

3 May 2022

ASX Market Announcements Office
Australian Securities Exchange
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Third Quarter Sales Results

Attached for release to the market are the Third Quarter Sales Results for the 13 week period ended 3 April 2022.

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Media

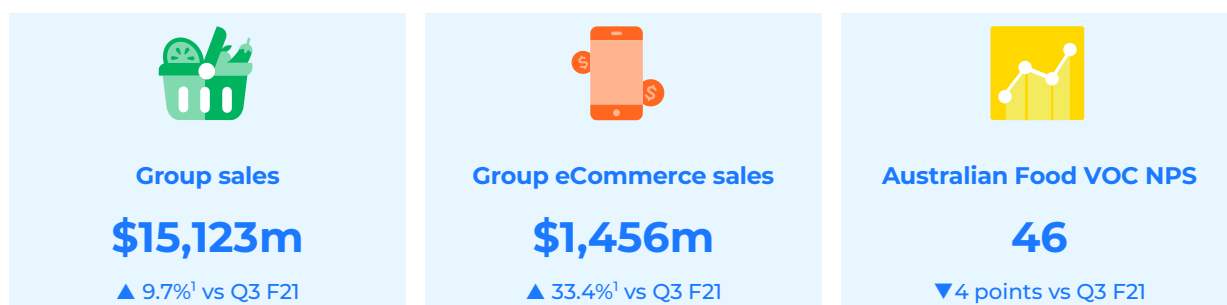
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Third Quarter Sales Results



Financial Year 2022 – 13 weeks to 3 April 2022

3 May 2022



Strong sales growth despite ongoing supply chain disruptions

Woolworths Group CEO, Brad Banducci, said: “The continued impact of Omicron as well as widespread flooding has resulted in another challenging quarter for our business and the communities we serve. Despite the unfailing efforts of our teams, high levels of COVID-related team absenteeism and the disruption to our broader supply chain resulted in inconsistent customer shopping experiences and negatively impacted our customer metrics. Pleasingly, in recent weeks, we have begun to see more stability across the Group but store stock service levels remain below normal levels.

“Group sales growth for the quarter was strong as a return to COVID-related shopping behaviour in the early part of the quarter led to higher in-home consumption in our Food businesses along with rising food inflation. We have not yet seen a notable change in customer shopping behaviour but remain focused on providing our customers with great value for money. The timing of Easter negatively impacted reported sales growth but given the current volatility and COVID impact in both periods, we have not reported Easter-adjusted numbers.

“Australian Food sales increased by 5.4% (3-yr CAGR: 5.2%) in Q3 with Woolworths Retail sales increasing by 5.2%. Average prices increased by 2.7% compared to the prior year reflecting widespread industry cost pressures. eCommerce sales growth remained strong at 38.1%, despite COVID and flood related disruption resulting in sales penetration of 9.9%.

“Australian B2B sales increased by 217% largely driven by PFD and Endeavour Group partnership revenues not included in the prior year. PFD sales continue to be impacted by COVID-related impacts on its customers but grew marginally compared to the prior year on an underlying basis with an improving trend over the quarter.

“New Zealand Food had a very challenging quarter. The impact of Omicron, which was felt later in the quarter, led to supply chain disruption and out of stocks that peaked in March. Total sales increased by 3.8% (3-yr CAGR: 3.4%) despite lower item growth, with average prices increasing by 3.6%, and eCommerce sales increasing by 18.3% to a sales penetration of 13.6%.

“BIG W sales declined by 3.5%, impacted by lower customer mobility early in the quarter as well as cycling growth of 18.3% in the prior year. The three-year CAGR was strong at 7.7% with growth rates improving over the quarter as customer behaviours increasingly returned to normal. eCommerce sales increased 21.2% with sales penetration of 9.4%.

