FY19 Full Year Results

24 June 2019

Championing Successful Independents

Metcash

Group update and divisional results

Jeff Adams

Group Chief Executive Officer

Our purpose

Championing Successful Independents

Our vision

- Best store in town
- Passionate about independents
- A favourite place to work
- Business partner of choice
- Support thriving communities

Our values

We believe:

Independence is worth fighting for; in treating our people, retailers and suppliers the way we like to be treated; and in giving back to the communities where we live and work

Group overview

- Reported results reflect adoption of the new Accounting Standard AASB15
- Reported Group sales (which excludes charge-through sales) increased 1.8% to $12.7bn
  - Group sales (including charge-through sales) increased 1.4% to $14.6bn
- Group EBIT declined 1.4% to $330.0m
  - Food EBIT decreased 3.0% to $182.7m
  - Liquor EBIT increased 1.3% to $71.2m
  - Hardware EBIT increased 17.2% to $81.2m
  - Corporate EBIT was -$5.1m (FY18: +$6.7m) – FY18 included the reversal of a provision against the NSW DC insurance claim settled in 1H18

Group overview (continued)

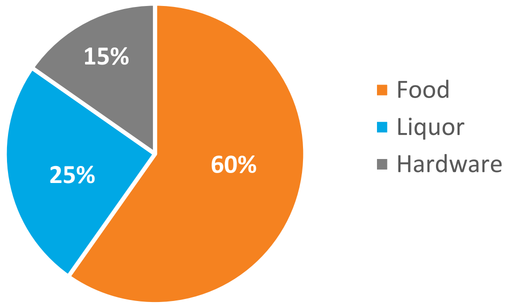
- Underlying profit after tax[1] decreased 3.0% to $210.3m
  - Reversal of provision against NSW DC insurance claim in FY18, and increase in finance costs due to the $150m share buy-back in 1H19
- Underlying EPS up 1.8% to 22.6 cents reflecting the benefit of the share buy-back
- Statutory profit after tax of $192.8m (FY18: Loss of $148.2m)
  - FY18 included a charge of $345.5m (post tax) related to the impairment of goodwill and other net assets
- Solid operating cash flows and strong balance sheet
- Final dividend of 7.0 cents per share, fully franked
- Working Smarter program completed – cumulative savings ~$125m
- MFuture (our next 5 year vision) now underway

1. FY19 Underlying profit after tax excludes Working Smarter restructure costs and SA DC transition costs of $17.5m (post tax). FY18 underlying profit after tax excludes Working Smarter restructure costs and HTH integration costs of $19.6m (post tax), and impairment of goodwill and other net assets of $345.5m (post tax).

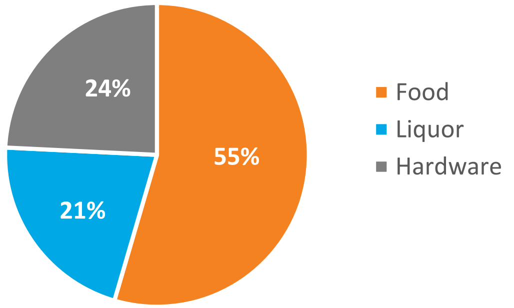
Results – overview by pillar

	FY19 $m	FY18[1] $m	Change %
Sales revenue (including charge-through sales)			
Food	8,794.3	8,768.6	0.3%
Liquor	3,666.9	3,474.0	5.6%
Hardware	2,102.0	2,120.1	(0.9%)
Total sales revenue (including charge-through sales)	**14,563.2**	**14,362.7**	**1.4%**
Less: Charge-through sales[2]	(1,902.9)	(1,920.5)	(0.9%)
Total sales revenue (Statutory Accounts)	**12,660.3**	**12,442.2**	**1.8%**
EBIT			
Food	182.7	188.3	(3.0%)
Liquor	71.2	70.3	1.3%
Hardware	81.2	69.3	17.2%
Business Pillars	**335.1**	**327.9**	**2.2%**
Corporate[3]	(5.1)	6.7	-
Total EBIT	**330.0**	**334.6**	**(1.4%)**

Sales revenue (%)
(including charge-through)



EBIT (%)



1. The FY18 results have been adjusted to reflect the adoption of the new Accounting Standard AASB15: *Revenue from Contracts with Customers*. A reconciliation is provided in Appendix 3 and Appendix 4.
2. Sales revenue has been adjusted to exclude charge-through sales to comply with AASB15.
3. Corporate EBIT in FY18 included the reversal of a provision against the Huntingwood, NSW DC hail insurance claim following settlement.

