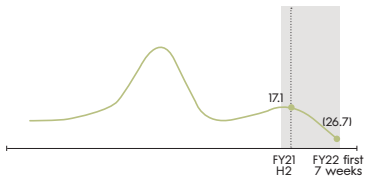
WOOLWORTHS FASHION, BEAUTY AND HOME



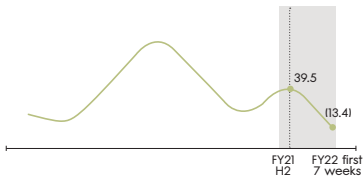
WOOLWORTHS FOOD



DAVID JONES



COUNTRY ROAD GROUP



● % on LY

South Africa

- Third wave and level 4 lockdown in South Africa
- Looting and damage to 11 stores in KZN and Gauteng affected trade in FBH and Food
- Supply chain disruptions and supplier delays impacted availability of stock
- FBH growth recovery from earlier clearance vs last year and Covid-19 impacted base
- FBH and Food price movement for H1 is expected to be 3.6% and 3.4% respectively

Australia

- Multiple lockdowns in NSW, Victoria, Queensland and South Australia for prolonged periods requiring store closures
- NSW and Victoria contribute >50% of sales

UPDATE AND OUTLOOK

Roy Bagattini
Group CEO



NEW STRATEGIC FRAMEWORK

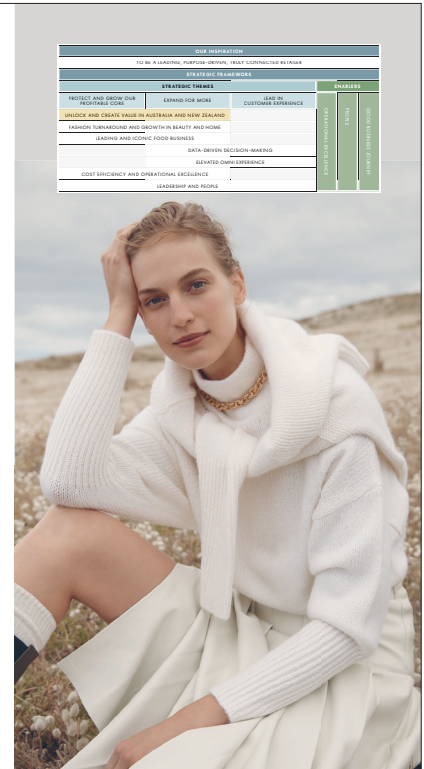


OUR INSPIRATION					
TO BE A LEADING, PURPOSE-DRIVEN, TRULY CONNECTED RETAILER					
STRATEGIC FRAMEWORK					
STRATEGIC THEMES			ENABLERS		
PROTECT AND GROW OUR PROFITABLE CORE	EXPAND FOR MORE	LEAD IN CUSTOMER EXPERIENCE	OPERATIONAL EXCELLENCE	PEOPLE	GOOD BUSINESS JOURNEY
UNLOCK AND CREATE VALUE IN AUSTRALIA AND NEW ZEALAND					
FASHION TURNAROUND AND GROWTH IN BEAUTY AND HOME					
LEADING AND ICONIC FOOD BUSINESS					
DATA-DRIVEN DECISION-MAKING					
ELEVATED OMNI EXPERIENCE					
COST EFFICIENCY AND OPERATIONAL EXCELLENCE					
LEADERSHIP AND PEOPLE					

UNLOCK AND CREATE VALUE IN AUSTRALIA AND NEW ZEALAND

We successfully executed our capital plan; focus now shifts to improving underlying operational and financial performance

- **Restructuring of Australia balance sheet** concluded
 - Bourke Street Menswear and Elizabeth Street **buildings sold** for A\$121m and A\$510m respectively
 - **Net gearing significantly reduced** and **new financing facilities** established
 - **Covenant separation** achieved
 - **No further funds** have flowed
- **Revised DJ's vision and strategy**, including refreshed merchandise strategy
 - Early benefits translating into **improving GP margin trend**
 - Continue to execute strategic initiatives whilst tactically prioritising **cash-generation and preservation initiatives**



UNLOCK AND CREATE VALUE IN AUSTRALIA AND NEW ZEALAND

We successfully executed our capital plan; focus now shifts to improving underlying operational and financial performance

