FY22 FULL YEAR RESULTS

27 JUNE 2022

Metcash

ACKNOWLEDGMENT, GROUP OVERVIEW AND DIVISIONAL RESULTS

Doug Jones

Group Chief Executive Officer

2

ACKNOWLEDGEMENT OF COUNTRY

I would like to acknowledge the traditional custodians of the lands from which we are all connecting in from today. I am connecting in from Wallumedegal Country, and pay my respects to elders across Country, past, present and emerging.

Care for Country, Maggie-Jean Douglas, Naidoc week 2021 winning artwork

ABOUT METCASH

OUR PURPOSE

Championing successful independents

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

OUR VISION

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

GROUP HIGHLIGHTS

Strong results reflect momentum and good strategic progress in the face of significant challenges

- Continued progress on exceptional FY21 performance
  - Further improvement in competitiveness of retail networks through success of MFuture initiatives
  - Continuation of local neighbourhood shopping trend
  - Resilience and flexibility of network supply chain and retail operations
  - Success of strategic acquisitions
- All retail networks performed well and continued to grow
  - Continuation of increased level of store investment
  - Strengthening in health of networks and retailer relationships
- Group cashflow and financial position strong
- Substantial shareholder distributions
- Good progress on wide range of digital initiatives
- Further improvement in ESG credentials
- Sales momentum continued into first seven weeks of FY23

GROUP HIGHLIGHTS

Continuation of strong momentum

Record Group revenue[1]

$17.4bn

Group revenue[1]

+6.4%

to **$17.4bn**

(+17.2% 2yr)

Group EBIT

+17.7%

to **$472m**

(+41.0% 2yr)

UPAT

+18.6%

to **$300m**

(+50.7% 2yr)

Operating cashflow

$432m

CRR ~**91%**

Underlying EPS

+23.5%

to **30.5c** per share

(+39.9% 2yr)

Total FY22 dividends

+22.9%

to **21.5c** per share

(+72.0% 2yr)

1. Includes charge-through sales

2H22 – FURTHER SIGNIFICANT CHALLENGES

Operational responsiveness and flexibility

Issue

- COVID 19
  - Delta outbreak 1H22
  - Omicron 2H22
- Floods in SA, NSW, QLD
  - Stores and DC flooding
  - Rail and road disruptions
- Russian invasion of Ukraine and ensuing war
- China lockdowns

Impact

- Supply chain and operational disruptions
- Elevated, unpredictable demand
- Shipping delays and degradation of inbound service levels
- Absenteeism in DCs and stores and tight casual labour market
- Reduced availability of trucks and drivers

Response

- Established onsite health clinics
- Worked closely with Government and industry to support safe distribution and store practices
- Strategic investment in inventory
- Worked closely with suppliers to maintain stock availability
- Moved to 7-day shift pattern in large DCs
- Split shifts to maintain resilience
- Re-routed supply points between DCs and around logistics blockages
- Re-deployed staff to support logistics
- Rapid response plan to support communities and retailers affected
- Implemented higher cost alternative sea, air and road freight operations to serve WA, NT and North QLD
- Cost of responding to these challenges $5m-$8m, weighted to Food

Maintained focus on keeping independent retailers competitive and our teams safe

IMPROVEMENT IN ESG CREDENTIALS

Our commitment

We are committed to the people and communities where we live and work

↑ 21 and 69th

in ranking and percentile

Dow Jones Sustainability Index (prior year: ranking of 29 and 56th percentile)

Our People

- Safety performance improved slightly despite COVID challenges
- Won NSCA Safety Excellence Award for best WHS training program
- Received WGEA Employer of Choice citation
- Awarded FlexReady certification by FlexCareers for achievements in flexible working
- Improvement in Engagement survey results. Now in 62nd percentile of internationally benchmarked companies
- Progress towards gender diversity target of 40/40/20 by 2025. Female representation 46% at Board/Group Leadership Team level
- Retained Gold accreditation by Mental Health Australia

Communities & Products

- Donations to local community organisations ~$2.4m largely via IGA Community Chest
- Donations of 647t (FY21: 417kt) of food to food rescue organisations (equivalent to ~1.3m meals)
- Developed Metcash Accreditation Scheme to rate supplier sustainability
- Continued roll out of the Australian Recycling Label on private label food and liquor products
- Defibrillators made available to IGA store network
- Completed FY22 Modern Slavery risk minimisation program
- Assisting store networks with implementing sustainability programs

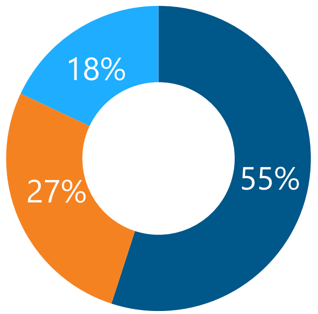
Environment & Climate

- Target set for net zero emissions by 2040
- Emissions in line with 2030 Science Based Target (42% reduction in GHG emissions from 2020 baseline year)
- Target set for 100% renewable energy by 2025
- Completed FY22 program towards alignment with Taskforce on Climate Change Financial Disclosures
- Estimated Scope 3 (~860kt)
- Maintained 5 Green Star rating for Distribution Centre in South Australia
- Introduced more stringent building design standards for new facilities (equivalent to 5 Green Star)

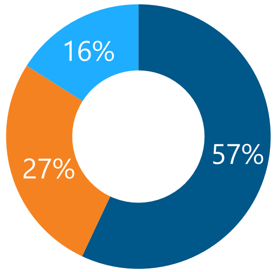
RESULTS OVERVIEW BY PILLAR

Sales revenue
(including charge-through sales[1])

	FY22[2] $m	FY21 $m	%	2yr %
Food	9,522.3	9,389.7	1.4	4.6
Hardware	3,119.5	2,588.2	20.5	50.3
Liquor	4,763.9	4,383.2	8.7	29.5
Total sales revenue (including charge-through sales)	**17,405.7**	**16,361.1**	**6.4**	**17.2**
Less: Charge-through sales[1]	(2,240.9)	(2,045.8)	9.5	
Total sales revenue (Statutory Accounts)	**15,164.8**	**14,315.3**	**5.9**	



