



# Endeavour Group

## H1 F25 Results Presentation



# Overview and Group Strategy

Steve Donohue, CEO



# Acknowledgement of country



Artwork: Celebration Place by Riki Salam (Mualgal, Kaurareg, Kuku Yalanji)

# Group highlights



# Key H1 highlights - Stable revenue and strong cashflow

- **Stable H1 sales underpinned by strong Christmas trading despite Victorian supply chain disruption**
- **Retail H1 Operating EBIT margin of 7.2% within previously announced guidance range<sup>1</sup>**
- **Hotels sales momentum increased during the half, with all business drivers in growth**
- **Strong cash flow driving lower net debt and improved balance sheet metrics**
- **Brand and customer metrics remain strong**
- **Disciplined cost management, including \$40 million in savings from endeavourGO**
- **One Endeavour program tracking to plan**
- **Progressing our Hotels renewal and property portfolio optimisation programs**

# H1 F25 financial overview - Group

## Revenue & earnings

**\$6.6b**

Sales

-0.7%

**\$634m**

Operating EBIT<sup>1</sup>

-6.6%

**\$595m**

EBIT

-10.0%

**\$298m**

NPAT<sup>2</sup>

-15.1%

## Financial strength & capital discipline

**\$1.0b**

Operating cash flow

H1 F24: \$914m

**168%**

Cash realisation ratio

H1 F24: 140%

**3.2x**

Leverage ratio

Target: 3.0-3.5x

## Shareholder returns

**16.7c**

Earnings  
per share

H1 F24: 19.6c

**12.5c**

Dividend per  
share

H1 F24: 14.3c

**75%**

Dividend  
payout ratio

Top of dividend  
payout range of  
70% to 75%

# H1 F25 financial overview - Retail and Hotels

## Retail

**\$5.5b**

Retail Sales

-1.5%

**\$397m**

Retail Operating EBIT<sup>1,2</sup>

-11.6%

**7.2%**

Retail Operating EBIT Margin<sup>2</sup>

-83 bps

**14.5%**

Retail Operating ROFE<sup>1</sup>

-112 bps

## Hotels

**\$1.1b**

Hotels Sales

+3.3%

**\$274m**

Hotels Operating EBIT<sup>1</sup>

+3.4%

**24.5%**

Hotels Operating EBIT Margin

+2 bps

**10.5%**

Hotels Operating ROFE<sup>1</sup>

+35 bps

# Unique market leading portfolio with significant upside

## Market leader in defensive categories



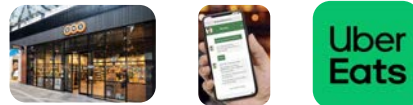
- Australia's largest retail drinks and hospitality network
- Unique portfolio including ~1,725 stores and ~350 hotels

## Large, growing & highly engaged customer loyalty base



- Building deeper connections by leveraging data and insights to deliver engaging experiences

## Strong omnichannel execution



- Expanding reach and meeting customer needs through integration of in-store and digital channels

## Differentiated product offering



- Meeting evolving customer needs with a focus on innovative product development

## Highly cash generative business delivering sustainable dividend yield



- Strong free cash flow provides capacity to fund growth and pay dividends while maintaining investment grade debt metrics

## Cost optimisation program driving efficiency gains



- Targeting \$290m+ cost savings by F26 while investing for growth

## Enhancing returns from our Hotel network through ALH renewals program



- Driving returns by accelerating the modernisation and optimisation of our Hotels network

## Unlocking value in our \$1b property portfolio



- Pursuing development opportunities across freehold and leasehold



# Brand, customer and operating highlights



## H1 F25 highlights

- **Delivered record pre-Christmas week sales** despite Victorian supply chain disruption
- **Grew My Dan's members base by ~470k**, with **members** spending >80% more and purchase 1.5 more items per basket on average than non-members
- **Expanded omnichannel offer** through new DoorDash partnership and Queensland next-day delivery rollout
- **Widened price leadership**, while maintaining strong gross margin
- Achieved **highest-ever service and advice VOC score (75%)** while driving further in-store efficiencies

**VOC 80**

(in line vs H1 F24)



## H1 F25 highlights

- **Achieved record pre-New Years Eve week sales** despite Victorian supply chain disruption
- **'Appy Deals'** exclusive prices drove record breaking engagement, with average Monthly Active Users reaching ~600,000 in H1 (up 176% year-on-year)
- Compelling value offers via Everyday Rewards **loyalty partnership** and **"Here for it" campaign**
- **Expanded ultra convenience options**, including our new partnership with Menulog
- Completed **31 renewals** alongside **17 smaller-scale upgrades**

**VOC 75**

(in line vs H1 F24)

# Brand, customer and operating highlights



## H1 F25 highlights

- **~170 new products** launched; K by Krondorf led red wine NPD performance<sup>1</sup>
- Strong premium wine segment performance with **18% sales growth**
- **Wine ~50% of sales**, with 3/4 from **premium and luxury** segments<sup>2</sup>
- **Capex reduced significantly** post Dorrien winery expansion which is on track to deliver the targeted 30% reduction in 'grape to bottle' conversion cost
- **Capital light model** which delivered improved returns on capital in the half

**550+**  
**product awards**



## H1 F25 highlights

- **Record food sales** on both Fathers Day and Christmas Day
- **Bars** delivered two record weeks of trade in December
- Price benchmarking<sup>3</sup> confirms **leading value position** in F&B
- **Launched pub+** loyalty app with >360k registered users<sup>4</sup>
- Continued **operational and margin improvement** through menu optimisation and labour efficiencies from improved rostering
- **Improved portfolio** with 1 new venue and 16 renewals; 1 venue lease not renewed
- Unlocking value in our **\$1 billion property portfolio** with 2 development applications lodged and three further applications to be lodged in H2

**VOC 8.9**  
(+0.3 pt vs H1 F24)

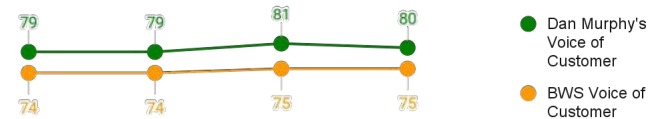
# endeavourGO program achieving material cost savings



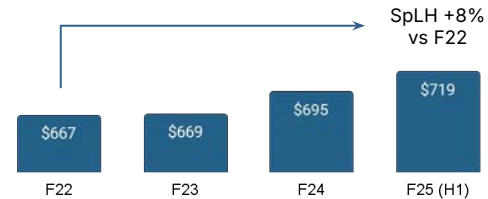
- **H1 F25 savings of \$40 million** benefiting GP and CODB
- **\$230 million** in cumulative savings delivered to date and on track to deliver **\$290 million+** by F26
- **Activity based rostering and workforce planning** continuing to drive outcomes in both Retail and Hotels
- **Sustainable approach** positively impacting team, customers and sales

## Activity Based Rostering: delivering sustainable productivity uplift

### Improved customer satisfaction



...while delivering a 8% increase in sales per labour hour



# One Endeavour program tracking to plan



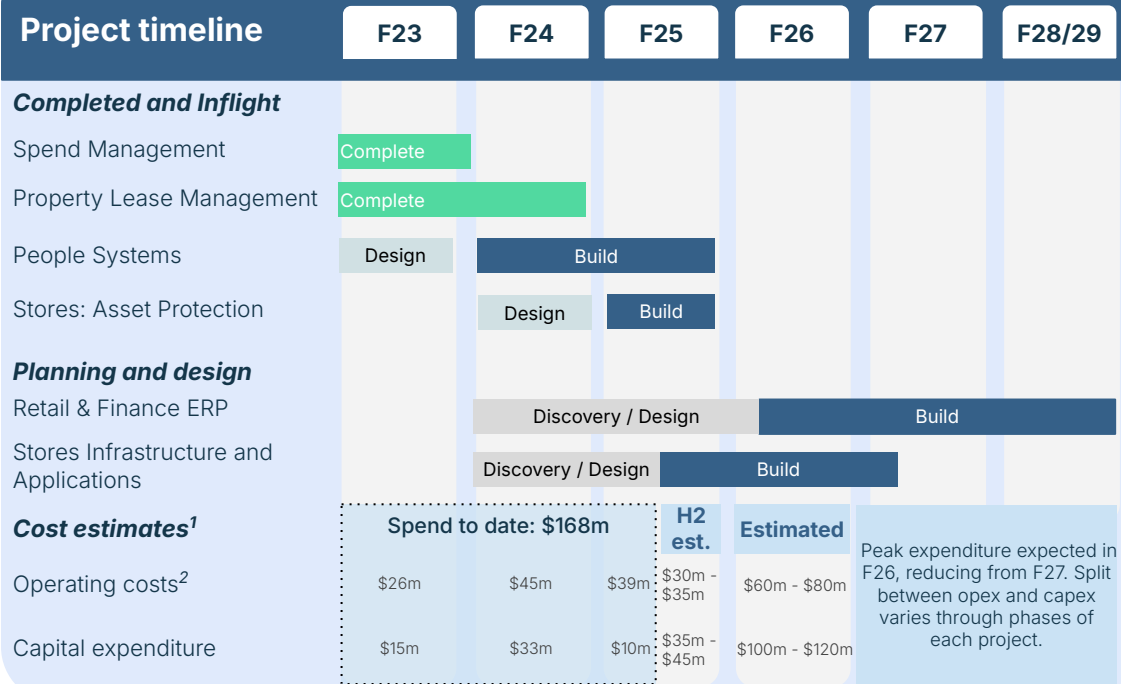
Total estimated program costs unchanged

## Progress in H1 / Outlook in H2

- **Stores infrastructure and applications** progressing to plan
- **People systems** separation and consolidation on track to complete in F25
- **ERP** Discovery phase completed, with the Design phase currently underway
- F25 expenditure will be at the **bottom of the previous guidance range**, with capex spend shifting to F26

