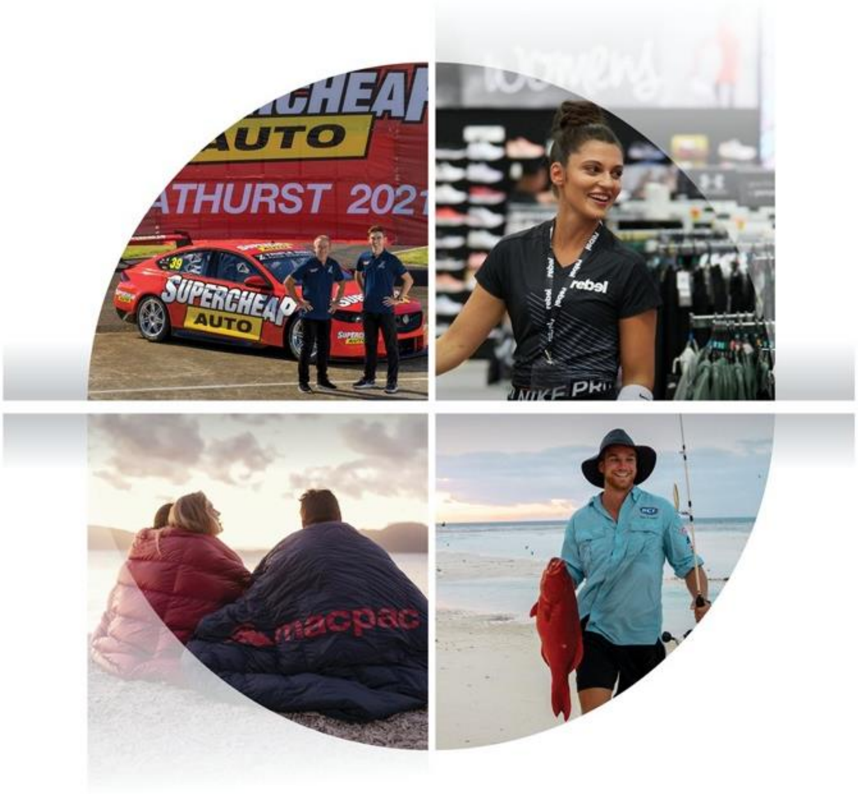
Super Retail Group

2022 MACQUARIE AUSTRALIA CONFERENCE PRESENTATION



Authorised for release by the Super Retail Group Board

Tuesday 3 May 2022

ABN: 81 108 676 204

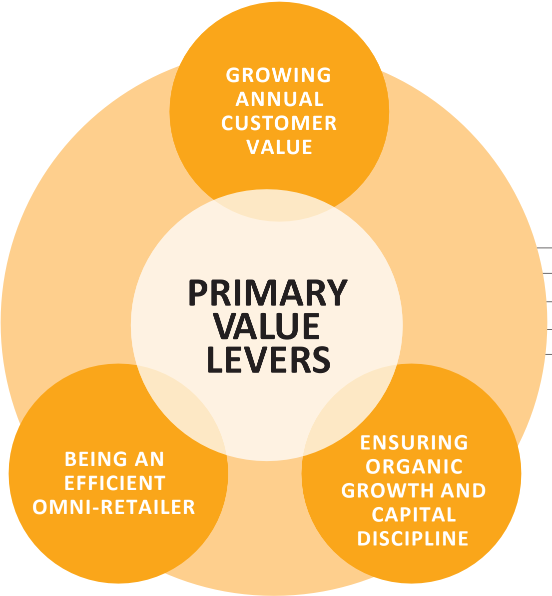
SUPERCHEAP AUTO rebel BCF macpac

Introduction

Investing for future growth

- In 2019, Super Retail Group announced our refreshed corporate strategy
- Today's presentation will focus on a subset of key initiatives of the strategy, specifically:
  - Store network optimisation and refurbishment
  - Digital and omni-retail capability
  - Personalisation and customer loyalty
  - Supply chain efficiency
- Since 2019, the Group has made progress in increasing the scale and profitability of our digital offering as we continue our transformation from a traditional bricks and mortar to an omni retail business
- The Group's investment for future growth is delivering business improvements. These will provide a platform to sustainably generate value for our shareholders