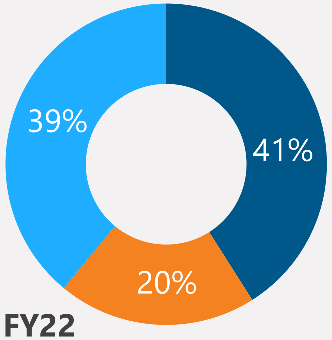
FY22
Total sales revenue $17.4b



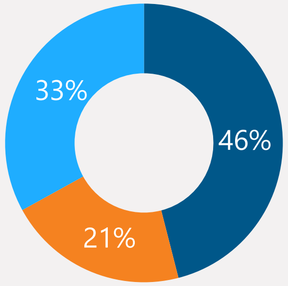
FY21
Total sales revenue $16.4b

Underlying EBIT

	FY22 $m	FY21 $m	%	2yr %
Food	200.3	192.4	4.1	9.6
Hardware	191.3	136.0	40.7	127.2
Liquor	97.4	88.7	9.8	33.8
Business Pillars	**489.0**	**417.1**	**17.2**	**43.9**
Corporate	(16.7)	(15.7)	6.4	
Total EBIT	**472.3**	**401.4**	**17.7**	**41.0**



FY22
Total EBIT $489m



FY21
Total EBIT $417m

■ Food ■ Hardware ■ Liquor

1. Direct sales from suppliers to retailers, invoiced through Metcash
2. FY22 total sales revenue (including charge-through sales) includes an estimated $328.5m of sales from 53rd trading week (Food: $179.7m; Hardware $58.9m; and Liquor: $89.9m). Refer Appendix 2

All pillars continued to grow sales and EBIT against an exceptional FY21

FOOD – SALES

- Healthy growth on extraordinary level of sales in FY21
- Total Food sales (including charge through) increased 1.4% to $9.5bn
  - Normalised total Food sales[1] +2.0% (2yr +13.4%)
    - Supermarkets +1.9% (2yr +13.8%) normalised[1]
    - Convenience +2.8% (2yr +9.8%) normalised[1]
  - Normalised total Food sales (ex tobacco) +3.8% (2yr +11.9%)
- IGA retail network LfL sales[2] +2.9% (2yr +14.6%)
  - Continued shopper support for local neighbourhood stores
  - Success of MFuture initiatives
  - Maintained stock availability and choice for shoppers through operational resilience and network flexibility
- Supermarkets sales momentum accelerated in Q4 even as COVID restrictions eased, increasing 13.8% or 5.8% normalised (+9.6% ex tobacco normalised)
    - Market share gains and inflation
    - IGA retail network LfL[2] sales +6.3% in Q4 (normalised)
- Continued strong sales growth (ex tobacco) in states less impacted by COVID restrictions (WA and QLD)
- Inflation apparent and accelerating
  - FY22 wholesale price inflation[3] of 0.5% (2H22 +1.9% reflects increases from 60% of supplier base)
- Team score of ~73% (FY21: ~74%) – exercise of retailer supply chain flexibility
- Net new store openings (35 opened, 34 closed)

1. Normalised sales have been adjusted to exclude the impact of a 53rd trading week and sales to Drakes and 7-Eleven in the relevant sales period as appropriate. Refer Appendix 2
2. Based on scan data from 1,173 IGA stores
3. Excludes tobacco and produce

	FY22 $m	FY21 $m	%	2yr %
Revenue (including charge-through)				
Supermarkets	8,585.1	8,264.3	3.9	14.3
Convenience	937.2	1,125.4	(16.7)	(41.1)
Total revenue (including charge-through)	9,522.3	9,389.7	1.4	4.6
Charge-through sales	(1,143.0)	(1,073.4)	6.5	
Total revenue as per Statutory Accounts	**8,379.3**	**8,316.3**	0.8	

Continued focus on shopper experience with more refreshed shops, better pricing and product availability

FOOD – EBIT

- Total Food EBIT increased $7.9m or 4.1% to $200.3m reflecting the strong trading performance and improved quality of earnings
- EBIT improved by ~$29m or ~17% after adjusting for:
  - ~$4m adverse impact from 7-Eleven in FY21
  - ~$7m decline in contribution from the resolution of onerous lease obligations
  - ~$10m net adverse impact from non-continuation of tobacco excise increase
  - Contribution from joint venture stores in line with prior year
- Strong earnings performance despite additional costs associated with:
  - Ongoing COVIDSafe work practices
  - Other COVID related labour costs
    - Increased absenteeism in DCs and tight supply of casual labour
    - Training costs and inefficiencies associated with increase in casual labour
    - Penalty rates related to extended DC operating hours
  - Freight
    - Cost of more expensive alternative transport options to address flood related disruptions to rail supply to Western Australia, Northern Territory and North Queensland
- EBIT margin improved to 2.1% despite additional costs

	FY22 $m	FY21 $m	%
Total revenue[1] (including charge-through)	9,522.3	9,389.7	1.4
EBIT	**200.3**	**192.4**	**4.1**
EBIT margin[2]	2.1%	2.0%	10bps

1. Total revenue includes charge-through sales of $1,143.0m (FY21: $1,073.4m)
2. EBIT margin: EBIT/Total revenue (including charge-through)

Adjusted EBIT up $29m or ~17% despite additional costs

FOOD – MFUTURE UPDATE

Network of the future

- Network refresh with national brand standards and more consistent offer by format
  - 211 stores compliant with standards with a further 400 nearing compliance
  - 209 banner transfers completed with another ~400 in progress
  - New signage completed or in progress for ~100 stores
  - Launched Local Grocer brand (replaces Xpress) in 1H22
  - Completion of transition expected in 2024. Suite of brands include: Supa Valu (large format), IGA and IGA Fine Food Market (core), the Local Grocer and The Fresh Pantry (small format) with Village Grocer the alternative brand to the IGA suite
- Total DSA store upgrades increased to 715
  - 93 upgrades in FY22 despite significant COVID challenges
  - Average retailer sales growth >12%
  - Targeting ~90% of network to be upgraded by FY26