- Clear pathway to **reducing occupancy costs** particularly in David Jones
 - DJ and CRG **footprint reduced** by 6.3% and 2.8%, respectively
 - **Value-accretive deals** with landlords to reduce DJ footprint by further 50 000m²
- Decisive action taken to **stem EBITDAR loss of DJ Foods** business
 - Closed smaller format loss-making food stores and exiting trial with BP
- Focus on **maintaining momentum of Country Road brand** and **improving performance** across rest of CRG portfolio
- **New CRG format and channel opportunities** exceeding expectation
- Raju Vuppalapati appointed **new CEO of CRG**



DRIVE FASHION TURNAROUND AND GROWTH IN BEAUTY AND HOME

Single biggest opportunity to reset value for the Group – we are “editing to amplify”

- We have developed a **more holistic and granular understanding** of our customer
- We are also clear on where the **market opportunities** lie and where these intersect with our positioning as a brand



WOOLWORTHS HOLDINGS LIMITED ANNUAL RESULTS 2021 ANALYST PRESENTATION

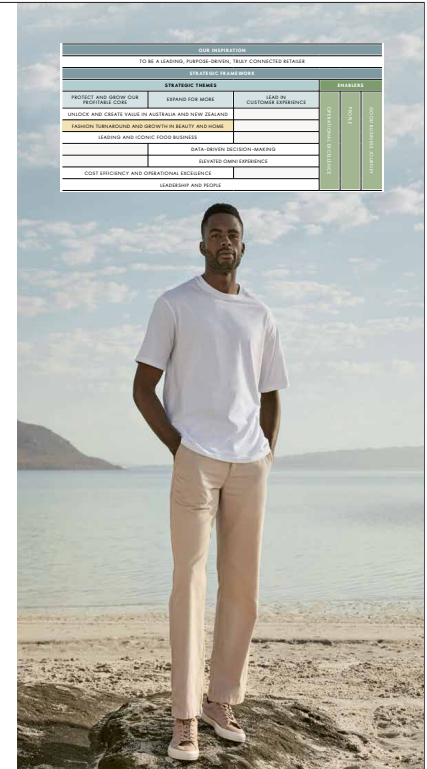
DRIVE FASHION TURNAROUND AND GROWTH IN BEAUTY AND HOME



DRIVE FASHION TURNAROUND AND GROWTH IN BEAUTY AND HOME

Single biggest opportunity to reset value for the Group – we are “editing to amplify.”

- **Refreshed brand and product strategy** is underway, focused on target customers
 - Exit from Studio W and WCollection – Clothing brands now proudly **anchored in Woolworths brand**
 - Shifting towards **more casual offering**, including stronger Athleisure proposition
 - **Simplified trend and colour** message from Spring/Summer
- Data insights informing **‘test and trial’ of catalogues and store formats**
- **Introduction** of category-authenticating **3rd party brands**



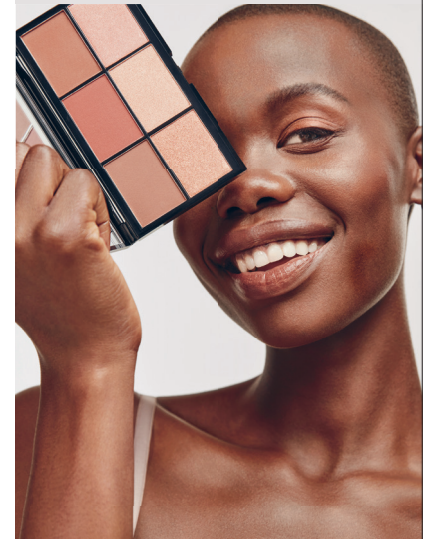
WOOLWORTHS HOLDINGS LIMITED ANNUAL RESULTS 2021 ANALYST PRESENTATION

DRIVE FASHION TURNAROUND AND GROWTH IN BEAUTY AND HOME

Single biggest opportunity to reset value for the Group – we are “editing to amplify”

- **Beauty business** being built as a destination category
 - Expanding range
 - Growth in physical and online footprint
- Scope to **gain market share in Home**
 - Category expansion
 - Leveraging Food formats in a ‘Food+Home’ concept