Our strategy



STRATEGIC DRIVERS

1 GROW THE FOUR CORE BRANDS

2 LEVERAGE CLOSENESS TO OUR CUSTOMER

3 CONNECTED OMNI-RETAIL SUPPLY CHAIN

4 SIMPLIFY THE BUSINESS

5 EXCEL IN OMNI-RETAIL EXECUTION

Network optimisation – added ~30 (net) stores and upgraded network quality through new formats, refurbishments and fleet rationalisation

SUPERCHEAP AUTO

STORE REFURBISHMENT

2019

- 323 stores[1]
- Underinvestment in fleet refurbishment

2022

- 329 stores[2] (+6 stores)
- Commenced program to convert ~170 old generation stores into new generation stores over the next 5 years
  - Designated service zones for "do it for me" fitment services
  - Improved visibility and accessibility of Click & Collect
  - Increased dedicated floorspace for tools

2026 OPPORTUNITY

- ~ 360 stores
- 50% of fleet in generation 4 format
- 100% "Make it Super" red external stores (pictured)
- Eliminate range-compromised stores (22 today)
- Approximately 8 high fulfilment sites

rebel

rCX ROLL OUT & FLEET RATIONALISATION

2019

- 161 stores[1]
- 63 former Amart Sports stores
- Network overlap between former Amart Sports stores and rebel stores
- Underinvestment in top 25 and CBD stores
- No immersive customer experiences in store

2022

- 154 stores[2] (-7 stores)
- Focus on converting top 25 stores to rCX format and cascade of 'worlds of' formats into mid tier stores to elevate customer experience and increase sales intensity
- 9 rCX Accelerate stores now open including Rundle Mall flagship store in Adelaide
- 5 "duplicate" former Amart Sports stores now closed and 49 of 58 remaining stores refurbished
- "Worlds of" basketball, football etc rolled out in 44 Benchmark stores
- Opened 4 high fulfilment stores

2026 OPPORTUNITY

- 155 to 160 stores
- rCX Accelerate in top 25 stores
- rCX Benchmark in top 90 stores
- CBD Flagship Stores in Melbourne, Sydney, Brisbane, Adelaide and Perth
- New store openings in select regional locations and underpenetrated city catchments
- All Tier X (underperforming or duplicated) stores exited
- Finalise refurbishment of ex Amart stores

(1) Total store numbers as at 1 January 2019
(2) Total store numbers as at 1 January 2022

Network optimisation – added ~30 (net) stores and upgraded network quality through new formats, refurbishments and fleet rationalisation

BCF

SMALL FORMAT REGIONAL

2019

- 136 stores[1]
- Generic ranging across all stores

2022

- 145 stores[2] (+9 stores)
- Commenced roll out of small format (~600 sqm) regional stores
  - delivering sales intensity well above fleet average
  - regional location means lower rent per sqm
- Opened 6 small format regional stores
- Tailored localised ranging
- 6 high fulfilment sites

2026 OPPORTUNITY

- ~165 stores
- 5 new flagship Superstores - Townsville scheduled to open in H1 FY23
- 60% of fleet in new format
- Amplification of 4X4 range and expansion of apparel offering (including Macpac)

macpac

STORE ROLL OUT, FOCUS ON MAJOR SHOPPING CENTRES

2019

- 59 stores[1]
- Finalising conversion of 9 Rays stores to Macpac large format stores and closure of remaining Rays stores
- Sub-scale in the Australian market

2022

- 82 stores[2] (+23 stores)
- 7 new stores opened in H1 FY22
- Growing brand scale and awareness in Australia
- Focus on roll out of stores in large shopping centres in cold climate Australian states

2026 OPPORTUNITY

- ~105 stores
- ~15 large format one stop shops offering comprehensive range of apparel and camping and outdoor adventure equipment
- Launch Next Generation store design and experience

(1) Total store numbers as at 1 January 2019
(2) Total store numbers as at 1 January 2022