Supply chain

- Logistics operations
  - Outstanding resilience and flexibility demonstrated during significant supply chain and COVID related challenges
  - DC operations increased by equivalent of ~250,000 hours
  - Delivered industry leading service levels (~90%)
- DC capacity and capability expansion
  - Completed expansion of chilled ranging capacity at Crestmead, QLD
  - New Gepps Cross, SA DC providing wider range and operational efficiencies that improve competitiveness of SA retail network
- Extended Crestmead, QLD DC lease to 2036
- Improved efficiencies from completion of Transport Management System upgrade and Paperless warehouse initiative

Continued execution of initiatives to further improve retailer competitiveness despite challenges

NEW DISTRIBUTION CENTRE AT TRUGANINA, VIC

Artists impression of new Truganina, Vic DC

- Construction to commence on a ~115k m² 'best in class' wholesale DC in Truganina, Vic in 1HFY23 (replaces current ~90k m² Laverton, Vic DC)
- DC to house both Food and Liquor
- Decision to proceed supported by success of new DC at Gepps Cross in SA, strong sales growth and renewal of long-term sales agreement (Foodworks)
- Long-term lease agreement (15 years) with the Goodman Group
- Lease cost less than Laverton DC on m² basis
- Racking and other fitout by Metcash ~$70m (~$20m scheduled to be incurred in FY23)
- Designed to further improve competitiveness for our retail networks:
  - Expanded range capacity across perishables, ambient and Liquor
  - Tailored automation to suit our retail networks (semi-automated Goods-to-Person and Layer Picking)
  - Other operational efficiencies
- Construction to align with new 5-Star Green Star sustainability rating – reflects "Australian Excellence" in sustainable building
  - Includes 2.7MW rooftop solar
- Completion expected in mid 2024

HARDWARE – SALES

- Total sales (including charge-through) increased 20.5% to \$3.1bn (2yr +50.3%). On a normalised[1] basis the increase was 18.3%
  - Combined IHG and Total Tools retail network sales ~\$4.4bn[2], +9% LfL (2yr +27.8%)
  - Significant growth in both IHG and Total Tools
  - 22 new or expanded sites across the network, adding 39,000m² of floor space (10 IHG stores/23,000m² and 12 TT stores/16,000m²)
  - Acquisition of 20 joint venture/company-owned stores added ~\$95m in sales
  - Online sales ~6% of sales (+55% v FY21) driven by lockdowns and continued investment
- Total IHG sales (ex Total Tools) increased 12.5% (2yr +32.6%) to \$2.8bn
  - Retail LFL[3] sales increased 10.5%, with Trade +12.7% and DIY +6.7% (2yr +21.8%, with Trade +11.6% and DIY +39.1%)
  - Sales uplift for Sapphire stores ~30%
  - Increase in proportion of Trade in sales mix to 64% (FY21: Trade 60%, DIY 40%)
  - Inflationary pressure building particularly in 2H across Trade – strong demand led to volume growth
  - Adversely impacted by tight supply (particularly timber, LVL, plaster and insulation), tight labour supply and unseasonal wet weather
  - DIY demand remained elevated, well beyond pre-COVID levels

	FY22 \$m	FY21 \$m	%	2yr %
Total revenue as per Statutory Accounts	2,033.1	1,624.7	25.1	64.8
Charge-through sales	1,086.4	963.5	12.8	29.1
Total revenue (including charge-through)	**3,119.5**	**2,588.2**	**20.5**	50.3

1. Normalised sales have been adjusted to exclude the impact of a 53rd trading week. Refer Appendix 2
2. Includes a combination of scan sales and estimates based on wholesale data
3. Based on a sample of 323 network stores that provide scan data (represents >70% of sales)

Continued strong growth underpinned by robust activity levels, inflation and strategic acquisitions

HARDWARE – SALES (CONT.)

- Total Tools sales[1] increased 160.4% to $367m reflecting increased Trade activity and the impact of additional majority-owned joint venture stores
  - Total retail network sales increased to $972m (FY21: $868m)
  - Retail network LfL sales[2] +5.0% (2yr +48.1%)
  - Network of 100 stores
    - 11 new stores added in FY22
    - 4 stores co-located with Mitre 10
      - Successful for both brands
      - Opportunity for more co-located stores
  - 15 new joint venture stores acquired – contributed ~$67m in sales

	FY22 $m	FY21 $m	%	2yr %
Total revenue as per Statutory Accounts	2,033.1	1,624.7	25.1	64.8
Charge-through sales	1,086.4	963.5	12.8	29.1
Total revenue (including charge-through)	**3,119.5**	**2,588.2**	**20.5**	50.3

1. Total Tools sales include exclusive brand sales, franchisee fees, joint venture and company-owned store sales and other services
2. Based on scan data from 89 network stores

Continued strong growth underpinned by robust activity levels, inflation and strategic acquisitions

HARDWARE – EBIT

- Substantial increase in EBIT, up $55.3m or 40.7% to $191.3m
- IHG EBIT increased $15.8m or 14.1% to $127.8m
  - Sales growth
  - Increased contribution from IHG company-owned / joint venture stores
  - Acquisitions and new stores contribution
  - Partly offset by:
    - Additional costs related to COVID, casual labour and supply chain
    - Investment to support retention of shoppers gained through COVID
- IHG wholesale EBIT margin of 3.0%
- Total Tools EBIT increased $39.5m to $63.5m
  - Revenue growth
  - Contribution from majority-owned joint venture stores acquired in FY21 and FY22
- Total Hardware EBIT margin of 6.1% (Total Tools 17.3%) includes positive impact of Total Tools and the retail margin from IHG joint venture and company-owned stores

	FY22 $m	FY21 $m	%
Total revenue[1] (including charge-through)	3,119.5	2,588.2	20.5
EBIT	**191.3**	**136.0**	**40.7**
EBIT margin[2]	6.1%	5.3%	80bps

1. Total revenue includes charge-through sales of $1,086.4m (FY21: $963.5m)
2. EBIT margin: EBIT/Total revenue (including charge-through)