Food – sales

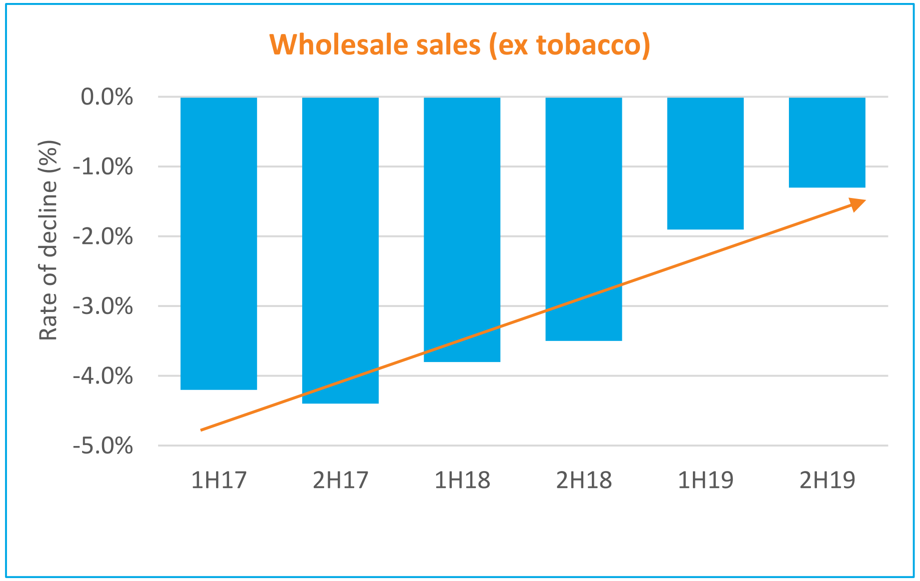
Supermarkets

- Total sales (including charge-through) declined 0.5% to $7.2bn
  - Some improvement in highly competitive market conditions evident in 2H19
  - Deflation[1] continued to ease in 2H19 reflecting a reduction in the level of promotional activity in the market
    - Deflation in 2H19 declined to -0.9% (1H19: -1.3%)
    - Deflation for the full year declined to -1.1% (FY18: -2.4%)
  - Eastern seaboard delivered positive sales growth
  - WA remained challenging but there was an improvement in sales trajectory
  - Increase in charge-through driven by higher Fresh sales
  - Store closures reduced to 24 (FY18: 30) and were primarily in WA
  - Store openings of 21 brings total openings over the past two years to 49. Store openings are generally smaller format stores, in line with strategy.
- Wholesale sales (ex tobacco) for the year declined by -1.5% (FY18: -3.6%)
  - 2H19 decline of -1.3% represents the fourth consecutive half-year period of improvement in the rate of decline
- IGA retail LfL[2] sales trajectory improved to -0.5% (FY18: -0.9%)
- Teamwork score increased 80bps (~72%)
- Continued improvement in retailer and supplier satisfaction scores

Convenience

- Total sales increased 4.4% to $1.6bn due to sales growth from major customers, increased tobacco sales and the addition of new customers.

	FY19 $m	FY18 $m	Change %
Food			
Supermarkets revenue (including charge-through)	7,235.3	7,275.0	(0.5%)
Charge-through sales	(957.9)	(936.8)	2.3%
Supermarkets revenue (excluding charge-through)	**6,277.4**	**6,338.2**	**(1.0%)**
Convenience revenue[3]	1,559.0	1,493.6	4.4%
Total Food revenue as per Statutory Accounts	**7,836.4**	**7,831.8**	**-**



1. Deflation excludes tobacco and produce.
2. Scan data from 1,118 IGA stores.
3. There were no AASB15 adjustments impacting Convenience revenue.

Food – EBIT

Food

- EBIT decreased $5.6m (3.0%) to $182.7m
  - The implementation of AASB15 had a $1.6m positive year-on-year impact on EBIT
  - The decline in wholesale sales (excluding tobacco) and an incremental investment in MFuture initiatives of ~$10m (primarily trial of small convenience format store and Loyalty program) was partly offset by:
    - An incremental contribution from the resolution of onerous lease obligations of ~$7m, all of which occurred in 1H19
    - Improved earnings from Supermarket joint ventures
    - Working Smarter savings helped offset the impact of cost inflation
- Convenience business made a positive contribution to EBIT

	FY19 $m	FY18 $m	Change %
Total revenue[1] (including charge-through)	8,794.3	8,768.6	0.3%
EBIT	182.7	188.3	(3.0%)
EBIT margin[2]	2.1%	2.1%	-

New DSA store: Ritchies, Rowville VIC

1. Total revenue includes charge-through sales of $957.9m (FY18: $936.8m).
2. EBIT margin: Reported EBIT / Total revenue (including charge-through sales).

