



Metcash Limited

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ASX Announcement

Stronger second half underpins underlying NPAT of \$268m-\$270m

Metcash Limited (ASX:MTS) expects to deliver Underlying Profit After Tax of \$268–270 million for the year ended 30 April 2026, reflecting resilience across the portfolio and continued disciplined execution in a challenging market environment.

This update is based on preliminary, unaudited financial information. Full results are scheduled for release on 22 June 2026.

Key points

- Underlying Profit After Tax expected to be between \$268m and \$270m
- Group revenue growth¹: +0.7% (+3.8% excluding tobacco)
- Resilient performance in Food and Liquor; Liquor EBIT margin recovered in 2H
- Improved sales momentum in Hardware and Tools in 2H; structural cost actions underway
- Strong cash performance supported by effective cost and working capital discipline
- Capital expenditure reduced through active management
- Additional cost initiatives underway, with at least ~\$25m annualised savings in FY27

¹ Includes Superior Foods for 52 weeks in FY26 and 47 weeks in FY25

| | Est. Revenue ¹ \$bn | % Change ² v FY25 | Est. EBIT \$m |
|--|-----------------------------------|---|---|
| Group | 19.6 | +0.7 +3.8 (ex-tobacco) | 501-505 <i>(incl. \$12m³ integration and strategy costs)</i> |
| Food | 10.5 | -0.6 +5.4 (ex-tobacco) | 259-262 <i>(incl. ~\$4m integration and strategy costs)</i> |
| <i>Supermarkets (excl. tobacco)</i> | | <i>+2.6</i> | |
| <i>Foodservice & Convenience (excl. tobacco)</i> | | <i>+14.0</i> | |
| <i>Tobacco</i> | | <i>-29.0</i> | |
| Liquor | 5.4 | +1.0 | 98-101 <i>(incl. ~\$1m strategy costs)</i> |
| <i>Australian sales to retail and contract customers</i> | | <i>+0.6</i> | |
| <i>Wholesale sales to on-premise customers</i> | | <i>+6.4</i> | |
| Hardware & Tools | 3.7 | +4.3 | 175-179 <i>(incl. ~\$7m integration and strategy costs)</i> |
| <i>Total Tools</i> | | <i>+6.7</i> | |
| <i>Hardware</i> | | <i>+3.7</i> | |
| Corporate costs | | | (35-37) |

¹ Revenue includes charge-through sales, which represent direct sales from suppliers to retailers, invoiced through Metcash

² Comparative sales growth includes Superior Foods for 52 weeks in FY26 and 47 weeks in FY25. Foodservice & Convenience Sales growth was 7.3% on a LFL basis.

³ As disclosed at 2025 AGM, these costs are one-off in nature

CEO Commentary

Metcash Group CEO, Doug Jones said: “We have delivered a solid result supported by the resilience of our Food and Liquor businesses, our diversified portfolio and disciplined execution.

Hardware & Tools maintained share in a soft Trade market, with improved second half sales momentum. We have taken further action to strengthen the business and position the Group for sustained performance.

Cashflow remained strong, with cash realisation above guidance and leverage at the low end of our target range.”

Trading performance

Positive sales momentum (ex-tobacco) continued in the second half, with growth accelerating in Hardware & Tools.

Food:

- Supermarkets remained competitive, supported by promotional programs including Extra Specials
- Foodservice & Convenience delivered strong growth, driven by customer growth and contract wins
- Tobacco sales trends improved following mitigation initiatives and increased regulatory enforcement
- Lower tobacco mix supported continued margin improvement

Liquor:

- Metcash-supplied independents continued to gain market share
- Growth supported by multi-channel strategy and convenience offering
- On-premise recovery supported second half momentum
- EBIT margin returned to long-term levels in 2H

Hardware & Tools:

- Sales momentum improved in 2H, reflecting pricing and ranging initiatives undertaken
- Trade market conditions remained soft, with recovery timing extended
- Earnings impacted by margin pressure, particularly in Victoria and Tasmania
- Business remains well-placed for anticipated cyclical improvement in residential building market

Cashflow and capital management

- Cash realisation expected to exceed the 80-90% three-year target range
- Debt leverage ratio expected at the low end of the 1.0-1.75x target range
- Disciplined and proactive management delivered capital expenditure (excluding M&A) of ~\$170m, approximately \$30m below guidance
- Strong cash management enabled ~\$80m of precautionary inventory related to supply chain uncertainty



Cost and efficiency initiatives

Further actions are being implemented to align the cost base with current conditions and support future growth.

- Incremental cost program delivering at least ~\$25m annualised savings in FY27
 - ~\$15m labour savings (majority realised in FY27, primarily Hardware & Tools)
 - ~\$10m non-trade procurement savings
- Restructuring cost of ~\$6m in FY27, with payback within 12 months

These initiatives build on prior cost out programs, with continued focus on cost management as a core discipline.

Middle East conflict

There has been no material impact on FY26 earnings from increased freight or product costs. Impacts have mostly been offset through pricing mechanisms and active management.

Although there have been no supply shortages to date, given ongoing uncertainty, inventory levels were increased as a precaution. Cash realisation and leverage outcomes remain strong despite this investment.

The Group continues to proactively work with, and support, its customers to ensure they maintain their competitive position through these additional challenges.

Further information will be provided in the Company's FY26 full year results materials.

A briefing call on this announcement will be held at 10.00 am today. Participants can register for the call at <https://register-conf.media-server.com/register/BI84f3ae7505364d9ab18177abd4fe5ec5>

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

Ends

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