Exceptional profit growth, underpinned by network investment and strong demand

HARDWARE – MFUTURE UPDATE

IHG

GROW DIY

- Expanding Sapphire Store upgrades
  - Committed to upgrade of 300 stores by 2025 – 161 now completed
- Two-brand strategy
  - Building a network of ~400 Mitre 10 and ~200 Home Hardware stores
  - 20 Thrifty-Link/True Value stores converted to Home Hardware, additional 30 planned for FY23
- Further investment in distribution capability
  - Ravenhall (VIC) DC opening 2Q23, 50,000m² purpose-built facility
  - Compliments Berrinba, QLD (opened 2018) and Welshpool, WA
- Focus on growing emerging categories
  - Focus on Kitchen/Laundry/Bathroom
  - Sales up ~35% v FY21 (2 year: ~75%)

BUILD TRADE

- Trade Centres – servicing the builder
  - Completed 37 Sapphire Trade Centres – targeting 50
- Expand 'share of wallet' through 'Whole of House' strategy
  - CRM insights enabling value add support
  - Trade Account managers with strong relationships
  - Frame & Truss strategy – 10 facilities within the network
  - Design 10 – Kitchen, Bathroom, Laundry, Flooring and Cladding - five showrooms open plus significant on-line presence
- Develop leading Trade technology
  - Focus on reducing builder CODB
  - Strong uptake from network and builders
  - Truck Tracker grown to >90% Trade Centres
  - Key 3rd party relationships – Xero, BuildXact

TOTAL TOOLS

- Grow store network
  - 11 new stores opened, network now 100 stores
  - Includes four Total Tools/Mitre 10 co-located stores - Merimbula, Wonthaggi, Matraville, Richmond
  - On track to build network of ~130 stores by 2025
- Network of 35 joint venture / company owned stores
  - 12 JVs completed FY21
  - 15 JVs completed FY22
  - Expect to complete 8 in FY23
- Store upgrade program
  - 8 store upgrades completed, total now 83
  - Targeting further 11 upgrades by 2024
- Exclusive Brands
  - Launch of Marxman brand of power tool accessories
  - Delivering strong growth of ~15% v FY21
- 89% of sales to Insider loyalty members
- IHG/Metcash synergies
  - Achieved ~$5m in FY22 ahead of target

Focus on wholesale efficiency together with retail and franchise excellence

LIQUOR – SALES

- Total sales (including charge-through) increased 8.7% to $4.8bn (2yr +29.5%). On a normalised[1] basis the increase was 6.6% (2 year: +27.1%)
- Demand in the retail network remained strong with growth across IBA and contract customers
  - Continuation of increased preference for local neighbourhood shopping
  - Less overseas travel and duty free shopping
- Strongest sales growth in WA – least impacted by COVID related restrictions
- Sales to on-premise customers continued to recover with the easing of COVID related restrictions (+30% vs FY21)
- Wholesale sales to IBA banner group increased 4.4% (2yr +28.1%)
  - All brands performed well with the Bottle-O, Cellarbrations and IGA Liquor the standouts
  - Strongest growth in RTDs, Spirits and Wine categories
  - Increase in average basket size
- Retail LfL[2] sales in the IBA banner group increased 2.5% (2yr +24.0%)
- Sales of Owned and Exclusive brands increased 23.0%
  - Successfully leveraging acquisition of Kollaras brands
  - Wine category continues to be key driver of growth
- Percentage of sales through IBA bannered network in-line with prior year at ~50%

1. Normalised sales have been adjusted to exclude the impact of a 53rd trading week. Refer Appendix 2
2. Based on scan data from 480 stores

	FY22 $m	FY21 $m	%	2yr %
Total revenue as per Statutory Accounts	4,752.4	4,374.3	8.6	29.5
Charge-through sales	(11.5)	(8.9)	29.2	42.0
Total revenue (including charge-through)	**4,763.9**	**4,383.2**	**8.7**	**29.5**

Continued growth in retail network and recovery in on-premise sales

Metcash

LIQUOR – EBIT

- EBIT increased $8.7m or 9.8% to $97.4m
  - Contribution from sales growth, partly offset by
  - Increased costs related to:
    - COVIDSafe practices
    - DC absenteeism and tight casual labour market
    - Additional transport costs related to rail disruptions into Western Australia, North Queensland and Northern Territory
  - Increased weighting of on-premise in sales mix
- EBIT margin in line with prior year at 2.0%

	FY22 $m	FY21 $m	%
Total revenue[1] (including charge-through)	4,763.9	4,383.2	8.7
EBIT	**97.4**	**88.7**	**9.8**
EBIT margin[2]	2.0%	2.0%	-

1. Total revenue includes charge-through sales of $11.5m (FY21: $8.9m)
2. EBIT margin: EBIT/Total Revenue (including charge-through)

EBIT growth of ~10% followed ~22% growth in FY21

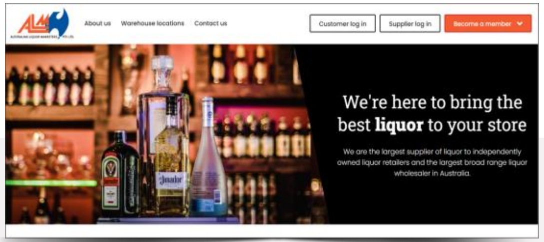
LIQUOR – MFUTURE UPDATE

Drive brand awareness and appeal

- Continued to enhance the network through investment in stores and cool room upgrades (further 88 stores and 35 cool rooms)
- Cellarbrations named "Liquor Store of the Year" in the annual Roy Morgan Customer Satisfaction awards and the "Best of the Best" selected from the 37 industry winners
- Completed brand positioning with new marketing campaigns launched to further build awareness and appeal
- Focus remains on increasing foot traffic, share of 'shopper wallet' and building brand equity through balanced programs and supplier support

Owned & Exclusive brands (O&E)

- Portfolio planning complete with focus on building Exclusive Brands to support supplier partnerships
- Exclusive Brands added to portfolio include: Cricketers Arms (beer) and Cougar RTD (Ready to Drink)
- Co-created P.O.E.T.S Country Beer for launch June 22
- Awarded 5 silver and 2 bronze medals at the 2022 London Wine Competition