Continued on page 2

Q3 sales

\$ MILLION	2022 (13 WEEKS)	2021 (13 WEEKS)	CHANGE	3-YR CAGR	COMP. GROWTH
Australian Food	11,432	10,849	5.4%	5.2%	4.4%
Australian B2B	995	314	217.3%		
New Zealand Food (AUD)	1,736	1,667	4.2%	2.6%	
New Zealand Food (NZD)	1,861	1,792	3.8%	3.4%	3.1%
BIG W	989	1,024	(3.5)%	7.7%	(3.4)%
Other ²	(29)	(63)	n.m.		
Total continuing operations	15,123	13,791	9.7%		
Total third quarter sales for the Group³	15,123	16,574	(8.8)%		

Summary

“Trading momentum in Q4 to date has continued in Australian Food and BIG W with strong Easter seasonal trade. In New Zealand Food, we are seeing some signs of stabilisation in the operating environment but the disruptions caused by COVID are expected to impact H2 EBIT with a forecast range of NZ\$120 – 140 million (a decline of 16-28% on H2 F21). The expected reduction in profit is largely a function of higher COVID costs associated with keeping our customers and team safe and minimising disruption to our supply chain.

“For the remainder of the second half, we are focused on returning to a more stable operating rhythm and delivering consistently good shopping experiences for our customers. Despite the continued business disruption, direct COVID costs have continued to moderate (0.4% of sales in Q3) as we carefully look to reduce costs in areas where no longer required. Our mix of COVID costs has shifted with lower costs on the Eastern Seaboard and higher costs in New Zealand and Western Australia.

“Importantly, we want to acknowledge the cost-of-living pressures that are being felt by our customers and our team. We are working hard to ensure all of our customers *‘Get Their Woolies Worth’* through our enhanced Low Price program, our great value Own Brands, Specials and continued enhancements to Everyday Rewards. We also support the Australian Retailers Association’s position for an increase in team member wages that keeps pace with underlying cost-of-living increases.

“I would like to thank our customers for their support and patience, and especially our team, for doing an amazing job in ensuring that we were able to continue to supply food and everyday needs to communities across Australia and New Zealand, as well as continuing to navigate the relentless and varying challenges of COVID and natural disasters. Our thoughts are with those who continue to be impacted by COVID and the recent floods.”

Brad Banducci

CEO, Woolworths Group

- 1 Continuing operations only
- 2 Other includes revenue from Quantum and eliminations that represent freight revenue recognised in the B2B segment as revenue but classified as an offset to COGS at a Group level
- 3 Total Group sales include Endeavour Group sales in F21

Australian Food

Sales performance by channel

\$ MILLION	Q3'22 (13 WEEKS)	Q3'21 (13 WEEKS)	CHANGE
Woolworths Supermarkets (store-originated) ¹	10,014	9,776	2.4%
Metro Food Stores (store-originated) ¹	241	225	7.3%
WooliesX B2C eCommerce	1,127	816	38.1%
Woolworths Retail (stores and eCommerce)	11,382	10,817	5.2%
Adjacency revenue ²	50	32	58.2%
Total Australian Food	11,432	10,849	5.4%

Operating metrics

	Q3'22 (13 WEEKS)	Q3'21 (13 WEEKS)
Customer metrics		
VOC NPS (Store and Online)	46	50
Store-controllable VOC ³ (%)	75	78
Sales metrics		
Comparable sales growth	4.4%	(2.5)%
Two-year average comparable sales growth	1.0%	4.0%
Three-year average comparable sales growth	4.1%	
Volume productivity metrics⁴		
Comparable transactions growth	(4.8)%	(12.0)%
Comparable items per basket growth	4.3%	8.6%
Comparable item growth	(0.7)%	(4.4)%
Change in average prices		
Total	2.7%	(1.8)%
Total excluding Tobacco	2.7%	(3.4)%

1 Excludes eCommerce sales fulfilled from stores

2 Adjacency revenue includes Digital, Data & Media and Loyalty & Fintech revenues (including sales to Endeavour Group from Q1 F22). Adjacency revenue previously included SIW, Woolworths International and AGW which are now included in Australian B2B

3 In F22, Store-controllable VOC has been revised, prior periods have been restated for comparability

4 Volume productivity metrics are disclosed as percentages and therefore may not add

Australian Food VOC NPS (Store and Online) finished Q3 at 46, a decrease of 4 points on the prior quarter and the prior year. Store-controllable VOC of 75% decreased 3 points compared to both the prior quarter and prior year. The decline in customer metrics during the quarter was driven by supply chain disruptions and resulting product availability challenges initially due to the Omicron spike in January, followed by flooding in central Australia, northern NSW and southern Queensland.

Total Australian Food sales for the quarter increased 5.4% to \$11.4 billion, with Woolworths Retail sales increasing by 5.2%. Comparable sales for the quarter increased 4.4% (5.8% excluding Tobacco) with two-year average comparable sales growth of 1.0% and three-year average comparable sales growth of 4.1%.

