

WOOLWORTHS GROUP



10 May 2021

ASX Market Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Demerger of Endeavour Group - Briefing Presentation

Attached for release to the market is a presentation regarding the proposed demerger of Endeavour Group.

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WOOLWORTHS GROUP



Demerger of Endeavour Group

Woolworths Group Limited
ABN 88 00 014 675

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Woolworths Group Purpose

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What we mean by 'we'

Our team and our partners

What we mean by 'create'

We constantly innovate to make a positive impact on the lives of our customers and team

What we mean by 'experiences'

The moments we create in store and online for customers, communities and shareholders, as we work together in our teams—and with our partners

We create better experiences together for a better tomorrow

What we mean by 'better'

We always look for ways to improve—for our customers, team, communities and partners

What we mean by 'together'

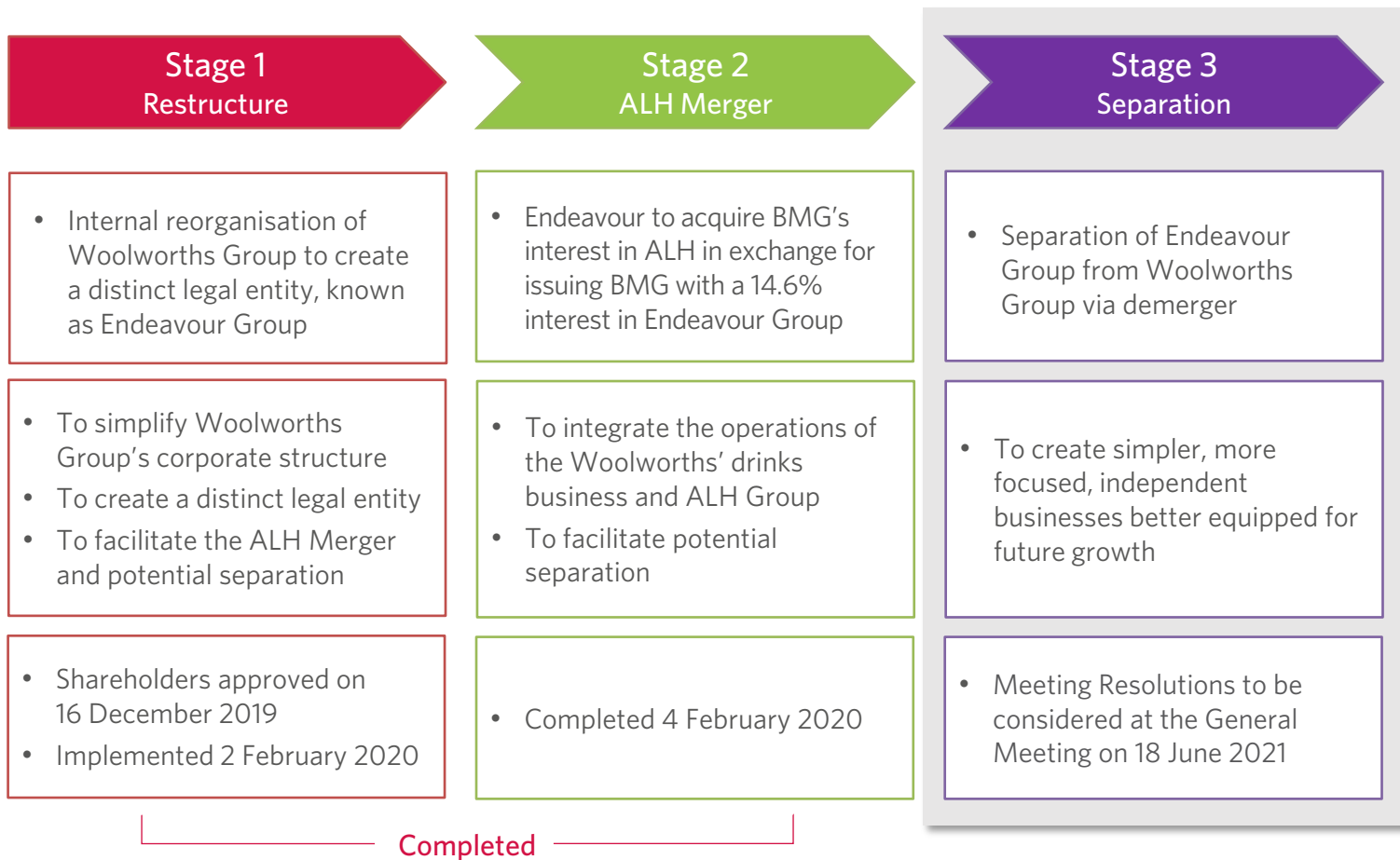
How we work in partnership—with each other, as well as with our partners and communities

What we mean by 'tomorrow'

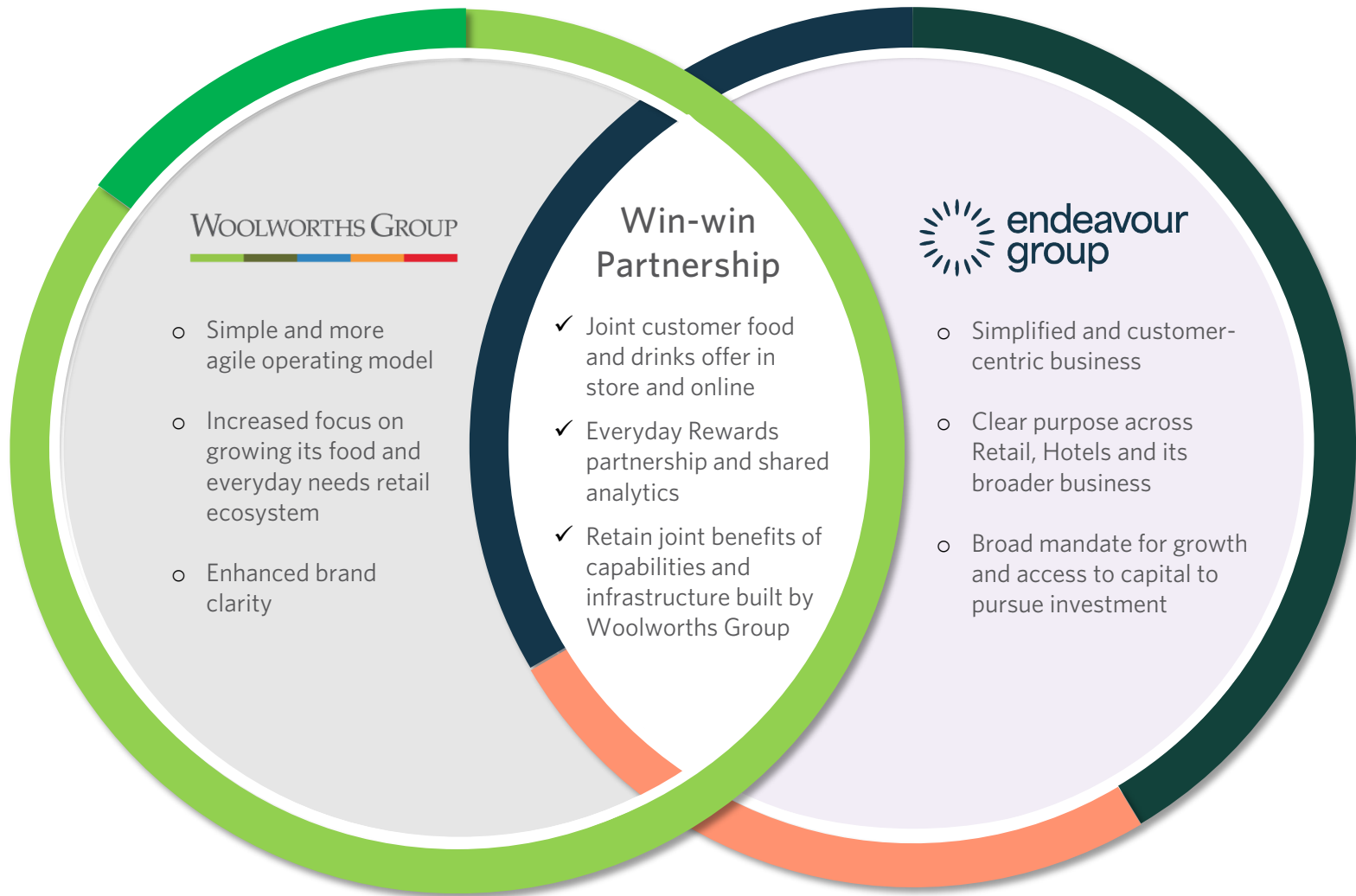
The plans we make and the actions we take today will have a positive impact for generations to come

Completing the Endeavour Group Transformation

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WOOLWORTHS GROUP



(Post demerger)



Australia and New Zealand's leading food and everyday needs business

Footprint of established food and everyday needs brands

Well positioned in resilient grocery market with strong balance sheet

Innovation capabilities and established core platforms in areas like digital, data & analytics, formats and supply chain

Complementary partnerships with leading Australian businesses through retail ecosystem