Food – initiatives update

Retailer engagement

- Strategic direction endorsed by the National Retail Council (NRC)
- Working closely with retailer groups (NRC & State boards)
- Establishment of National Retailer Pricing and Promotions Committee to ensure competitive pricing
- Significant improvement in retailer and supplier satisfaction surveys
- Long-term supply agreements with retailers in SA, and new five year supply agreement with Drakes in QLD

Project Align

- Implementation of new state-based operational structure completed
- Business brought closer to customer for faster decision making
- Logistics team repositioned – driving improved performance
- Supports improvement in speed of execution and sales

Diamond Store Accelerator

- A further 79 stores completed the program in FY19
- Brings total stores that have completed the program to ~400
- Average sales growth ~10%
- Program now simplified to accelerate roll-out from FY20
- A further ~500 stores identified based on demographic analysis
- DSA program is core to delivery of brand strategy

Community Co

- Now in all IGA and Supa IGA stores nationally
- A further 100 products added in FY19, total products in range ~280
- Sales increased to ~$100m in FY19
- Community Co Fresh launched including fresh chilled ready meals and fresh salads
- Key new lines include Value Add produce, sliced and specialty cheese, frozen chickens and ice cream
- Ten products received awards at “Product of the Year” recognition event (five in FY18)

Small format offer

- First of proposed 10 store trial of next generation IGA Express stores opened at Bondi, NSW in May 2019
- Focus on Fresh including meal solutions while also catering for a full grocery shop
- More efficient operating model allows for more competitive pricing
- Shopper behaviour to date in-line with expectations
- Number of customers up ~25%
- Fresh represents ~50% of total sales (ready meals ~10%)

Liquor – sales

Metcash

- Total sales (including charge-through) increased 5.6% to $3.7bn
  - Continuation of 'premiumisation' trend
  - Modest improvement in sales volumes
  - Cycling addition of new contract customers in FY18
- Wholesale sales to IBA bannered network increased 5.3%
  - Cycling conversion of contract customers to IBA banner (Thirsty Camel in SA and NT)
- LfL sales[1] to IBA bannered network up 1.9% (FY18: 1.5%) supported by 'Best Store in Town' initiatives
- IBA bannered network has delivered six consecutive years of LfL sales growth, showing the strength of our IBA retailer network
- Proportion of sales through IBA bannered network in line with prior year at 55%
- Container Deposit Schemes rolled out in NSW, ACT and QLD with WA expected early 2020
  - NSW 1 December 2017
  - ACT 30 June 2018
  - QLD 1 November 2018

	FY19 $m	FY18 $m	Change %
Total revenue as per Statutory Accounts	3,658.8	3,467.1	5.5%
Charge-through sales	8.1	6.9	17.4%
Total revenue (including charge-through)	**3,666.9**	**3,474.0**	**5.6%**

IGA Liquor, Strathfieldsaye, VIC

1. Scan data from 1,163 stores.

Liquor – EBIT

- Reported EBIT increased $0.9m (1.3%) to $71.2m
- Implementation of AASB15 had a negative $1.9m[1] year-on-year impact on EBIT
- EBIT margin declined 10bps to 1.9% due to:
  - Sales growth being largely value driven
  - Some additional costs associated with the introduction and administration of CDS schemes and MFuture investments in the corporate store trial and mobilisation of the 'on-premise' team

	FY19 $m	FY18 $m	Change %
Total revenue[2] (including charge-through)	3,666.9	3,474.0	5.6%
Reported EBIT	71.2	70.3	1.3%
EBIT margin[3]	1.9%	2.0%	(10bps)

New Porters Liquor store: North Narrabeen, NSW

1. The year-on-year EBIT impact of AASB 15 is a result of a higher investment in the retail network in FY19, primarily store paint ups, some of which would previously have been capitalised under the old accounting standard.
2. Total revenue includes charge-through sales of $8.1m (FY18: $6.9m).
3. EBIT margin: Reported EBIT / Total revenue (including charge-through).

Liquor – initiatives update

Store investment

- Continued improvement in the quality of IBA store network and shopper experience
- 81 stores ‘refreshed’ in FY19 (total stores ‘refreshed’ ~330)
- 110 cool room upgrades in FY19 (total cool room upgrades ~610)

Core range

- Focused on higher value premium products (wine and spirits) and aligned with consumption trends
- Range and programs tailored by retail banner
- Regional ranging strategy, with retailer flexibility to deliver local product offering
- Increase in coverage of ‘Cellar Selections’ premium range marketing program to ~250 stores
- IBA category and range extension program now in ~1,500 stores

Private & exclusive labels

- Continued to evolve and premiumise private label range
- SKUs increased to ~80 across wine, beer and spirit categories
- Wine category sales up 20% on FY18. Now represents 85% of private label sales.
- Over 50 awards received across wine range in FY19
- Increased retailer margins and basket size

On-premise

- Renewed focus on ‘on-premise’ channel
- Strengthening alignment between key partners including suppliers and customers
- Better leverage of existing network
- Investment in ‘on-premise’ team
- New contract customers added during the period (Compass, Sodexo)