Woolworths Retail sales benefited from a successful trade plan, including Prices Dropped on Healthier Products, elevated COVID impacted in-home consumption, and shelf price inflation due to input cost pressures.

Woolworths Supermarkets (store-originated) sales for the quarter were \$10 billion, up 2.4% (3.7% excluding Tobacco). Metro Food Stores sales (store-originated) for the quarter increased 7.3% to \$241 million and WooliesX B2C eCommerce sales increased 38.1% to \$1.1 billion, with sales penetration of 9.9% (Q3 F21: 7.5%).

The Woolworths Food Company's own and exclusive sales increased 5.4%, supported by strong new product development and growth of key brands in Fresh, including the COOK, Thomas Dux and Macro ranges. Over 140 products were launched in Q3 and an additional 650 products have been put on Low Price for Winter.

Australian Food

Adjacency revenue was \$50 million (Q3 F21: \$32 million), with growth largely driven by the recognition of revenue from Endeavour Group for partnership services post demerger.

Comparable transactions declined 4.8%, partially offset by growth in items per basket of 4.3%, with customers continuing to shop less frequently but with larger baskets.

Average prices increased 2.7% (2.7% excluding Tobacco) with increasing shelf price inflation driven by industry-wide input cost pressures and lower promotional penetration due to stock availability challenges, particularly in the early part of Q3. Notable increases in Long Life categories included Drinks and Household Care; and in Fresh included Meat (most notably beef) with higher commodity cost prices, and Vegetables with supply impacted by poor growing conditions and flooding. Fruit remained deflationary driven by apples and avocados. We continue to focus on helping our customers *'Get Their Woolies Worth'* with Prices Dropped and Low Price for Winter; meaningful specials (including seasonal specials on fruit and vegetables); and personalised Everyday Rewards Boosters.

In Q3'22, one new Metro Food Store was opened with three store closures (two Supermarkets and one Metro Food Store). Fourteen renewals were completed. At the end of the quarter, there were 999 Supermarkets and 82 Metro Food Stores with a total fleet of 1,081 stores.

We continued to play an active role in the community, particularly in those communities impacted by the floods through our S.T.A.N.D partners. The Salvation Army Flood Appeal, together with Woolworths customers, raised over \$780,000 for flood impacted communities, contributing to total S.T.A.N.D fundraising for the quarter of \$1.6 million.

WooliesX

Digital & Media metrics

	Q3'22 (13 WEEKS)	Q3'21 (13 WEEKS)
Average weekly traffic to digital platforms (million) ¹	14.6	12.4
Average weekly traffic growth (year on year)	17.6%	47.7%

B2C eCommerce metrics

	Q3'22 (13 WEEKS)	Q3'21 (13 WEEKS)
Customer metrics		
Online VOC NPS	47	60
eCommerce sales metrics		
eCommerce sales (\$ million) ²	1,127	816
eCommerce sales growth	38.1%	97.0%
eCommerce penetration ²	9.9%	7.5%
Pick up mix (% of eCommerce sales)	38.1%	38.1%

Loyalty metrics

	Q3'22 (13 WEEKS)	Q3'21 (13 WEEKS)
Total Everyday Rewards members (million)	13.5	12.9
Scan rate ³	53.7%	54.0%

1 Digital assets include Woolworths website and app, Everyday Rewards website and app and Woolworths Insurance website

2 WooliesX B2C eCommerce sales are included in Australian Food. Prior year sales and penetration have been restated to exclude Woolworths at Work which is now included in Australian B2B

3 Scan rates for Woolworths Retail excluding Tobacco

Digital & Media saw continued growth in digital engagement with weekly average traffic to the Woolworths and Everyday Rewards digital platforms reaching 14.6 million weekly visits, up 17.6% on Q3 F21 and over two million more weekly visits than last year. Customers have responded positively to new features and campaign activity, delivering significant increases in traffic to both the Woolworths and Everyday Rewards app with traffic up 57% and 45% respectively.

B2C eCommerce sales continued to grow strongly in the quarter, up 38.1% to \$1,127 million, representing 9.9% of Woolworths Retail sales. The volatility caused by COVID, supply chain challenges and floods made it an extremely challenging customer service environment, resulting in reduced stock and window availability as well as an increase in delayed or cancelled orders. As a result, VOC NPS dropped to 47 which was down 13 points on the prior year and down 6 points on Q2. Pleasingly, some stability has returned to the operating environment and customer scores have begun to recover in April.