Experienced board and management

Australia's leading retail drinks and hospitality business

The leading retail drinks and hospitality operator in Australia

Complementary portfolio of trusted and innovative brands

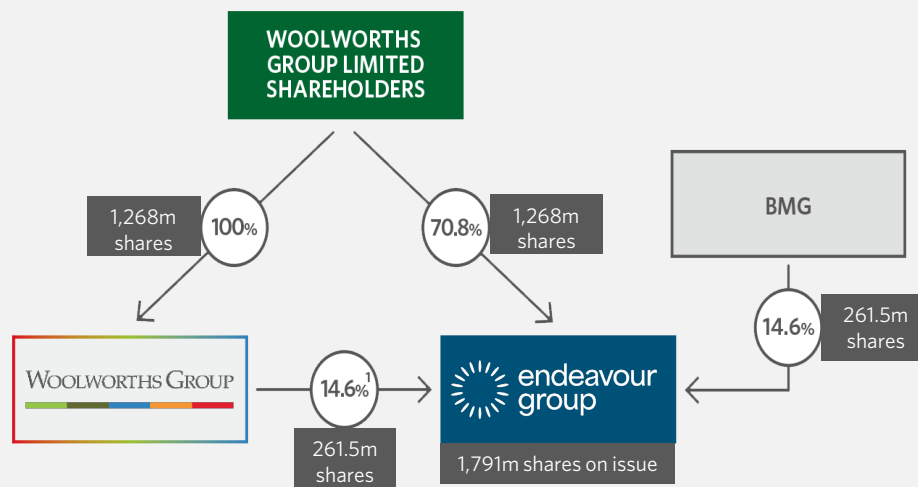
Legal and social licence to operate

Exclusive products that meet customer needs and drive growth

Experienced and knowledgeable team

- Demerger to occur via a distribution of Endeavour shares
- Eligible shareholders will receive one Endeavour share for every share held in Woolworths Group
 - Expected to qualify for demerger tax relief
- Woolworths Group will hold a 14.6%¹ interest
- Bruce Mathieson Group (BMG) will also hold a 14.6% interest
- Vote on demerger resolutions at a General Meeting to be held on 18 June 2021
 - No scheme of arrangement required
 - Resolutions require simple majority
- Endeavour Group starts trading on ASX on 24 June 2021²

Simplified structure of Woolworths Group and Endeavour Group immediately following the demerger



¹Excludes a small number of Endeavour Shares to be transferred to the trustee of the Woolworths Employee Share Trust under the demerger which will be disposed of by the trustee shortly after implementation of the demerger

²Conditional and deferred settlement basis

Pro forma impact of the demerger

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\$m (unless otherwise stated)	Pro forma post demerger		
	Current Woolworths Group	Woolworths Group	Endeavour Group
F20 revenue	63,675	53,131	10,624
F20 EBIT ¹	3,219	2,519	693
F20 NPAT ¹	1,646	1,303	328
H1 F21 net debt/ (cash) ²	491	(75)	1,266
H1 F21 eCommerce penetration	8.2%	8.3% ³	8.5% ⁴
Team members (#)	200,000+	172,000+	28,000+
Retail stores / venues (#)	3,386 ⁵	1,424 ⁵	1,962 ⁵
F20 EBIT by segment (%) ⁶			

¹ Before significant items and non-controlling interests
² Net financial debt excluding lease liabilities and the impact of derivatives
³ Based on reported H1 F21 eCommerce sales divided by total sales for Australian Food, New Zealand Food and BIG W
⁴ For the Retail segment only
⁵ As at 3 January 2021. Excludes NZ franchise stores, Summergate and five managed clubs
⁶ EBIT by segment excluding central overheads
⁷ F20 EBIT split impacted by COVID-19. F19 EBIT split of 62% for Retail and 38% for Hotels

As a result of pro forma adjustments to reflect the impact of the demerger, the sum of Woolworths Group and Endeavour Group, post demerger, will not always equal Woolworths Group pre demerger. Refer to Demerger Booklet for more detail

Woolworths Group's retail ecosystem with our customers and everyday needs at the core

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1

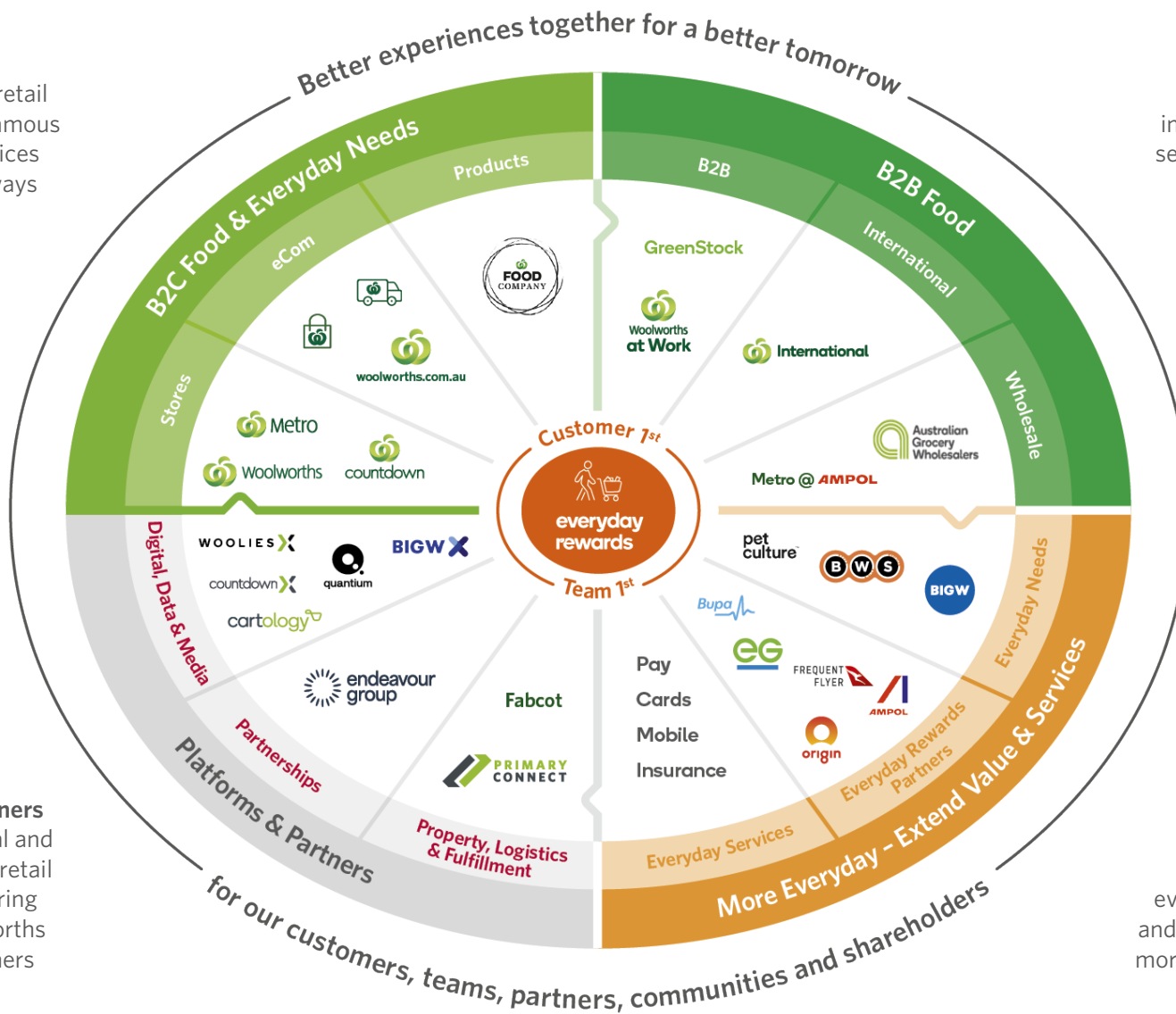
B2C Food

Our cornerstone retail food businesses, famous for good food, prices and acts and always convenient

2

B2B Food

Expanding food into new customer segments, channels and markets



4

Platforms & Partners

Technology, digital and analytics enabled retail platforms delivering value for Woolworths Group and partners

3

More Everyday

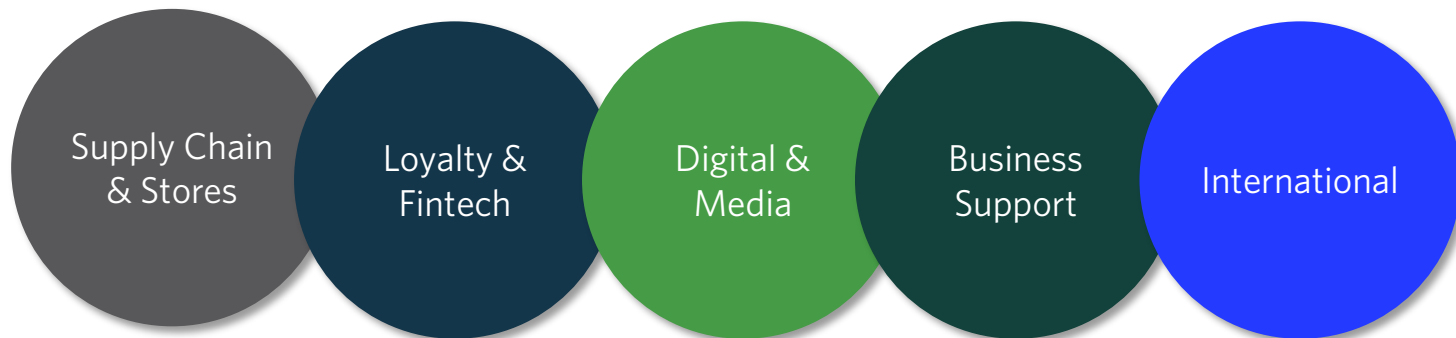
Extending into complementary everyday categories and services to provide more for our customers