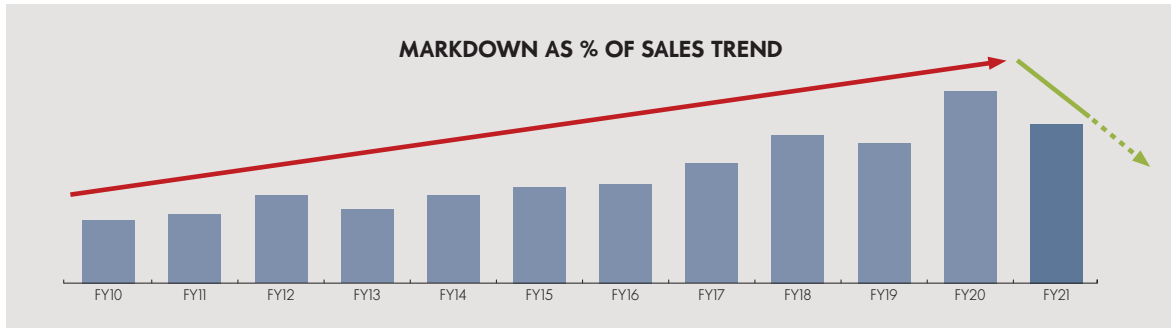
THE STRATEGY	
TO BE A LEADING, FRESH-CHEERFUL, WELL-COMMITTED RETAILER	
STRATEGIC FRAMEWORK	
STRATEGIC THEMES	
PROTECT AND IMPROVE OUR PERFORMANCE SCORE	EXPAND OUR REACH
UNLOCK AND CREATE VALUE IN AUSTRALIA AND NEW ZEALAND	LEAD IN CUSTOMER EXPERIENCE
IMPROVE THROUGHPUT AND EFFICIENCY BEHIND THE SCENES	
LEADING AND LEONG FOOD BUSINESS	
	DATA-DRIVEN DECISION MAKING
	ADVANCED OPERATIONAL EXCELLENCE
COST EFFICIENCY AND OPERATIONAL EXCELLENCE	
	LEADERSHIP AND MORE



DRIVE FASHION TURNAROUND AND GROWTH IN BEAUTY AND HOME **WHL**

Single biggest opportunity to reset value for the Group – we are “editing to amplify”

- Improving **price proposition and architecture**
 - **R250m invested** in price without compromising quality
 - Focus on **‘right price first time’** driving increased full-priced sales, reducing time on clearance, and reducing markdown
- Commenced investment to **improve value chain** to support delivery of Fashion turnaround
- **Simplified structures and processes**, enabling greater speed in decision making and enhanced accountability
- **Space reduction** of 6.4% driving improved trading densities



EXPAND LEADERSHIP POSITION IN FOOD

Pivotal to our success is sustaining the momentum of our Food business

- Continue to **protect and strengthen our core** by delivering a world-class experience
 - Unrelenting commitment to **quality**
 - Ongoing **innovation** drive
 - Continued focus on critical **back-end capabilities**
 - Ongoing development of **supplier partnerships**
- Further scope **to grow share of customers and wallet** by **remaining aspirational** but becoming **more accessible** in price, channel and format
 - **Invest R750m** in price over next two to three years; initial R250m investment yielding positive IRR
 - Continued focus on **easy and accessible convenience** – both in-store and online, including the further rollout of Dash
 - Expand **physical footprint and trial new formats**, e.g. WCellar



DATA-DRIVEN DECISION MAKING | ELEVATED OMNI EXPERIENCE

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

- **Leveraging existing wealth of data** to better inform decisions and processes
- Reconcile need to **refresh loyalty** in all our businesses to enable greater differentiation and personalisation
- Fast-tracking **building of online capability**
 - Continue to provide **market-leading experience for CRG brands and increase online penetration in DJ**
 - Aim to grow online contribution of **WSA Food to the upper single-digits** and **FBH business into the double digits**, respectively
 - Continue to **drive profitability** of online through scale, channel mix, and channel efficiency



DATA-DRIVEN DECISION MAKING | ELEVATED OMNI EXPERIENCE

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

- **Increasing people capacity and capability** and fundamentally changing processes and ways of working
 - Structuring and resourcing of **refreshed operating model** underway
- Scope to further **leverage opportunities, investments and learnings** across the Group



COST EFFICIENCY AND OPERATIONAL EXCELLENCE

We are focused on improving the efficiency and flexibility of our cost base

- Increased focus on all costs across the Group
 - Drive **cost discipline**
 - **Improve flexibility** in our cost base
 - Ensure **opex supports our strategic growth ambitions**



