



Investor Day

12 March 2024



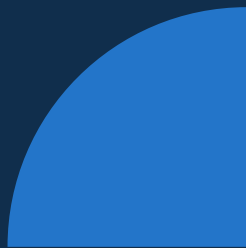


Acknowledgement **of country**

We acknowledge the Traditional Custodians of the land on which we meet today, the Wurundjeri Woi-wurrung people of the Kulin nation and pay respects to Elders across Country, past, present and emerging.

Agenda

10:00	>	Welcome, Group Overview	Doug Jones	Group CEO
11:15	>	Hardware	Annette Welsh	IHG CEO
<i>Lunch break</i>				
12:40	>	Total Tools	Richard Murray	Total Tools CEO
1:20	>	Food	Grant Ramage	Food CEO
2:00	>	Food Service	Craig Phillips	CEO Superior Foods
<i>Tea</i>				
3:00	>	Liquor	Kylie Wallbridge	CEO ALM
3:30	>	Financial Framework	Deepa Sita	Group CFO
4:00	>	Wrap up and Close	Doug Jones	Group CEO



Group Overview

Doug Jones - Group CEO

March
2024

Our management team

Highly capable and experienced



Doug Jones
Metcash Group CEO



Annette Welsh*
CEO
IHG

35+ yrs in hardware
& retail



Richard Murray*
CEO
Total Tools

20+ yrs in retail



Grant Ramage*
CEO
Metcash Food

35+ yrs in F&L
wholesale
& retail



Craig Phillips¹
CEO
Superior

30+ yrs in
Foodservices



Kylie Wallbridge*
CEO
Liquor

25+ yrs in Liquor



Deepa Sita*
Group CFO



Danielle Jenkinson*
Chief People
& Culture
Officer



Julie Hutton*
Chief Legal,
Risk &
Compliance
Officer



Marij Kouwenhoven*
Chief
Technology
Officer

Hardware

Food

Liquor

Group Functions

*Group Leadership Team member

1. Subject to completion of Superior Food Services acquisition

Note: Financial reporting to continue using three pillar structure

Overview

Accelerating growth

1 Purpose led

Championing Successful Independents

- Also our strategy, and defines our operating model
- Extended to support of thriving local communities
- Allows access to large, attractive addressable markets

2 Portfolio of strong businesses

Our business has significantly transformed

- More diverse
- More resilient
- High quality

Strategies that underpinned transformation remain valid

- And will continue to fuel growth
- Along with existing and new capabilities

3 Bright future

Strong and attractive market positions

- Hardware & Tools – positive housing fundamentals
- Food & Liquor – networks and offer resonating and getting stronger

Superior: move into adjacent Food market delivers growth and stronger core

IHG: continues to strengthen leading position in small/medium builder segment

4 Disciplined approach

Disciplined cost and capital management underpins our focus on accelerated growth



Our Purpose

Championing Successful Independents in support of thriving local communities to create sustainable shareholder value



Championing
Successful
Independents



Thriving
communities



Shareholder
value

Australian independents – a ‘national treasure’

The heart of local communities and an enormous contributor to our economy

- We service a strong and growing network of **~5,600** bannered independent retailers across our Hardware, Food and Liquor pillars
- These represent **~\$30bn+** of retail sales in FY23
- We provide merchandising, operational and marketing support to help them be the ‘Best Store in Their Town’
- We also service **~95,000** non-bannered stores and customers
- Our independent retailers make an enormous contribution to local communities and the national economy, through:
 - Providing local jobs
 - Supporting local suppliers
 - Supporting local schools, sporting and social organisations
 - Supporting local charitable organisations
- We are suppliers’ preferred route to market partner for the large and strategically important independent channel

IGA network contribution¹



Supports **~65,000** local jobs



Supports **~34,000** local organisations



Contributes **~\$8bn** (~\$3bn direct and ~\$5bn indirect) to national economy



Each store supports **>60** local organisations (on average)



Provides **~\$56m** of support to local community (financial, time and in-kind)



Our Purpose
is our
strategy,
and is what
binds each
business
in the
Metcash
Group

1. Source: PwC study 2022. Contribution is significantly more including other pillar networks Includes IGA, Foodland IGA and other IGA endorsed brands

Hardware: Leading market positions in large attractive markets

Current addressable market ~\$66bn + extensive adjacent markets

Hardware & Tools

IHG

Total Tools



Addressable market

~\$60bn

Hardware and timber assembly



Network sales¹

~\$3.4bn



Market position

Largest hardware supplier to small & medium size builders

Second largest in DIY

Largest retailer of professional tools in Australia

Source: ABS Data; Market Reports; Internal Data

6 1. As at FY23. Inclusive of Metcash's CO/JV stores

Metcash

Hardware: An integrated wholesale, banner and retailer operator

Uniquely positioned to support our independent members and franchisees

Hardware & Tools



DC & store network

IHG

Total Tools

IHG

Total Tools



Wholesale & distribution



Shared mega DC (VIC)
2 mega DCs (WA & SA)



Banners & value-added services



Retail operations (JV & CO stores)