**Current capital capacity expected to be sufficient to support program funding**

## Project timeline



# Hotel renewals - focused investment driving improved outcomes

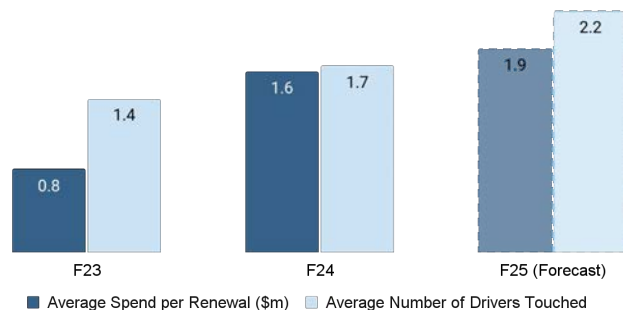
## Hotel renewals program

- We re-launched our Hotel renewal strategy at our December 2023 Investor Day<sup>1</sup>
- The program is designed to:
  - improve guest experience
  - maintain our competitive offer and
  - deliver strong capital returns
- The Group completed 16 hotel renewals in H1 F25 and is scheduled to complete a further 13 in H2
- From F26 more large scale projects are being planned including repositioning investment in a number of 'icon' venues
- The Group currently expects to invest \$100 million - \$120 million of capex in Hotel renewals in F26



## Evolving our strategy

*Focused investment in fewer, but on average larger-scale renewals touching more sales drivers*



# Hotel renewals - adding value across multiple drivers

## Newmarket (QLD)

November '24



- **\$4m** capital spend
- **Renovation** of gaming room, sports and front bars, bistro and kitchen
- **F&B sales +31% YoY**
- **Gaming sales +13% YoY**
- **December F&B ranking 15th in QLD network** (vs 26th prior year)

## Bayswater (VIC)

October '24



- **\$3m** capital spend
- **Upgrade** of Bistro and Bar areas, including the creation of an external, covered beer garden
- **F&B sales +24% YoY**
- **Gaming sales +9% YoY**

# Unlocking value in our ~\$1bn property portfolio

Development applications now progressed for 5 out of the 10 development sites identified at our Investor Day

Two development applications have been lodged to date

Camberwell mixed-use precinct



Chelsea Heights supermarket precinct



We expect to lodge a further three applications in H2

Morrison Hotel  
140-room accommodation tower



Forest Hotel  
140-room hotel accommodation



Doncaster Hotel, accommodation, Dan Murphy's & apartments



Opportunity to monetise value in our property portfolio

**\$100m - \$150m**

Five freehold sites currently valued at ~\$100 - 150 million<sup>1</sup>

**\$38m**

\$38m realised in H1 as part of our capital recycling program

# Creating our positive imprint

## People



Championing individuality, human and personal rights



43%

Of senior management positions filled by women

10.11

Total Recordable Injury Frequency Rate remains stable<sup>1</sup>

## Responsibility and Community



Advocating responsible choices and supporting positive change in our communities



93%

Of team members trained in our unique Leading in Responsibility training

\$5m

Invested into our communities with our customers

91%

ID25 score for liquor retail mystery shopper compliance

95%

of relevant team completed bespoke Responsible Gaming training, above regulatory requirements

15m

Customer engagements in responsible consumption marketing campaigns

## Planet



Reducing our impact on the planet



245

Sites with solar generating 10,780 mWh of energy

99%

Own Brand packaging is reusable, recyclable or compostable



# Group Financials

Kate Beattie, CFO



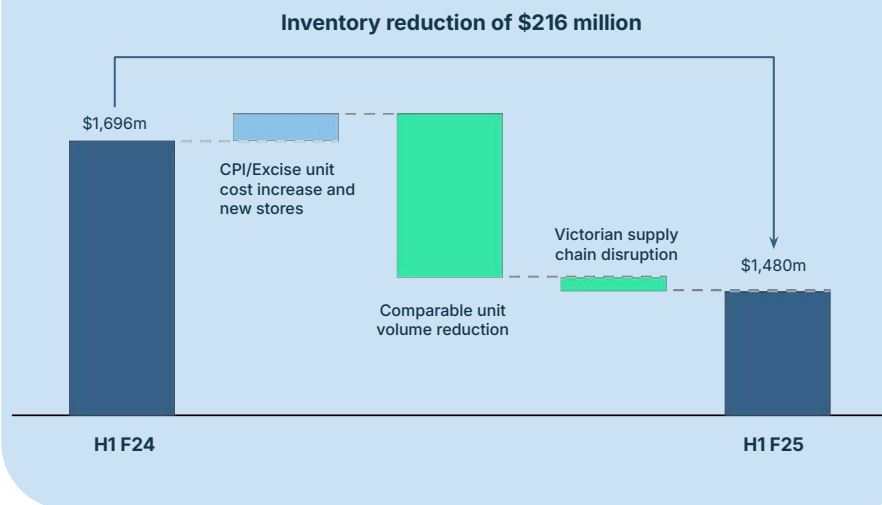
# Group financial performance

- **Sales** broadly in line with last year (-0.7%)
- **Operating EBIT declined** 6.6% included \$13 million of one-off restructuring costs<sup>2</sup>. Excluding these costs, Operating EBIT declined by 4.7%
- **One Endeavour program** costs of \$39m for the half, in line with previous guidance
- **Total Finance costs** of \$158 million increased by 3.3% driven by higher lease interest expense. Non-lease (debt) interest expense was below prior year due to lower average borrowings
- **Profit for the period after income tax** was \$298 million, 15.1% lower than H1 F24. The effective tax rate for H1 F24 was 31.8%

| \$ million                                      | H1 F25<br>(27 WEEKS) | H1 F24<br>(27 WEEKS) | CHANGE         |
|---|----------------------|----------------------|----------------|
| <b>Sales</b>                                    | <b>6,621</b>         | <b>6,667</b>         | <b>(0.7%)</b>  |
| Operating Retail EBIT                           | 397                  | 449                  | (11.6%)        |
| Operating Hotels EBIT                           | 274                  | 265                  | 3.4%           |
| Other EBIT <sup>1</sup>                         | (37)                 | (35)                 | 5.7%           |
| <b>Operating EBIT</b>                           | <b>634</b>           | <b>679</b>           | <b>(6.6%)</b>  |
| One Endeavour Costs                             | (39)                 | (18)                 | 116.7%         |
| <b>EBIT</b>                                     | <b>595</b>           | <b>661</b>           | <b>(10.0%)</b> |
| Finance costs - Leases                          | (100)                | (94)                 | 6.4%           |
| Finance costs - Non-leases                      | (58)                 | (59)                 | (1.7%)         |
| <b>Profit before income tax</b>                 | <b>437</b>           | <b>508</b>           | <b>(14.0%)</b> |
| Income tax expense                              | (139)                | (157)                | (11.5%)        |
| <b>Profit for the period (after income tax)</b> | <b>298</b>           | <b>351</b>           | <b>(15.1%)</b> |

# Strong cash generation and inventory management

- **Strong cash realisation ratio<sup>1</sup>** of 168%
- **Working capital improved** as a result of **reduced inventory**, primarily driven by optimisation initiatives, which more than offset COGS inflation and network expansion