PEOPLE AND LEADERSHIP

Our people are critical to the successful execution of our strategies

- **De-layered structures** to reduce complexity and enable **speed and agility** in executing our strategies
- Leverage **scale, diversity and matrix operating** model of the Group
- **New operating model and leadership structure** ensures we **lead in customer experience** with efficiency, accountability, and a profitable growth mindset
- Launch of **Inclusive Justice Initiative (IJI)** in line with our purpose of adding **quality to life**

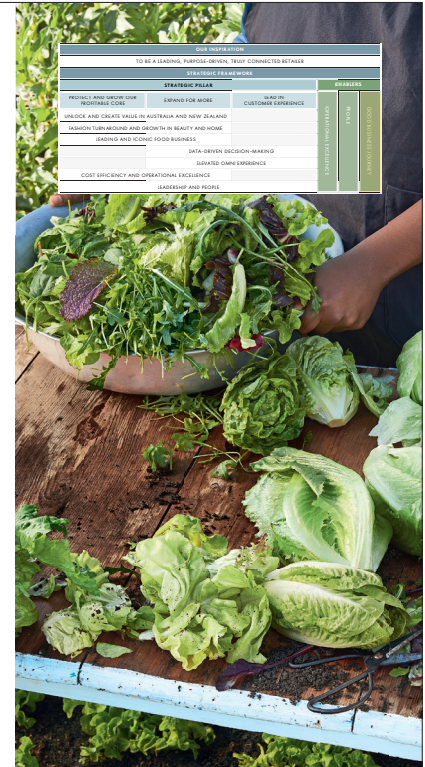


OUR GOOD BUSINESS JOURNEY

We are doubling down on our vision of being one of the world's most responsible retailers as well as our purpose of adding quality to life

- Introduced **new sustainability targets to 2025** and beyond, focusing on 3 pillars:
 - commitment to a **thriving and resilient environment**;
 - commitment to a **fully transparent, traceable and ethical supply chain**; and
 - commitment to creating a **diverse and inclusive environment** for people, employees, customers and communities
- Further develop and roll-out our **Inclusive Justice Initiative (IJI)**
 - Inspire **inclusive growth** for all our people
 - **Meaningfully impact the communities** in which we operate

 <p>NET ZERO CARBON EMISSIONS BY 2040</p>	 <p>ALL ENERGY FROM RENEWABLE SOURCES BY 2030</p>	 <p>FULLY TRANSPARENT & TRACEABLE SUPPLY CHAIN BY 2025</p>	 <p>ALL PRIVATE LABEL PRODUCTS DESIGNED TO BE REUSED, REPAIRED OR RECYCLED BY 2025</p>	 <p>inclusive justice Initiative</p>
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OUTLOOK

Trading environment likely to remain challenging; we will continue to take clear and decisive actions to accelerate profitable growth

- The operating environment expected to remain **challenging and volatile**
 - Macroeconomic outlook in both regions impacted by **further Covid-19 waves and resulting restrictions, and pace of vaccine rollouts**
 - **In Australia, current lockdowns** significantly impeding trade in our brick-and-mortar stores
 - Effects of recent **civil unrest in South Africa** likely to be felt for some time to come
- **We are up to the challenge**, and have the benefit of a **stronger foundation**
- We will continue to **respond tactically to any immediate challenges**, whilst remaining steadfast on the execution of **our longer-term objectives**

MEDIUM-TERM 3 YEAR (POST-IFRS 16) aEBIT% TARGETS

WOOLWORTHS FASHION, BEAUTY AND HOME

>12%

WOOLWORTHS FOOD

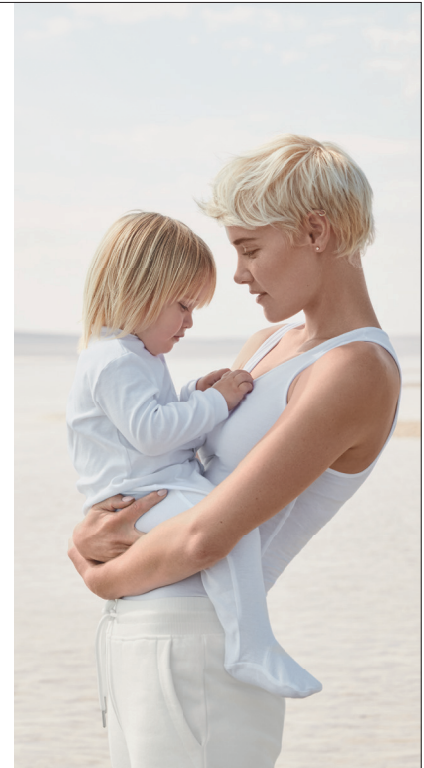
7% - 8%

DAVID JONES

WIP%

COUNTRY ROAD GROUP

>12%



FOCUS AREAS IN FY22

We expect to show ongoing and real progress against our strategic initiatives, to deliver on our commitments to you