Finlayson's



138 JV/CO stores
12 Frame & Truss sites

52 JV stores

Food & Liquor: Leading market positions in large attractive markets

Current addressable market ~\$190bn + extensive adjacent markets



Metcash Food

Superior

Liquor



Addressable market

~\$147bn

Supermarkets & convenience

~\$21bn

Foodservice

~\$22bn

Packaged liquor



Metcash sales¹

~\$9.6bn

~\$1.3bn

~\$5bn



Market position

Largest supplier to independent food businesses in Australia

Scaled national wholesale foodservice business servicing independents in Australia

Supplying ~85% of Independent Liquor retailers in Australia
Second largest supplier of Liquor in Australia

Food & Liquor: An integrated wholesale and banner operator

A nationally scaled and efficient operation underpinning competitiveness of independent retailers

Food

**Supermarkets
& Convenience**

Superior

Liquor

Superior

Metcash Food

Liquor

DC network



Wholesale & distribution

**Metcash
Food**

Campbells



National footprint with 23 branches

5 shared mega DCs:

16 Campbells Branches (NSW, VIC, QLD, SA, WA, NT) 6 regional Australian and 3 NZ liquor DCs



Banners & value-added services



Cellarbrations

PORTERS
LIQUOR

the
Bottle-O

IGA LIQUOR



Retail operations (JV & COCO stores)

Minority ownerships in a number of multi-store groups

Transformation to a more diversified, resilient and high quality business

A balanced portfolio of businesses positioned for continued growth



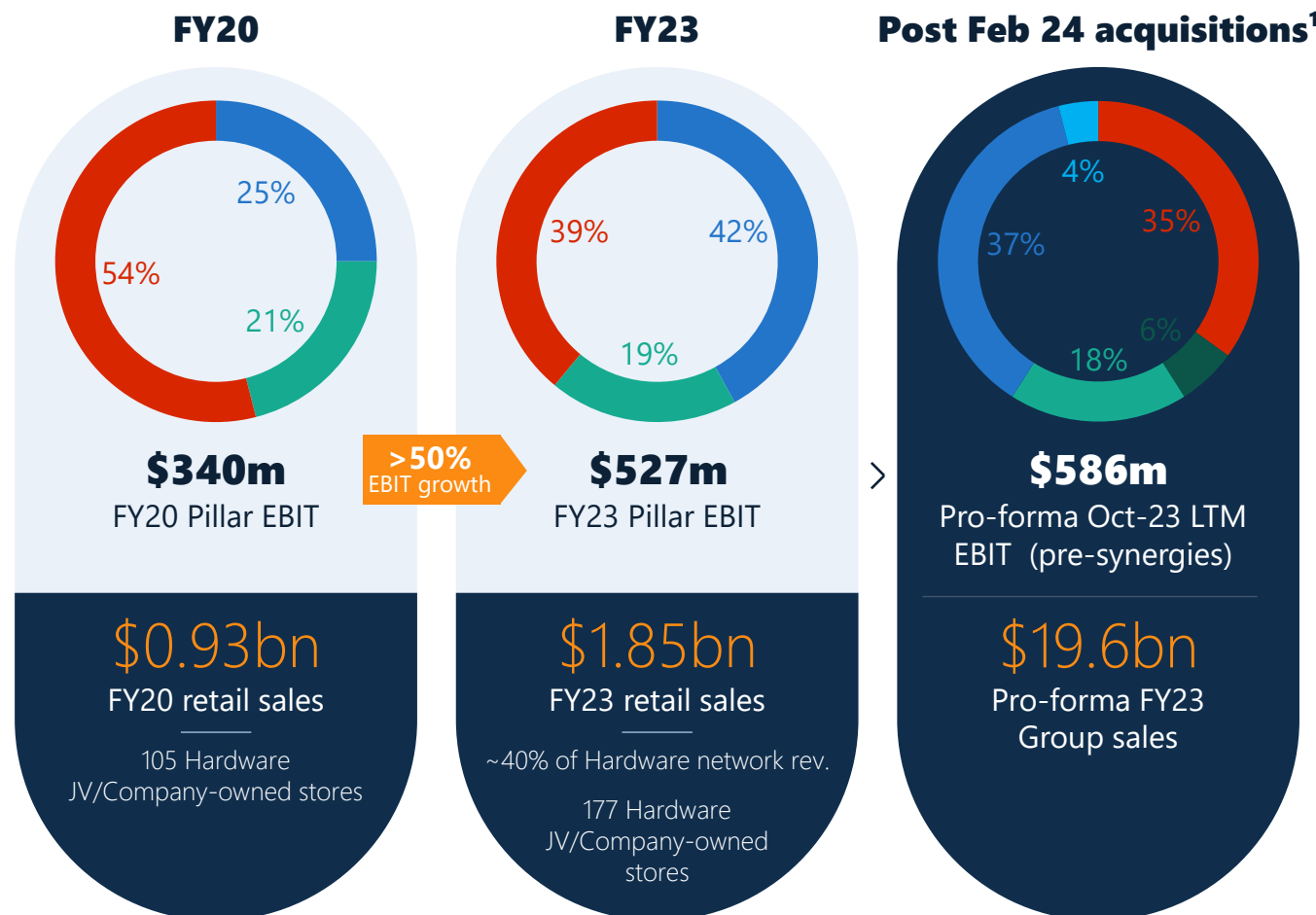
A substantially larger earnings base



A balanced portfolio of businesses
(Hardware now largest EBIT contributor)