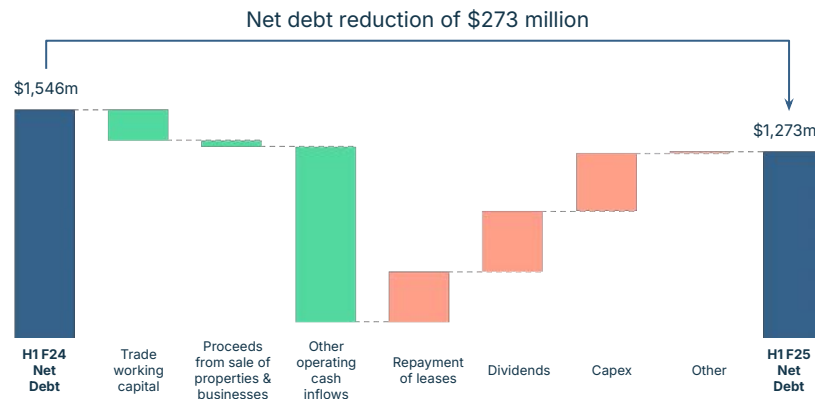


| \$ million   | H1 F25<br>(27 WEEKS) | H1 F24<br>(27 WEEKS) | CHANGE     |
|--|----------------------|----------------------|------------|
| <b>EBIT</b>  | <b>595</b>           | <b>661</b>           | (66)       |
| Depreciation and amortisation expenses                     | 318                  | 301                  | 17         |
| Changes in trade working capital                           | 326                  | 186                  | 140        |
| Changes in assets and liabilities and other non-cash items | 65                   | 49                   | 16         |
| Finance costs on borrowings paid                           | (57)                 | (54)                 | (3)        |
| Payment for the interest component of lease liabilities    | (100)                | (94)                 | (6)        |
| Income tax paid  | (111)                | (135)                | 24         |
| <b>Operating cash flows</b>                                | <b>1,036</b>         | <b>914</b>           | <b>122</b> |
| <i>Cash realisation ratio (%)</i>                          | 168                  | 140                  | 28 pp      |

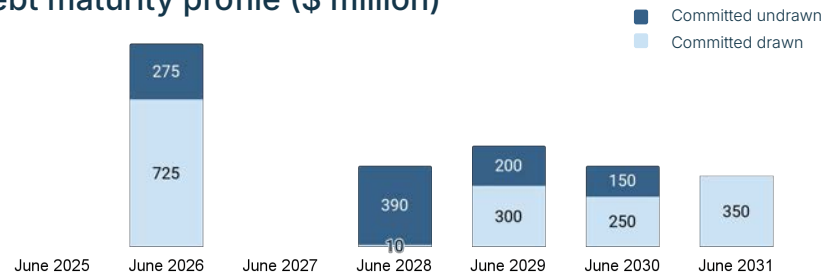
# Improved balance sheet metrics

- **Net debt decreased by \$273 million** versus H1 F24 reflecting improved working capital as a result of reduced inventory, lower capex reflecting disciplined capital allocation and proceeds from asset sales. Net debt expected to move closer to prior year level in H2 due to capital expenditure timing and cyclical working capital movement
- **Leverage ratio<sup>1</sup> of 3.2x** within target range and consistent with investment grade credit metrics
- Weighted average debt maturity **extended to 3.4 years**
- Committed **undrawn debt facilities of \$1 billion**
- **90%** of drawn bank facilities **hedged to fixed rates**
- Weighted average **cost of debt 5.5%**
- **F25 finance costs** expected to be between **\$305 million and \$315 million**

## Net debt



## Debt maturity profile (\$ million)



# Disciplined capital expenditure

- Total **capital expenditure \$73 million lower than H1 F24<sup>1</sup>**
- **No Pinnacle growth capex deployed** post Dorrien winery expansion (efficiency investment) in F24
- Continued investment in **digital and data driving Retail margin expansion**
- Focus on **capital light** Retail renewals
- **Hotels renewals** broadly in line with last year, with spend weighted to H2
- **One new hotel added in H1 F25** (The Cavenagh Hotel, Northern Territory)
- **\$38m realised from asset sales** as part of our capital recycling program
- **F25 total capex guidance revised downwards to \$375m to \$425m**, including \$45m-\$55m for One Endeavour program costs

| \$ million                          | H1 F25      | H1 F24 <sup>1</sup> | CHANGE       |
|-------------------------------------|-------------|---------------------|--------------|
| Stay in business                    | 31          | 50 <sup>2</sup>     | (19)         |
| Renewals                            | 17          | 22                  | (5)          |
| Pinnacle                            | 0           | 33 <sup>2</sup>     | (33)         |
| Network expansion                   | 7           | 22                  | (15)         |
| Digital, data & eCommerce           | 15          | 12                  | 3            |
| <b>Retail</b>                       | <b>70</b>   | <b>139</b>          | <b>(69)</b>  |
| Stay in business                    | 23          | 24                  | (1)          |
| Renewals                            | 35          | 32                  | 3            |
| Property / redevelopment            | 0           | 3                   | (3)          |
| Digital, data and eCommerce         | 2           | 7                   | (5)          |
| Network expansion                   | 10          | 0                   | 10           |
| <b>Hotels</b>                       | <b>70</b>   | <b>66</b>           | <b>4</b>     |
| <b>One Endeavour</b>                | <b>10</b>   | <b>18</b>           | <b>(8)</b>   |
| <b>Other</b>                        | <b>1</b>    | <b>1</b>            | <b>0</b>     |
| <b>Total Capital Expenditure</b>    | <b>151</b>  | <b>224</b>          | <b>(73)</b>  |
| <b>Proceeds from Sale of Assets</b> | <b>(38)</b> | <b>(2)</b>          | <b>(36)</b>  |
| <b>Net Capital Expenditure</b>      | <b>113</b>  | <b>222</b>          | <b>(109)</b> |

# Retail



# Retail financial performance

- **Sales** declined 1.5% (-1.2% adjusted for New Year's Day timing) reflecting subdued consumer spending and estimated lost sales of \$40 million to \$50 million resulting from Victorian supply chain disruption. BWS and Dan Murphy's **comparable store sales** declined 1.9%
- **GP margin improved 11 bps** through product innovation, better buying, and AI driven price and promotion optimisation
- **Inflationary pressure** continued to impact cost base, including award wage increase of 4.25%<sup>1</sup>
- **endeavourGO** optimisation program delivered cost efficiencies through workforce planning, supply chain and stock management, which partly offset inflationary pressure on CODB
- **One-off restructuring costs** of \$11m were incurred in H1 relating to Jimmy Brings partnership with Milkrun, integration of Shorty's into Dan Murphy's and support office restructuring
- **H1 Operating EBIT margin of 7.2%**<sup>2</sup> within H1 guidance range of 7.0% - 7.5%

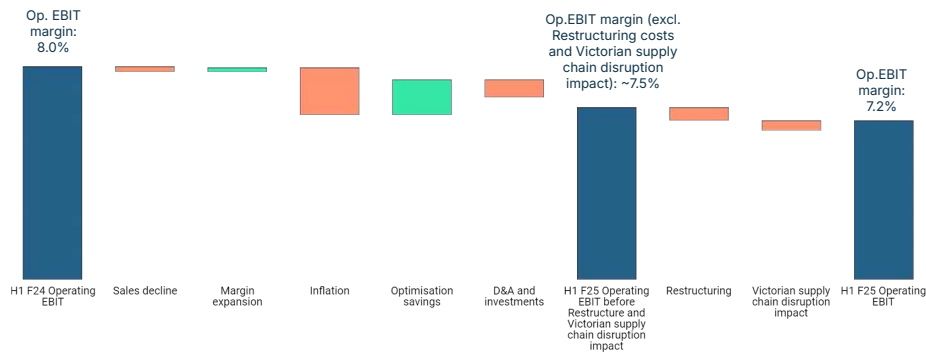


Chart is an indicative sizing of drivers of year on year movement in EBIT

| \$ million                           | H1 F25<br>(27 WEEKS) | H1 F24<br>(27 WEEKS) | CHANGE         |
|--------------------------------------|----------------------|----------------------|----------------|
| <b>Sales</b>                         | <b>5,501</b>         | <b>5,583</b>         | <b>(1.5%)</b>  |
| <b>Operating EBITDA</b>              | <b>565</b>           | <b>606</b>           | <b>(6.8%)</b>  |
| Depreciation and amortisation        | (168)                | (157)                | 7.0%           |
| <b>Operating EBIT</b>                | <b>397</b>           | <b>449</b>           | <b>(11.6%)</b> |
| One Endeavour Costs                  | (27)                 | (13)                 | 107.7%         |
| <b>EBIT</b>                          | <b>370</b>           | <b>436</b>           | <b>(15.1%)</b> |
| Gross profit margin (%)              | 24.7%                | 24.6%                | +11bps         |
| Operating Cost of doing business (%) | 17.5%                | 16.6%                | +93bps         |
| <b>Operating EBIT to sales (%)</b>   | <b>7.2%</b>          | <b>8.0%</b>          | <b>-83bps</b>  |
| EBIT to sales (%)                    | 6.7%                 | 7.8%                 | -108bps        |
| <b>Operating ROFE (%)</b>            | <b>14.5%</b>         | <b>15.6%</b>         | <b>-112bps</b> |
| ROFE (%)                             | 13.3%                | 15.0%                | -165bps        |