- Improve **operational and financial performance in DJ**
- Explore **new growth opportunities for CRG**
- Improve underlying **financial health of FBH** business
- Protect and grow **market share in Food** by improving accessibility while remaining aspirational
- **Rationalise and optimise our apparel footprint** to enhance the shape of our store portfolio and improve productivity metrics
- Further **leverage customer insights** into our decision-making processes



FOCUS AREAS IN FY22

We expect to show ongoing and real progress against our strategic initiatives, to deliver on our commitments to you

- Continue to **drive digital engagement**, investing in a **new operating model** to fast-track the building of our online capability
- **Review our cost base** to identify potential areas for further efficiency and flexibility and **leverage the scale, diversity and matrix operating model** of the Group
- Reduce complexity to enable **more agile and responsive ways of working**
- Continue to **drive sustainability** as a business imperative and key competitive advantage



WOOLWORTHS HOLDINGS LIMITED ANNUAL RESULTS 2021 ANALYST PRESENTATION



APPENDIX

APPENDIX CONTENTS

WHL

1. GROUP PERFORMANCE: H1, H2 AND FULL YEAR
2. GROUP AND SEGMENTAL INCOME STATEMENTS
3. GROUP BALANCE SHEET
4. AUSTRALIA BALANCE SHEET
5. IFRS 16 IMPACT BY SEGMENT
6. CAPEX BY BUSINESS
7. TRADING SPACE
8. STORE LOCATIONS
9. WFS BOOK PERFORMANCE

WOOLWORTHS HOLDINGS LIMITED ANNUAL RESULTS 2021 ANALYST PRESENTATION

GROUP PERFORMANCE

WHL

	H1	H2	Full year
Turnover and concession sales	+5.3% to R43.0bn	+15% to R42.9bn	+9.7% to R85.9bn
Adjusted profit before tax	+25% to R2.7bn	>100% to R1.9bn	+111% to R4.6bn
Adjusted EBIT	+15% to R3.9bn	+119% to R3.0bn	+44% to R6.9bn
Adjusted diluted HEPS	+19% to 193.7cps	>100% to 147.9cps	+103% to 341.6cps
Total dividend per share		66.0cps	66.0cps
Free cash flow	R3.5bn	R0.3bn	R3.8bn
Net borrowings (excluding lease liabilities)	R6.8bn reduced by 42%	R1.1bn reduced by 84%	R1.1bn reduced by 91%
Net debt to EBITDA	2.3x	1.7x	1.7x

All numbers are post IFRS 16 unless stated otherwise

WOOLWORTHS HOLDINGS LIMITED ANNUAL RESULTS 2021 ANALYST PRESENTATION

GROUP INCOME STATEMENT

WHL

	Jun 2021 Rm	Jun 2020 Rm	% change
Turnover and concession sales	85 857	78 262	9.7
Gross profit	28 947	25 349	14.2
Adjusted EBITDA	11 673	9 579	21.9
Adjusted EBIT	6 938	4 807	44.3
WSA Fashion, Beauty and Home	1 083	948	14.2
WSA Food	3 009	2 896	3.9
Woolworths Financial Services (50% of PAT)	118	101	16.8
David Jones	962	249	286.3
Country Road Group	1 766	613	188.1
Net finance and other costs	(2 370)	(2 639)	(10.2)
Adjusted profit before tax	4 568	2 168	110.7
Tax	(1 261)	(554)	127.6
Adjusted profit after tax	3 307	1 614	104.9
Adjustments (post-tax)	856	(1 055)	
Profit after tax	4 163	559	644.7
Adjusted diluted HEPS (cents)	341.6	168.4	102.9
Effective tax rate	19.2%	60.2%	
Adjusted effective tax rate	27.6%	25.6%	