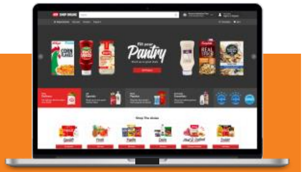
Supply chain flexibility and efficiency

- Partnering with key suppliers to realise supply chain efficiencies
- Commenced pilot of 'ALM Connect' in Tasmania developing 'extended aisle' ranging (provides access to non-warehoused ranges)
  - Both supplier and retailer support
  - Market-wide launch expected late 2022
- Development of retailer 'One Stop Shop' underway – offers retailers access to all their supply requirements through one digital device
- Further enriched retailer ordering portal to improve ease of use

Improving the competitiveness and success of our retailers – focus on customer retention and growth

DIGITAL UPDATE

Food



- Continued rollout of digital eCommerce initiatives for IGA retailers with IGA Shop Online
- New platform now live in ~190 stores (1H22: ~100) with positive shopper and retailer feedback
  - Now launched in all states
  - Strong pipeline of committed stores
  - Average basket size ~$120
  - Targeting ~800 stores by FY25
  - Liquor Aisle now available on IGA Shop Online
- Enhance network loyalty programs via IGA Rewards
  - Program live in 306 stores with national rollout continuing
  - Total of ~330k members and ~700k cardholders
- CampbellsPlus pilot to commence in greater Brisbane area in 1H23
  - Food and beverage eCommerce portal focused on supporting local and artisan brands
  - Extends offer beyond Campbells warehouse range

Hardware

- Consumers continue to build their connection through our omni channel solutions
- Continued investment driving digital performance
  - Online revenue ~6%, +55% on LY
  - Strengthened the offer to 65,000 SKUs
  - Mitre 10 e-Commerce now includes loyalty benefits
- Focus on leveraging the strength of Total Tools and IHG solutions
  - Delivering increased value for consumers
  - Consumer insights enabling personalisation
- Loyalty customers ~2.8m
  - Creating a single customer view
  - Total Tools loyalty represents 89% of sales
  - IHG loyalty at 40% of DIY
  - Enhancements and AI solutions delivering growth
  - Investment in personalisation

Liquor

- Whole of IBA network eCommerce solution to drive sales for retailers and ALM
  - Branded eCommerce platform for Cellarbrations, The Bottle-O and Porters now in market. IGA Liquor now an aisle in IGA Shop
    - 156 stores live
    - ShopMyLocal stores converting to new platforms
  - Quick commerce sales growing quickly but from a low base (DoorDash and UberEats same day delivery partners)
  - Average online basket size $110+ and Q-Comm $45+
- Development of loyalty program for Cellarbrations, The Bottle-O and Porters nearing completion
  - Vendor selected
  - Pilot due to be launched 2H 2022
- POS integration continuing with 1,110 stores now providing scan data

Online sales up 140% off a low base – substantial growth potential

PROJECT HORIZON UPDATE

Stage 1
Key Deliverables

- Group technical infrastructure consolidation & replacement
- Process efficiency foundations
- Ease of doing business with retailers & suppliers
- Better alignment across business
- Simplification

Progress

- Delivered first milestone with Core Finance successfully going live in Nov-21
- Completed Stage 1 scope review of Plan, Buy, Move, Sell – scope expanded to provide increased stability for wholesale business
- Rollout of forecasting and replenishing system brought forward to 2Q23 (from 4Q23)
- Hardware business migrated to Group directory
- Strong partnership with Microsoft including design and development of pricing engine (invoicing tool) – build commenced

Stage 1

- $47m capex in FY22
- $27m-$32m expected in each half over remainder of Stage 1 (to end CY23)

Significant item

- $22m (after tax) reported as significant item reflecting non- capitalised project investment and costs
- No change to approach going forward with similar amount to 2H22 estimated for next two halves

Stage 2 (beyond CY23)

- Building and enabling digital capability, insights and analytics to drive future business performance and simplification

Driving efficiencies, simplification and growth through ease of doing business

GROUP FINANCIALS

Alistair Bell

Group Chief Financial Officer

FINANCIAL HIGHLIGHTS

Earnings momentum, financial strength and significant increase in shareholder returns

- Strong underlying earnings and cashflow
- Balance sheet strength with financing flexibility
- Effective working capital management
- Disciplined and effective capital allocation
  - Successful strategic investment in inventory
  - Value accretive acquisitions (additional 15% of Total Tools and 15 joint venture stores)
  - Substantial shareholder distributions
- Balanced maturity profile of debt facilities providing better terms and tenure
- Return on Funds Employed 31%

PROFIT & LOSS

	FY22 $m	FY21 $m	%
Sales revenue including charge-through sales	17,405.7	16,361.1	6.4
Charge-through sales	(2,240.9)	(2,045.8)	9.5
Sales revenue per statutory accounts	15,164.8	14,315.3	5.9
EBITDA[1]	**648.2**	**565.1**	14.7
Depreciation and amortisation	(175.9)	(163.7)	7.5
EBIT	**472.3**	**401.4**	17.7
Net finance costs	(48.5)	(42.6)	13.8
Profit before tax and NCI	**423.8**	**358.8**	18.1
Tax	(122.5)	(103.7)	18.1
Non-controlling interests	(1.7)	(2.4)	29.2
Underlying profit after tax	**299.6**	**252.7**	18.6
Significant items (post tax)[2]	(54.2)	(13.7)	*Nm*
Reported profit after tax	**245.4**	**239.0**	2.7
EPS based on underlying profit after tax	30.5c	24.7c	23.5
ROFE[3]	**31.0%**	**28.7%**	230bps

1. Includes share of profit from equity accounted investments of $19.2m (FY21: $20.1m)
2. FY22 significant items include: put option valuation and business acquisition costs of $27.6m, Project Horizon implementation costs of $22.0m, and other costs of $4.6m (all post tax)
3. ROFE based on underlying EBIT divided by the average of opening and closing funds employed