# Hotels





# Hotels financial performance

- **Sales growth 3.3%** with improved momentum from Q1 (2.5%) to Q2 (4.1%). Hotels **comparable sales growth 3.2%**
- **Food and Bar** growth benefited from a successful pub+ loyalty app launch as well as strong performance during key events
- **Gaming** remains resilient, with strong growth achieved in Queensland
- **Accommodation** delivered strong growth through acquisitions and redevelopments
- **GP margin expansion of 16ps** driven by favourable sales mix from Accommodation growth, better buying and optimised menus
- **Cost inflation** (including award wage increase of 4.25%<sup>1</sup>) partly mitigated by endeavourGo program, with further efficiency initiatives underway

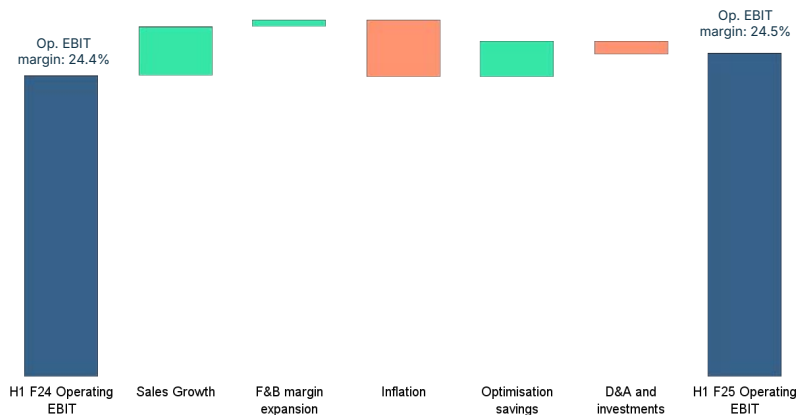


Chart is an indicative sizing of drivers of year on year movement in EBIT

| \$ million                           | H1 F25<br>(27 WEEKS) | H1 F24<br>(27 WEEKS) | CHANGE        |
|--------------------------------------|----------------------|----------------------|---------------|
| <b>Sales</b>                         | <b>1,120</b>         | <b>1,084</b>         | <b>3.3%</b>   |
| <b>Operating EBITDA</b>              | <b>424</b>           | <b>409</b>           | <b>3.7%</b>   |
| Depreciation and amortisation        | (150)                | (144)                | 4.2%          |
| <b>Operating EBIT</b>                | <b>274</b>           | <b>265</b>           | <b>3.4%</b>   |
| One Endeavour Costs                  | (12)                 | (5)                  | 140.0%        |
| <b>EBIT</b>                          | <b>262</b>           | <b>260</b>           | <b>0.8%</b>   |
| Gross profit margin (%)              | 84.8%                | 84.7%                | +16bps        |
| Operating Cost of doing business (%) | 60.4%                | 60.3%                | +11bps        |
| <b>Operating EBIT to sales (%)</b>   | <b>24.5%</b>         | <b>24.4%</b>         | <b>+2bps</b>  |
| EBIT to sales (%)                    | 23.4%                | 24.0%                | -59bps        |
| <b>Operating ROFE (%)</b>            | <b>10.5%</b>         | <b>10.1%</b>         | <b>+35bps</b> |
| ROFE (%)                             | 10.0%                | 9.9%                 | +8bps         |

# Outlook



# H2 F25 outlook

- Retail sales in the first 7 weeks have been impacted by ongoing effects of supply chain disruption
- Hotel sales have accelerated in Q3. Renewals and upgrades to our EGM fleet are expected to underpin continued growth
- We operate in resilient categories and we expect Retail market conditions to improve as inflation moderates
- Our commitment to price and value leadership is expected to drive improved sales momentum in the second half
- We are continuing to prioritise operating efficiency and cost savings
- Continued balance sheet strength supported by capital discipline



## First 7 weeks trading in H2 F25:

- **Retail sales** -0.8%<sup>1</sup>
- **Hotels sales** +4.7%

## In F25 the Group expects:

- **Capital expenditure** of between \$375 million and \$425 million, including One Endeavour
- **F25 finance costs** of between \$305 million and \$315 million

# H2 F25 Priorities - Simplify and Focus



## Drive growth and optimise store network

- Drive sales momentum through price and value leadership
- Open up to 6 new Dan Murphy's stores
- Drive ROI via capital light renewals
- Continue to grow leadership in online and omnichannel convenience



## Accelerate optimisation of Hotels and property portfolio

- Complete up to 13 Hotel renewals in H2 F25
- Build F26 pipeline of larger, whole of venue renewals
- Continue to selectively recycle capital to fund growth pipeline
- Progress large scale development planning approvals



## Improve performance in gaming

- Introduce 1,000 new cabinets across our EGM network
- Continue gaming room renewals
- Complete national roll out of pub+ loyalty program across gaming



## Expand cost optimisation initiatives

- Continue delivering on our F26 cumulative optimisation savings target of \$290m+
- Build pipeline of opportunities beyond \$290m



## Progress our simplification program and separation from Woolworths

- Complete the implementation of People systems for Hotels
- Progress the ERP design phase



# Q&A

**Steve Donohue**  
Chief Executive Officer

**Kate Beattie**  
Chief Financial Officer



# Appendix

## Investment Thesis



# Endeavour Group investment thesis | Unique market leading portfolio with significant upside

Market leader in defensive categories



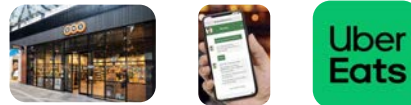
- Australia's largest retail drinks and hospitality network
- Unique portfolio including ~1,725 stores and ~350 hotels

Large, growing & highly engaged customer loyalty base



- Building deeper connections by leveraging data and insights to deliver engaging experiences

Strong omnichannel execution



- Expanding reach and meeting customer needs through integration of in-store and digital channels

Differentiated product offering



- Meeting evolving customer needs with a focus on innovative product development

Highly cash generative business delivering sustainable dividend yield



- Strong free cash flow provides capacity to fund growth and pay dividends while maintaining investment grade debt metrics

Cost optimisation program driving efficiency gains



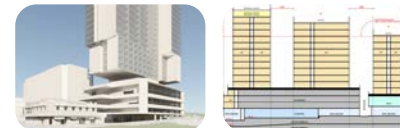
- Targeting \$290m+ cost savings by F26 while investing for growth

Enhancing returns from our Hotel network through ALH renewals program



- Driving returns by accelerating the modernisation and optimisation of our Hotels network

Unlocking value in our \$1b property portfolio



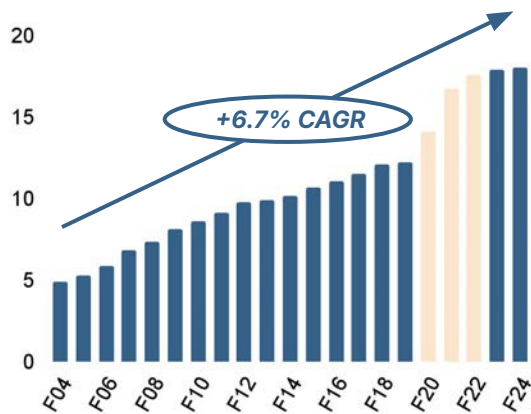
- Pursuing development opportunities across freehold and leasehold

# Market leader in defensive categories | We operate in resilient categories which perform through the economic cycle



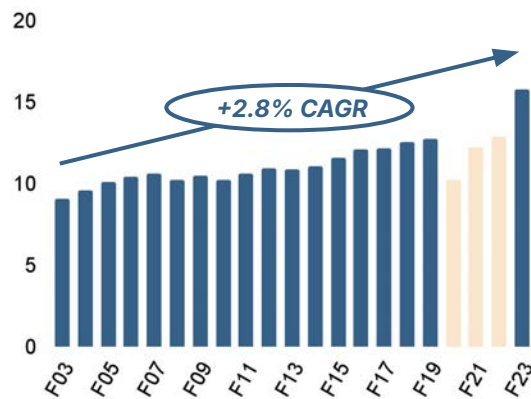
## Retail Liquor Market

Australian Retail Liquor Sales (\$b, F04 - F24)



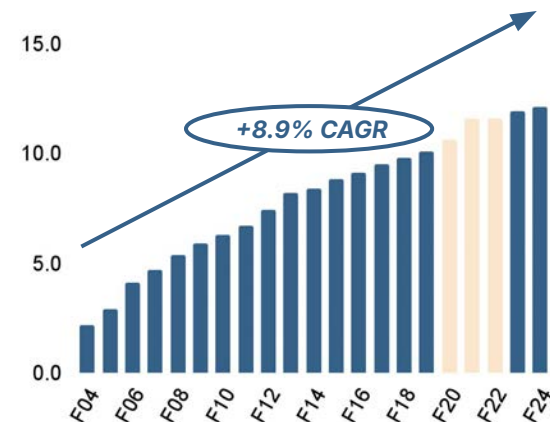
## EGM Market

Australian Gaming Machine Expenditure (\$b, F03 - F23)