Case study

INDICATIVE STORE METRICS - rcX

$3m to $4m
CAPEX

>$14m
Target Annual Sales

~2000 to 2500 Sqm
Format

Extended + rCX exclusive
Range

7 to 10 years
Lease Tenure

Click & Collect High Fulfilment Hub
Omni Offer

rebel rCX Accelerate stores

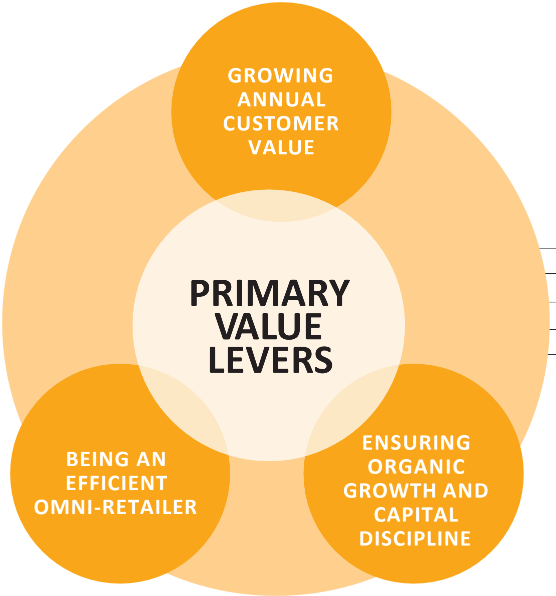
- Large format stores showcasing comprehensive range across key global brands focusing on core categories of running, gym and fitness, football, basketball and kids
- Differentiated customer experience through physical experience zones including half court basketball, indoor football pitches and sports gaming consoles
- Unique tier 1 store format attracting co-investment from global brands and shopping centre landlords
- rCX has unlocked access to high end and marquee products (e.g. Nike Airmax 270, Adidas originals), extended ranges and styles exclusive to rebel
- rCX roll out focused on top 25 stores and CBD flagship stores – 9 rCX Accelerate stores now open with 17 targeted by end of FY2023

PARRAMATTA (NSW) rCX ACCELERATE STORE

FOOTBALL **+58%** Sales Growth	BASKETBALL **+152%** Sales Growth	
WOMEN'S APPAREL **+10%** Sales Growth	SENIOR FOOTWEAR **+109%** Sales Growth	BOY'S CLOTHING **+14%** Sales Growth

SALES GROWTH H1 FY22 vs H1 FY20

Our strategy



STRATEGIC DRIVERS

1 GROW THE FOUR CORE BRANDS

2 **LEVERAGE CLOSENESS TO OUR CUSTOMER**

3 CONNECTED OMNI-RETAIL SUPPLY CHAIN

4 SIMPLIFY THE BUSINESS

5 EXCEL IN OMNI-RETAIL EXECUTION

We have grown active club members and lifted customer satisfaction

2.4 million increase in active club members in the last 2 years

INCREASE IN ACTIVE CLUB MEMBERS (DEC 19 to DEC 21)

SUPERCHEAP AUTO	+1.1m to 2.8m
rebel	+0.6m to 3.3m
BCF	+0.6m to 2.1m
macpac	+30k to 0.5m
GROUP	+2.4m to 8.7m

Sales from active club members have increased from 59% to 69% of Group sales

SUPERCHEAP AUTO: 57% ACTIVE CLUB MEMBER % OF SALES (DEC 19: 40%)

rebel: 70% ACTIVE CLUB MEMBERS % OF SALES (DEC 19: 65%)

BCF: 86% ACTIVE CLUB MEMBER % OF SALES (DEC 19: 82%)

macpac: 69% ACTIVE CLUB MEMBER % OF SALES (DEC 19: 69%)

Average club member NPS up from 62 to 64

SUPERCHEAP AUTO: 65 NET PROMOTER SCORE (DEC 19: 63)

rebel: 61 NET PROMOTER SCORE (DEC 19: 60)

