

ASX Announcement

Update on H1 F26 Trading

Highlights

- Retail sales momentum building as customers respond positively to investment in lower shelf prices.
- Dan Murphy's and BWS Q2 sales growth of 2.2%¹ including a record December sales month.
- Hotels performing well, delivering Q2 sales growth of 4.4%, in line with Q1.
- Group PBT (pre Significant Items) expected to be between \$400 million and \$411 million, reflecting lower Retail GP margin.
- Net expense of \$45 million (pre-tax) related to significant items to be recognised in H1.

Endeavour Group (ASX: EDV) today provides an update on its trading performance for the first half of the financial year ending 4 January 2026 (H1 F26).

Additionally, the Group provides details of significant items expected to be recognised in its H1 F26 results.

Trading Performance Update and Preliminary Unaudited H1 F26 Financial Results

Sales for the 27 weeks from 30 June 2025 to 4 January 2026

\$ million	H1 F26 (27 WEEKS)	H1 F25 (27 WEEKS)	CHANGE
Dan Murphy's and BWS	5,404	5,365	0.7%
Specialty ²	109	130	(16.2%)
Retail²	5,513	5,495	0.3%
Hotels	1,169	1,120	4.4%
Total first half Group sales	6,682	6,615	1.0%

Preliminary Unaudited H1 F26 Financial Results (pre Significant Items)

\$ million	H1 F26 (27 WEEKS)	H1 F25 (27 WEEKS)
Retail EBIT	323 - 328 ³	370
Hotels EBIT	271 - 275	262
Other EBIT	(37) - (39)	(37)
Group EBIT (pre Significant Items)	555 - 566	595
Group Profit Before Tax (PBT) (pre Significant Items)	400 - 411	437

¹ 0.6% adjusting for the estimated \$45 million sales impact of supply chain disruption in the pcip.

² H1 F26 Specialty includes sales from the Jimmy Brings / Milkrun partnership, Langtons and Pinnacle Drinks external customers. H1 F25 Specialty sales and H1 F25 Retail sales have been adjusted to exclude \$6 million of sales from the Prowine bottling facility, which ceased operations in March 2025.

³ Retail EBIT includes One Endeavour costs of approximately \$20 million.

Retail

Retail sales growth by quarter

	Q1 F26 (14 WEEKS)	Q2 F26 (13 WEEKS)	H1 F26 (27 WEEKS)
Dan Murphy's and BWS	(1.0%)	2.2%	0.7%
Specialty ²	(16.2%)	(16.1%)	(16.2%)
Retail	(1.4%)	1.8%	0.3%

H1 F26 Total Retail sales increased by 0.3% to \$5.5 billion, with sales momentum improving in Q2.

H1 F26 sales for Dan Murphy's and BWS increased by 0.7% to \$5.4 billion. Since the start of September, Dan Murphy's and BWS have together delivered four consecutive months of sales growth, reflecting the Group's commitment to price leadership as a fundamental part of the customer experience, particularly in Dan Murphy's. Q2 combined sales for Dan Murphy's and BWS grew by 2.2% (or 0.6% adjusting for the estimated \$45 million⁴ sales impact of supply chain disruption in the pcpc).

Highlights for the period included a record sales month in December, driven by Dan Murphy's biggest ever trading weeks leading into both Christmas and New Year's Eve, with Christmas Eve setting a new daily sales record.

As foreshadowed in the Group's Q1 trading announcement, during Q2 Retail continued to sharpen its focus on reinforcing its customer value proposition through best-in-market pricing, complemented by value-focused promotions underpinned by Dan Murphy's lowest liquor price guarantee. As a result of this investment and elevated levels of promotional activity market-wide, H1 F26 Retail Gross Profit margin is expected to be approximately 85 bps below the pcpc. Retail EBIT (pre significant items)³ for H1 F26 is expected to be between \$323 million and \$328 million.