A number of new features have been launched to improve the eCommerce customer experience including the Change My Order capability in the app and the launch of Green Windows, allowing customers to reduce their carbon footprint by aligning their online delivery time with their neighbours.

Everyday Rewards members increased to 13.5 million in the quarter, up from 12.9 million in Q3 F21. Engagement with the Everyday Rewards app continues to grow, now surpassing a million active weekly users, up 70% on Q3 F21. Scan rates decreased marginally to 53.7% of all transactions in the quarter.

The roll out of our Real Time Loyalty Platform in January has enabled more effective integration of Everyday Rewards offers into Woolworths digital customer journeys, giving customers more immediate value through personalised offers and boosters.

Australian B2B

Sales performance by channel

\$ MILLION	Q3'22 (13 WEEKS)	Q3'21 (13 WEEKS)	CHANGE
B2B Food	719	161	346.8%
B2B Supply Chain	276	153	80.8%
Total Australian B2B	995	314	217.3%

Australian B2B total sales for the quarter were \$995 million compared to \$314 million in the prior year, with the increase largely due to PFD and the recognition of Endeavour Group revenue not included in the prior year.

B2B Food sales were \$719 million compared to \$161 million in the prior year. All B2B Food businesses reported sales growth in the quarter except Summergate, which was impacted by challenging trading conditions in China as a result of COVID lockdowns. While somewhat impacted by disruptions caused by Omicron and widespread flooding on the Eastern Seaboard earlier in the quarter, PFD saw marginally higher sales in the quarter¹ with the easing of COVID restrictions across the country. Woolworths at Work, Woolworths International and AGW reported strong sales growth as a result of increased customer and channel growth.

B2B Supply Chain sales for the quarter were \$276 million, compared to \$153 million in the prior year. Primary Connect revenue increased through the recognition of Endeavour Group revenue, as well as an increase in other external primary freight services.

¹ Compared to Q3 F21 before Woolworths Group ownership

New Zealand Food

Sales performance by channel

\$ MILLION (NZD)	Q3'22 (13 WEEKS)	Q3'21 (13 WEEKS)	CHANGE
Countdown Supermarkets (store-originated)	1,456	1,430	1.8%
SuperValue, FreshChoice and other revenue ¹	152	148	3.0%
eCommerce	253	214	18.3%
Total New Zealand Food	1,861	1,792	3.8%

Operating metrics

	Q3'22 (13 WEEKS)	Q3'21 (13 WEEKS)
Customer metrics		
VOC NPS (Store and Online)	34	47
Store-controllable VOC (%)	71	80
Sales metrics		
Comparable sales growth	3.1%	(7.5)%
Two-year average comparable sales growth	(2.2)%	3.0%
Three-year average comparable sales growth	3.0%	
Volume productivity metrics		
Comparable transactions growth	(9.7)%	(6.9)%
Comparable items per basket growth	7.7%	(2.0)%
Comparable item growth	(2.8)%	(9.0)%
Change in average prices		
Total	3.6%	(2.4)%
Total excluding Tobacco	3.6%	(2.7)%

CountdownX

	Q3'22 (13 WEEKS)	Q3'21 (13 WEEKS)
Customer metrics		
Online VOC NPS	53	64
eCommerce sales metrics		
eCommerce sales (NZD \$ million)	253	214
eCommerce sales growth	18.3%	36.6%
eCommerce penetration	13.6%	11.9%
Loyalty		
Countdown Onecard members (million)	1.8	1.9
Onecard scan rate	59.8%	59.9%

¹ Includes franchise and export sales

New Zealand Food experienced difficult operating and trading conditions during the quarter due to the supply chain disruptions caused by widespread Omicron community transmission as well as global shipping challenges. Customer metrics were significantly impacted with Availability scores down 24 points in March. VOC NPS (Store and Online) ended Q3 at 34 points, down 13 points on the prior year and down 6 points on Q2. Store-controllable VOC was down 9 points to 71 and down 4 points on Q2.