Earnings growth momentum with EPS up 23.5%

CASHFLOWS

	FY22 $m	FY21 $m
Operating cash flows	432.3	475.5
Investing cashflows, net[1]	(223.8)	(216.0)
Capital expenditure (including Project Horizon and store upgrades)	(121.7)	(85.6)
Acquisitions of businesses[1]	(114.8)	(143.1)
Proceeds from sale of businesses and net loan movements	12.7	12.7
Payments for lease liabilities, net and other financing activities	(123.2)	(86.8)
	85.3	172.7
Payment for off-market buyback of shares, including costs	(200.4)	-
Proceeds from equity raising, net of share issue costs	-	13.5
Dividends paid	(198.5)	(148.3)
	(398.9)	(134.8)
(Increase) / decrease in Net Debt	**(313.6)**	**37.9**
Cash realisation ratio (CRR)[2]	**90.9%**	**114.2%**

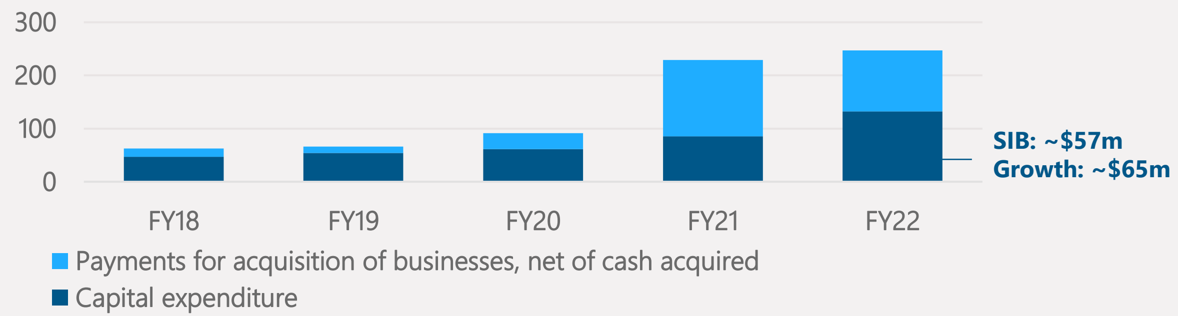
1. Includes payments for acquisitions of non-controlling interest of $59.4m relating to 15% step-up acquisition of Total Tools Holdings which is presented as part of 'cash flows from financing activities' in the Statement of Cash Flows in the Statutory Accounts. Also includes an additional 2.5% interest in Ritchies and acquisition of 15 JV stores by Total Tools
2. Cash realisation ratio (CRR) = Cash flow from operations/underlying NPATDA (depreciation and amortisation not tax effected)

Strong cashflow generation and successful $200m off market buy back

BALANCE SHEET

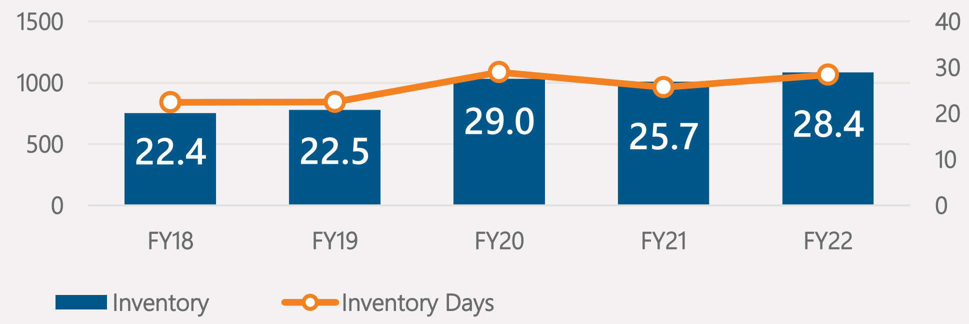
	30 April 2022 $m	30 April 2021 $m
Trade and other receivables and prepayments	1,761.2	1,607.8
Inventories	1,125.2	1,008.0
Trade payables and provisions	(2,478.2)	(2,234.4)
Net working capital	**408.2**	**381.4**
Intangible assets	798.8	722.8
Property, plant and equipment	245.9	231.8
Equity accounted investments	102.5	82.5
Customer loans and assets held for resale	30.2	41.3
Capital investments	**1,177.4**	**1,078.4**
Total funds employed	**1,585.6**	**1,459.8**
Lease receivables and 'right of use' assets	890.5	899.4
Lease provisions and liabilities	(1,069.8)	(1,079.3)
Net lease balances	**(179.3)**	**(179.9)**
Net (debt)/cash	(189.0)	124.6
Put option liabilities	(231.7)	(212.5)
Tax and derivatives	104.8	99.1
Net Assets/Equity	**1,090.4**	**1,291.1**

Capital Expenditure ($m)



FY23 Capex est. $190m-$220m: SIB expected to be inline with to FY22, growth to include hardware store acquisitions, Horizon, MFuture and DCs

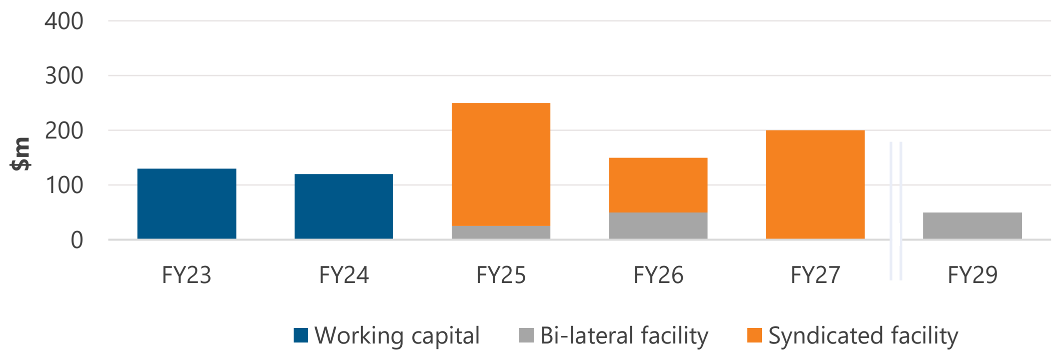
Inventory ($m) and Inventory Days



FY22 performance and disciplined capital allocation underpinned continuation of strong financial position