## Endeavour Group

Endeavour Group Sales (\$b, F04-F24)

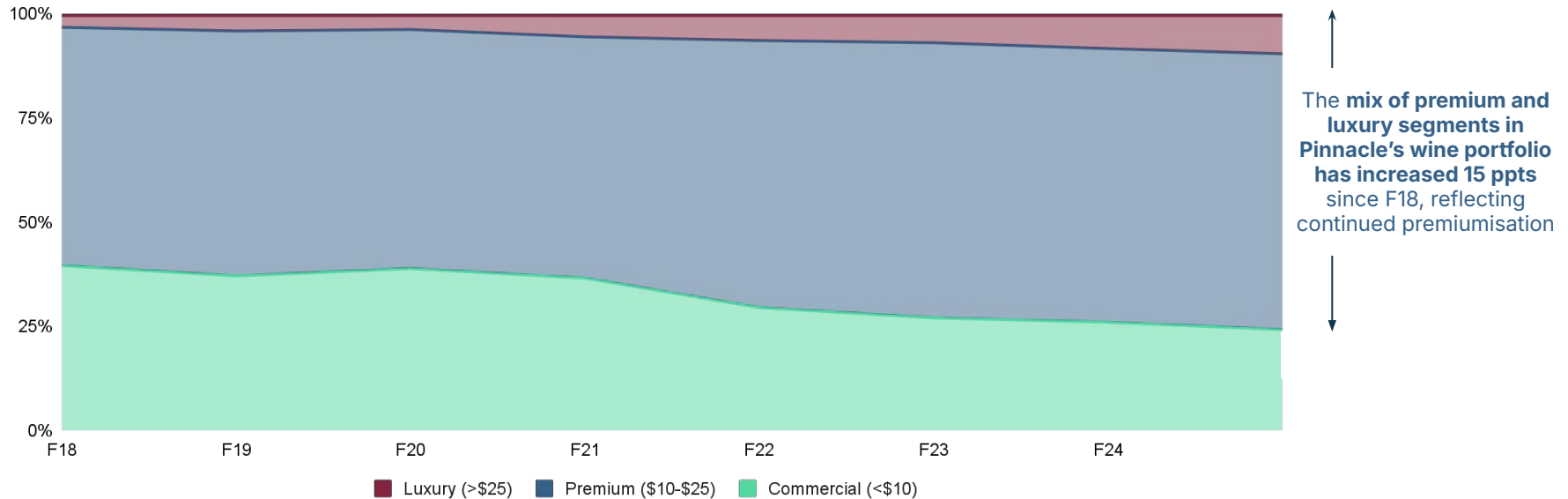


Covid-impacted Years



# Market leader in defensive categories | Premiumisation trend means customers are shifting to higher margin products within categories

Pinnacle Premiumisation Trend - Shift in Pinnacle Wine Portfolio<sup>1</sup> Mix (F18 to H1 F25)



# Large, growing and highly engaged customer base | Leveraging our data and insights to deliver engaging customer experiences



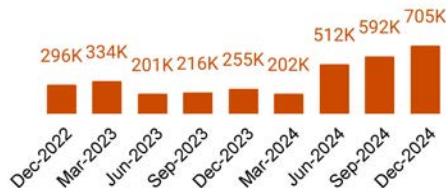
In H1 F25, My Dan's grew to 5.5m active members and maintained >80% scan rate

My Dan's Active Member and Scan Rate (m, %, F18 to H1 F25)



Our customers are embracing the BWS app, which has reached ~700k MAUs

BWS App Monthly Active Users (MAUs)<sup>1</sup> (#, Dec-22 to Dec-24)

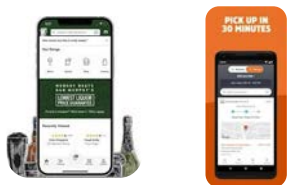


pub+ uptake has been strong since launching, reaching over 360k registrations

pub+ Total Registrations & MAUs<sup>2</sup> ('000, Jul-24 to Dec-24)

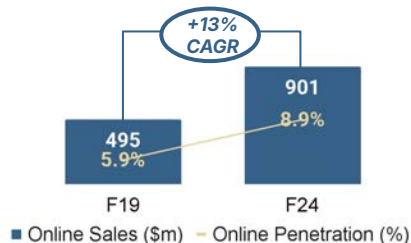


# Strong omnichannel execution | Our best in class offering is delivering meaningful omnichannel experiences for our customers

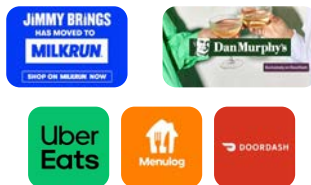


## Our continued investment in digital is delivering strong sales growth

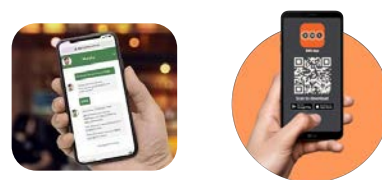
Endeavour Group eCommerce Sales (\$m) and Penetration (%), F19 vs F24<sup>1</sup>



## Expanding our leading network of ultra-convenience delivery partners



- **Endeavour Group** is **Milkrun's** exclusive liquor provider
- **Dan Murphy's** partners with **DoorDash**
- **BWS** is continuing to expand its presence across ultra convenience platforms



## Leveraging web and app capabilities to support in-store engagement

- **Dan Murphy's:** Direct-to-boot in-store pickup integration, in-app store finder and cross-channel member features
- **BWS:** 30-minute click and collect, omnichannel loyalty programs via app and app tools for in-store shopping

# Differentiated product offering | Leveraging deep customer insights in Pinnacle Drinks to create products that customers love and trust

Delivering products that customers love ...



Cat Amongst The Pigeons

Agile production capability driving product innovation and NPĐ



Lobster Reef Lighter

Unique, exclusive and award-winning products

... while supporting Endeavour Group returns



Scale Internal & External Distribution Network

Delivering margin accretion in both Retail and Hotels



Oakridge Winery, VIC

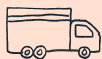
Capital light operating model with accretive returns to Endeavour Group

# Cost optimisation program | endeavourGO on track to deliver \$290m+ in savings by F26



## Retail GO

Building robust and cross-functional capabilities to drive optimisation benefits in cost savings



Optimise our supply chains



Optimise in-store processes and systems



Optimise our eCommerce and fulfilment models



Enhance store asset and facility management

## Hotel GO

Building tools and processes that will help optimise Hotels operations.



Standardise and optimise in-venue processes



Leverage data to enhance Hotels operations

## Group Services GO

Building our long-term strategy across key cross-functional Group services.



Category review and optimisation



Maximise Property & Network resources



Optimise partnership value



Optimise group costs

- **\$230 million in cumulative savings delivered to date benefiting GP and CODB**
- **On track to deliver \$290m+ savings by F26**
- **Material offset to inflationary impacts**

## Hotel renewals and redevelopments | On track to deliver 15% Year 2 ROI target

### ALH Renewals and Redevelopments Program Results

| 1 |                                     | F24 Cohort |
|---|-------------------------------------|------------|
| 2 | Renewed venues (#)                  | 15         |
| 3 | Capital invested (\$m)              | \$41m      |
| 4 | Performance 12 months post renewal: |            |
|   | Aggregate Year 1 ROI (%)            | >15%       |

- 1 Hotel renewals and redevelopment completed in H1 F24
- 2 Excludes renewals below \$250,000
- 3 Total capital invested in renewal. Capex may have been incurred in more than one financial year
- 4 Venue included in ROI measurement once it has traded for at least 12 months post renewal

## Enhancing returns from our Hotel network | Recent case studies

### The Manly Hotel (QLD)

Apr '24 (Pub) and Dec '24 (Accom.)