Hardware – sales

- Total sales (including charge-through) decreased 0.9% to $2.1bn, negatively impacted by:
  - Slowdown in construction activity
  - Loss of large HTH customer in QLD in 1H19
  - Net closure of stores (primarily non profitable company-owned stores)
- Total sales increased 0.3% excluding impact of lost HTH customer in QLD
- Total wholesale LfL sales to IHG banner group[1] increased 2.3%
- LfL retail sales in IHG banner group up 3.0%[2]
- Online sales continued to grow strongly
- Trade sales increased to ~65% of total sales (FY18: 63%)
- Rate of market slowdown varied across segments
  - Largest decline in multi-dwellings – large tier 1 builders
  - Housing starts declined but still at solid levels versus historical averages
  - Renovations, additions and DIY less impacted
- IHG's diversified portfolio of retailers and end customers help limit its exposure to any particular segment

	FY19 $m	FY18 $m	Change %
Total revenue as per Statutory Accounts	1,165.1	1,143.3	1.9%
Charge-through sales	936.9	976.8	(4.1%)
Total revenue (including charge-through)	**2,102.0**	**2,120.1**	**(0.9%)**

Recent Sapphire store: Mitre 10 Mount Waverly, VIC

1. Includes sales to independent retailers and company-owned stores.
2. LfL sales growth based on a sample of 171 network stores that provide scan data.

Hardware – EBIT

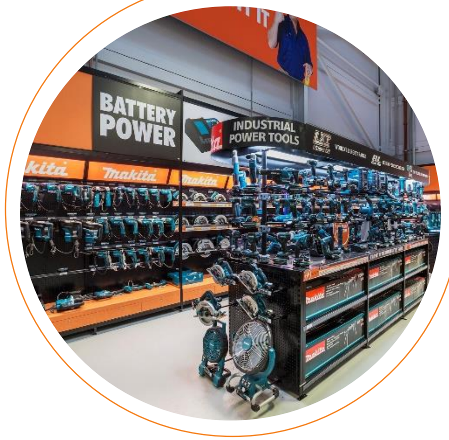
- EBIT increased by $11.9m (17.2%) to $81.2m
  - Implementation of AASB15 had a $0.1m positive year-on-year impact on EBIT
  - Additional synergies in the year from HTH acquisition of ~$10m (cumulative gross realised synergies ~$34m)
  - Increased earnings from company-owned stores primarily due to closure/sale of loss making stores
  - Working Smarter cost savings helped offset inflation
  - Wholesale margins negatively impacted by increased weighting of Trade in sales mix
- IHG wholesale sales margin 2.9%
- Total IHG EBIT margin increased to 3.9% (FY18: 3.3%) reflecting increased earnings in the retail business

	FY19 $m	FY18 $m	Change %
Total revenue[1] (including charge-through)	2,102.0	2,120.1	(0.9%)
Reported EBIT	81.2	69.3	17.2%
EBIT margin[2]	3.9%	3.3%	60bps

Recent Sapphire store: Hume & Iser Mitre 10, VIC

1. Total revenue includes charge-through sales of $936.9m (FY18: $976.8m).
2. EBIT margin: Reported EBIT / Total revenue (including charge-through).

Hardware – initiatives update



Sapphire program

- Keeps stores modern and leading edge
- A further 30 stores upgraded in FY19. Total of 60 stores now upgraded.
- Average retail sales improvement >15%
- Expect to have ~200 stores upgraded by 2022
- Up to 50% investment contribution by IHG (between $50k - $200k depending on store size)

Trade focus

- Additional seven store conversions in FY19, bringing total stores completed to 11
- Targeting 40 low-cost Trade stores by 2022
- Average Metcash investment of ~$120k per store

Hardings expansion

- Strong market position in Victoria
- New in-store at Tooronga ("Design 289")
- Progressing rollout into NSW and Tasmania
- Commenced selling into IHG network

Core range

- Continued to rollout core ranging program
- Program rollout expanded to HTH
- Sales growth of 7% to 23% across categories (fasteners, hand tools, power tools, paint and cements)

HTH integration

- HTH integration delivered a further ~$10m of synergies in FY19 (cumulative delivered synergies ~$34m)
- Additional savings through Working Smarter and MFuture

MFuture - next 5 years

Key growth initiatives

Food

- Retail brand offer – right brand for store size
- Core range and price – better everyday value
- Acceleration of DSA program
- Small format convenience store trial

Liquor

- National rollout of Porters Liquor
- Corporate store trial
- Grow share of 'on-premise' market
- Acceleration of digital capability

Hardware

- Retail growth through acceleration of Sapphire program including Core Range
- Trade growth through 'Trade Only' stores and 'Whole of House'
- Expand footprint of company-owned stores

Cost out

- Our aim is to offset the impact of inflation
- Initial savings identified of ~$50m over FY20 and FY21

Progress on MFuture key initiatives will be provided in future results

Mfuture
Building a better Metcash

Our 5 year vision

Delivering a pathway to sustainable growth

Our strategy

A balanced approach to revenue growth and cost out

- Accelerating successful current initiatives
- Following the shopper into new growth initiatives
- Improving our infrastructure to enable simpler and cheaper processes
- Ensuring we have a sustainable cost base into the future