Partnership agreements between Woolworths Group and Endeavour Group extend choice for customers to meet their everyday needs through both Woolworths Group's businesses and partners

Key anticipated benefits to be delivered under the partnership agreements include:

- framework to pursue joint growth opportunities and further develop team and technology capabilities for mutual benefit;
- protecting and maintaining the synergies and collaborative relationship;
- supporting Endeavour Group with continuity of its operations and transition to separate listed entity; and
- minimising stranded costs for Woolworths Group on the demerger

Partnership agreement categories



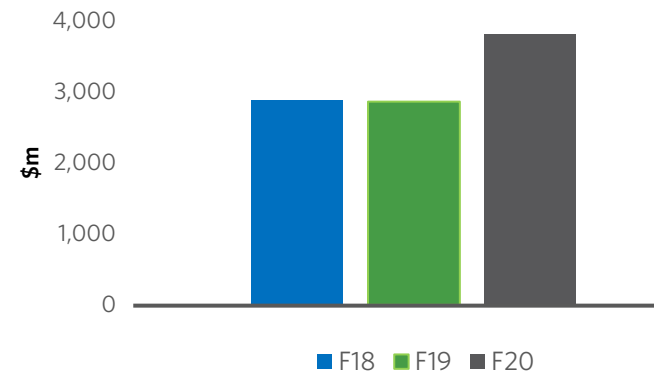
Woolworths Group post demerger capital management considerations

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Total net debt post demerger

\$m	Pro forma Woolworths Group 3 Jan 2021
Cash	(2,699)
Borrowings	2,624
Net debt / (cash)	(75)¹
Lease liabilities	11,932
Total net debt	11,857

Pro forma operating cash flows²



- Woolworths Group's operating cash flow and cash realisation is expected to remain strong
- Woolworths Group remains committed to solid investment grade credit ratings
 - No change to credit rating targets anticipated
- Pro forma net cash of \$75m following settlement of Endeavour Group intercompany borrowings
- Lease liabilities of \$11.9b
- Woolworths Group Board will consider capital management options
- Subject to trading conditions and Board approval, \$1.6b – \$2.0b could be returned to shareholders

¹ Excludes debt-related financial assets of \$44m

² Before significant items

Demerger expected to create value for shareholders

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Relative to other separation alternatives, Woolworths Group Board believes the demerger is the most value accretive path to separation for shareholders

Woolworths Group is committed to ensuring Endeavour Group is set up with a strong foundation for success and growth as an independent listed company

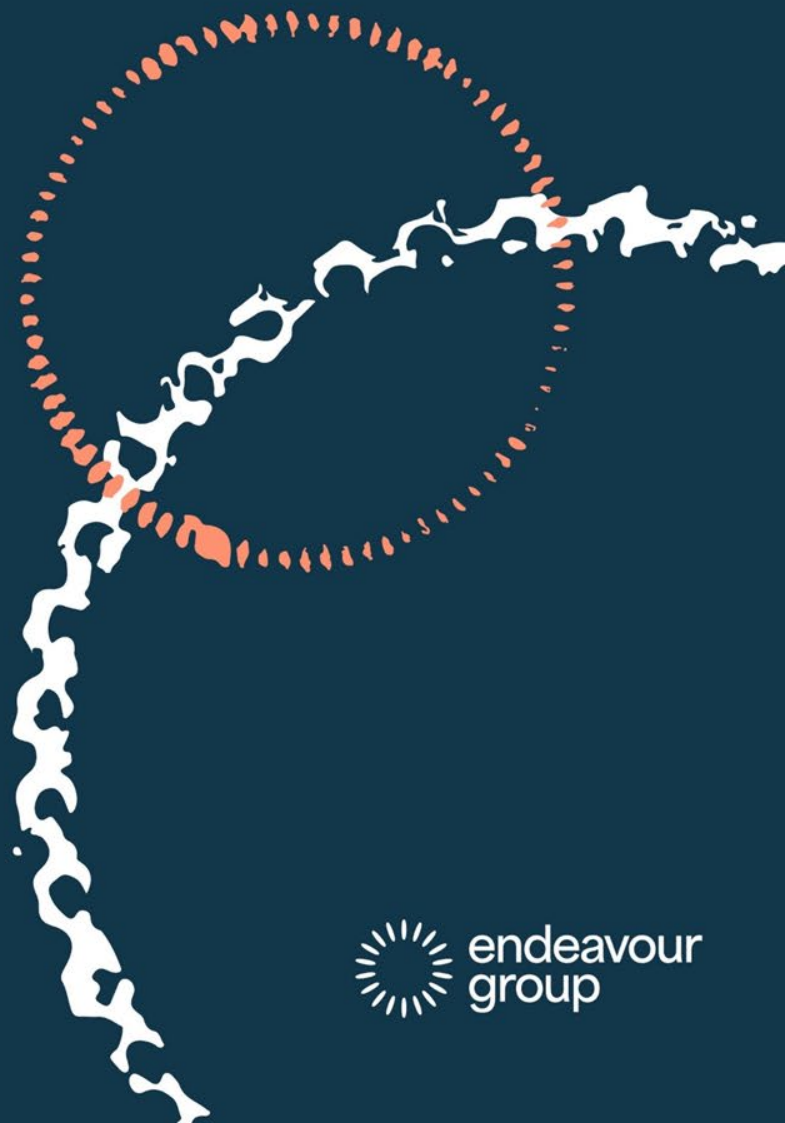
Grant Samuel & Associates, the Independent Expert, has concluded that the demerger is also in the best interests of Woolworths Group shareholders

Woolworths Group Board unanimously recommends the demerger

Shareholder vote to be held at the General Meeting on Friday, 18 June 2021. Expected to trade (conditional and deferred settlement basis) on 24 June 2021

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Endeavour Group Post Demerger



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Peter Hearl



Chairman

Steve Donohue



*Managing Director and
Chief Executive Officer*

Holly Kramer



*Woolworths Group nominee,
non-executive director*

Bruce Mathieson Sr



*BMG nominee,
non-executive director*

Duncan Makeig



*Independent
non-executive director*

Joe Pollard



*Independent
non-executive director*

Colin Storrie



Non-executive director¹

Catherine West



*Independent
non-executive director*

¹Colin Storrie is not considered to be independent because he is currently a senior executive of Woolworths Group and is expected to remain in this role until 27 June 2021

Endeavour Group senior leadership team

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Steve Donohue



*Managing Director and
Chief Executive Officer*

Shane Gannon



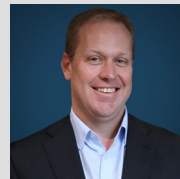
Chief Financial Officer

**Agnieszka
Pfeiffer-Smith**



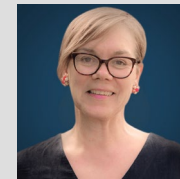
Chief Strategy Officer

Peter Atkin



Chief Legal Officer

Judith Powell



*Chief Information
Officer*

Alison Merner



Chief People Officer

Bruce Mathieson Jr



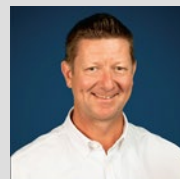
*Managing Director,
Hotels*

Alex Freudmann



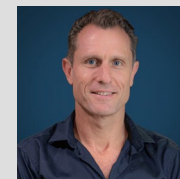
*Managing Director,
Dan Murphy's*

Scott Davidson



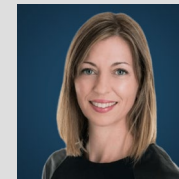
*Managing Director,
BWS*

Paul Walton



Director, Pinnacle Drinks

Claire Smith



Director, EndeavourX

Steve Donohue



*Managing Director and
Chief Executive Officer*

- Steve was appointed Managing Director, Endeavour Drinks in January 2018
- Prior to this, Steve held a broad range of roles within the Woolworths Group drinks business, starting as a store manager in Dan Murphy's at 19 years old and progressing into senior Buying, Merchandising and Marketing roles in Dan Murphy's, BWS and the broader drinks business
- In 2013, Steve moved to New Zealand to work for Countdown before returning to Australia in 2015 to take up Director of Buying and Merchandising for Woolworths Supermarkets
- Steve has over 25 years of experience in the retail industry and brings a deep appreciation for core retail principles and a strong focus on the customer experience

Shane Gannon



Chief Financial Officer

- Shane is an experienced finance executive with over 40 years in the finance function with the last 15 years as a CFO of four ASX-100 companies, most recently with the Mirvac Property Group
- Shane joined Endeavour Group as Chief Financial Officer in April 2021
- Before joining Mirvac, Shane was the CFO of Goodman Fielder, CSR and Dyno Nobel
- Prior to the above CFO roles, Shane was employed in divisional CFO roles at Lend Lease Group (10 years) and private equity in the renewable energy space
- Shane's broad industry experience, in addition to public company CFO roles, includes property, financial services, mining services, FMCG and energy sectors

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We're **pioneering**,
entrepreneurial and
always **innovating**

We **connect people**
through our products and
places, enabling **great**
experiences and positive,
memorable moments

Creating a more sociable
future together

We do the right thing
– build our business
sustainably, act
responsibly and
embrace **technology**