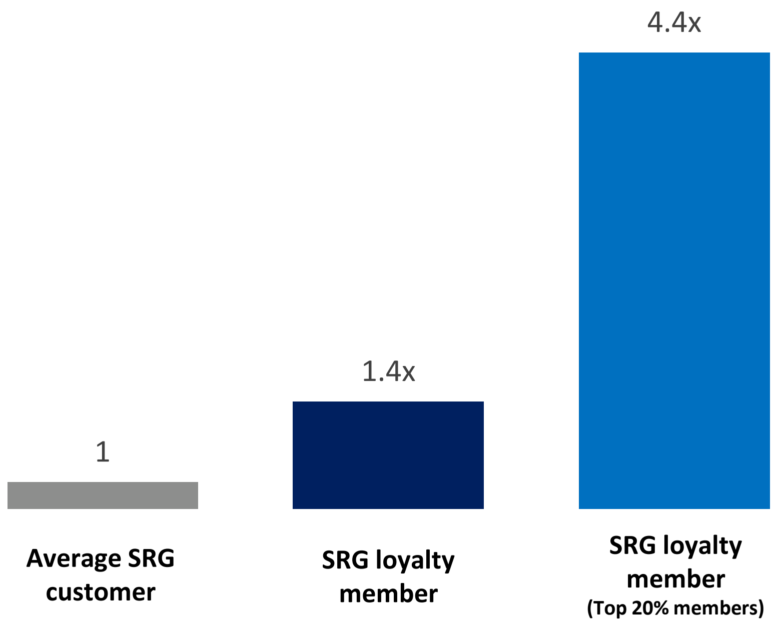
BCF: 65 NET PROMOTER SCORE (DEC 19: 64)

macpac: 69 NET PROMOTER SCORE (DEC 19: 67)

(1) An active club member is a member who has shopped during the past 12 months
(2) All comparisons on this page show change between H1 FY20 and H1 FY22

Why is loyalty important?

Our club members spend more…a lot more



8.7 million active club members

Source: Management estimates and SRG first party loyalty data as at Dec 2021. Based on spending for 12 months ended 31 Dec 2021

Supercheap Auto club benefits drive increased visitation

BEST PRICE REWARDS

DAY 1

A Supercheap Auto Club Member purchases a Century Hi Performance Car battery for $199.

DAY 10

The Century Hi Performance Car battery goes on sale at $149. The Supercheap Auto Club member gets $50 credited to their club account.

DAY 11

The Supercheap Auto Club member is notified by email that they have a $50 credit and have 28 days to spend the credit.

DAY 15

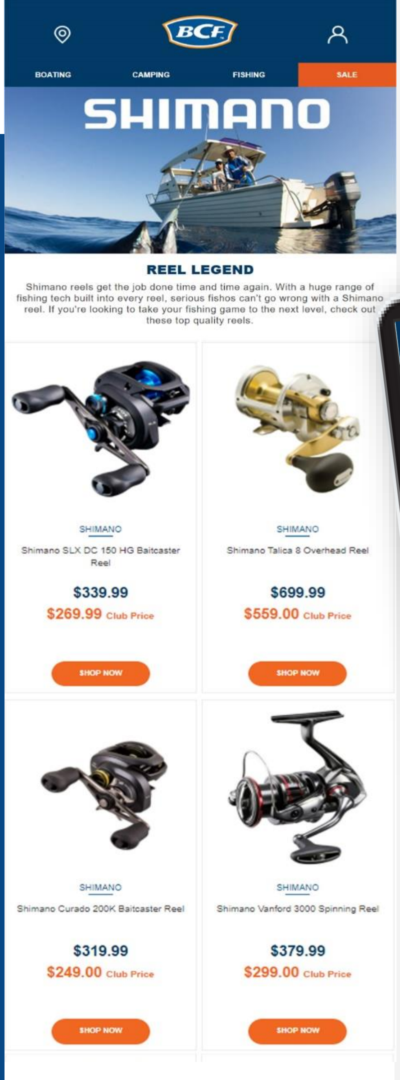
The Supercheap Auto Club member returns to Supercheap Auto and uses their $50 credit towards buying a ToolPRO tool set for $200.

We'll refund you the difference back in Club Credit if a product you purchase goes on sale for a cheaper price within 14 days.