Retail sales doubled



Diverse channels, customers and categories provide resilience

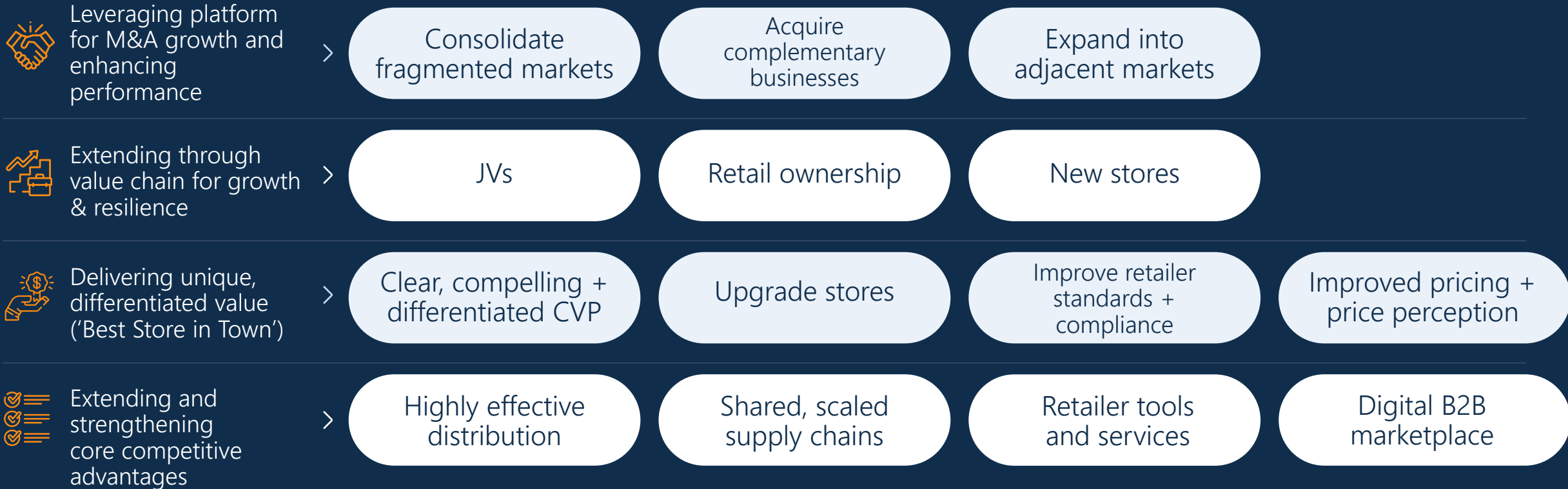
- **Food** Superior Foods
In home and out of home eating

- **Liquor**
On-premise, off-premise and Contract customers

- **Hardware** Alpine & Bianco
New home construction, renovations and Frame & Truss
DIY + Trade professionals
Commercial tools segment/users

Foundations of our transition

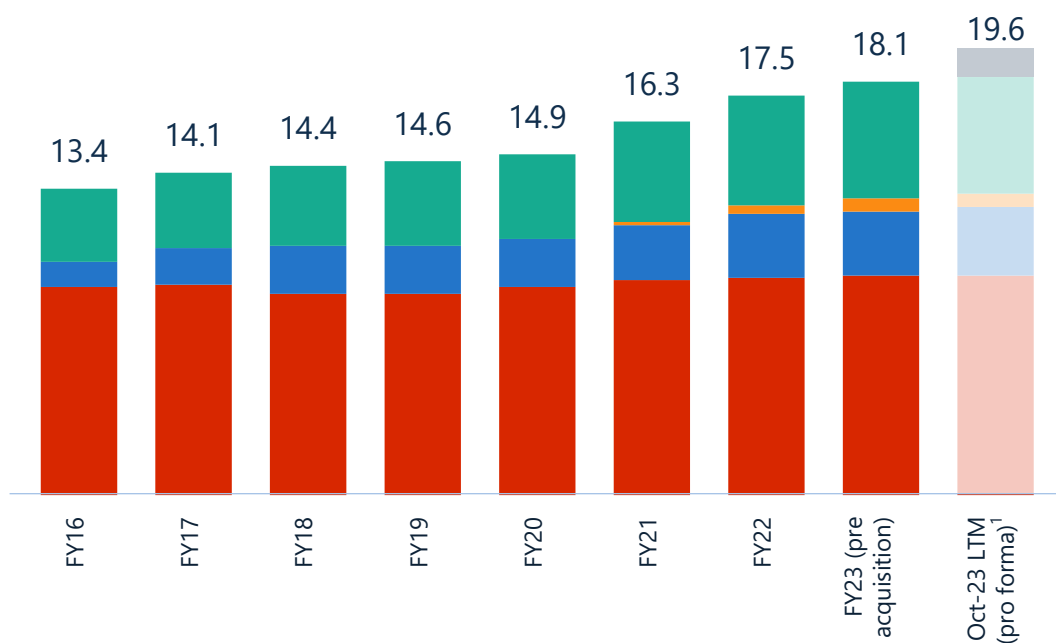
Proven growth strategies and capabilities