DEBT MANAGEMENT

Debt facility maturity profile[2]



- Net debt of $189m (FY21: $124.6m net cash)
- Average net debt of ~$241m (FY21: ~$47m net cash)
- Undrawn debt facilities of ~$600m
- Average tenor of debt facilities 2.7 years
- Refinanced $575m of existing debt facilities and Amex receivables facility of $350m
- Balanced debt maturity profile

	FY22 $m	FY21 $m
Net debt		
Gross debt	(293.7)	-
Cash and cash equivalents	104.7	124.6
Net (debt)/cash	**(189.0)**	**124.6**

Debt metrics and ratios

Weighted average debt maturity	2.7 years	2.0 years
Weighted average cost of debt[2]	1.67%	1.90%
Gearing ratio[3]	14.8%	(10.7%)
Debt leverage ratio[4]	0.36x	(0.27x)
Underlying EBITDA coverage[5]	4.8x	4.5x

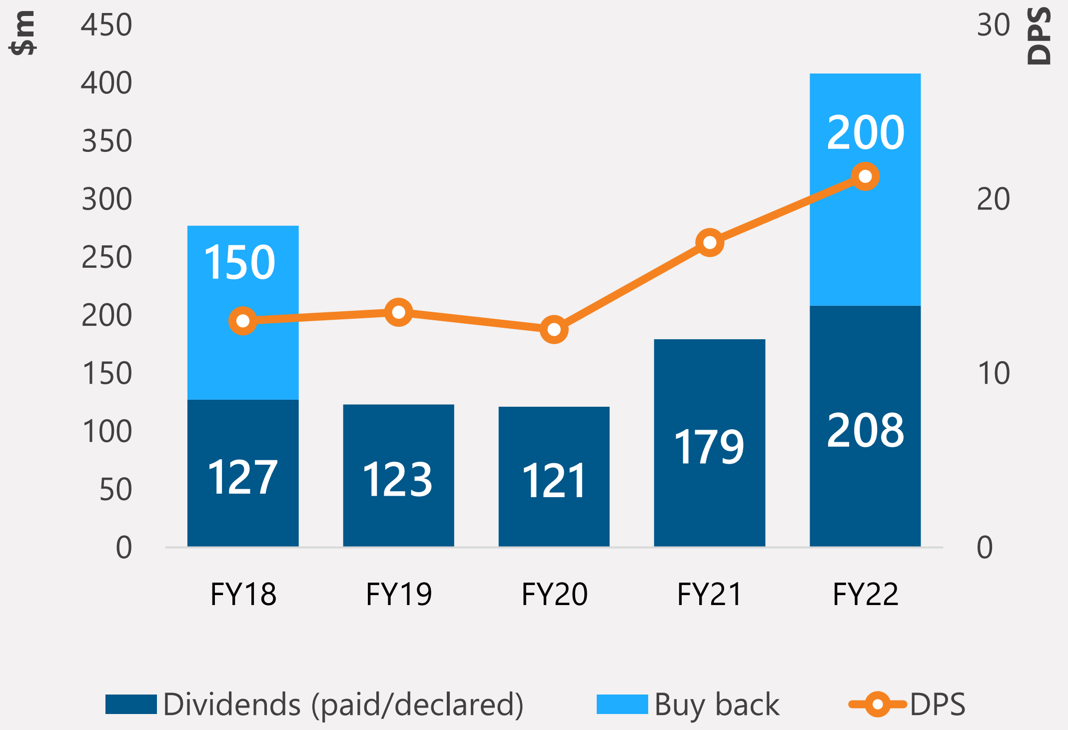
1. Excludes lease liabilities
2. Weighted average cost of debt over the period (excludes line fees)
3. Net Debt/(Shareholders' Equity + Net Debt)
4. Net Debt/(Underlying EBITDA - depreciation of ROU assets)
5. Underlying EBITDA/(Net Finance Costs (excludes lease costs) + Net Rent Expense + ROU depreciation)

Better terms and tenure – lower financing cost and greater flexibility

SHAREHOLDER DISTRIBUTIONS

- Target dividend payout ratio ~70% of underlying profit after tax
- FY22 final dividend:
  - 11.0 cents per share, fully franked (FY21: 9.5c)
  - Ex-dividend date: 12 July 2022
  - Record date: 13 July 2022
  - Payment date: 10 August 2022
- Total dividends for FY22 increased ~23% to 21.5 cents per share, fully franked, reflecting higher underlying earnings (FY21: 17.5c)
- In August 2021, the Company successfully completed an up-scaled off market buy back of $200m

Distributions



FY22 shareholder distributions of $408m

GROUP OUTLOOK

Doug Jones

Group Chief Executive Officer

OUTLOOK

Group[1]

- Strong **sales momentum** has continued in all pillars in the first seven weeks of FY23 supported by the increased preference for local neighbourhood shopping and the improved competitiveness of our independent retail networks
- While **elevated inflation** has continued into 1H23, there is uncertainty over the level of inflation going forward, as well as how the impact of inflation and other cost of living increases may impact consumer behaviour in the retail networks of our pillars, and Metcash
- We are continuing to work closely with our suppliers and retailers to help shoppers manage the impact of inflation by **providing better value options** through offering a wider range of products at competitive prices
- **Supply chain challenges**, increased DC labour and COVID related costs have continued into 1H23 and may remain a reality for all pillars over FY23. Underpinned by the flexibility of our operating model and dedication of our teams and retailers, all pillars are continuing to manage well through the current challenges and remain focused on progressing their MFuture initiatives to further improve the competitiveness of our retail networks

Sales update – first seven weeks of FY23

- **Group** sales increased 8.6% with growth in all pillars
- **Food** sales increased 5.0% (+7.7% ex tobacco) reflecting strong demand in both the Supermarkets and Convenience businesses

  Supermarkets sales up 4.5% (+7.4% ex tobacco) reflecting continuation of the increased momentum experienced in Q4 FY22 and higher wholesale inflation
- **Hardware** sales increased 19.8% representing continued strong demand in both IHG and Total Tools, acquisitions and the impact of higher inflation (IHG sales +10.4%)