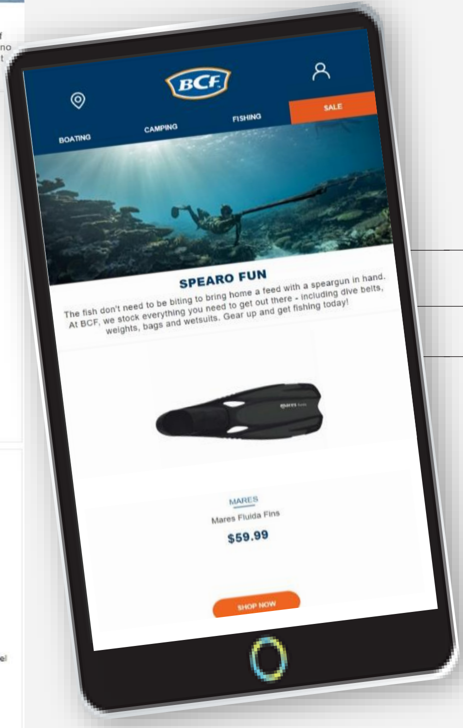
Case study

3.4M+ personalised emails in 3 months

Moving from 'one size fits all' to **1:1 personalised communications**



BCF personalisation pilot program



Showcasing our range and key brands

Increasing visibility of niche categories

Highlighting club pricing

Our strategy

GROWING ANNUAL CUSTOMER VALUE

PRIMARY VALUE LEVERS

BEING AN EFFICIENT OMNI-RETAILER

ENSURING ORGANIC GROWTH AND CAPITAL DISCIPLINE

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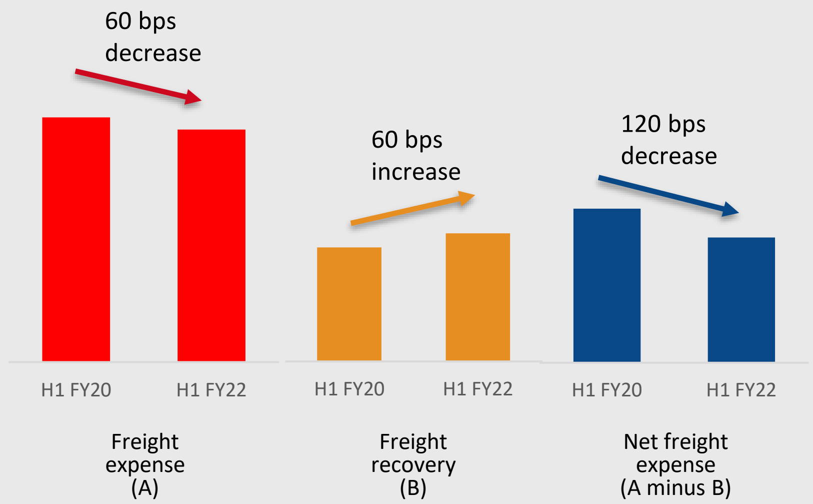
Improved online delivery fulfilment metrics

Online fulfilment costs have decreased as a result of both lower freight expense and higher freight recovery

ONLINE FULFILMENT COST (% OF SALES)



Our strategy

PRIMARY VALUE LEVERS

- GROWING ANNUAL CUSTOMER VALUE
- BEING AN EFFICIENT OMNI-RETAILER
- ENSURING ORGANIC GROWTH AND CAPITAL DISCIPLINE

STRATEGIC DRIVERS

1. GROW THE FOUR CORE BRANDS

2. LEVERAGE CLOSENESS TO OUR CUSTOMER

3. CONNECTED OMNI-RETAIL SUPPLY CHAIN

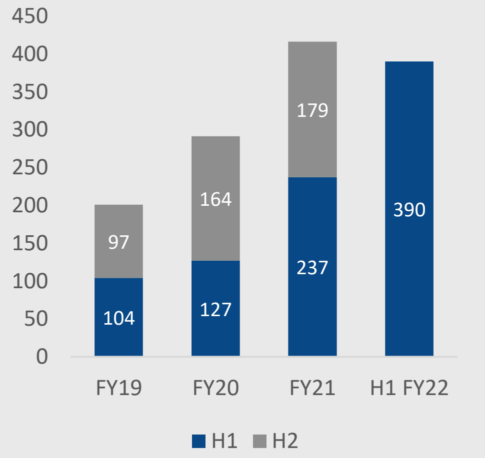
4. SIMPLIFY THE BUSINESS

5. **EXCEL IN OMNI-RETAIL EXECUTION**

Our investment in omni is capturing growth in online demand

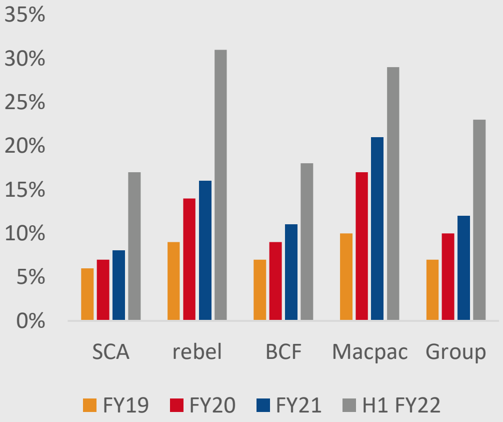
Since H1 FY19, online sales have increased by almost 4x