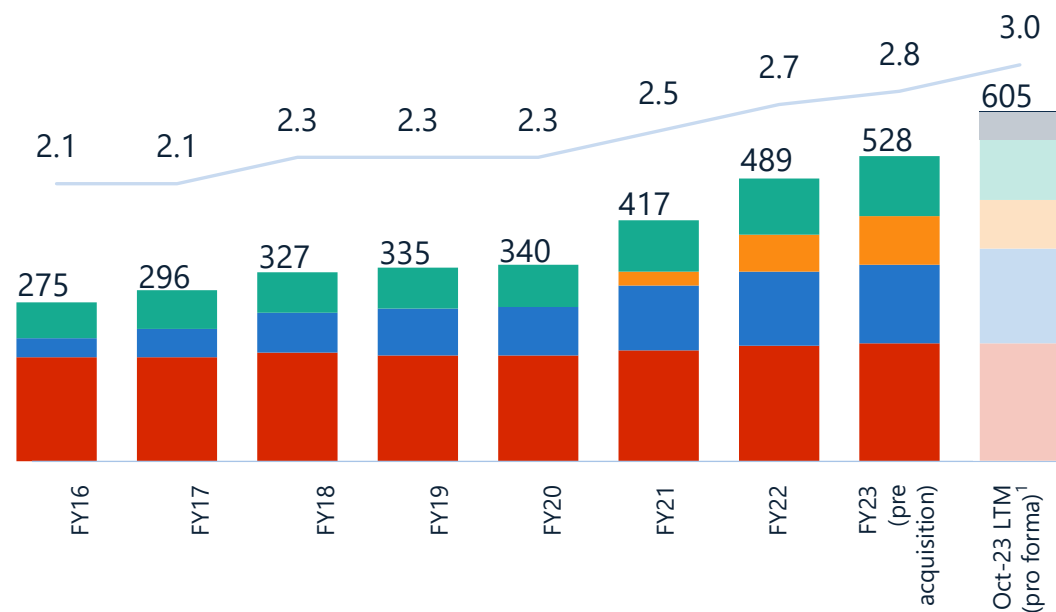
Strong pillar performance

A diverse and resilient earnings profile and platform for future growth

Group sales revenue (\$bn)



Underlying EBIT (\$m) and Group EBIT margin (%)

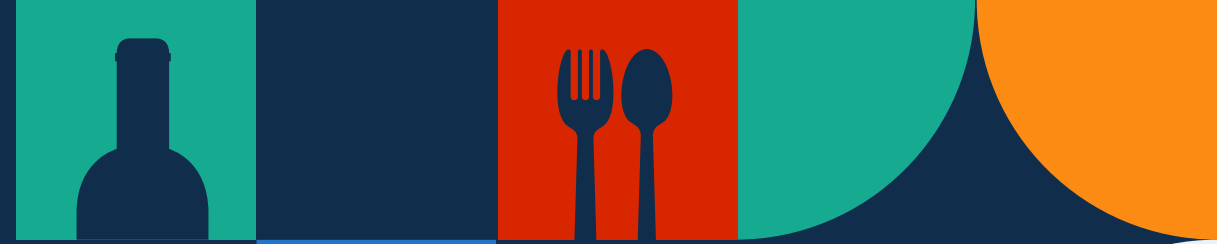


UEPS	19.2	20.3	22.1	22.6	21.8	24.7	30.5	31.8
ROFE	17.2	19.0	23.0	27.7	24.9	28.7	31.0	29.6

● Food ● IHG ● TT ● Liquor ● Superior



Accelerating Growth Momentum



Group strategy

Purpose



Championing Successful Independents in support of thriving communities to create sustainable shareholder value

Aspiration



Creating sustainable value for all our stakeholders by empowering local communities to thrive and prosper in partnership with successful independents and our suppliers

Where to play



- Food, Foodservice, Hardware, Professional Tools & Liquor
- Formats, brands, services and products that enable our customers to be the “best store in their town”

- Flywheel founded on core wholesale scale and capability
- Banner, franchise and company-owned / JV stores
- Wholesale, retail and e-commerce
- National and Private brands

How to win



For the end user

Deliver retail experiences and formats that deliver differentiated value



For the independent business owner

Provide business models, wholesale supply and support to ensure successful independent businesses



For the supplier

Unmatched route-to-market partner for access to growing independent sector

Foundations



- Wholesale infrastructure
- Scale and capabilities
- Unique brands and formats
- Purpose-driven teams

Enabled by Metcash core capabilities:



Logistics



Merchandising



Digital



eCommerce



Supply chain



Data



Loyalty



Brands & marketing

Our flywheel

How we create value



Supply

Provide a multi-channel B2B platform

Provide an effective and efficient route-to-market choice for suppliers through our scale and independent partner network



Demand


Generate and capture for our customers

Provide best possible range of products to independent customers to meet their shoppers' needs, and support them with formats and tools to compete with national retailers

Comprises our competitive advantages and underpins our value creation initiatives

