



18 June 2021

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

General Meeting Chairman's Address and Presentation

Please see attached the Chairman's address and presentation to today's Woolworths Group General Meeting.

Authorised by: Kate Eastoe, Group Company Secretary

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General Meeting 2021
Chairman's Address
Friday 18 June 2021, 11 am (AEST)

Now ladies and gentlemen let me turn to the main item of business.

Today's meeting marks the final step in our three-stage process to transform and separate Endeavour Group.

Following your approval at our 2019 General Meeting, in February 2020 Endeavour Group was established through a restructure of the drinks business, stage one, and subsequent merger with ALH Group, stage two.

It was our intention to complete the separation of Endeavour Group, stage three, later that year. However, in March 2020 we decided to postpone the separation until 2021 as we prioritised our COVID-19 response amid a highly uncertain operating environment.

During that time, Endeavour Group continued to prepare to operate as a stand-alone business. Its financial performance during COVID-19 has proven to be resilient and the Woolworths Group Board is confident to move forward with the separation by way of a demerger as announced in May of this year.

The Woolworths Group Board strongly encourages you to support the resolutions put to the meeting today. We believe shareholder value will be enhanced through a greater focus on each business's core customer offering, unlocking growth opportunities and continuing to benefit from a win-win partnership in areas where it makes sense.

Woolworths Group will remain Australia and New Zealand's leading food and everyday needs business and is expected to remain one of the 20 largest ASX-listed companies.

The simpler and more agile operating model will enable us to grow our food and everyday needs retail ecosystem. Separation will also provide enhanced brand clarity.

Endeavour Group is equally well positioned for success. As a separately listed entity, Endeavour Group will have a broad mandate for growth. It will be able to pursue its business strategy with flexibility to invest in its best returning opportunities and respond to changing consumer behaviours and industry conditions.

It does so with market leading positions in both the retail and hospitality sectors. It will be led by Steve Donohue as CEO, and an experienced management team who have especially proven themselves over the last 12 months. We have also put together a first-class board, with the appropriate skills and experience, led by Peter Hearl as Chairman-elect. I have known Peter for many years. He is a proven leader and an experienced public company director currently serving on the boards of Santos and Telstra.

And finally, Holly Kramer and Bruce Mathieson Sr have been nominated by Woolworths Group and Bruce Mathieson Group respectively, to serve on the Endeavour Group board, reflecting both groups' material shareholding post demerger.



The new structure, if approved today, also positions Woolworths Group and Endeavour Group to succeed in partnership. Both businesses will continue to work together to retain the benefits of leading infrastructure built by Woolworths Group across its core competencies.

The key anticipated benefits under the partnership agreements include a framework that supports joint growth opportunities and further develops capabilities for mutual benefit; enables both groups to maintain the synergies and collaborative relationships; supports Endeavour Group with continuity of its operations; and minimises stranded costs for Woolworths Group on the demerger.

To support this, we have key agreements in place across:

- Supply Chain & Stores
- Loyalty & Fintech
- Digital & Media
- Business Support
- International

Woolworths Group will hold a 14.6% interest in Endeavour Group at the time of the demerger, to reflect the importance of this partnership. Woolworths Group's long-term joint venture partner Bruce Mathieson Group, will also hold a 14.6% interest in Endeavour Group at the time of the demerger.

The demerger will create two leading ASX-listed companies.

Endeavour Group will be Australia's leading drinks and hospitality business with a portfolio of strong retail and hospitality brands and products.

It will have more than 28,000 team members united around the Group's purpose of 'creating a more sociable future together'. Its portfolio of trusted brands includes Dan Murphy's and BWS, as well as the nation's largest portfolio of licensed hospitality venues.

Following the demerger, Woolworths Group is expected to remain one of the 20 largest ASX-listed companies and will continue to own some of the most recognised and trusted brands in Australia and New Zealand including Woolworths, Countdown and BIG W.

We will benefit from a continued focus on our food and everyday needs markets, and further opportunities to build the Woolworths Group ecosystem.

Post demerger, Woolworths Group will retain its strong balance sheet with pro forma net cash (excluding lease liabilities) as at 3 January 2021 of \$75 million. The Board will consider Woolworths Group's capital management options and subject to trading conditions and board approval, \$1.6 - \$2.0bn could be returned to shareholders. Further updates will be provided to shareholders when a decision has been made.

If approved today, eligible shareholders at the time of the demerger, will retain their existing shareholding in Woolworths Group and will also, immediately following implementation of the demerger, own the same number of Endeavour Group shares as Woolworths Group shares.

If you own 100 Woolworths Group shares you will keep those, but in addition, you will receive 100 Endeavour Group shares.

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However, the total number of shares on issue in Endeavour Group will be higher than Woolworths Group reflecting the shares retained by Woolworths Group and BMG at demerger.

It is expected Endeavour Group will start trading on the ASX on 24 June on a conditional and deferred settlement basis.