GROUP ONLINE SALES ($m)



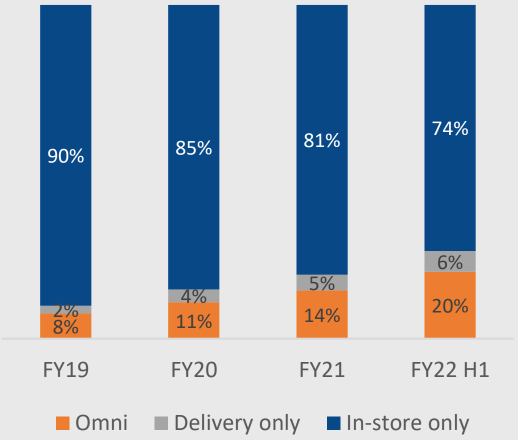
Online sales have increased from 7% to 23% of total sales

ONLINE SALES AS % OF TOTAL SALES



Omni and in-store only customers represent over 94% of total customers

CUSTOMERS BY CHANNEL (%)



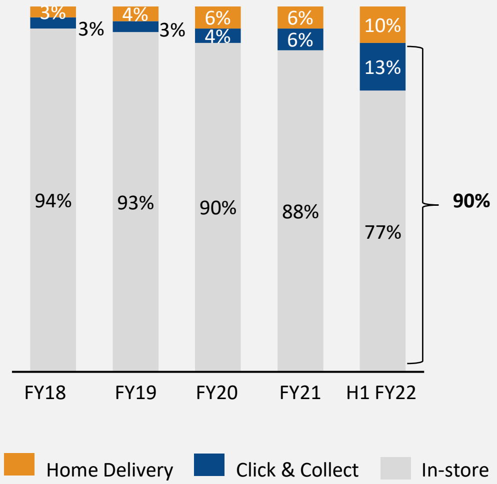
Our omni-retail strategy is successfully leveraging our store network

1 90% of sales involve a customer visiting a store

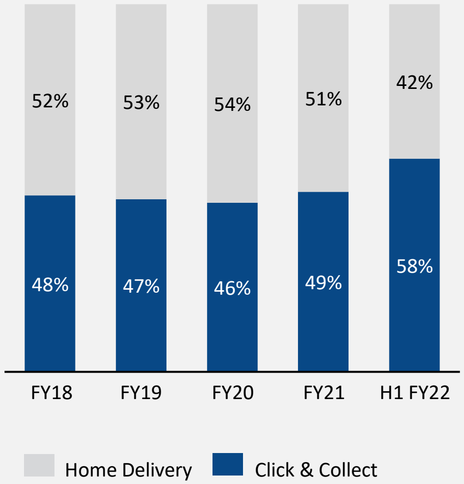
2 Click & Collect has increased as a percentage of online sales

3 Contribution margin dollars per transaction is higher for online sales than for in-store sales

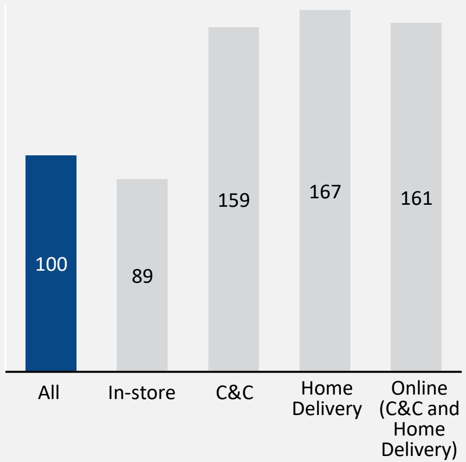
Sales mix by channel FY18 – H1 FY22



Online sales mix FY18 – H1 FY22



H1 FY22 indexed average contribution margin dollars per transaction by channel[1]



(1) Contribution margin dollars are gross margin dollars less allocation of store costs and other variable costs directly attributable to the channel