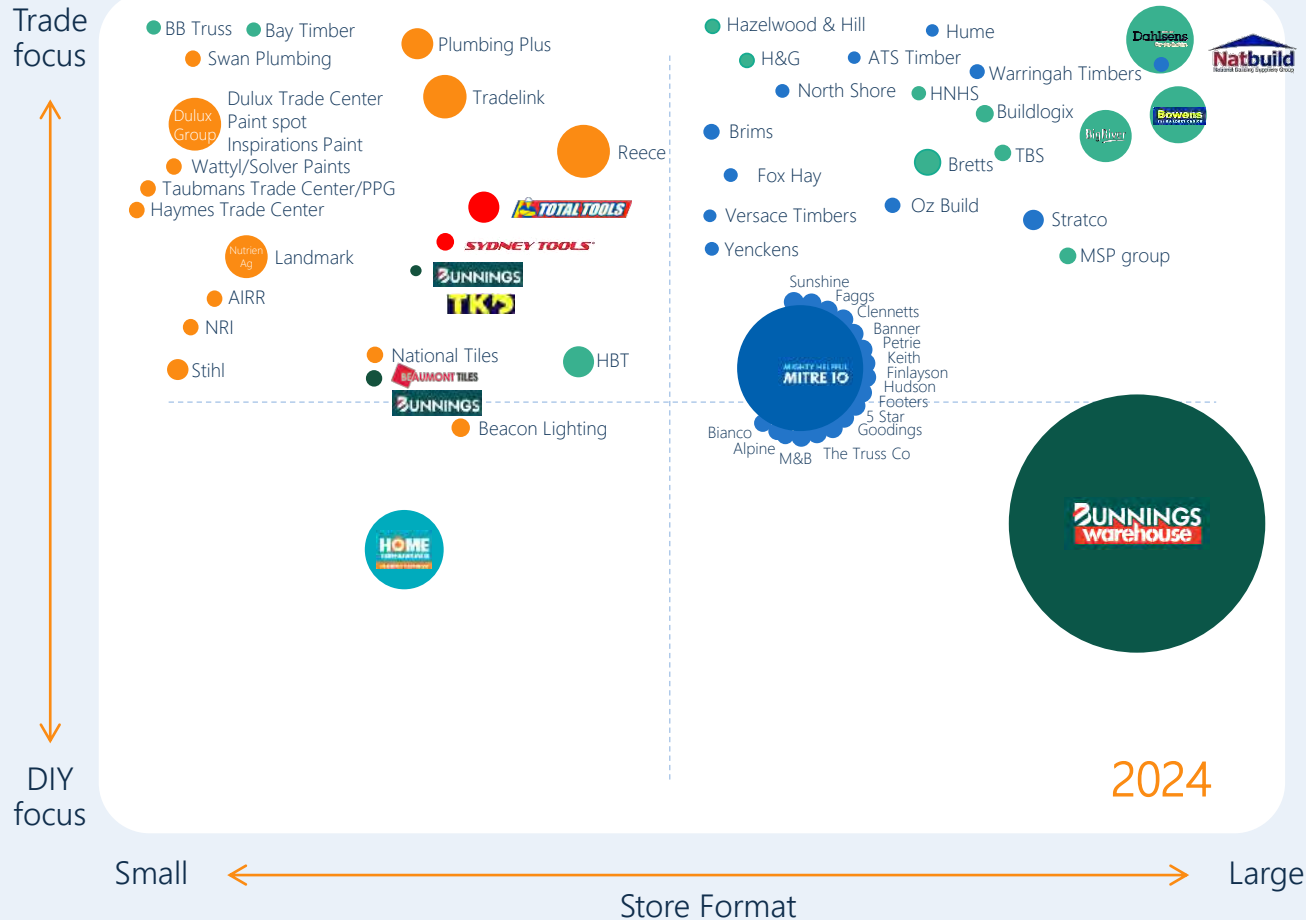
Replicating successful growth strategies across the Metcash Group

Positioned with the platform and capabilities to grow current and future businesses

			IHG	Total Tools	Food	Superior	Liquor
	Leveraging platform for M&A growth and enhancing performance	Consolidate fragmented market	✓	N/A	N/A	✓	N/A
		Acquire complementary businesses	✓	★	N/A	✓	N/A
		Enter adjacent markets	✓	★	✓	✓	N/A
	Extending through value chain for growth & resilience	Retail – company-owned	✓	✓	★	N/A	N/A
		Retail – JVs	✓	✓	★	★	N/A
		New stores	★	✓	★	N/A	★
	Delivering unique, differentiated value ('Best store in Town')	CVP by format & market	✓	✓	✓	✓	★
		Upgrade stores	✓	✓	✓	N/A	★
		Improve standards & Retailer compliance	✓	✓	✓	N/A	★
		Improved price & price perception	✓	✓	✓	✓	★
	Extending and strengthening core competitive advantages	Highly efficient distribution	✓	✓	✓	✓	✓
		Retailer tools & services	✓	✓	✓	★	✓
		Shared & scaled supply chains	✓	★	✓	★	✓
		Digital B2B marketplace	★	N/A	✓	★	★