We work as **one team** to
contribute to the **communities**
we serve and collaborate with
our **partners** to help build a
better industry

Market leading brands and positions

- Leading brands - Dan Murphy's and BWS are #1 and #2 preferred retail drinks brands in Australia¹, and operate the largest network of 1,630¹ stores with flexible, short duration leases
- Largest hotels network in Australia, with 332¹ hotels (owned and leased)
- 1,775+ liquor licences and ~12,400 electronic gaming licences across Australia
- Leading digital presence - 18m+ web and app visits in December 2020 and eCommerce sales of \$637m in F20
- 5.1m My Dan's loyalty members

Advanced digital and product capabilities through EndeavourX and Pinnacle Drinks

- EndeavourX is the engine of Endeavour's eCommerce offerings, digital capabilities and loyalty propositions
- Pinnacle Drinks provides consumer brand and product development capabilities, with a focus on premiumisation

Ecosystem partnerships that reinforce portfolio benefits

- Combination and co-location of retail drinks and hotel assets drives enhanced financial performance
- Ongoing support of Woolworths Group capabilities in digital, IT and supply chain through flexible partnership agreements

Growth momentum across all business units

- Ongoing opportunities for network growth, enhancing the existing store and venue network and improving end to end efficiency
- Digital step change opportunity to grow market share to match bricks and mortar
- Category expansion and Pinnacle Drinks growth opportunity particularly in premium and craft categories
- Development opportunities across the existing hotel network and acquisition of new hotels

Commitment to purpose and responsible service

- 28,000+ engaged team members and an experienced board and management team, committed to our purpose of creating a more sociable future together
- Continued focus on maintaining position as an industry leader in the responsible service of alcohol and gaming

Strong financial performance

- Resilient financial performance through COVID-19
- Strong operating cashflow and access to liquidity to fund growth and distributions to shareholders

¹ Ergo Liquor Tracker survey

² As at 3 January 2021

Endeavour Group - Australia's leading drinks and hospitality business

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\$10.6B
F20 Sales (F19 \$10.3B)



\$693M
F20 EBIT (F19 \$861M)

Retail				Hotels			
\$9.3B Sales	\$578M EBIT	1,630 Dan Murphy's and BWS stores	50% Online sales growth	\$1.3B Sales	\$171M EBIT	332 Hotels venues	12,364 EGMs

Australia's largest retail drinks business, with multi-format brand propositions and capabilities

Operator of a portfolio of 332 licensed venues providing a range of hospitality experiences



Pinnacle Drinks provides products and services capabilities across the entire group, including a portfolio of exclusive brands, vertically integrated production and services, and premium brand ownership



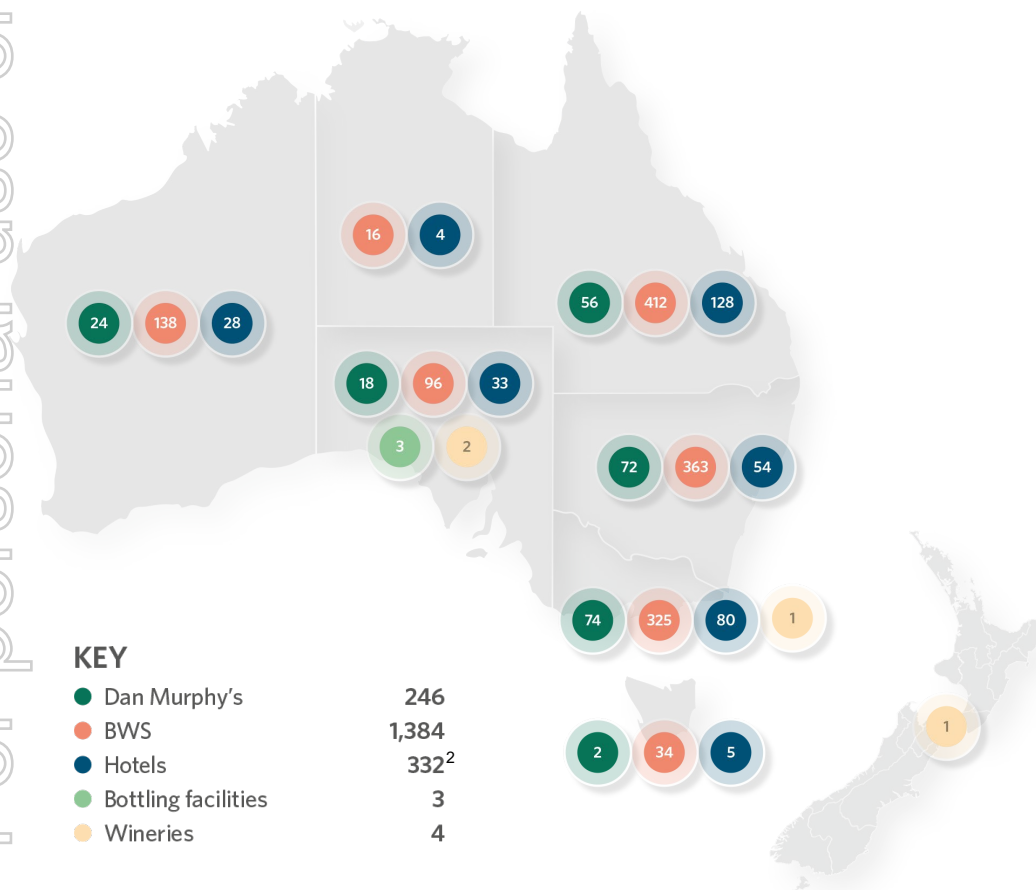
EndeavourX brings together Endeavour Group's digital and fulfilment capabilities and platforms, loyalty propositions, and oversees the trading operations of the specialty and eCommerce businesses. EndeavourX enables Endeavour Group to know and engage its customers across the entire business

Note: Pro forma revenue and pro forma EBIT. Endeavour Group F20 pro forma EBIT of \$693 million (F19: \$861 million) includes unallocated net costs of \$56 million (see Appendix). COVID-19 had a material impact on the performance of Endeavour Group in F20

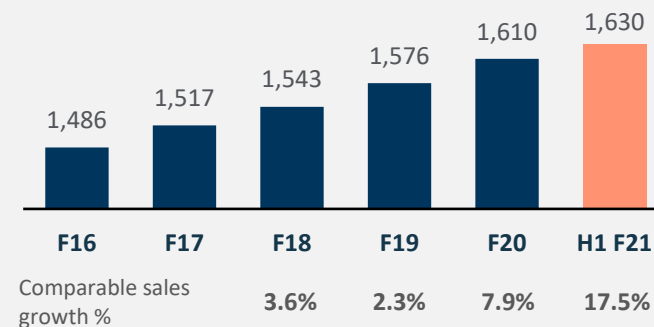
Source: Demerger Booklet page 24

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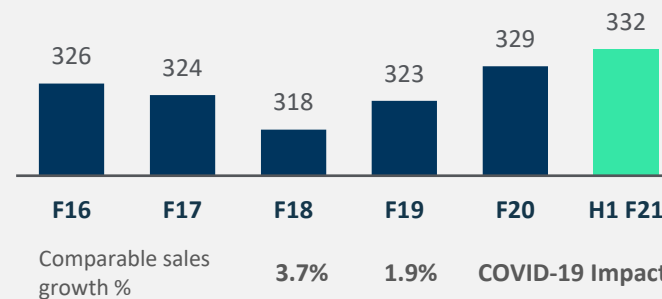
Endeavour Group network footprint¹



Retail store network growth over time



Hotels venue network growth over time



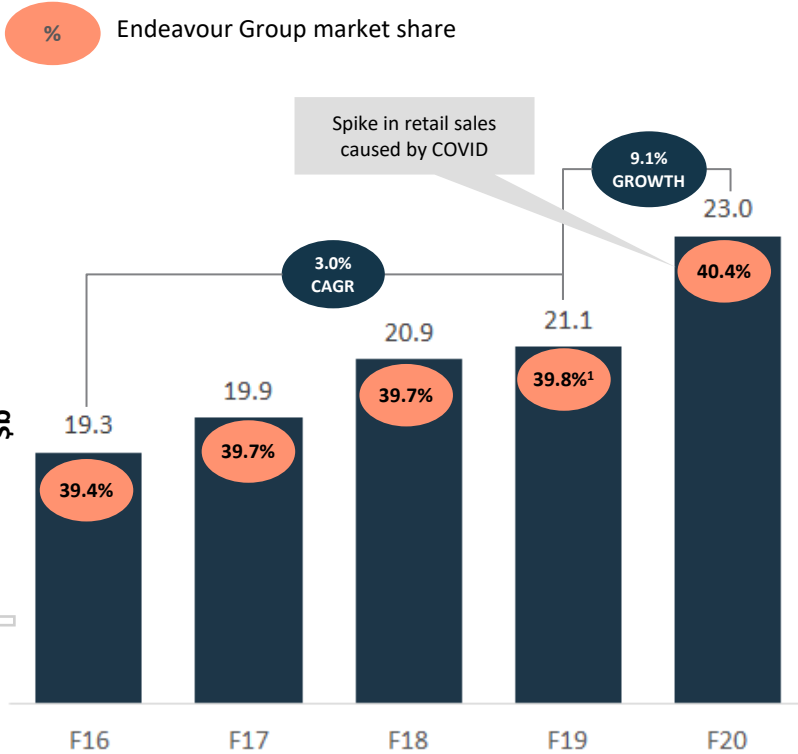
¹ Locations as at 3 January 2021, with the exception of Oakridge Wines acquired in March 2021