Strategy execution on track - delivering a strong omni platform

EXPANDED THE STORE NETWORK BY ~30 STORES (NET) TO OVER 700 STORES[1]

OPENED OVER 60 NEXT GENERATION STORE FORMATS ACROSS SUPERCHEAP AUTO, BCF AND REBEL

INCREASED ACTIVE CLUB MEMBERS BY 2.4 MILLION TO 8.7 MILLION[2]

UPGRADED OUR WORKPLACE MANAGEMENT SYSTEM TO DELIVER BETTER ROSTERING

REDUCED SPLIT ORDERS BY ~50% BY INVESTING IN A NEW ORDER MANAGEMENT SYSTEM[2]

GROWN ONLINE SALES BY ALMOST 4x AND INCREASED ONLINE SALES FROM 7% TO 23% OF TOTAL SALES[1]

(1) Shows change from H1 FY19 to H1 FY22
(2) Shows change from H1 FY20 to H1 FY22

Team engagement, safety and wellness metrics improving

TEAM ENGAGEMENT

82

5 points above Achievers benchmark

TEAM WELLBEING

I Am Here

2,618

members of our mental health program

TEAM SAFETY

6%

improvement in TRIFR[1] over the last 12 months

TEAM SYSTEMS

14,500

active team members on new time and attendance system

(1) Total recordable injury frequency rate
(2) All data shown on this slide is as at 31 December 2021

ESG and sustainability - ratings and credentials

Modern Slavery Statement (MSS)

FY21 MSS released in Dec 2021.

FY20 MSS recognised by both ACSI (top quartile result for ASX 200 companies) and by Monash University (top decile result for ASX 300 companies)

Workplace Gender Equality Agency - WGEA

WGEA Employer of Choice for Gender Equality

Awarded the WGEA's Employer of Choice for Gender Equality

WE SUPPORT UN GLOBAL COMPACT

Since 2019 Super Retail Group has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, the environment, and anti-corruption.

SUSTAINABLE DEVELOPMENT GOALS

Sustainability Report

Released in Aug 21.

Aligned with the GRI, SASB, UNGC and SDGs[1]

Current ESG ratings

APCO

Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA

'**Leading**' rating from the Australian Council of Superannuation Investors for ESG reporting relative to peers in the ASX 200.

'**Leading**' rating from the Australian Packaging Covenant Organisation (APCO).

Dow Jones Sustainability Index (DJSI) score of **62**, qualifying for inclusion as a **member of the DJSI Australia.**

'**A**' rating from the MSCI (Retail - Consumer Discretionary Industry ESG Rating model).

'**A**' rating from the Baptist World Aid for Macpac's disclosure to Tearfund NZ.

(1) Global Reporting Initiative, Sustainability Accounting Standards Board, United Nations Global Compact, Sustainable Development Goals

Trading update

Trading update

- The Group provides the following update for the first 43 weeks of FY22

	H2 LFL sales Weeks 27 to 43 Adjusted for Boxing Day[1]	YTD LFL sales Weeks 1 to 43 vs FY21	YTD LFL sales Weeks 1 to 43 vs FY20
Supercheap Auto	8.4%	(0.5)%	20.7%
rebel	(1.8)%	(4.0)%	13.7%
BCF	7.6%	1.4%	56.8%
Macpac	1.2%	0.3%	14.2%
Group Total	4.4%	(1.3)%	24.7%

- The Group traded well over the Easter holiday period
- Supercheap Auto and BCF delivered record Easter trading results. Both brands are continuing to benefit from strong consumer demand and high stock availability in key categories
- Trading in rebel has benefitted from an uplift in foot traffic in shopping malls but has been impacted by limited stock availability in some categories, especially footwear, due to global supply chain disruption
- Macpac has inventory in place for the key winter trading period and expects to benefit from the reopening of international travel
- Year to date second half Group gross margin percentage is broadly in line with gross margin percentage delivered in the first half
- Given ongoing disruptions to the global supply chain, the Group is continuing to adopt a cautious approach to managing its inventory position in order to ensure it has appropriate levels of “safety stock” in place
- FY22 is a 53 week trading year for the Group and the financial year will end on 2 July 2022

(1) Adjusted to exclude Boxing Day to allow a more meaningful comparison with pcp.

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