Consolidating fragmented markets

Ongoing in Hardware, replicable in Foodservice



Hardware acquisitions include:

- HTH, Total Tools, Bianco, Alpine, Truss Co, Goodings, 5 Star Timber, and Footers

Expansion into Frame & Truss

- 24 sites (12 owned)
- Supports 'Whole of House' strategy (supply larger share of a house build)
- Revenue and margin benefits

Total Tools Holdings: acquired majority stake in 2020

- JV growth strategy
- Store footprint expansion
- Doubled revenue by FY23 and margin benefits

Track record of synergy over-delivery

Further significant growth opportunities in Hardware

- Complementary businesses and adjacent markets

Retail ownership and JV growth strategy

Key driver of growth in Hardware and Tools, replicable in Food

Key driver of growth in IHG and Total Tools

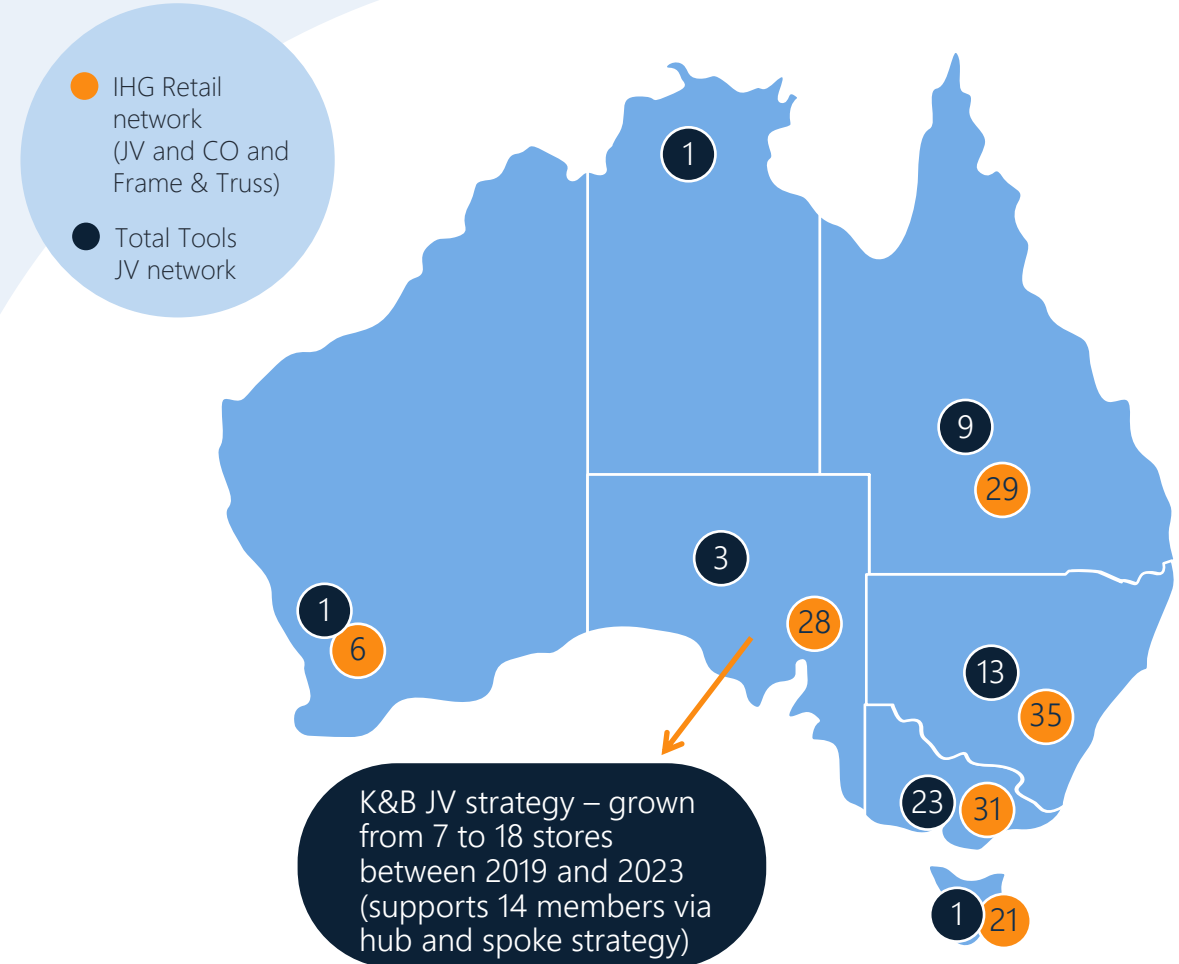
IHG retail network grown to 138 stores (JVs and company-owned stores) – represents ~20% of store network and >40% of network sales

- Frees up capital for members to reinvest
- Enables acceleration of member support for IHG initiatives and strengthens independent network
- Provides a defensive mechanism against 'creeping acquisitions'
- Secures demand by acquiring customer
- Earnings/margin benefits

JV stores in Total Tools increased from nil in 2020 to 51 in 2024 (represents 44% of store network and more than 50% of network sales)

- Releases capital for members to reinvest
- Enables retention of experienced and passionate independent franchisees
- Earnings/margin benefits