- **\$9m capital spend across pub renewal and accommodation refurbishment**, which included 18 existing rooms being updated and 4 additional rooms added
- **Ongoing performance remains strong**, being the 36th highest performing F&B venue nationally (up from ~200th) and Accommodation now 27th (up from ~110th)

### The Brook Hotel (VIC)

May '23



- **Whole of venue redevelopment**, including a new Dan Murphy's store and new accommodation build
- **Hotel sales up >300%** compared to pre-renewal
- **Top 3 F&B venue** nationally
- **Top 10 accommodation venue** nationally

# Unlocking value in our \$1b property portfolio | DAs lodged in H1 F25



## Camberwell, VIC

Land Area 5,200 sqm

Proposed Residential Net Saleable Area 17,337 sqm

Commercial Net Lettable Area 3,512 sqm

Development application lodged for Dan Murphy's, commercial and retail premises, and 187 apartments across 3 towers



## Chelsea Heights, VIC

Land Area 49,377 sqm

Building Area 11,577 sqm

Development application lodged and subdivision application expected to be lodged in H2 F25



# Unlocking value in our \$1b property portfolio | DAs on track to be lodged in H2 F25



The Morrison Hotel, QLD

Land Area 1,640 sqm

Proposed Gross Floor Area 25,508 sqm

Potential for Hotel renewal and new tower providing **~140 rooms of accommodation** and residential apartments



The Forest Hotel, NSW

Land Area 18,971 sqm

Proposed Gross Floor Area 6,336 sqm

Potential for **~140 rooms of hotel accommodation** with car parking space on ground floor and basement



Doncaster, VIC

Land Area 23,730 sqm

Proposed Gross Building Area 92,745 sqm

Potential as a mixed-use development for a **new Hotel with Nightcap accommodation, Dan Murphy's** and up to **464 apartments across 3 blocks**

# Appendix

## Other



# Well positioned to deliver value for our stakeholders

## Attractive business fundamentals

### Network scale

Australia's largest retail drinks and hospitality networks with scale production assets

### Trusted brands

Recognised, trusted consumer brands

### Customer understanding

One of Australia's largest and most engaged customer bases

### Financial strength

Proven track record of growth, profitability and capital returns

### Team and culture

Engaged team with a purpose-driven culture

### Licence to operate

Privileged portfolio of licences, backed by a relentless focus on compliance and responsibility



## Simple, scalable, customer-first strategy

### Create meaningful experiences for our shared social customer



Australia's #1 large format drinks retailer, and the destination for value, range and service



Australia's largest and most convenient drinks retailer



Australia's largest network of hospitality venues



Portfolio of exclusive brands driving product innovation and strong returns

### Unlock scalable solutions to drive growth



Shared customer foundations



Efficient end-to-end business



Capital allocation to drive growth

### Bring our purpose and imprint to life



One team living our purpose and values



Positive and sustainable imprint



## Creating value

### Customers

Convenience, range, value and service to create leading omnichannel experiences

### Team

Maintaining an effective and engaged team by attracting, retaining and developing talent

### Suppliers

Supporting and growing the industries in which we operate

### Community

Leaving a positive imprint on the community, people and planet

### Shareholders

Targeting shareholder value creation of 10%+ from F26<sup>1</sup>

# Delivering on our strategy scorecard commitments

## Shared customer foundations

- **Customer value:** Dan Murphy's extended price leadership gap to nearest competitor<sup>1</sup>
- **Customer experience:** VOC maintained at 80 in Dan Murphy's and 75 in BWS; +0.3 pt to 8.9 in Hotels v H1 F24
- **Omnichannel engagement:** Increased digitally influenced in store sales; grew monthly active app users by 40% to 0.7m

## Efficient end-to-end business

- **Optimisation:** Delivered \$40m in savings during H1 F25 through endeavourGO, contributing to \$230 million in cumulative savings to date
- **Sustainable margin:** +11 bps Retail gross margin expansion; +16 bps Hotels gross margin expansion v H1 F24
- **One Endeavour:** Separation from Woolworths and simplification of technology landscape tracking to plan

## Capital allocation to drive growth

- **Capital discipline:** Reduced capital expenditure by \$73m v H1 F24<sup>2</sup> and realised \$38m from capital recycling program
- **Working capital:** Improved working capital driven by lower inventory.
- **Strong cash flow generation** resulted in 168% cash realisation ratio and \$273m net debt reduction
- **Portfolio optimisation:** Continued program of hotels portfolio improvements including 16 renewals, progressed redevelopment planning; integrated Shorty's into Dan Murphy's and launched Jimmy Brings partnership with Milkrun

## One team living our purpose and values

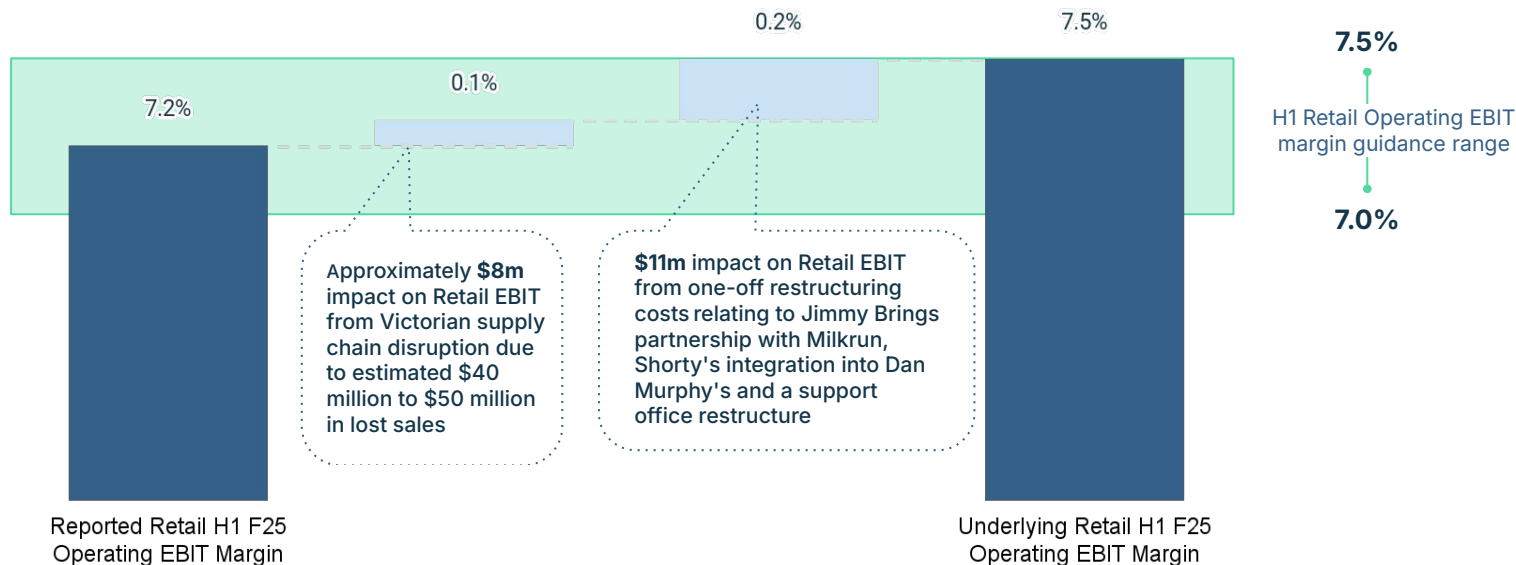
- **Team:** Women in 43% of senior management positions
- **Safety:** Total Recordable Injury Frequency Rate 10.11, stable through a challenging environment

## Positive and sustainable imprint

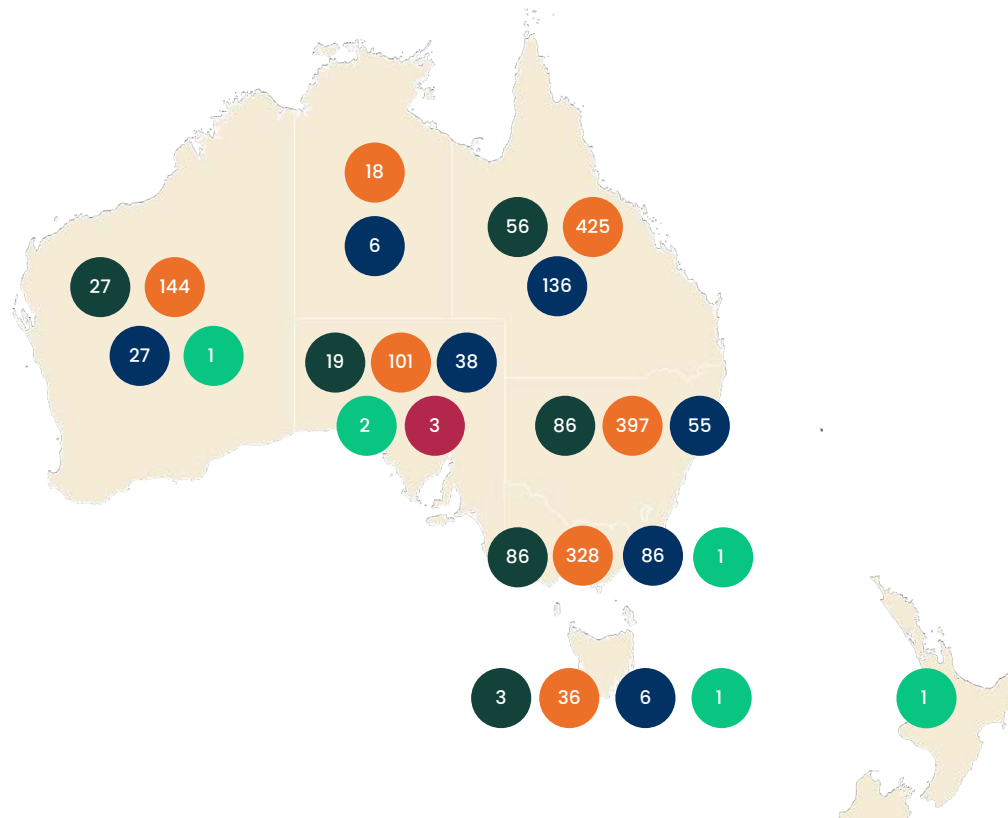
- **Culture of Responsibility and Compliance:** 93% of team members completed unique Leading in Responsibility training
- **15 million** customer engagements in **responsible consumption campaigns** across stores and hotels
- **95%** of relevant team members completed bespoke Responsible Gaming Training, above regulatory requirements

# Retail Operating EBIT margin

Underlying H1 Retail Operating EBIT margin of ~7.5% was at the upper end of our guidance range after adjusting for Victorian supply chain disruption and one-off restructuring costs.