Finally, on behalf of the Woolworths Board, I encourage you to vote in favour of this important proposal to demerge and publicly list Endeavour Group, Australia's leading retail drinks and hospitality business.

The Woolworths Group Board believes that a demerger is the most value accretive path for shareholders and we are confident that Endeavour Group has strong foundations for success and growth as an independent company.

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Chairman's Address

WOOLWORTHS GROUP



Endeavour Group Transformation

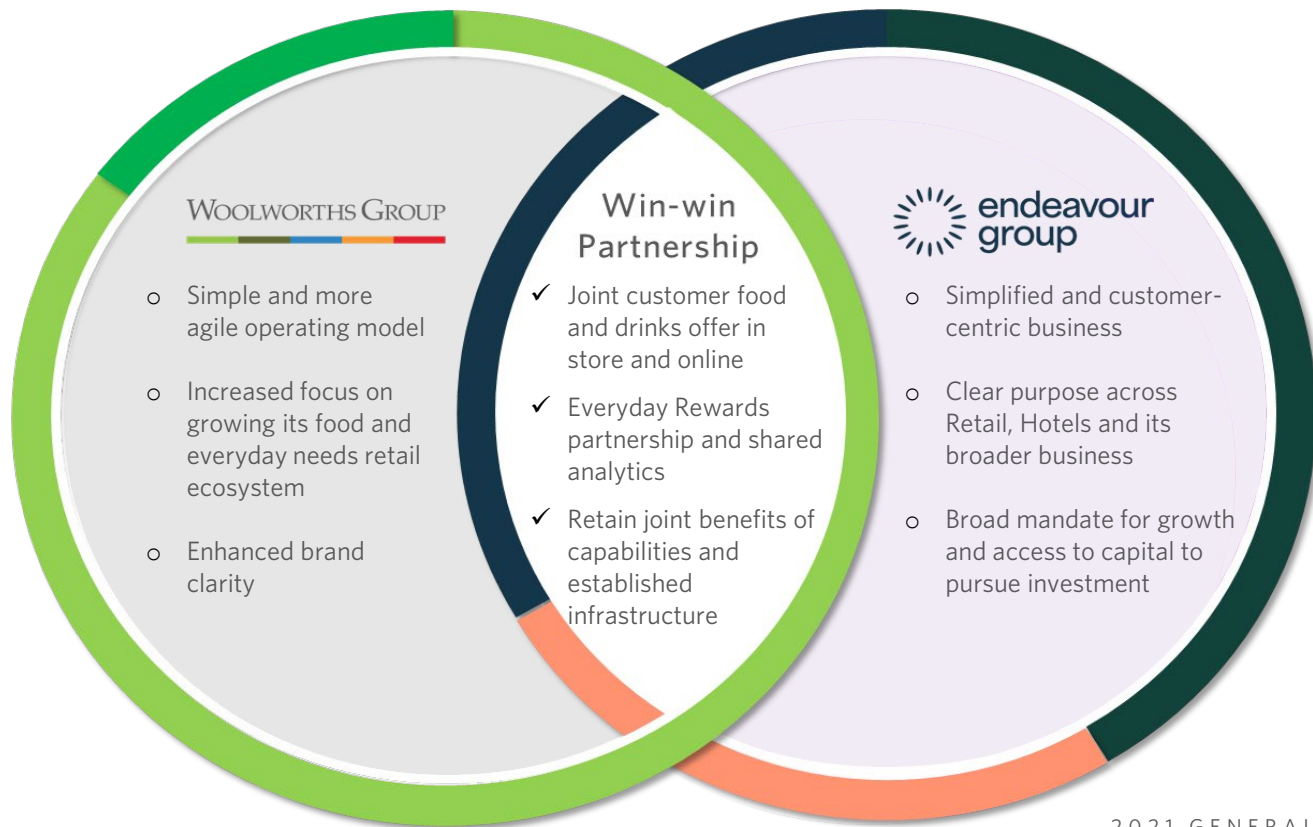
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	Stage 1 Restructure	Stage 2 ALH Merger	Stage 3 Separation
Activity	<ul style="list-style-type: none"> Internal reorganisation of Woolworths Group to create a distinct legal entity, known as Endeavour Group 	<ul style="list-style-type: none"> Endeavour to acquire BMG's interest in ALH in exchange for issuing BMG with a 14.6% interest in Endeavour Group 	<ul style="list-style-type: none"> Separation of Endeavour Group from Woolworths Group via demerger
Purpose	<ul style="list-style-type: none"> To simplify Woolworths Group's corporate structure To create a distinct legal entity To facilitate the ALH Merger and potential separation 	<ul style="list-style-type: none"> To integrate the operations of the Woolworths' drinks business and ALH Group To facilitate potential separation 	<ul style="list-style-type: none"> To create simpler, more focused, independent businesses better equipped for future growth
Timing	<ul style="list-style-type: none"> Shareholders approved on 16 December 2019 Implemented 2 February 2020 	<ul style="list-style-type: none"> Completed 4 February 2020 	<ul style="list-style-type: none"> Meeting Resolutions to be considered at the General Meeting on 18 June 2021