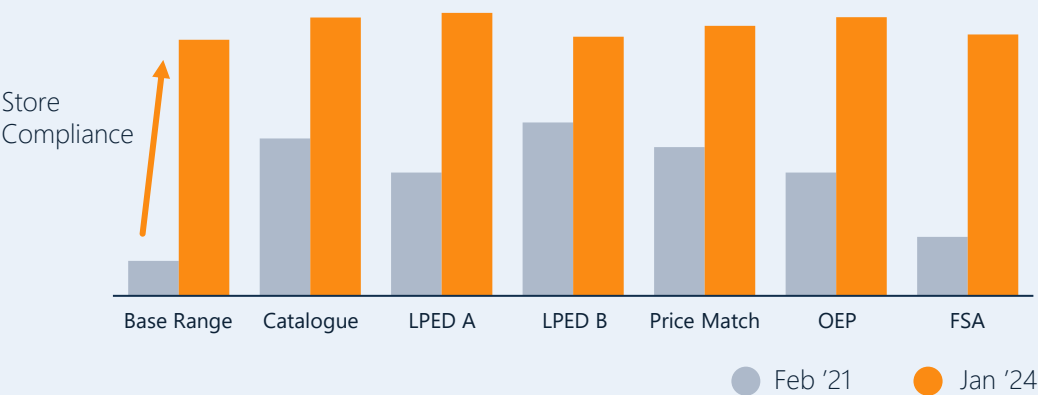
Opportunity to expand beyond current minority ownership position in Food



Differentiated shopper value

Success in Food from store upgrades, ranges, brand standards and price competitiveness – accelerating in Liquor

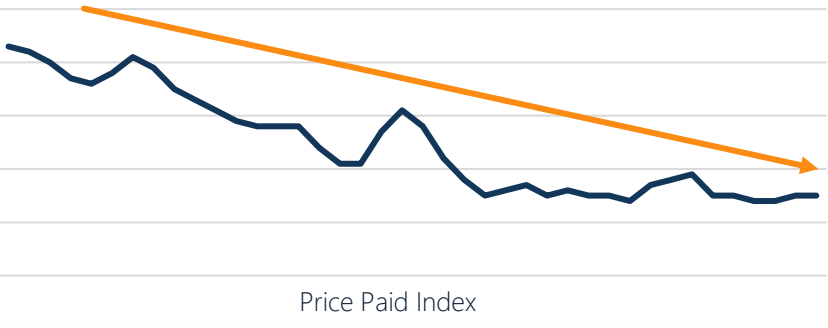
Better standards



Store upgrades



Better Value



New store growth

A driver of market share



Total Tools continues to build on its position of having the largest store footprint in the Australian professional tools market

- Targeting to add ~10 stores a year
- Identified new sites would increase store network from 116 to 170



IHG focused on store footprint growth

- Over 200 sites identified for Trade only, Trade & DIY and DIY only formats
- Focus on top 40 sites (sales opportunity approx. \$500m)



Supermarkets is accelerating its network expansion strategy

- Focus on affordable, quickly replicable new store formats in 1,200sqm 'sweet spot' – unique differentiated value remains core (success in WA)
- Current target of 20 new stores per year
- Potential to increase to 10 stores per state per year (sales opportunity approx. \$375m pa)



Assessing property strategy to address historical disadvantage of independent retailers obtaining appropriate sites



Independent Media Centre

Connecting suppliers to independent shoppers

Case for Retail Media Network

- Revenue opportunity for independents
- Significant opportunity identified for independent networks, pillars, shoppers and Ad buyers

Independents – the competitive advantage

- Enables advertising to thousands of local communities and small businesses across Australia
- Effective targeting through local campaigns – local businesses serving local communities

Roll out

- Food retail media already delivering positive results
- Roll out over three years with Food in year 1, Liquor in year 2 and Hardware in year 3
- Growing to ~\$30m EBIT contribution by FY29, net of retailer benefits

Enablers



Retailers & Members

- Profit share and commercial model for 'Retailer program'

Assets

- Direct engagement media
- ECommerce
- Digital screens

Technology

- Central content data platform
- Data & Privacy
- Retail Media Tech solutions

Team

- Sales and operations
- PMO, Change, Legal & P&C



Continued good progress on ESG¹



Group

Dow Jones Sustainability Index (DJSI)

89th
percentile

FY23: 87th percentile
FY22: 69th percentile

Carbon Disclosure Project

'B'
assessment

recognised improved
actions towards
addressing climate-
related risks

Sustainability Finance Facility Established

\$525m



People

Gender

50%
<1%

Female representation at
Board level (60% of GLT)
Av. gender pay gap (22/23)

Total Reportable Injury Frequency Rate (TRIFR)