# Network <sup>1</sup>



## Key:

- Dan Murphy's
- BWS
- Hotels (incl clubs)
- Wineries
- Bottling facilities

**277** +2

Dan Murphy's stores<sup>2</sup>

**1,449** -4

BWS stores

**354**

Hotels (incl. managed clubs)

**6**  
Wineries

**3**  
Bottling facilities

# Group sales composition

|                        | H1 F25         | H1 F24         | CHANGE  |
|------------------------|----------------|----------------|---------|
| BWS and Dan Murphy's   | 81.04%         | 81.67%         | -63 bps |
| Specialty <sup>1</sup> | 2.05%          | 2.07%          | -2 bps  |
| Gaming                 | 6.72%          | 6.49%          | 23 bps  |
| Bars                   | 5.17%          | 4.96%          | 21 bps  |
| Food                   | 3.87%          | 3.75%          | 12 bps  |
| Accommodation          | 0.79%          | 0.71%          | 8 bps   |
| Other Hotels           | 0.36%          | 0.35%          | 1 bps   |
| <b>Total</b>           | <b>100.00%</b> | <b>100.00%</b> |         |

# Group financial performance

| \$ million                                      | H1 F25<br>(27 WEEKS) | H1 F24<br>(27 WEEKS) | CHANGE         |
|---|----------------------|----------------------|----------------|
| <b>Sales</b>                                    |                      |                      |                |
| Retail  | 5,501                | 5,583                | (1.5%)         |
| Hotels  | 1,120                | 1,084                | 3.3%           |
| <b>Total sales</b>                              | <b>6,621</b>         | <b>6,667</b>         | <b>(0.7%)</b>  |
| <b>Profit for the period</b>                    |                      |                      |                |
| Operating Retail EBIT                           | 397                  | 449                  | (11.6%)        |
| Operating Hotels EBIT                           | 274                  | 265                  | 3.4%           |
| Other EBIT                                      | (37)                 | (35)                 | 5.7%           |
| <b>Operating EBIT</b>                           | <b>634</b>           | <b>679</b>           | <b>(6.6%)</b>  |
| One Endeavour Costs                             | (39)                 | (18)                 | 116.7%         |
| <b>Total EBIT</b>                               | <b>595</b>           | <b>661</b>           | <b>(10.0%)</b> |
| Finance costs - Leases                          | (100)                | (94)                 | 6.4%           |
| Finance costs - Non-leases                      | (58)                 | (59)                 | (1.7%)         |
| <b>Profit before income tax</b>                 | <b>437</b>           | <b>508</b>           | <b>(14.0%)</b> |
| Income tax expense                              | (139)                | (157)                | (11.5%)        |
| Non-controlling interests                       | 0                    | 0                    | n.a.           |
| <b>Profit for the period (after income tax)</b> | <b>298</b>           | <b>351</b>           | <b>(15.1%)</b> |
| <b>EBIT Margin</b>                              |                      |                      |                |
| Operating Retail EBIT margin (%)                | 7.2%                 | 8.0%                 | -83bps         |
| Operating Hotels EBIT margin (%)                | 24.5%                | 24.4%                | +2bps          |
| Operating EBIT margin (%)                       | 9.6%                 | 10.2%                | -61bps         |



# Balance sheet

| \$ million   | H1 F25<br>5 JAN 2025 | F24<br>30 JUNE 2024 | H1 F24<br>31 DEC 2023 |
|--|----------------------|---------------------|-----------------------|
| Trade working capital  | 392                  | 725                 | 592                   |
| Lease assets   | 3,128                | 3,201               | 3,260                 |
| Property, plant and equipment                                    | 2,199                | 2,234               | 2,187                 |
| Intangible assets  | 4,275                | 4,274               | 4,253                 |
| Other liabilities (net)  | (749)                | (710)               | (790)                 |
| <b>Funds employed</b>  | <b>9,245</b>         | <b>9,724</b>        | <b>9,502</b>          |
| Tax liabilities (net)  | 233                  | 208                 | 179                   |
| Other (assets)/liabilities (net)                                 | (31)                 | (39)                | (38)                  |
| Lease liabilities  | 3,836                | 3,913               | 3,950                 |
| Net debt   | 1,273                | 1,872               | 1,546                 |
| Equity   | 3,934                | 3,770               | 3,865                 |
| <b>Total funding and tax</b>                                     | <b>9,245</b>         | <b>9,724</b>        | <b>9,502</b>          |
| <b>Operating Return on funds employed (ROFE) (%)<sup>1</sup></b> | <b>11.7</b>          | <b>12.1</b>         | <b>12.1</b>           |
| <b>ROFE (%)</b>  | <b>10.9</b>          | <b>11.6</b>         | <b>11.6</b>           |

1. Operating ROFE excludes the impact of the One Endeavour Technology (OET) program

# Cash flow

| \$ million   | H1 F25<br>(27 WEEKS) | H1 F24<br>(27 WEEKS) | CHANGE     |
|--|----------------------|----------------------|------------|
| <b>EBIT</b>  | 595                  | 661                  | (66)       |
| Depreciation and amortisation expenses                           | 318                  | 301                  | 17         |
| Changes in trade working capital                                 | 326                  | 186                  | 140        |
| Changes in assets and liabilities and other non-cash items       | 65                   | 49                   | 16         |
| Finance costs on borrowings paid                                 | (57)                 | (54)                 | (3)        |
| Payment for the interest component of lease liabilities          | (100)                | (94)                 | (6)        |
| Income tax paid  | (111)                | (135)                | 24         |
| <b>Operating cash flows</b>                                      | <b>1,036</b>         | <b>914</b>           | <b>122</b> |
| Proceeds from the sale of property, plant and equipment          | 32                   | -                    | 32         |
| Payments for property, plant and equipment and intangible assets | (141)                | (221)                | 80         |
| Proceeds from sale of business                                   | 6                    | 2                    | 4          |
| Payments to acquire businesses, net of cash acquired             | (9)                  | (2)                  | (7)        |
| Repayment of lease liabilities                                   | (179)                | (163)                | (16)       |
| Dividend paid  | (134)                | (134)                | 0          |
| Other  | (12)                 | (12)                 | (0)        |
| <b>Free cash flow</b>  | <b>599</b>           | <b>384</b>           | <b>215</b> |
| <i>Cash realisation ratio (%)</i>                                | 168                  | 140                  | 28 pp      |