² Excludes 5 clubs managed by Endeavour Group in Victoria

Operating in a growing drinks and fragmented hospitality market

Drinks retail market size (revenue)

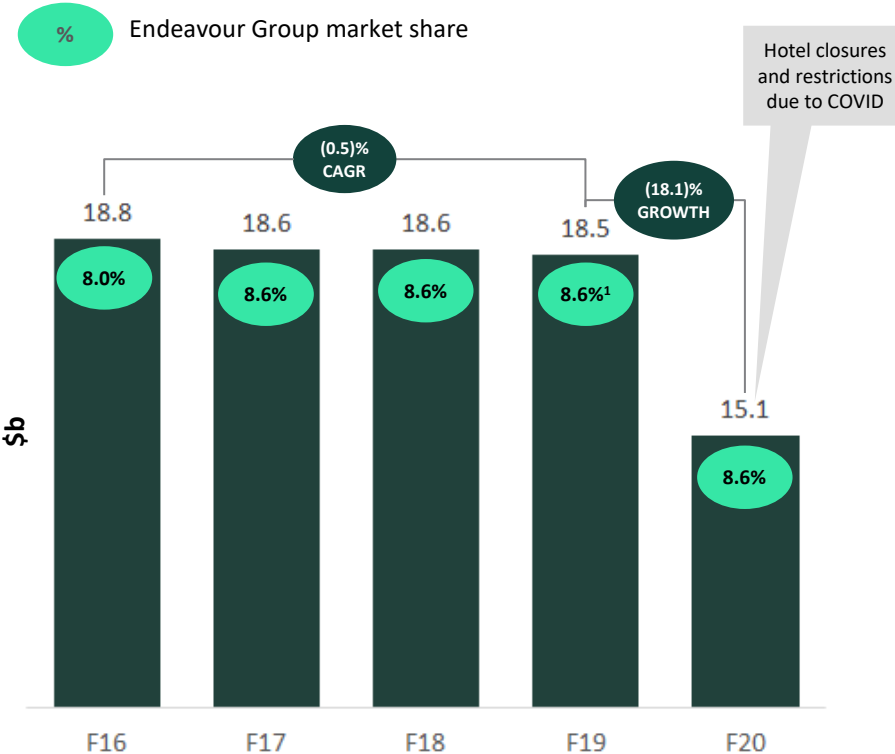
(Packaged liquor market including online and direct to consumer)



Source: Frost & Sullivan (March 2021)
¹ F19 reflects market share normalised to exclude EGL 53rd week

Hospitality market size (revenue)

(Pubs, bars and nightclubs)

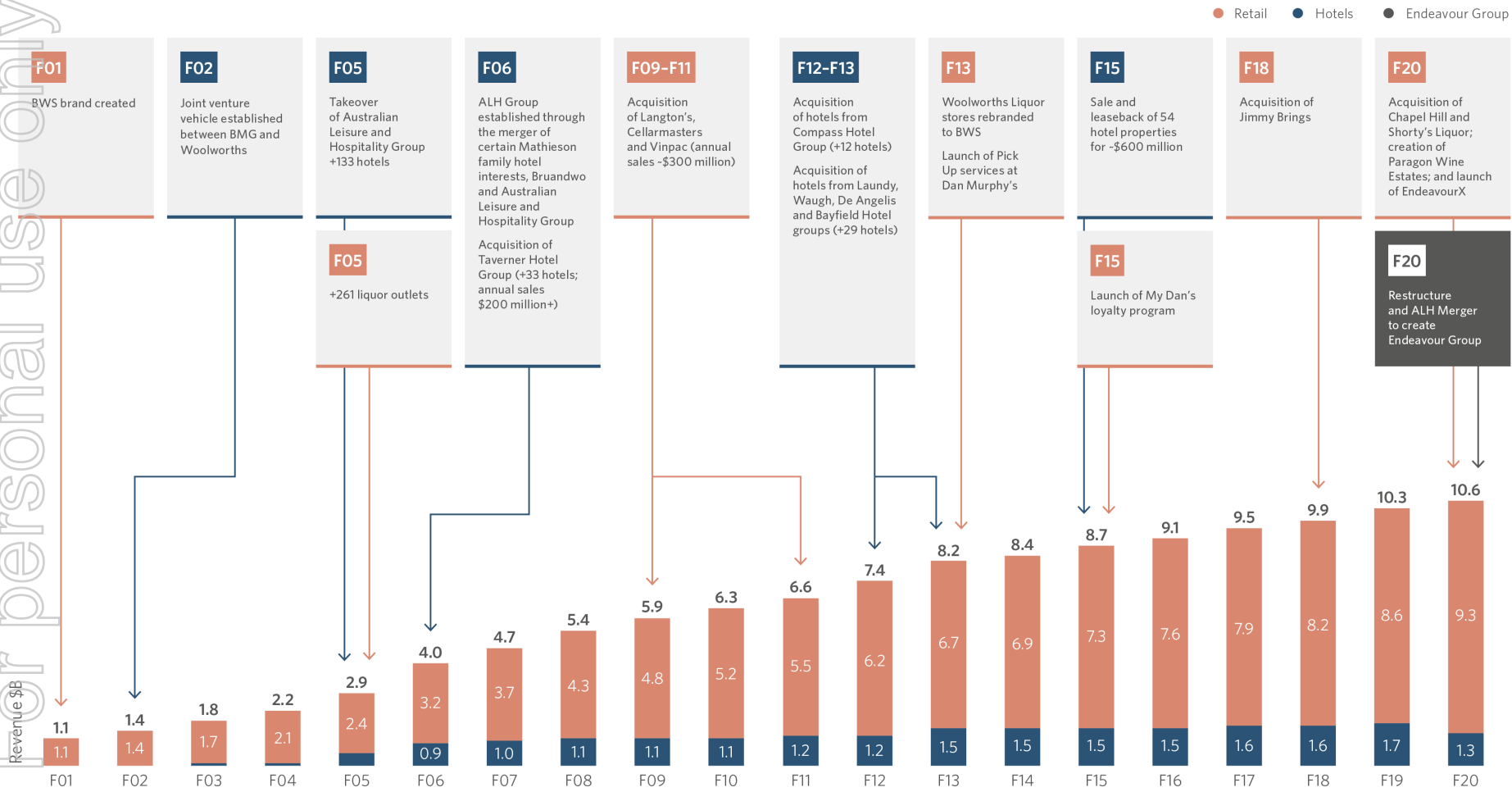


Source: IBISWorld Report Pubs, bars and nightclubs in Australia (October 2020)

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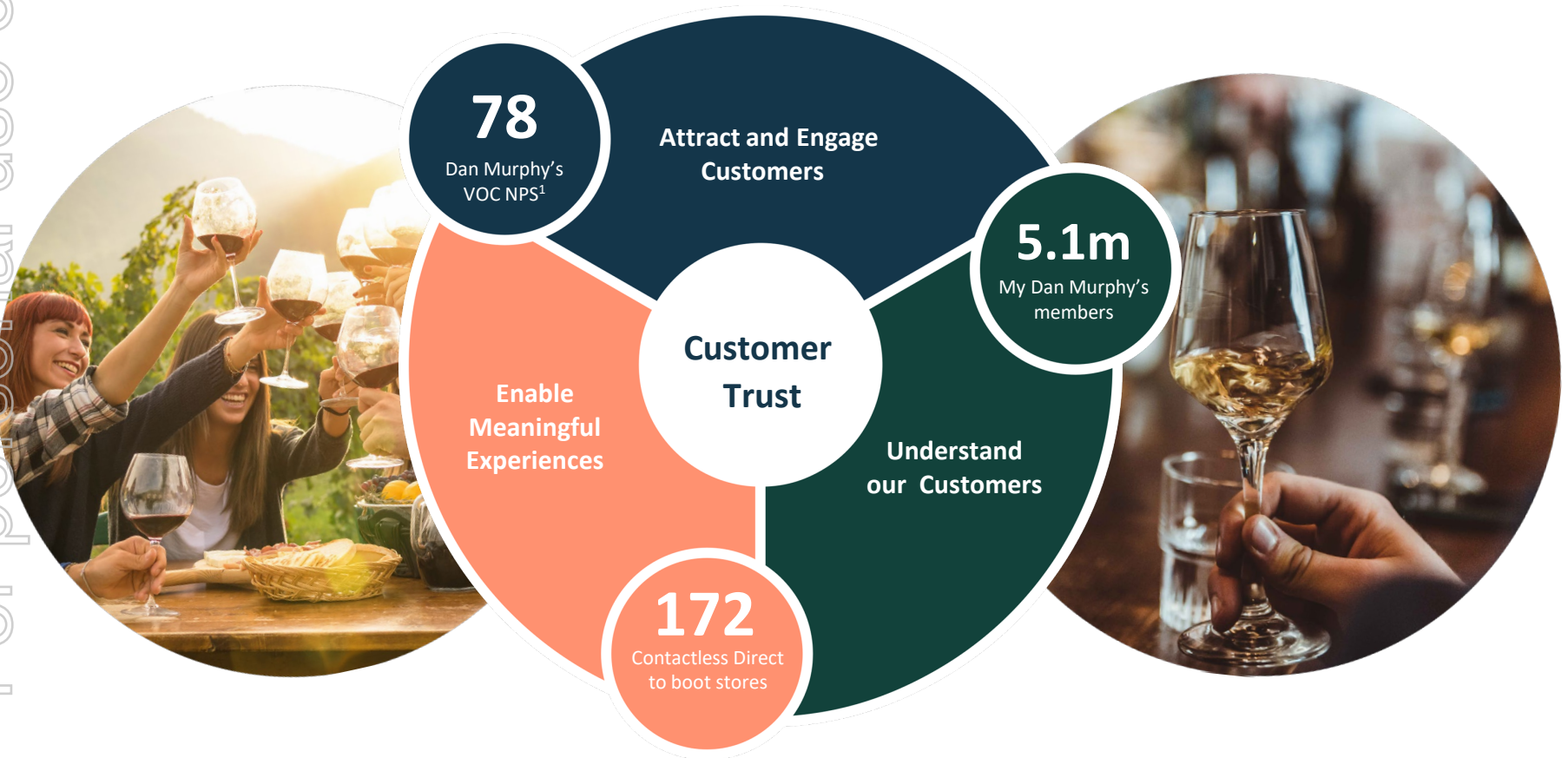
A strong history of organic and strategic growth