Completed

Rationale for the demerger

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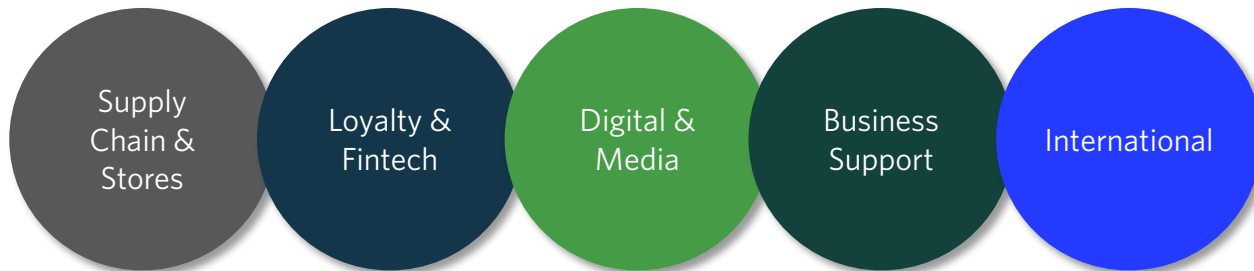
Ongoing win-win partnership with Endeavour Group

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



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



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.



Combines Endeavour Group's digital and fulfilment capabilities and platforms, loyalty propositions, and oversees the trading operations of the specialty and eCommerce businesses.

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. COVID-19 had a material impact on the performance of Endeavour Group in F20. Source: Demerger Booklet page 24

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

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Revenue¹	
F20 pro forma	\$53.1B
F19 pro forma	\$49.8B
EBIT¹	
F20 pro forma	\$2,519M
F19 pro forma	\$2,485M
Industry leader in eCommerce in Australia and New Zealand	8.3% penetration ²
Everyday Rewards and Countdown Onecard members	14.7M
▶ Focused on growing food and everyday needs businesses	

Stores

Woolworths <i>The fresh food people</i>	994
Metro	70
countdown	181
BIGW	179

▶ Strong own and exclusive brands

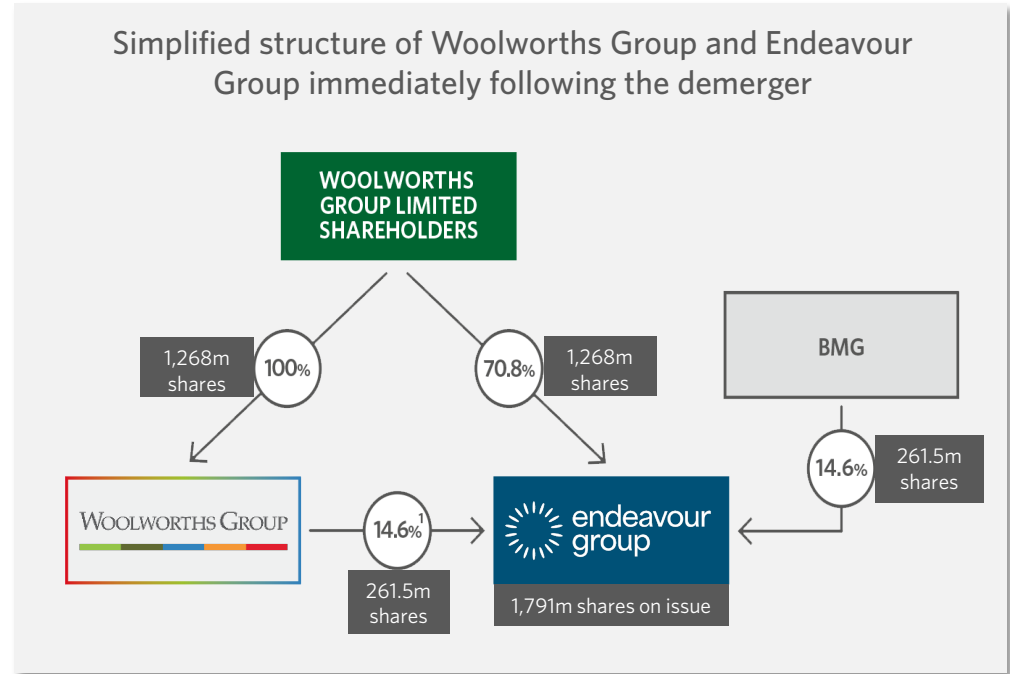


¹ Pro forma revenue and pro forma EBIT from continuing operations, including the impact of adopting AASB 16 (excluding Endeavour Drinks and Hotels revenue and EBIT). F20 includes 52 weeks of trading (F19: 53 weeks)

² Based on reported H1 F21 eCommerce sales divided by total sales for Australian Food, New Zealand Food and BIG W

Overview of the demerger

- 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
- Endeavour Group starts trading on ASX on 24 June 2021²



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



Demerger expected to create value for shareholders

Woolworths Group Board unanimously recommends you vote in favour of the demerger

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

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

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