Improved competitiveness for our retailer networks

- Product range
- Service
- Price
- Location

Matching store formats to customer shopping missions

- Trial of new formats and ownership models

Financials

Brad Soller
Group Chief Financial Officer

Profit & Loss

	FY19 $m	FY18[1] $m	Change %
Sales revenue	12,660.3	12,442.2	1.8%
EBITDA	**386.4**	**391.2**	**(1.2%)**
Depreciation and amortisation	(56.4)	(56.6)	(0.4%)
EBIT	**330.0**	**334.6**	**(1.4%)**
Net finance costs	(28.9)	(26.4)	(9.5%)
Profit before tax and NCI	**301.1**	**308.2**	**(2.3%)**
Tax	(88.5)	(88.5)	-
Non-controlling interests	(2.3)	(2.8)	(17.9%)
Underlying profit after tax	**210.3**	**216.9**	**(3.0%)**
Working Smarter restructure costs and HTH integration costs (post tax)	(13.6)	(19.6)	30.6%
South Australia Distribution Centre costs (post tax)	(3.9)	-	-
Impairment of goodwill and other net assets (post tax)	-	(345.5)	-
Reported profit / (loss) after tax	**192.8**	**(148.2)**	**-**

EPS based on underlying profit after tax	22.6c	22.2c	1.8%
ROFE[2]	27.7%	24.4%	330bps

1. The FY18 results have been restated to reflect the adoption of the new Accounting Standard AASB15: Revenue from Contracts with Customers.
2. ROFE based on average of opening and closing funds employed.

Working Smarter

- Three-year Working Smarter program now completed
- Delivered significant cost savings and helped protect margins
  - Total annualised gross savings for program ~$125m (initial target ~$100m)
  - Gross annualised savings in FY19 ~$30m ($25m delivered in FY19)
- FY19 opex implementation cost of $19m (pre tax)
- Total program opex implementation cost of $59m (pre tax)
- Key initiatives included:
  - Supermarkets operating model redesign
  - Convenience operating model consolidation
  - Distribution Centre efficiencies
  - Corporate cost savings
- MFuture program (next five year phase of strategy) now underway

Working Smarter makes doing business with Metcash simpler for customers, suppliers and our people through:

SMARTER BUYING

SIMPLER WAYS OF WORKING

FOCUS ON OUR SALES CHANNELS

BUILD THE POSITIVE ASPECTS OF OUR CULTURE

By simplifying the way we operate we can meet the future needs of our customers, retailers and suppliers.

Cashflows

	FY19 $m	FY18[1] $m
Net cash from operating activities[2]	244.9	276.3
Net cash used in investing activities	(47.9)	(43.8)
Capital expenditure	(54.2)	(34.7)
Proceeds from sale of businesses/assets and net loan movements	18.1	6.8
Acquisitions of businesses	(11.8)	(15.9)
Dividends paid and other financing activities	(132.4)	(108.9)
Off-market share buy-back	(150.3)	-
(Increase) / reduction in net debt	**(85.7)**	**123.6**
Cash realisation ratio[3]	91.8%	101.2%
Adjusted cash realisation ratio[4]	91.8%	96.2%

1. FY18 net cash from operating activities and net cash used in investing activities have been restated to reflect the adoption of the new Accounting Standard AASB15: Revenue from Contracts with Customers. Certain customer incentive payments which were previously classified as investing cash flows are now classified as operating cash flows under the new standard.
2. FY18 included ~$20m received on settlement of the Huntingwood, NSW DC insurance claim.
3. Cash flow from operations/underlying NPATDA (depreciation and amortisation not tax effected).
4. FY18 adjusted to exclude ~$20m received on settlement of the Huntingwood, NSW DC insurance claim.

Balance Sheet

	30 April 2019 $m	30 April 2018 $m
Trade receivables and prepayments	1,472.5	1,458.6
Inventories	779.3	754.1
Trade payables and provisions	(2,210.5)	(2,170.2)
Net working capital	**41.3**	**42.5**
Intangible assets	793.5	792.3
Property, plant and equipment	225.8	215.5
Equity accounted investments	87.7	88.3
Customer loans and assets held for resale	48.2	50.9
Total funds employed	**1,196.5**	**1,189.5**
Net (debt)/cash	(42.9)	42.8
Tax, put options and derivatives	96.5	101.9
Net Assets / Equity	**1,250.1**	**1,334.2**

AASB16 – Leases

Metcash

Implementation of AASB16 will not impact the Group's cashflows, debt covenants or shareholder value; but will change reported results as follows:

Balance Sheet

- Recognition of 'right of use' asset, sublease receivable and offsetting liability
- Asset value estimated at $800m – $1,000m (includes 'right of use' assets and sublease receivable)
- Liability estimated at $800m – $1,000m (includes both Metcash occupied properties and back to back lease obligations)