  Strong demand and global supply chain challenges are continuing to place pressure on the availability of some product categories

  There continues to be a strong pipeline of residential construction and renovations activity
- **Liquor** sales increased 8.6% reflecting continuation of strong demand across retail stores and a recovery in on-premise sales, and higher wholesale inflation

  Wholesale sales to the IBA retail banner group increased 2.7%

1. FY23 includes 52 trading weeks compared to 53 weeks in FY22

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APPENDICES

01

Financial history

02

Sales reconciliation

03

Bannered store numbers

1. FINANCIAL HISTORY

	FY22	FY21	FY20	FY19[1]	FY18[1]
Financial Performance					
Sales revenue ($m)	15,164.8	14,315.3	13,025.4	12,660.3	12,442.2
EBIT ($m)	472.3	401.4	334.9	330.0	334.6
Net finance costs ($m)	(48.5)	(42.6)	(52.0)	(28.9)	(26.4)
Underlying profit after tax ($m)	299.6	252.7	198.8	210.3	216.9
Reported profit/(loss) after tax ($m)	245.4	239.0	(56.8)	192.8	(148.2)
Operating cash flows ($m)	432.3	475.5	117.5	244.9	276.3
Cash realisation ratio[2] (%)	91%	114%	33%	92%	101%
Financial Position					
Shareholder's equity ($m)	1,090.4	1,291.1	1,371.6	1,250.1	1,334.2
Net (debt) /cash ($m)	(189.0)	124.6	86.7	(42.9)	42.8
Gearing ratio[3] (%)	14.8%	(10.7%)	(6.7%)	3.3%	(3.2%)
Debt leverage ratio[4]	0.36x	(0.27x)	(0.22x)	0.09x	(0.11x)
Return on funds employed[5] (%)	31.0%	28.7%	24.9%	27.7%	24.4%
Share Statistics					
Fully paid ordinary shares	965.5	1,022.4	1,016.4	909.3	975.6
Weighted average ordinary shares	982.8	1,021.9	910.1	928.6	975.6
Underlying earnings per share (cents)	30.5	24.7	21.8	22.6	22.2
Reported earnings / (loss) per share (cents)	25.0	23.4	(6.2)	20.8	(15.2)
Dividends declared per share (cents)	21.5	17.5	12.5	13.5	13.0

1. FY18 and FY19 financials are reported on a pre-AASB16 basis
2. Cash flows from operations / Underlying NPAT + Depreciation and Amortisation (depreciation and amortisation not tax effected)
3. Net Debt / (Shareholders' Equity + Net Debt)
4. Net Debt / (Underlying EBITDA - depreciation of ROU assets)
5. Underlying EBIT / Average of opening and closing funds employed

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2. SALES REVENUE RECONCILIATION

	Sales ($m)			YoY sales growth %			2yr sales growth %		
	FY22 Actual	53rd Week[1]	FY22 (excluding 53rd week)	Actual	Excluding 53rd week[1]	Normalised[2]	Actual	Excluding 53rd week[1]	Normalised[2]
Supermarkets	8,585.1	(162.0)	8,423.1	3.9%	1.9%	1.9%	14.3%	12.1%	13.8%
Convenience	937.2	(17.7)	919.5	(16.7%)	(18.3%)	2.8%	(41.1%)	(42.2%)	9.8%
Food	**9,522.3**	(179.7)	9,342.6	1.4%	(0.5%)	2.0%	4.6%	2.6%	13.4%
Hardware	**3,119.5**	(58.9)	3,060.6	20.5%	18.3%	18.3%	50.3%	47.5%	47.5%
Liquor	**4,763.9**	(89.9)	4,674.0	8.7%	6.6%	6.6%	29.5%	27.1%	27.1%
GROUP	**17,405.7**	**(328.5)**	**17,077.2**	**6.4%**	**4.4%**	**5.9%**	**17.2%**	**14.9%**	**22.0%**

1. The 53rd week comprised 4 business trading days over the week ended Sunday 1 May 2022 (Anzac Day was on 25 April 2022). One-week of sales has been estimated on an annualised basis by pillar to display an FY22 sales number comparative to prior (52 week) periods
2. The previous East Coast supply agreement with 7-Eleven concluded on 17 August 2020 and Metcash ceased to supply Drakes in South Australia from September 2019. A normalised sales growth has been calculated by adjusting sales in the relative comparative period to exclude sales to both 7-Eleven and Drakes, in addition to excluding the 53rd week from FY22

3. BANNERED STORE NUMBERS

	April 2022	April 2021
Pillar		
Supermarkets	1,623	1,641
Convenience	16	16
Liquor	3,048	2,838
Hardware	736	731
Total	**5,423**	**5,226**

	Supermarkets	Convenience	Liquor	Hardware	Total
Store movement					
Number of stores at April 2021	1,627	16	2,838	731	5,212
Stores opened / joined banner group during the period	58	-	752	21	831
Stores closed / left banner group during the period	(62)	-	(542)	(16)	(620)
Number of stores at April 2022	1,623	16	3,048	736	5,423

3. BANNERED STORE NUMBERS

	April 2022	April 2021
Supermarkets		
Supa Valu IGA	2	2
Core IGA	1,096	1,084
Small Format IGA	243	254
Total IGA bannered stores	**1,341**	**1,340**
Friendly Grocer / Eziway	282	287
Total Supermarkets	**1,623**	**1,627**
Liquor		
Cellarbrations	538	548
Bottle-O & Bottle-O Neighbourhood	259	250
IGA Liquor	483	481
Porters	31	33
Thirsty Camel (NSW/ACT, QLD, TAS, SA/NT)	140	155
Big Bargain	22	43
Other	1,575	1,328
Total Liquor	**3,048**	**2,838**
Hardware		
Mitre 10	359	340
Home Hardware	154	157
True Value Hardware and Thrifty-Link	123	145
Total Tools	100	89
Total Hardware	**736**[1]	**731**

1. Includes 102 company-owned and joint venture stores within the Mitre 10 and Home Hardware banners, and 35 company owned and joint venture stores within the Total Tools banner

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