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Note: Due to rounding, numbers presented in this chart may not add up to precisely to the totals presented

Customer engagement and understanding, driving better experiences...and more engagement



¹ Voice of Customer (VOC) Net Promoter Score (NPS) (Store and Online) as reported for Q3 F21

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- One of Australia's most trusted brands
- Destination for drinks discovery – in store and online
- Widest range at Australia's lowest prices



Reported brand preference¹



- One of the most convenient places to buy drinks in Australia
- Integrated online offering including under one hour delivery proposition
- Localised range



- Reported brand preference: #1 and #2 most preferred brands in the market¹

- Kantar recently named Dan Murphy's one of the most trusted and most meaningfully different brands in Australia



- Australia's largest on-premise venue operator
- Range of hospitality experiences, including bars and food, electronic gaming, wagering, live entertainment and accommodation



¹ Ergo Liquor Tracker survey

49

owned hotel properties

- Opportunities for growth and capital recycling
- Leverage ecosystem partnerships and portfolio benefits

283

leased hotel properties

- WALE of 14.4¹ years plus options
- Redevelopment rights and optimisation potential across multiple sites

Recent developments across Hotels

Como Hotel

Reopened 15 December 2020



Redland Bay Hotel

Reopened 3 July 2020



Forest Hotel

Opened 11 December 2020



¹ As at 3 January 2021

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High customer engagement



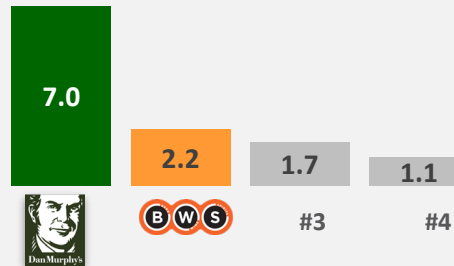
18m+ monthly
web and app visits
in Dec 2020



5.1m
My Dan's members
in H1 F21

Largest share of category traffic

Website visits per month (m)
Dec 2020¹



Fast growing eCommerce sales

eCommerce sales

- ↑ \$483m sales in H1 F21
- ↑ 50.2% growth yoy
- ↑ 8.5% penetration of total Retail sales

Leader in eCommerce Innovation



- 30 min Pick up in most stores
- 172 contactless Direct to boot service stores
- 171 stores with two hour express delivery



- 30 min Pick up in most stores
- On Demand delivery in < 1 hr available from 960 stores

**Drinks delivered in 1 hour,
or free delivery next time.***



*It's our way of saying "my bad".
T&C's apply. Delivery Guarantee valid on ASAP orders only.

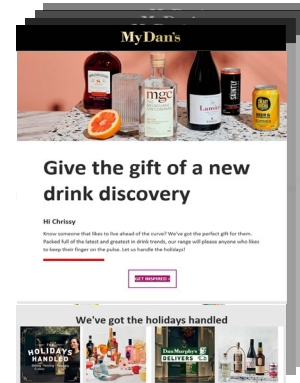


¹ Source: SimilarWeb

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ENDEAVOUR^x

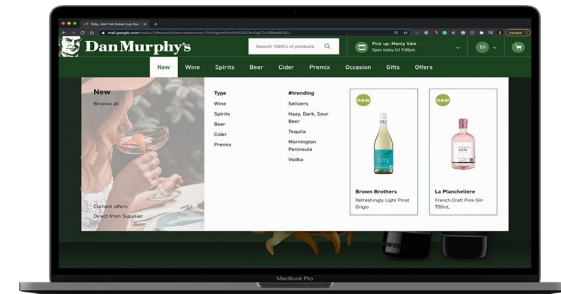
- EndeavourX was created in 2019, and comprises the digital platforms and incubator businesses of the Group to **build customer knowledge, leverage capability and drive growth**
- EndeavourX brings together the **loyalty propositions** across the business into a single view called **CustomerPulse**
- Customer insights drive the prioritisation of the **digital delivery** agenda (currently focused on personalisation, app and convenience) and the development of **key platforms**
- EndeavourX also oversees the trading operation of the **eCommerce and incubator businesses**



Personalisation



Apps



Search & Intent Management

Innovations like facial recognition in Hotels or predictive algorithms in Jimmy Brings also enable Endeavour Group to continually evolve and remain committed to responsible service and consumption

Pinnacle Drinks is Endeavour Group's consumer brand and production business

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Endeavour Group's own and exclusive brand business

- Largest supplier to Endeavour Group
- Access to high quality exclusive products, while delivering growth for Endeavour Group
- Supply chain flexibility to respond to consumer demand

207

New products
in F20

458

Awards won
(YTD F21)

Product Innovation



Pinnacle Drinks engages in selective vertical integration



Collection of award winning and premium heritage wineries and wine brands around Australia and New Zealand



A 5-star James Halliday rated winery in the Barossa Valley



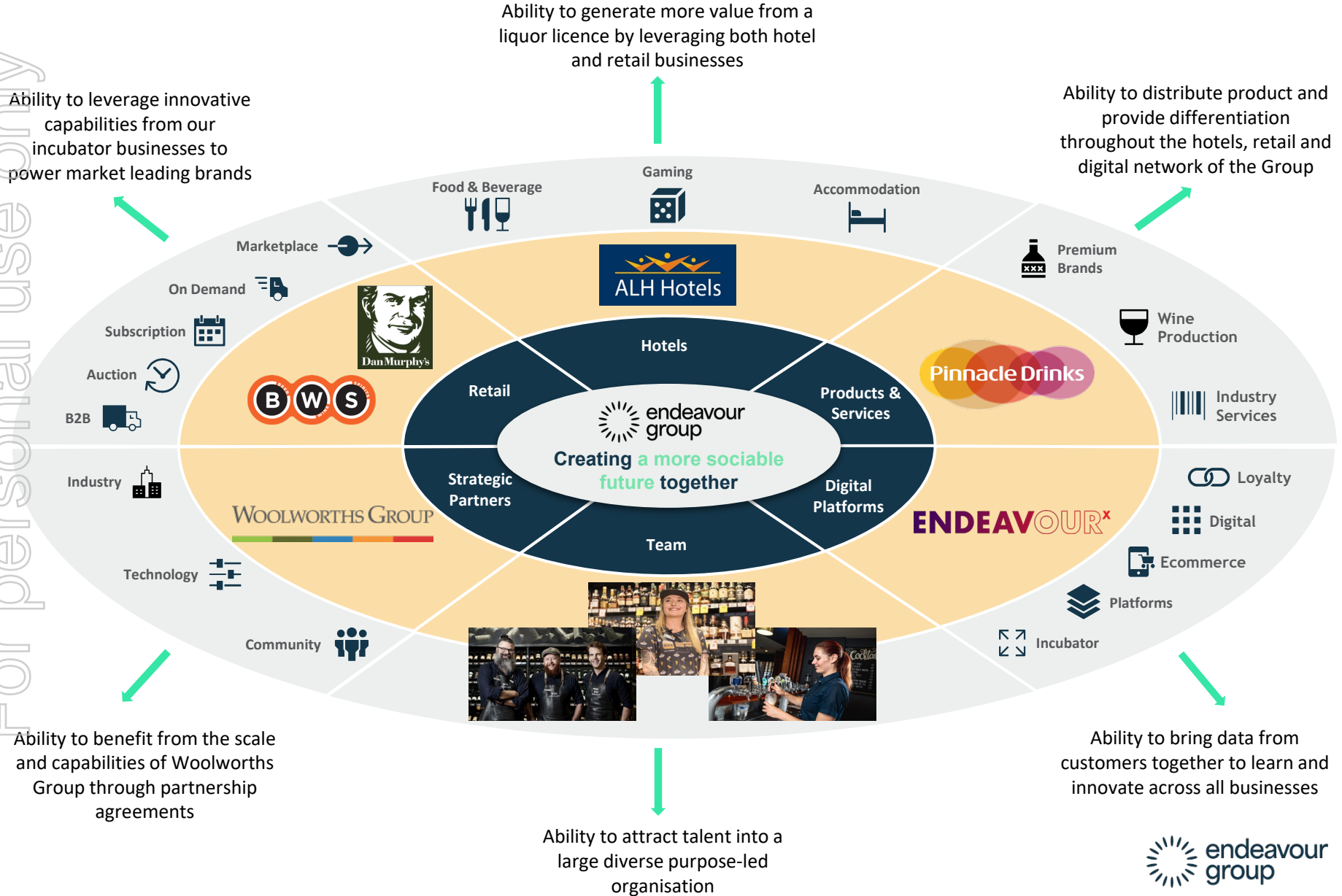
Provides wine solutions including contract bottling services and supply of packaging goods