Borrowing cost reduced by 21%

Adjustments (post-tax)	2021 Rm	2020 Rm
Profit on sale of Bourke Street Mens and Elizabeth Street	861	-
Lease exit and modification gains	414	12
Impairment of assets	(270)	(572)
Restructure and store exit costs	(106)	8
Forex losses/gains	(10)	3
Deferred tax on assessed losses not recognised	(33)	(506)
	856	(1 055)

Lower effective tax rate due to the utilisation of prior year assessed losses in the current year; adjusted effective tax rate higher due to increased proportion of profits from Australian entities

WOOLWORTHS HOLDINGS LIMITED ANNUAL RESULTS 2021 ANALYST PRESENTATION

2021 GROUP SEGMENTAL INCOME STATEMENT

WHL

Jun 2021	Woolworths				David Jones Rm	Country Road Group Rm	Treasury Rm	Intragroup Rm	Group Rm
	FBH Rm	Food Rm	Logistics Rm	WFS Rm					
Turnover and concession sales	12 860	38 286	574	–	24 147	12 022	–	(2 032)	85 857
Concession sales	(5)	(543)	–	–	(8 578)	–	–	2 032	(7 094)
Turnover	12 855	37 743	574	–	15 569	12 022	–	–	78 763
Cost of sales	7 003	28 491	574	–	9 302	4 720	–	(274)	49 816
Gross profit	5 852	9 252	–	–	6 267	7 302	–	274	28 947
Other revenue	14	84	–	–	2 233	26	3	(567)	1 793
Expenses	4 783	6 327	–	–	7 829	5 562	15	(293)	24 223
Store costs	3 175	4 521	–	–	6 414	3 925	–	(567)	17 468
Other operating costs	1 608	1 806	–	–	1 415	1 637	15	274	6 755
Financial services	–	–	–	118	291	–	–	–	409
Adjusted profit before interest and tax	1 083	3 009	–	118	962	1 766	(12)	–	6 926
Net finance costs	–	–	–	–	(126)	(9)	(2 223)	–	(2 358)
Adjusted profit before tax	1 083	3 009	–	118	836	1 757	(2 235)	–	4 568
Adjustments	(2)	(8)	–	–	699	(83)	(24)	–	582
Profit before tax	1 081	3 001	–	118	1 535	1 674	(2 259)	–	5 150

WOOLWORTHS HOLDINGS LIMITED ANNUAL RESULTS 2021 ANALYST PRESENTATION

2020 GROUP SEGMENTAL INCOME STATEMENT

WHL

Jun 2020	Woolworths				David Jones Rm	Country Road Group Rm	Treasury Rm	Intragroup Rm	Group Rm
	FBH Rm	Food Rm	Logistics Rm	WFS Rm					
Turnover and concession sales	12 421	35 817	517	–	21 542	9 655	–	(1 690)	78 262
Concession sales	–	(676)	–	–	(7 068)	–	–	1 690	(6 054)
Turnover	12 421	35 141	517	–	14 474	9 655	–	–	72 208
Cost of sales	6 953	26 397	517	–	9 235	4 034	–	(277)	46 859
Gross profit	5 468	8 744	–	–	5 239	5 621	–	277	25 349
Other revenue	17	117	–	–	1 828	59	–	(493)	1 528
Expenses	4 537	5 965	–	–	7 070	5 067	13	(216)	22 436
Store costs	3 033	4 315	–	–	5 996	3 521	–	(493)	16 372
Other operating costs	1 504	1 650	–	–	1 074	1 546	13	277	6 064
Financial services	–	–	–	101	252	–	–	–	353
Adjusted profit before interest and tax	948	2 896	–	101	249	613	(13)	–	4 794
Net finance costs	–	–	–	–	(98)	8	(2 536)	–	(2 626)
Adjusted profit before tax	948	2 896	–	101	151	621	(2 549)	–	2 168
Adjustments	(61)	9	–	–	(650)	(60)	(4)	–	(766)
Profit before tax	887	2 905	–	101	(499)	561	(2 553)	–	1 402

WOOLWORTHS HOLDINGS LIMITED ANNUAL RESULTS 2021 ANALYST PRESENTATION

GROUP BALANCE SHEET

WHL

Strengthened Balance Sheet with reduced debt and higher equity; improvement in all metrics