Endeavour Group CEO Jayne Hrdlicka, said:

"The pricing and promotional decisions we have made in our Retail business have generated positive sales results, delivering on our aim to better align the customer propositions for each of our brands to re-ignite top line growth. In a competitive market landscape, we have focused on reinforcing customer confidence in the value we offer across all channels, particularly in Dan Murphy's unbeatable price and customer experience.

A key step to realising the potential of our Retail brands is improving sales momentum, and as the first half progressed we made a number of decisions to improve customer engagement and generate higher sales velocity, including investment in lower shelf prices. We are very pleased with the speed of customer reaction to our shelf price and targeted promotional activity, highlighting the strength in both retail brands.

This year, guided by our refreshed strategy, we will begin to put in place a range of initiatives that will help to improve the sophistication of our in-store price execution, further improve our in-store and online customer impact as well as add to our cost reduction agenda. It will take time for these initiatives to be implemented and for the full benefits to be realised. We will elaborate more on this at our H1 results presentation in March and at our subsequent Investor Day. In the meantime, we will remain focused on ensuring our shelf prices reflect the best value in the market for Dan Murphy's, both in-store and on-line."

Hotels

H1 F26 Hotel sales increased by 4.4% to \$1.2 billion. Sales growth in Q2 was driven by an uplift in gaming, strong results from refurbished venues and positive trends in food and bar transactions. Hotels delivered its strongest monthly sales result ever in December, supported by record sales in the week leading up to Christmas as well as record sales for food, bar and accommodation on New Year's Eve.

⁴ Based on the midpoint of the previously disclosed range of \$40 million to \$50 million.

Hotels EBIT (pre significant items) for H1 F26 is expected to be between \$271 million and \$275 million.

Endeavour Group CEO Jayne Hrdlicka, said:

"The holiday spirit across our Hotels business was exceptional, enabling strong results. There is a lot to play for in our Hotels portfolio and we are excited by the opportunity to create additional value as we begin to roll out the refreshed strategy. I look forward to updating the market with further detail on our plans later this year."

Group

H1 F26 Group EBIT (pre significant items)³ is expected to be between \$555 million and \$566 million.

H1 F26 Group PBT (pre significant items) is expected to be between \$400 million and \$411 million.

Significant items expected to be recognised in H1 F26 results

The Group expects to incur a net expense of approximately \$45 million (pre tax) related to significant items in its H1 F26 result. Approximately \$40 million of this amount relates to a provision for one-off cessation costs associated with the closure of the Melbourne Liquor Distribution Centre (MLDC), discussed further below, with the balance relating to non-cash impairments on Hotel properties, advisory fees and a one-off gain relating to the sale of gaming entitlements.

The Group expects to make a provision relating to the cessation of the contract with Woolworths Group for warehouse operations at the MLDC in September 2028. The provision reflects an estimate of the maximum amount that the Group is contractually required to reimburse Woolworths for one-off cessation costs, following Woolworth's decision to close the MLDC in 2028. The reimbursement is expected to be paid in September 2028. The Group has entered into a new 10 year contract for the replacement warehouse operations with a leading global supply chain provider, at a new Victorian Distribution Centre, commencing in October 2027. This is expected to deliver material benefits for the Group over the term of the contract, compared to current arrangements, inclusive of the one-off cessation costs.

Further details on the Group's trading performance will be provided at Endeavour Group's F26 half-year results scheduled for 4 March 2026. Results remain subject to finalisation and the audit review process.

Endeavour Group CEO Jayne Hrdlicka and CFO Kate Beattie will host an analyst and investor conference call today at 11:30am (AEDT). Analysts, investors and media can access the management briefing via the following:

Teleconference Registration: <https://s1.c-conf.com/diamondpass/10052414-ixt8ne.html>

Participants will need to pre-register for the call at the link above. You will receive a calendar invite and a unique code which is to be quoted when dialling into the call.

The release of this announcement was authorised by the Board.

Further Information

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