Premium Wine



Endeavour Group's ecosystem unlocks portfolio benefits

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Growing digital engagement

- Increase eCommerce market share to align to bricks and mortar
- Improve the digital offer and deploying new services into underserved communities
- Make digital the front door to all brands including hotels

Strategic expansion of the network

- Accelerate acquisition, roll-up and development of new hotels
- Expand to catchments that can support an additional Dan Murphy's or BWS store
- Expand smaller incubator brands and platforms leveraging existing infrastructure

Expanding product range and reach

- Respond to emerging trends
- Leverage Pinnacle to drive new category growth and support premiumisation
- Grow customer resonance of Pinnacle Drinks' brands within Endeavour Group and offshore through selective partnerships



Enhancing the existing footprint

- Accelerate hotel refurbishments
- Deliver differentiated in-store experiences
- Unlock the value of freehold and leasehold property assets over time

Enhancing end-to-end efficiency

- Benefit from growing scale and synergies
- Expansion of technology capabilities to support growth
- Agile and integrated ways of working



One team

28,000+

team members

36%

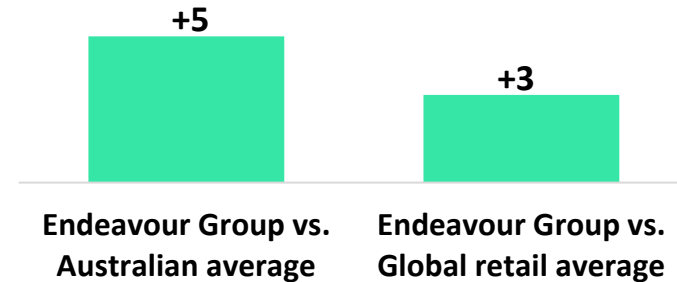
female representation across
Endeavour Group senior leaders

38%

reduction in recordable
injuries to Dec 20

- Passionate, knowledgeable and diverse team members, with market-leading sustainable engagement metrics
- Critical capabilities required to drive Endeavour Group to its full potential
- Best in class capability throughout the organisation, including in digital, merchandising and across store management and store teams

Highly Engaged Team Sustainable Engagement (Feb-20 Retail Survey Results)



Approach to Responsible Service

Responsibility

Most responsible operating model based on tailoring community relevant voluntary initiatives over and above legal compliance

- ID25+
- Choose to Drinkwise
- International Alliance for Responsible Drinking initiative
- Responsible gaming hosts

Training

Curated in-house RSA and RSG training for Retail, Hotels and eCommerce, and continuous improvement to develop innovative training solutions

Innovation

Explore, test and implement appropriate technologies for harm minimisation

- Facial recognition technology in South Australia
- Voluntary pre-commitment in Monty's Rewards app
- Predictive algorithms

Audit & Compliance

Dedicated internal RSA and RSG teams who monitor compliance and address regulatory issues if they arise. External audit through mystery shopping and RGC

Partnership

Tailored partnerships with communities

- Jawun Secondments
- ALH chefs to FareShare charity kitchens during COVID
- 180 Liquor Accords
- Domestic and Family Violence initiative



Our Imprint

*At Endeavour, we aspire to leave a **positive imprint** on every community we touch*

We are not just responsible for our own actions, we must try to improve outcomes in the wider community, as members of that community

*We are committed to creating a **more sociable future** together*

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Financial overview



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Scale and growth

\$10.6b¹

F20 revenue

\$693m¹

F20 EBIT

6.5%¹

F20 EBIT margin



Strong asset base

\$3.2b²

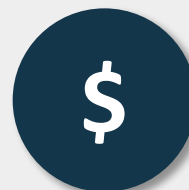
Net assets

\$2.0b²

Liquor, gaming and other licences

\$592m²

Freehold land, warehouse, retail and other property



Cash generative

\$1.4b¹

F20 operating cash flow before finance costs and tax

\$0.5b³

F20 cash flow before dividends and debt repayment

F21 final dividend

Expected to be declared and paid in H1 F22



Financial flexibility

\$2.5b

Debt facilities (3-5yr tenor)

\$500m+

Facility headroom at demerger

8.8 years

Retail WALE

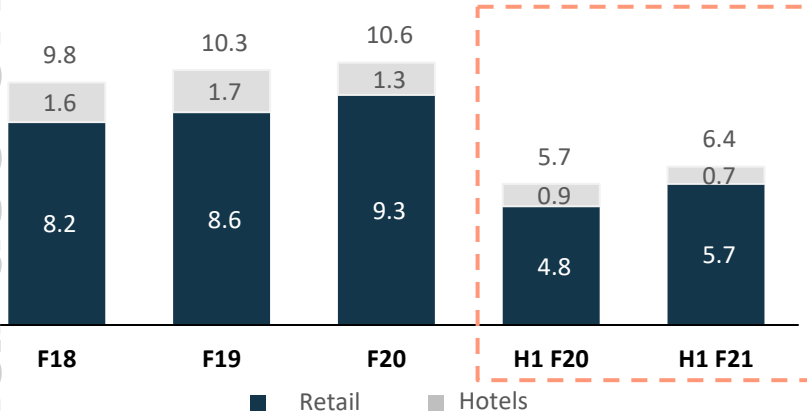
¹ Pro forma before significant items

² Pro forma as at 3 January 2021

³ Pro forma operating and investing cash flows after lease payments



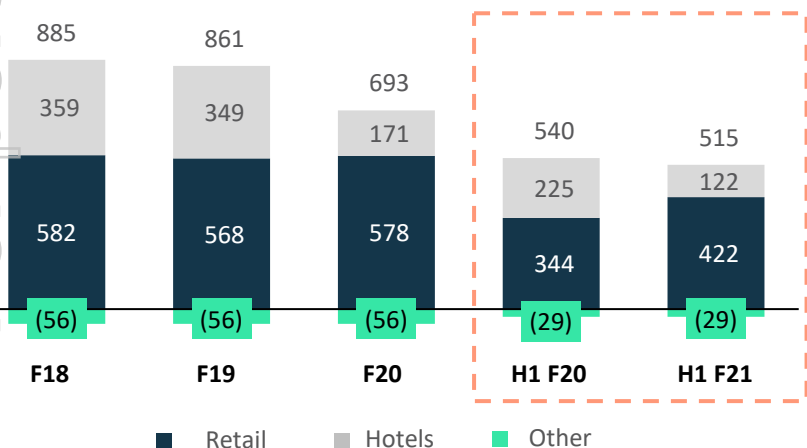
Pro forma revenue by business (\$bn)



Retail

- Solid Retail comparable sales growth in F18; softer market in F19
- H2 F20 and H1 F21 materially impacted by COVID which drove unprecedented Retail demand
- F19 EBIT reflects targeted investments in key focus areas including customer experience, ranging, data and analytics and eCommerce
- F20 and H1 F21 EBIT impacted by COVID with strong sales growth offset somewhat by higher costs

Pro forma EBIT by business (\$m)



Hotels

- Strong sales growth in F18; softer market in F19, with sales growth supported by venue refurbishments
- H2 F20 and H1 F21 materially impacted by the closure of venues and venue restrictions due to COVID but improving trend as restrictions eased

Other

- Other costs of \$56m reflect pro forma central overhead costs

Note: F19 includes 53 weeks



Summarised pro forma balance sheet

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\$m	Pro forma Endeavour Group 3 Jan 2021 ¹
Cash and cash equivalents	566
Trade and other receivables	193
Inventories	1,436
Lease assets	3,150
Property, plant and equipment	1,838
Intangible assets	3,838
Other assets	106
Total assets	11,127
Trade and other payables	1,749
Lease liabilities	3,788
External borrowings	1,832
Other liabilities	563
Total liabilities	7,932
Net assets	3,195

- Finished goods held in stores, venues, warehouses and bulk product held by Pinnacle Drinks

- Freehold land, warehouse retail and other properties: \$592m
- Plant and equipment: \$701m
- Leasehold improvements: \$545m

- Goodwill: \$1.7b
- Liquor, gaming and other licences: \$2.0b
- Software: \$95m

Net debt

\$m	Pro forma 3 Jan 2021
Cash and cash equivalents	(566)
External borrowings	1,832
Net debt (excluding lease liabilities)	1,266
Lease liabilities	3,788
Total net debt	5,054