	Jun 2021 Rm	Jun 2020 Rm	Constant currency % change	
Assets				
Property, plant and equipment	9 315	16 246	(39.2)	
Intangible assets	7 546	8 228	(2.7)	
Right-of-use assets	19 116	20 519	0.4	
Investments in joint ventures	893	742	20.4	
Inventories	8 501	8 054	10.7	Low inventory position last year due to reduced intake and clearance in H2; improved stock position in the current year
Trade and other receivables and loans	1 348	2 244	(38.1)	
Derivative financial instruments	46	283	(82.7)	
Deferred tax and tax assets	3 465	3 216	16.7	
Cash and cash equivalents	5 624	5 534	8.7	Net cash position of A\$357m in Australia
Total assets	55 854	65 066	(8.6)	
Equity and liabilities				
Shareholders' funds	9 594	6 510	61.5	Significant increase in equity
Borrowings and overdrafts	6 640	17 120	(61.2)	
Lease liabilities	27 194	28 599	2.6	A number of lease terminations and term reductions following space reduction; offset by Elizabeth Street and Bourke Street Mens leaseback
Other non-current liabilities	724	735	1.2	
Derivative financial instruments	379	341	15.2	
Deferred tax and tax liabilities	390	151	>100	
Trade and other payables and provisions	10 933	11 610	(1.6)	
Total equity and liabilities	55 854	65 066	(8.6)	Impact of cash preservation initiatives LY; extended credit terms and deferred rentals
Net borrowings	1 056	11 624		
Net gearing including lease liabilities*	19 990	32 177		
Year-end exchange rate (R/A\$)	10.7	11.8		

* Based on lease liabilities net of deferred tax

WOOLWORTHS HOLDINGS LIMITED ANNUAL RESULTS 2021 ANALYST PRESENTATION

AUSTRALIA BALANCE SHEET

WHL

	Jun 2021 A\$m			Jun 2020 A\$m		
	David Jones	Country Road Group	Total	David Jones	Country Road Group	Total
Assets						
Property, plant and equipment	418	97	515	918	114	1 032
Intangible assets ^{1&2}	87	362	449	91	367	458
Right-of-use assets	1 032	323	1 355	898	393	1 291
Inventories	255	122	377	226	121	347
Trade and other receivables, deferred tax and tax assets	217	339	556	264	195	459
Total assets	2 009	1 243	3 252	2 397	1 190	3 587
Liabilities, excluding borrowings	(341)	(252)	(593)	(406)	(254)	(660)
Lease liabilities	(1 571)	(399)	(1 970)	(1 379)	(470)	(1 849)
Capital employed	97	592	689	612	466	1 078
Equity ^{1&2}	383	663	1 046	300	412	712
Net borrowings/(cash)	(286)	(71)	(357)	312	54	366
Year-end exchange rate (R/A\$)			10.7			11.8

¹ David Jones excludes brands impaired at Group

² Country Road Group includes David Jones notional goodwill allocation

WOOLWORTHS HOLDINGS LIMITED ANNUAL RESULTS 2021 ANALYST PRESENTATION

IFRS 16 – IMPACT BY SEGMENT

WHL

UPDATE TO GROUP LEASE PORTFOLIO

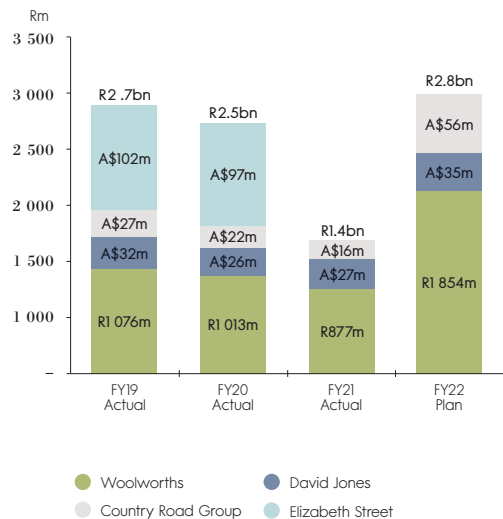
	Group	WSA	DJ	CRG
Lease liabilities	Rm	Rm	A\$m	A\$m
Jun 2020	28 599	6 727	1 379	471
Jun 2021	27 194	6 055	1 571	399
Number of leases: Jun 2020	1 034	509	64	461
Number of leases: Jun 2021	986	498	65	423
Average remaining lease term (years): Jun 2020	5.3	6.0	16.5	3.0
Average remaining lease term (years): Jun 2021	5.3	6.3	14.9	2.6
Average remaining lease term with no options (years): Jun 2021	3.5	3.3	14.6	2.1