Profit and Loss

- The new standard will result in a material increase in both EBIT and EBITDA
- This will be offset by higher depreciation and finance costs
- The impact on Net Profit After Tax is not expected to be material (< $15m)

Cashflows

- No impact on net cashflows
- Increase in reported operating cashflows offset by higher financing cashflows

Adoption date and comparatives

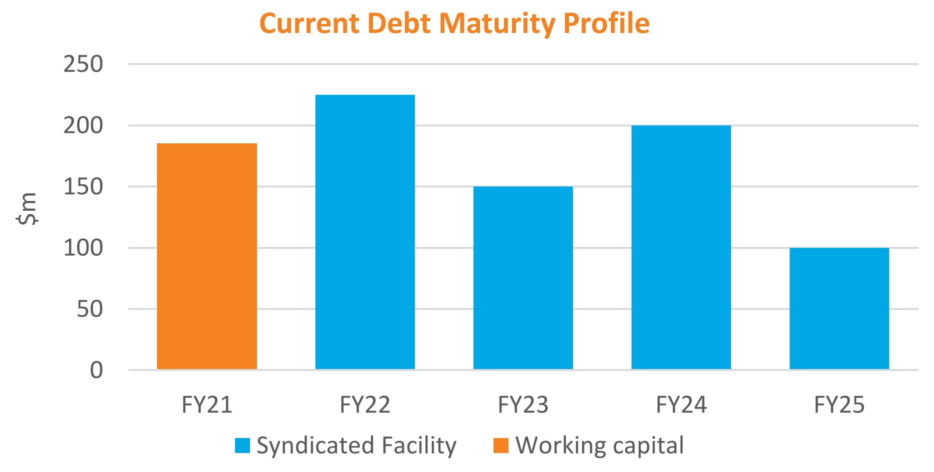
- AASB16 will be adopted in 1H20
- We will not be restating prior year comparatives

Further details are contained in Appendix A of the FY19 statutory financial report

Note: Whilst the Group has substantially completed its preliminary implementation assessment of the new standard, certain technical and judgmental aspects of the revised accounting policy remain open which could have an impact on the estimates disclosed above.

Net (debt) / cash

- Net debt of $42.9m (FY18: Net cash $42.8m)
- $150m share buy-back in August 2018
- Average net debt of ~$310m (FY18: $150m)
- Refinanced $450m of debt facilities
  - Syndicated facility with 3, 4 and 5 year tranches
  - Lower borrowing cost
- Cancelled ~$100m debt securitisation facility
- Average tenor of debt extended to 2.9 years
- Balanced debt maturity profile
- No debt maturities until FY21



	FY19 $m	FY18 $m
Net debt		
Gross debt	(185.5)	(118.4)
Cash and cash equivalents	142.6	161.2
Net (debt) / cash	**(42.9)**	**42.8**
Debt metrics and ratios		
Weighted average debt maturity	2.9 years	1.9 years
Weighted average cost of debt[1]	3.4%	3.6%
% Fixed debt	50%	79%
Interest coverage[2]	25.2x	15.2x
Gearing ratio[3]	3.3%	—
Underlying EBITDAR coverage[4]	3.8x	3.5x
Gross debt coverage[5]	0.5x	0.3x

1. Weighted average cost of debt over the period (excludes line fees).
2. Underlying EBITDA / Net Interest Expense.
3. Net Debt / (Shareholders' Equity + Net Debt).
4. Underlying EBITDAR / (Net Interest Expense + Net Rent Expense).
5. Gross Debt / Underlying EBITDA.

Dividends

- FY19 final dividend
  - 7.0 cents per share, fully franked
  - Ex-dividend date: 9 July 2019
  - Record date: 10 July 2019
  - Payment date: 7 August 2019
- Total dividends for FY19 of 13.5 cents per share, fully franked
- Dividend payout ratio of ~60% of underlying earnings per share

Group outlook

Jeff Adams

Group Chief Executive Officer

Group outlook

Food

- In Supermarkets, there has been a continued improvement in the sales trajectory of wholesale sales (excluding tobacco) through the first seven weeks of FY20
- As announced, Metcash has entered into a five-year supply agreement with Drakes Supermarkets in Queensland. Metcash, however, expects to cease supplying Drakes Supermarkets in South Australia once their new DC becomes operational (expected to be 30 September 2019)
- Supermarkets will continue to invest in growth initiatives through the MFuture program and expects related operating expenditure in FY20 to be in-line with that incurred in FY19
- The contribution to Supermarkets EBIT from the resolution of onerous lease obligations in FY20 is expected to be significantly lower than that reported in FY19
- Cost savings through the MFuture program in FY20 are expected to help offset inflation in the Food pillar

