



25 October 2024

Metcash Limited

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ASX Announcement

Trading update and estimated earnings for 1H25

Metcash Limited (ASX:MTS) provides the following trading update and earnings estimate for the first half of FY25 ending 31 October 2024.

| | Sales YTD (20 October 2024) v PCP |
|--|--|
| Group | +6.3% |
| Food | |
| • Total Food excluding tobacco | +18.5% (+9.8% incl. tobacco) |
| ○ Total Supermarkets and Convenience | +3.0% (-1.8% incl. tobacco) |
| ○ Supermarkets | +2.9% (-2.4% incl. tobacco) |
| ○ Superior Foods | +6.4% ¹ |
| ○ Wholesale price inflation (ex-tobacco and produce) | 1.9% |
| Liquor | |
| • Total Liquor | +2.1% |
| ○ Wholesale sales to retail customers | +2.4% |
| ○ Wholesale sales to on-premise customers | -0.4% |
| Hardware | |
| • Total Hardware | +2.8% |
| ○ IHG | +2.6% (-3.7% excl. impact of Alpine Truss and Bianco acquisitions) |
| ○ Total Tools | +3.7% (TT network sales +2.9%, TT network LfL sales -1.6%) |

Year to date Group sales have been strong with growth in the Food, Liquor and Hardware pillars, partly buoyed by recent acquisitions.

Food (ex-tobacco) has continued to perform strongly in a highly value conscious shopping environment demonstrating the business' resilience and relevance of the independent network's differentiated offer. The sales performance represents volume growth and moderating inflation. Superior Foods has also performed strongly for the period since acquisition (3 June 2024), which has included the cycling of a number of new contracts won in September/October last year.

In Liquor, independents are continuing to outperform and win market share in a more challenging environment, supported by their localised and competitive offer.

¹ Superior Foods sales growth is for the period 3 June 2024 to 20 October 2024 versus Superior Foods' PCP



As noted in the Company's prior trading update (period to 8 September 2024), the external market for the Independent Hardware Group (IHG) continued to be very challenging with Trade activity softening even further. It was also noted that retail store margins in IHG were facing pressure due to the impact of lower volumes on fixed costs. Since that update, there has been additional margin pressure in retail stores in September and October, particularly in Trade due to further sales weakness. This weakness in retail store sales has been offset by lower-margin wholesale sales.

Metcash is responding to the weaker trading conditions in Hardware by implementing additional cost management initiatives and accelerating its strategic initiatives to drive market share gains in both Trade and DIY. Cost initiatives have included a strong focus on all business expenditure, particularly labour, where there has already been a material reduction in hours. The Hardware business remains ideally positioned to capitalise on any increase in market activity levels.

All the Company's recent acquisitions are performing as expected and remain on track for delivering targeted synergies.

Metcash estimates that Group Underlying Net Profit After Tax for the first half of FY25 will be in the range of \$132 - \$135 million.

Further detail will be provided with the Company's FY25 half year results materials, scheduled for release on 2 December 2024.

A briefing call will be held at 10.00 am today. Please register to join the live teleconference in advance of the commencement of the call using the following registration link:
<https://register.vevent.com/register/B109c0130f3a3643a3802067a653907598>

This announcement is authorised for release by the Board of Directors of Metcash Limited.

Ends

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