Total sales for the quarter were up 3.8% compared to the prior year driven by higher average selling prices with comparable sales increasing by 3.1%. Two-year average comparable sales growth declined by 2.2% with three-year average comparable sales growth increasing by 3.0%. Comparable items declined by 2.8% with comparable transactions

New Zealand Food

declining by 9.7%, more than offsetting an increase in comparable items per basket of 7.7% driven by Pharmacy and general grocery items.

eCommerce sales increased by 18.3% in the quarter, with penetration stabilising at 13.6% of sales as COVID restrictions eased. Online VOC NPS was also impacted by availability challenges, ending the quarter at 53, down 11 points on the prior year and up 1 point on Q2.

Higher inflation reflected market-wide factors with higher commodity prices, particularly in Dairy and Meat, increased freight costs and other economy-wide cost pressures with average prices increasing by 3.6%. Fruit and Vegetable inflation was also higher due to challenging agricultural conditions and freight costs.

During the quarter two new stores were opened, including a second 4 Star Green Star rated Countdown Supermarket in Waita Shores and a SuperValue in Cambridge. At the end of the quarter there were 186 Countdown stores, 39 SuperValue stores and 33 FreshChoice stores with a total fleet of 258 stores.

The New Zealand Commerce Commission published its final recommendations following the conclusion of the Retail Grocery Market Study in March. Woolworths New Zealand supports these recommendations and will continue to engage constructively with the Government to implement them.

Countdown continued to play an active role in the community with \$151,000 raised for the Red Cross Pacific Tsunami appeal (Tonga), as well as \$121,000 for RainbowYOUTH as we celebrated Pride month.

BIG W

Sales performance by channel

\$ MILLION	Q3'22 (13 WEEKS)	Q3'21 (13 WEEKS)	CHANGE
BIG W (store-originated)	896	948	(5.4)%
eCommerce	93	76	21.2%
Total BIG W	989	1,024	(3.5)%

Operating metrics

	Q3'22 (13 WEEKS)	Q3'21 (13 WEEKS)
Customer metrics		
VOC NPS (Store and Online)	65	63
Store-controllable VOC (%)	83	82
Sales metrics		
Comparable sales growth	(3.4)%	20.0%
Two-year average comparable sales growth	8.3%	15.0%
Three-year average comparable sales growth	8.8%	
Volume productivity metrics		
Comparable transactions growth	(8.8)%	6.1%
Comparable items per basket growth	0.3%	9.8%
Comparable item growth	(8.5)%	16.5%

BIG W X

	Q3'22 (13 WEEKS)	Q3'21 (13 WEEKS)
eCommerce sales metrics		
eCommerce sales (\$ million)	93	76
eCommerce sales growth	21.2%	34.8%
eCommerce penetration	9.4%	7.5%
Loyalty		
Everyday Rewards scan rate	51.9%	51.0%

BIG W's customer scores improved in the quarter with VOC NPS (Store and Online) and Store-controllable VOC both increasing. VOC NPS ended the quarter at 65, an improvement of 2 points on the prior year and 6 points on Q2 and Store-controllable VOC improved by 1 point to 83% and 3 points compared to Q2. BIG W's eCommerce NPS score has improved materially on the prior period as a result of improvements to the Pick up offer.

Total sales in Q3 were \$989 million, down 3.5% on the prior year, cycling sales growth of 18.3% in the prior year. Comparable sales declined by 3.4% but two-year and three-year average comparable sales growth remained strong, increasing by 8.3% and 8.8% respectively.

Trading was impacted in the beginning of the quarter by increased Omicron community transmission and decreased customer mobility with January transactions down in the double-digits. Sales momentum improved through the quarter with increasing transactions in February and March. By category, there was a marginal shift to Everyday & Home from Apparel with the impact of cooler weather over summer resulting in slower sell-through with higher clearance of summer apparel lines.

As customer mobility returned, BIG W's eCommerce sales growth moderated through the quarter. eCommerce sales increased by 21.2% to \$93 million with penetration of 9.4%, up 190 bps on the prior year but below the record levels achieved in H1.

BIG W's store network was unchanged at 176 stores.

BIG W continued to support flood affected communities in northern NSW and Queensland, and with the support of our customers raised around \$100,000, as well as donating approximately 10,000 essential items to support those in need.