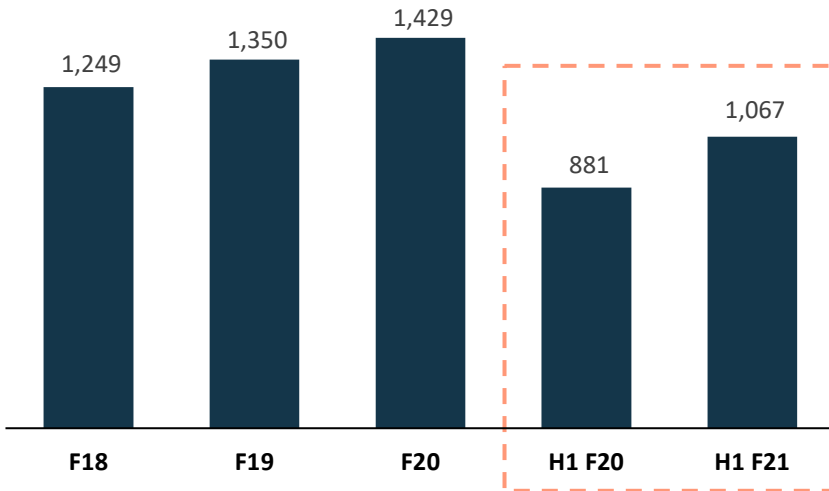
¹ Due to the nature of the working capital cycles in the business and the higher levels of seasonal trading, working capital is generally lower at the first half balance sheet date



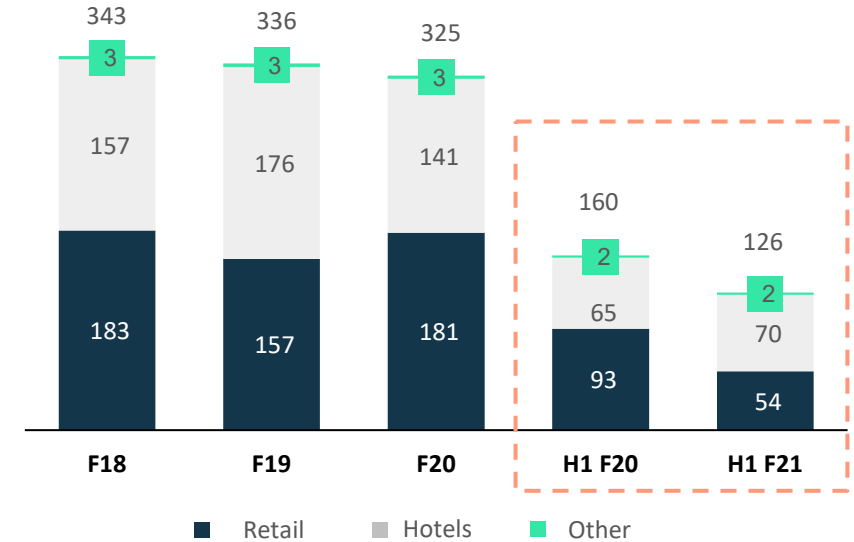
Cash flows and capex

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Pro forma net operating cash flows (\$m)¹



Pro forma capex by business (\$m)²

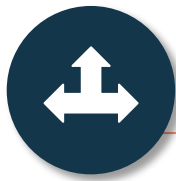


■ Retail ■ Hotels ■ Other

- Strong operating cash flow to support dividends and fund growth
- Operating cash flow in F20 and H1 F21 benefitted from impact of COVID trading on working capital

- Track record of disciplined capital allocation
- Investment balanced across investments in new stores / venues, refurbishments and redevelopments, technology, EGM fleet, digital / eCommerce and M&A
- Opportunities for continued investment to deliver attractive returns

¹ Pro forma net operating cash flows before financing costs and tax
² Includes payments for businesses and investments. Shown on an accrual basis



Debt facilities

\$m

5-yr Syndicated revolving credit facilities	1,000
4-yr Syndicated revolving credit facilities	900
3-yr Bilateral revolving credit facilities	600
Total debt facilities limit	2,500

- Total debt facilities of \$2.5b
- Pro forma F20 finance costs based on variable rate effective borrowing cost of 1.8% on drawn debt of \$1,850m
- On demerger, net debt¹ of \$1.4b to \$1.5b expected
- Pro forma lease liabilities of \$3.8b as at 3 Jan 2021
- Weighted average lease expiry:
 - Endeavour Group: 12.6 years
 - Retail: 8.8 years
 - Hotels: 14.4 years
- Targeting credit metrics consistent with an investment grade profile

Dividend approach

- Dividend policy to be determined by Endeavour Group Board at its discretion
- Initially, dividend payout ratio of 70% to 75% of NPAT expected
- Endeavour Group expected to pay dividend of 70% to 75% of NPAT for H2 F21, subject to fiduciary and statutory requirements
- Woolworths Group's final dividend and Endeavour Group's first dividend post demerger are, in aggregate, anticipated to be broadly equivalent to final dividend that would have been paid by Woolworths Group if the demerger had not gone ahead

¹ Excluding lease liabilities



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- Market leading brands and positions
- Advanced digital and product capabilities through EndeavourX and Pinnacle
- Ecosystem partnerships that reinforce portfolio benefits
- Growth momentum across all business units
- Commitment to purpose and responsible service
- Strong financial performance

Appendix – Endeavour Group pro forma historical statements of profit or loss

A\$M	H1 F21 (27 WEEKS)	H1 F20 (27 WEEKS)	F20 (52 WEEKS)	F19 (53 WEEKS)	F18 (52 WEEKS)
Revenue	6,357	5,712	10,624	10,294	9,795
EBIT, excluding significant items	515	540	693	861	885
Net interest on leases ¹	(89)	(96)	(184)	(180)	(181)
Finance costs ²	(17)	(17)	(33)	(34)	(33)
Profit, excluding significant items and before tax	409	427	476	647	671
Income tax expense ³	(131)	(130)	(148)	(202)	(209)
NPAT, excluding significant items	278	297	328	445	462

A\$M	H1 F21 (27 WEEKS)	H1 F20 (27 WEEKS)	F20 (52 WEEKS)	F19 (53 WEEKS)	F18 (52 WEEKS)
EBIT, excluding significant items	515	540	693	861	885
Depreciation on lease assets ¹	144	138	270	261	244
Depreciation and amortisation on other assets	113	108	209	214	191
EBITDA, excluding significant items	772	786	1,172	1,336	1,320

Notes:

- Net interest on leases and depreciation on lease assets include the pro forma impact of adopting AASB 16 as if this accounting standard had been in place for all the periods presented.
- Pro forma finance costs reflect the pro forma interest and amortisation of bank fees on external borrowings that will be drawn down upon Demerger, based on current interest rates, the pricing detailed in the terms of the Endeavour Group Facilities, and assumes the borrowings were in place for all periods presented. The interest to be paid under the Endeavour Group Facilities is variable and will change over time based on changes in the interest rate benchmarks referenced in the Endeavour Group Facilities. Following implementation of the Demerger, Endeavour Group may use interest rate hedges to reduce the variability in interest payments, which will impact the level of finance costs incurred, potentially by a material amount.
- The pro forma income tax expense is based on the pro forma profit before tax adjusted for permanent differences, and the corporate tax rate of 30%.

Appendix – Endeavour Group pro forma historical segment information

A\$M	H1 F21 (27 WEEKS)	H1 F20 (27 WEEKS)	F20 (52 WEEKS)	F19 (53 WEEKS)	F18 (52 WEEKS)
Revenue					
Endeavour Drinks	5,690	4,793	9,304	8,623	8,183
Hotels	667	919	1,320	1,671	1,612
Other	-	-	-	-	-
Total	6,357	5,712	10,624	10,294	9,795
EBIT, excluding significant items					
Endeavour Drinks	422	344	578	568	582
Hotels	122	225	171	349	359
Other ¹	(29)	(29)	(56)	(56)	(56)
Total	515	540	693	861	885
Depreciation and amortisation – lease assets					
Endeavour Drinks	74	72	139	131	122
Hotels	70	66	131	130	122
Other	-	-	-	-	-
Total	144	138	270	261	244
Depreciation and amortisation – other assets					
Endeavour Drinks	61	56	107	103	89
Hotels	52	52	102	111	102
Other	-	-	-	-	-
Total	113	108	209	214	191
EBITDA, excluding significant items					
Endeavour Drinks	557	472	824	802	793
Hotels	244	343	404	590	583
Other	(29)	(29)	(56)	(56)	(56)
Total	772	786	1,172	1,336	1,320
Capital expenditure					
Endeavour Drinks	54	93	181	157	183
Hotels	70	65	141	176	157
Other	2	2	3	3	3
Total	126	160	325	336	343

Notes:

- 1 The other segment includes dividend income from the investment held in ALE Property Group and central overhead costs, including costs arising from operating as a standalone entity listed on the ASX.

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Thank you

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Financial information included in this document are consistent with disclosures made as part of the Endeavour Group Demerger Booklet. This document should be read in conjunction with the Demerger Booklet as detailed notes, including the basis for preparation, are included in the Demerger Booklet.

References to Endeavour Group Pro forma historical information are references to the pro forma historical information of Endeavour Group during the relevant periods or at the relevant time, being the corporate group that was created following the Restructure and ALH Merger which is proposed to be demerged to Woolworths Shareholders. References to Pro Forma historical financial information refers to Endeavour Group on a consolidated basis.

The independent accountant has prepared the Independent Accountant's report in respect of the Endeavour Group Pro Forma Historical Financial Information, a copy of which is included in Annexure B of the Demerger Booklet. The comments made in relation to the scope and limitations in that report should be noted and read in conjunction with the risks associated with the Demerger and investment in Endeavour Group as set out in the Demerger Booklet.

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