Liquor

- Continuation of the 'premiumisation' consumption trend is expected to be the key driver of market growth in FY20
- The business is continuing to focus on key MFuture initiatives including building and improving the quality of its IBA network, growing its share of the 'on-premise' market, the trial of corporate stores, expanding private label and the rollout of Porters Liquor

Hardware

- Sales through the first seven weeks of FY20 are lower than the corresponding prior year period, reflecting the loss of a major customer in Queensland in 1H19 and a slowdown in trade sales
- It is too early to say whether the changes in the economic environment for the residential housing sector will feed into construction and DIY activity in FY20, however there appears to be an improvement in the level of confidence in the network post the election
- Additional cost savings are expected to help mitigate the adverse impact of any further slowdown in construction activity in FY20

Network investment

- We are encouraged by the commitment of our independent retailers across all Pillars to continue to invest in their stores

Appendices

1. Financial history
2. AASB15 – Revenue from contracts with customers
3. Restatement of EBIT as a result of AASB15
4. Restatement of sales revenue as a result of AASB15
5. Bannered store numbers

1. Financial history

	FY19	FY18	FY17	FY16	FY15
Financial Performance					
Sales revenue [1] ($m)	12,660.3	12,442.2	12,293.0	11,716.5	11,604.2
EBIT [2,3] ($m)	330.0	334.6	304.8	286.7	310.6
Net finance costs [3] ($m)	(28.9)	(26.4)	(33.6)	(38.3)	(68.4)
Underlying profit after tax [2] ($m)	210.3	216.9	194.8	178.3	173.6
Reported profit after tax [2] ($m)	192.8	(148.2)	171.9	216.5	(384.2)
Operating cash flows ($m)	244.9	276.3	304.6	165.8	231.7
Cash realisation ratio [4] (%)	92%	101%	118%	70%	97%
Financial Position					
Shareholder's equity [2] ($m)	1,250.1	1,334.2	1,583.2	1,369.1	1,156.6
Net debt / (cash)	42.9	(42.8)	80.8	275.5	667.8
Gearing ratio[5] (%)	3.3%	-	4.7%	16.8%	36.6%
Return on funds employed [6] (%)	27.7%	24.4%	19.0%	17.2%	15.1%
Share Statistics					
Fully paid ordinary shares	909.3	975.6	975.6	928.4	928.4
Weighted average ordinary shares	928.6	975.6	958.8	928.4	907.0
Underlying earnings per share [2] (cents)	22.6	22.2	20.3	19.2	19.1
Reported earnings per share [2] (cents)	20.8	(15.2)	17.9	23.3	(42.4)
Dividends declared per share (cents)	13.5	13.0	4.5	-	6.5

1. Sales revenue has been adjusted to reflect the new Accounting Standard AASB15 in all reporting periods.
2. EBIT, Profit after tax, Shareholder's equity and EPS have been adjusted to reflect AASB15 in FY19 and FY18. There have been no adjustments to earlier reporting periods.
3. EBIT and Net finance costs for all reporting periods reflect the reclassification of the Customer Charge Cards Agreement, as disclosed in FY18. This adjustment had no impact on net profit after tax.
4. Cash flows from operations / Underlying NPAT + Depreciation and Amortisation (depreciation and amortisation not tax effected)
5. Net Debt / (Shareholders Equity + Net Debt)
6. Underlying EBIT / Average funds employed

2. AASB15 – Revenue from contracts with customers

- Effective from 1H19. Comparative period balances have been restated
- Key change is the derecognition of $1.9bn in charge-through revenue
- Impact on reported EBIT in both FY19 and FY18 was immaterial
- See Appendix 3 for reconciliation
- Details relating to this change are included in Appendix A of the FY19 statutory financial report
- Metcash will continue to include charge-through revenue in sales in future results presentations

3. Restatement of EBIT as a result of AASB15

	FY19			FY18			AASB15 adjustment year-on-year change
	Pre AASB15 $m	AASB15 adjustment[1] $m	Post AASB15 $m	Pre AASB15 $m	AASB15 adjustment[1] $m	Post AASB15 $m	$m
Food	181.4	1.3	182.7	188.6	(0.3)	188.3	1.6
Liquor	71.2	-	71.2	68.4	1.9	70.3	(1.9)
Hardware	80.8	0.4	81.2	69.0	0.3	69.3	0.1
Total Pillar EBIT	333.4	1.7	335.1	326.0	1.9	327.9	(0.2)
Corporate	(5.1)	-	(5.1)	6.7	—	6.7	-
Total EBIT	**328.3**	**1.7**	**330.0**	**332.7**	**1.9**	**334.6**	**(0.2)**
Net finance costs	(28.9)	-	(28.9)	(26.4)	—	(26.4)	-
Tax	(88.0)	(0.5)	(88.5)	(87.9)	(0.6)	(88.5)	0.1
Non-controlling interest	(2.3)	-	(2.3)	(2.8)	—	(2.8)	-
Underlying profit after tax	**209.1**	**1.2**	**210.3**	**215.6**	**1.3**	**216.9**	**(0.1)**

1. The FY19 and FY18 results have been adjusted to adopt the new Accounting Standard AASB15*: Revenue from Contracts with Customers*. Details relating to the change are included in the FY19 statutory financial report.