COVID impacts

Group COVID costs

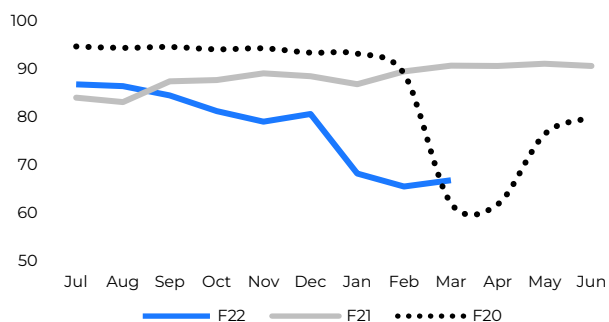
\$ MILLION	Q3'22 (13 WEEKS)	Q2'22 (13 WEEKS)	Q1'22 (14 WEEKS)	Q4'21 (12 WEEKS)	Q3'21 (13 WEEKS)
Cleaning and PPE	3	18	22	10	15
Contractors and security	2	5	6	4	3
Team costs ¹	12	34	51	5	5
Supply chain	48	46	23	5	7
COVID costs before discretionary payments	65	103	102	24	30
Team discounts, incentives, recognition payments and donations ²	1	34	-	-	1
Total COVID costs³	66	137	102	24	31
COVID costs (% of sales)	0.4%	0.9%	0.6%	0.2%	0.2%

1 Represents incremental team members, leave costs and roles, to support COVID crisis management and customer and team safety (and excludes any incremental variable cost driven by higher sales)

2 Donations relate to Fare Share, OzHarvest, Foodbank and Basics Boxes

3 Includes Endeavour Group costs of \$5 million in Q4'21 and \$3m in Q3'21

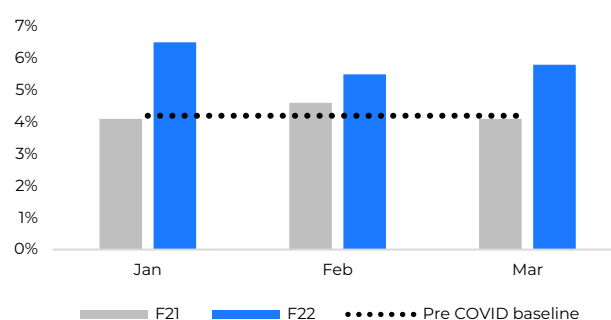
DC outbound service level¹



1 Percentage of DC cartons issued to stores in comparison to ordered cartons, Woolworths Supermarkets only

2 Store absenteeism as a percentage of total hours worked, Woolworths Supermarkets only

Store team absenteeism²



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Appendix

Appendix One: New stores and refurbishments

Q3 F22	GROSS NEW STORES (INCL. ACQUISITIONS)	NET NEW STORES (INCL. ACQUISITIONS)	RENEWALS/ REFURBISHMENTS
Australian Supermarkets and Metro Food Stores	1	(2)	14
New Zealand Food	1	1	-
BIG W	-	-	-
Total Group	2	(1)	14

Glossary

AGW	Australian Grocery Wholesalers
Comparable sales	Measure of sales excluding stores that have been opened or closed in the last 12 months and existing stores where there has been a demonstrable impact from store disruption because of store refurbishment or new store openings/closures
DC	Distribution centre
Net Promoter Score (NPS)	A loyalty measure based on a single question where a customer rates a business on a scale of zero to 10. The score is the net result of the percentage of customers providing a score of nine or 10 (promoters) less the percentage of customers providing a score of zero to six (detractors)
n.m	Not meaningful
Pick up	A service which enables collection of online shopping orders in store or at selected locations
Renewal	A total store transformation focused on the overall store environment, team, range and process efficiency (including digital)
SIW	Statewide Independent Wholesalers
Two-year/ three-year average comparable sales growth	Simple average of reported comparable sales growth for two or three years
Two-year/ three-year CAGR	Compound annual growth rate over two/ three years
Voice of Customer (VOC)	Externally facilitated survey of a sample of Woolworths Group customers where customers rate Woolworths Group businesses on several criteria. Expressed as a percentage of customers providing a rating of six or seven on a seven-point scale
VOC NPS	VOC NPS is based on feedback from Everyday Rewards members and is calculated using the data from the last month of the quarter. VOC NPS is the number of promoters (score of nine or 10) less the number of detractors (score of six or below)

Other non-IFRS measures used in describing the business performance include:

- Volume productivity metrics including transaction growth, items per basket and item growth
- Change in average prices