# Historical financial performance<sup>1</sup>

|                                  | Pre COVID-19 |              |              |               | COVID-19     |              |              |              | COVID-19 unwind / Post COVID-19 |              |              |              |              |
|----------------------------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|---------------------------------|--------------|--------------|--------------|--------------|
|                                  | H1 F19       | H2 F19       | H1 F20       | H2 F20        | H1 F21       | H2 F21       | H1 F22       | H2 F22       | H1 F23                          | H2 F23       | H1 F24       | H2 F24       | H1 F25       |
| <b>Retail</b>                    |              |              |              |               |              |              |              |              |                                 |              |              |              |              |
| Sales (\$M)                      | 4,564        | 3,889        | 4,777        | 4,509         | 5,690        | 4,488        | 5,657        | 4,429        | 5,446                           | 4,459        | 5,583        | 4,491        | 5,501        |
| Operating EBIT                   | 316          | 222          | 338          | 231           | 419          | 250          | 463          | 210          | 424                             | 253          | 449          | 260          | 397          |
| <b>Operating EBIT Margin(%)</b>  | <b>6.9%</b>  | <b>5.7%</b>  | <b>7.1%</b>  | <b>5.1%</b>   | <b>7.4%</b>  | <b>5.6%</b>  | <b>8.2%</b>  | <b>4.7%</b>  | <b>7.8%</b>                     | <b>5.7%</b>  | <b>8.0%</b>  | <b>5.8%</b>  | <b>7.2%</b>  |
| <i>One Endeavour Costs</i>       |              |              |              |               |              |              | (2)          | (6)          | (6)                             | (13)         | (13)         | (18)         | (27)         |
| EBIT                             | 316          | 222          | 338          | 231           | 419          | 250          | 461          | 204          | 418                             | 240          | 436          | 242          | 370          |
| EBIT Margin (%)                  | 6.9%         | 5.7%         | 7.1%         | 5.1%          | 7.4%         | 5.6%         | 8.1%         | 4.6%         | 7.7%                            | 5.4%         | 7.8%         | 5.4%         | 6.7%         |
| <b>Hotels</b>                    |              |              |              |               |              |              |              |              |                                 |              |              |              |              |
| Sales (\$M)                      | 865          | 775          | 919          | 401           | 667          | 750          | 680          | 831          | 1,056                           | 923          | 1,084        | 941          | 1,120        |
| Operating EBIT                   | 207          | 144          | 227          | -52           | 122          | 138          | 121          | 194          | 260                             | 175          | 265          | 178          | 274          |
| <b>Operating EBIT Margin (%)</b> | <b>23.9%</b> | <b>18.6%</b> | <b>24.7%</b> | <b>-13.0%</b> | <b>18.3%</b> | <b>18.4%</b> | <b>17.8%</b> | <b>23.3%</b> | <b>24.6%</b>                    | <b>19.0%</b> | <b>24.4%</b> | <b>18.9%</b> | <b>24.5%</b> |
| <i>One Endeavour Costs</i>       |              |              |              |               |              |              |              |              | (4)                             | (3)          | (5)          | (8)          | (12)         |
| EBIT                             | 207          | 144          | 227          | (52)          | 122          | 138          | 121          | 194          | 256                             | 172          | 260          | 170          | 262          |
| EBIT Margin (%)                  | 23.9%        | 18.6%        | 24.7%        | -13.0%        | 18.3%        | 18.4%        | 17.8%        | 23.3%        | 24.2%                           | 18.6%        | 24.0%        | 18.1%        | 23.4%        |

# Summary of forward looking statements

| Area                       | Description   |
|----------------------------|---|
| <b>Group optimisation</b>  | We are targeting cumulative optimisation savings of \$290 million+ by F26, with \$230 million delivered as at H1 F25, to mitigate inflationary pressures and enable continued investment in line with strategy. |
| <b>Effective tax rate</b>  | We expect the F25 full year effective tax rate to be in the range of 31 - 32%   |
| <b>Finance costs</b>       | F25 finance costs are expected to be within the range of \$305 - \$315 million, based on interest rates current at the date of this presentation.   |
| <b>Capital expenditure</b> | Capital expenditure in F25 is anticipated to be between \$375-425 million, including One Endeavour program capital.   |
| <b>One Endeavour</b>       | Refer to One Endeavour program guidance provided on slide 12.   |
| <b>53rd trading week</b>   | F24 was a 53-week reporting period. Growth rates in F25 will be impacted with a 52-week year being compared to a 53-week year.  |

# Comparative figures

## Normalised 52-week Equivalent F19 Information, Equivalent F20 Information and 52-week F24 Information

Woolworths' Drinks and Hotels businesses were transferred to, and merged with, Endeavour Group Limited on 2 February 2020 (Restructure) and 4 February 2020 (Merger), respectively. Prior to this only the results of Endeavour Group Limited, previously known as Pinnacle Liquor Group Pty Limited, were included. To enhance comparability against pre COVID-19 periods, a Normalised 52-week Equivalent F19 period and an Equivalent F20 period are referenced.

**Normalised 52-week Equivalent F19 Information** relates to the results of what was previously known as Woolworths' Drinks and Hotels businesses for the 52-week period ended 23 June 2019.

This information has been sourced from the data used in the F19 Woolworths Group Limited Annual Report, adjusted to include transactions to other Woolworths Group controlled entities that were previously classified as intercompany (pre Demerger) and remove the impact of the 53rd week in F19 from 24 to 30 June 2019.

**Equivalent F20 Financial Information** relates to the results of what was previously known as Woolworths' Drinks and Hotels businesses for the full 52-week period ended 28 June 2020, rather than only after the Restructure and Merger. This information has been sourced from the data used in the F20 Woolworths Group Limited Annual Report, adjusted to exclude consolidation adjustments not applicable to Endeavour Group on a standalone basis.

**52-week F24 Financial Information** relates to the financial results for the 52-week period ended 23 June 2024, removing the impact of the 53rd week in F24 from 24 to 30 June 2024.

# Glossary

| Term                            | Description   |
|---------------------------------|---|
| CAGR                            | Compound annual growth rate   |
| Cash realisation ratio          | Operating cash flow as a percentage of Group profit for the year after income tax but before depreciation and amortisation  |
| Cost of doing business (CODB)   | Expenses which relate to the operation of the business  |
| eCommerce                       | Online channels including but not limited to store websites, apps and other digital platforms   |
| Free cash flow                  | Cash flow generated by the Group after equity related financing activities including dividends and repayment of lease liabilities   |
| Funds employed                  | Net assets excluding net debt, lease liabilities, other financing-related assets and liabilities and net tax balances   |
| Gaming                          | Refers to the operation of Electronic Gaming Machines   |
| My Dan's active member          | My Dan's active members are the number of unique members who have transacted in the last twelve months  |
| n.m.                            | Not meaningful  |
| Net debt                        | Borrowings less cash and cash equivalents and excluding the impact of unamortised borrowing costs   |
| Net Promoter Score (NPS)        | A loyalty measure based on a single question where a customer rates a business on a scale of zero to ten. 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).  |
| Online penetration              | Online penetration is calculated as total online sales as a percentage of total Retail sales for the same time period   |
| Price index                     | An index comparing Dan Murphy's pricing to selected competitors. Competitor product pricing information is sourced by Endeavour through a number of channels, mostly via external providers. Pricing is reviewed on a product by product basis against many different suppliers. Product comparisons are weighted by Endeavour's volume mix to create a weighted index. Higher volume lines will have a bigger impact on the index than smaller lines |
| Return on Funds Employed (ROFE) | ROFE is calculated as EBIT for the previous 12 months as a percentage of 13 month average adjusted funds employed, where adjusted funds employed refers to funds employed adjusted to exclude deferred taxes on indefinite life intangible assets.  |
| Return on Investment (ROI)      | ROI calculated as increase to EBIT divided by invested capital (invested capital includes total capital expenditure, net of depreciation)   |
| Operating EBIT / ROFE / CODB    | Operating EBIT/ROFE/CODB excludes the impact of the One Endeavour Technology program  |
| VOC NPS                         | VOC NPS is based on feedback from Everyday Rewards members (for BWS) or My Dan's members (for Dan Murphy's). VOC NPS is the number of promoters (score of nine or 10) less the number of detractors (score of six or below)   |

# Disclaimers

This presentation is dated 28 February 2025 and unless stated otherwise is current as at that date.

This presentation contains summary and general information about Endeavour Group Limited and its controlled entities (together, Endeavour, the Group, or Endeavour Group), and Endeavour Group's activities as at the date of this presentation. It should be read in conjunction with Endeavour Group's other periodic and continuous disclosure announcements filed with the Australian Securities Exchange, available at [www.asx.com.au](http://www.asx.com.au). Information about Endeavour Group's financial performance is current as at the last announcement provided to the Australian Securities Exchange.

This presentation has not been audited in accordance with Australian Auditing Standards.

This presentation contains certain non-IFRS measures that Endeavour Group believes are relevant and appropriate to understanding its business. Refer to Endeavour Group's 2025 Half-year Financial Report issued on 28 February 2025 for further details. F19 information is based on a normalised 52-week equivalent in F19. F24 information is based on a normalised 52-week equivalent in F24.

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 Endeavour Group shares or other securities. It has been prepared without taking into account the objectives, financial situation or needs of any person.

Before making an investment decision, prospective investors and 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. 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, no Endeavour Group company, 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.

This presentation may contain forward-looking statements including statements regarding an intent, belief or current expectation with respect to Endeavour Group'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 'forecast', 'target', 'estimate', 'plan', 'will', 'anticipate', 'may', 'believe', 'should', 'expect', 'intend', 'outlook', 'guidance' and similar expressions, as they relate to Endeavour Group 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, performances or achievements of Endeavour Group to be materially different from future results, performances or achievements expressed or implied by such statements.

The release of this presentation has been authorised by the Board.

**Endeavour Group Limited ACN 159 767 843 | 26 Waterloo Street, Surry Hills, NSW, 2010**