4. Restatement of sales revenue as a result of AASB15[1]

	FY19			FY18		
	Sales Revenue (Statutory) $m	Charge-through sales $m	Sales revenue (including charge-through) $m	Sales Revenue (Statutory) $m	Charge-through sales $m	Sales revenue (including charge-through) $m
Supermarkets	6,277.4	957.9	7,235.3	6,338.2	936.8	7,275.0
Convenience	1,559.0	-	1,559.0	1,493.6	—	1,493.6
Food	7,836.4	957.9	8,794.3	7,831.8	936.8	8,768.6
Liquor	3,658.8	8.1	3,666.9	3,467.1	6.9	3,474.0
Hardware	1,165.1	936.9	2,102.0	1,143.3	976.8	2,120.1
Sales revenue	**12,660.3**	**1,902.9**	**14,563.2**	**12,442.2**	**1,920.5**	**14,362.7**

1. The FY19 and FY18 sales revenue have been adjusted to reflect the adoption of the new Accounting Standard AASB15: *Revenue from Contracts with Customers*. Details relating to the change are included in the FY19 statutory financial report.

5. Bannered store numbers

	April 2019	April 2018
Pillar		
Supermarkets	1,673	1,674
Campbells	17	18
Liquor	2,667	2,754
Hardware	668	710
Total	**5,025**	**5,156**

	Supermarkets	Campbells	Liquor	Hardware	Total
Store movement					
Number of stores at April 2018	1,674	18	2,754	710	5,156
Stores opened / joined banner group during the period	67	-	404	7	478
Stores closed / left banner group during the period	(68)	(1)	(491)	(49)	(609)
Number of stores at April 2019	**1,673**	**17**	**2,667**	**668**	**5,025**

5. Bannered store numbers

	April 2019	April 2018
Supermarkets		
Supa IGA	373	376
IGA	792	808
IGA-Xpress	220	209
Total IGA bannered stores	**1,385**	**1,393**
Friendly Grocer / Eziway	288	281
Total Supermarkets	**1,673**	**1,674**
Liquor		
Cellarbrations	557	574
Bottle-O & Bottle-O Neighbourhood	237	239
IGA Liquor	467	458
Porters	22	24
Thirsty Camel (NSW/ACT, QLD, TAS, SA/NT)	150	158
Big Bargain	54	54
Other	1,180	1,247
Total Liquor	**2,667**	**2,754**
Hardware		
Mitre 10	308	299
Home Timber & Hardware and related brands	300	347
True Value Hardware	60	64
Total Hardware	**668**	**710**

Disclaimer

This presentation contains summary information about Metcash Limited (ABN 32 112 073 480) (Metcash) and its activities current as at the date of this presentation. The information in this presentation is of general background and does not purport to be complete. It should be read in conjunction with Metcash's other periodic and continuous disclosure announcements filed with the Australian Securities Exchange, which are available at www.asx.com.au.

This presentation is for information purposes only and is not a prospectus or product disclosure statement, financial product or investment advice or a recommendation to acquire Metcash shares or other securities. It has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal and taxation advice appropriate to their jurisdiction. Metcash is not licensed to provide financial product advice in respect of Metcash shares or other securities. Past performance is no guarantee of future performance.

No representation or warranty, expressed or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of Metcash and its related bodies corporate, or their respective directors, employees or agents, nor any other person accepts liability for any loss arising from the use of this presentation or its contents or otherwise arising in connection with it, including, without limitation, any liability from fault or negligence on the part of Metcash, its related bodies corporate, or any of their respective directors, employees or agents.

This presentation may contain forward-looking statements including statements regarding our intent, belief or current expectations with respect to Metcash's business and operations, market conditions, results of operations and financial condition, specific provisions and risk management practices. When used in this presentation, the words "likely", "estimate", "project", "intend", "forecast", "anticipate" ,"believe", "expect", "may", "aim", "should", "potential" and similar expressions, as they relate to Metcash and its management, are intended to identify forward-looking statements. Forward looking statements involve known and unknown risks, uncertainties and assumptions and other important factors that could cause the actual results, performance or achievements of Metcash to be materially different from future results, performance or achievements expressed or implied by such statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date thereof.

Contact details

For additional information contact:

Steve Ashe

Head of Corporate Affairs & Investor Relations
Phone: +61 408 164 011
E-mail: steve.ashe@metcash.com

Charmaine Lim

Investor Relations Manager
Phone: +61 427 219 871
Email: charmaine.lim@metcash.com

Visit our website: **www.metcash.com**

Championing Successful Independents