	Jun 2021				Jun 2020			
IMPACT BY SEGMENT	Group Rm	WSA Rm	DJ A\$m	CRG A\$m	Group Rm	WSA Rm	DJ A\$m	CRG A\$m
Income statement								
Depreciation	2 660	786	74	89	2 602	786	75	97
Finance costs	1 511	615	60	18	1 555	677	62	22
Balance sheet								
Right-of-use assets	19 116	4 581	1 032	323	20 519	5 281	898	393
Cash flows								
Lease liabilities repaid (including finance costs)	4 748	1 364	169	140	3 818	1 386	129	92
Finance costs paid	2 595	1 189	75	52	2 569	1 513	78	23
On Lease liabilities	1 700	615	71	23	1 427	677	55	17
On Interest-bearing debt	895	574	15	2	1 142	836	23	6

WOOLWORTHS HOLDINGS LIMITED ANNUAL RESULTS 2021 ANALYST PRESENTATION

CAPITAL EXPENDITURE – BY BUSINESS

WHL



Depreciation and amortisation

	Jun 2021	Jun 2020	% change
Woolworths (Rm)	960	987	(2.7)
David Jones (A\$m)	64	73	(12.3)
Country Road Group (A\$m)	33	40	(17.5)
Total Group pre IFRS 16 (Rm)	2 076	2 170	(4.3)
Right-of-use assets depreciation (Rm)	2 660	2 602	2.2
Total Group (Rm)	4 736	4 772	(0.8)

WOOLWORTHS HOLDINGS LIMITED ANNUAL RESULTS 2021 ANALYST PRESENTATION

TRADING SPACE

WHL

	Jun 2021 000m ²	Jun 2020 000m ²	% change	Projected Jun 2022 000m ²	% change	Projected Jun 2023 000m ²	% change	Projected Jun 2024 000m ²	% change
Woolworths Fashion, Beauty and Home**	453	485	(6.4)	436	(3.8)	429	(1.6)	427	(0.5)
South Africa	407	440	(7.5)	389	(4.4)	382	(1.8)	379	(0.8)
Rest of Africa	46	45	2.2	47	2.2	47	-	48	2.1
Woolworths Food	264	262	0.6	269	1.9	274	1.9	279	1.8
South Africa	254	253	0.4	259	2.0	263	1.5	268	1.9
Engen	4	3	33.3	4	-	4	-	4	-
Rest of Africa	6	6	-	6	-	7	16.7	7	-
David Jones**	442	472	(6.3)	432	(2.3)	408	(5.6)	402	(1.5)
Country Road Group*	111	115	(2.8)	99	(10.8)	96	(3.0)	95	(1.0)
Australasia	96	100	(4.0)	84	(12.5)	83	(1.2)	82	(1.2)
South Africa	15	15	-	15	-	13	(13.3)	13	-

* Includes 26 872 m² Country Road Group brand concessions in David Jones stores

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

WOOLWORTHS HOLDINGS LIMITED ANNUAL RESULTS 2021 ANALYST PRESENTATION

STORE LOCATIONS

WHL

	Jun 2021	Jun 2020	Growth	Projected Jun 2022	Growth	Projected Jun 2023	Growth	Projected Jun 2024	Growth
Woolworths Fashion, Beauty and Home	267	279	(12)	258	(9)	254	(4)	249	(5)
South Africa	202	215	(13)	192	(10)	188	(4)	184	(4)
Rest of Africa	65	64	1	66	1	66	-	65	(1)
Woolworths Food	452	452	-	465	13	474	9	483	9
South Africa*	348	348	-	355	7	359	4	363	4
Engen	81	80	1	86	5	91	5	96	5
Rest of Africa	23	24	(1)	24	1	24	-	24	-
David Jones	45	47	(2)	44	(1)	43	(1)	43	-
Country Road Group**	689	714	(25)	609	(80)	592	(17)	585	(7)
Australasia	606	631	(25)	526	(80)	514	(12)	510	(4)
South Africa	83	83	-	83	-	78	(5)	75	(3)

* Of which 194 are standalone Food stores

** Includes 266 Country Road Group brand concessions in David Jones stores, which may extend over multiple pads

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.

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