16.4

17% improvement

Engagement survey

71st
percentile

up 9 ppts from FY22
of internationally
benchmarked companies



Planet

Achieved Interim 2030 Emissions Target For FY23

5.2%

decrease from FY22

Waste-to-Landfill Diversion Goal

80%

across all operational
control sites by 2028

Solar PV system commissioned

>700
kWp

Solar generation up 22%



Community

Donations through IGA community chest program

\$3.1m

30% increase vs FY22

Foodbank meals donated

>606k

plus, 22t of essential
grocery items

Battery recycling availability

>1000
network stores

Recycled to date:
Hardware – 90 tonnes
Food – 76 tonnes

ESG continues to rapidly
evolve – we remain
committed to further
improvement

2040 net-zero emissions
reduction target for
Scope 1 and 2

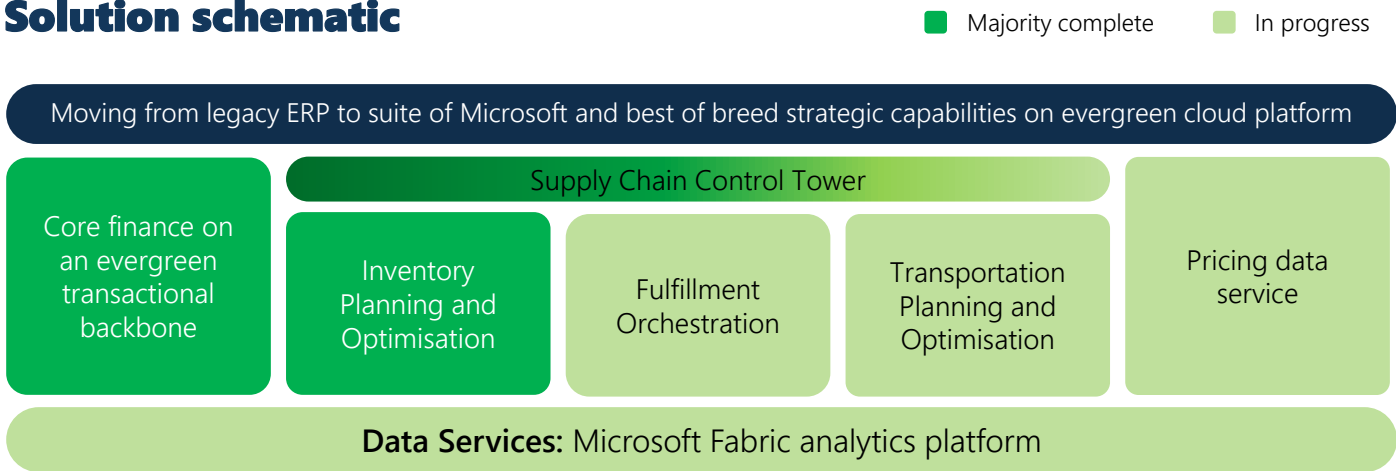
100% renewable energy
by 2025 target

Alignment with TCFD
in FY23

Adoption of new ISSB
standards (when finalised)

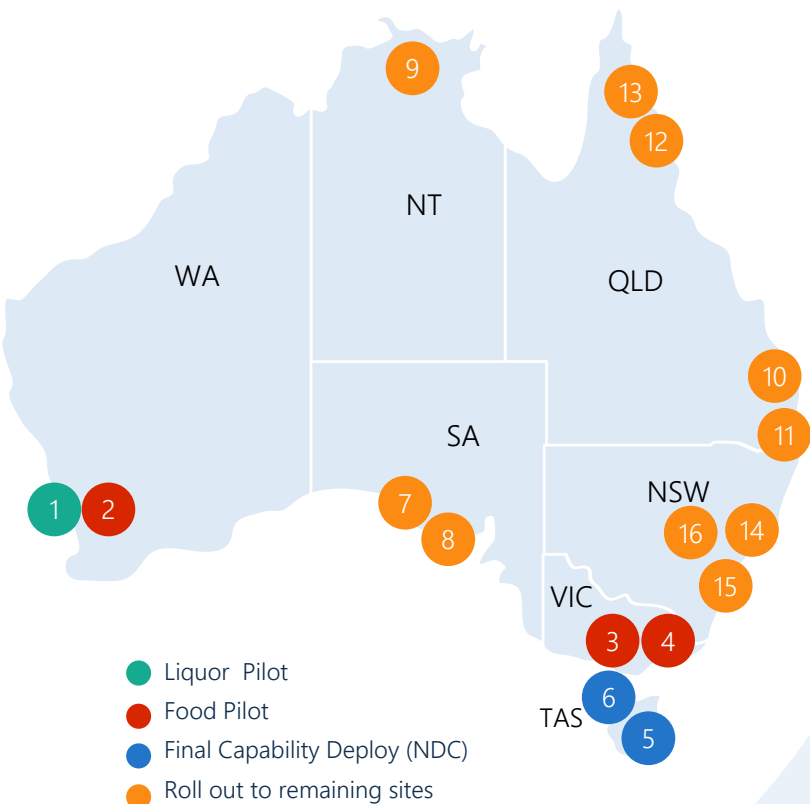
Project Horizon update

Solution schematic



- ✓ Continued focus on managing project complexity and inherent high risk
- ✓ Deployment across 16 DCs, 14 Campbells sites and 3 customer centres
- ✓ Decision to extend completion timeline 6-12mths to Nov 25 – April 26 (in line with focus on reducing risk and maximising outcomes)
- ✓ No change to existing total cost guidance (capex and opex)
- ✓ Timeline extension enabled through investment into resilience of existing legacy ERP system
 - Continues to be supported but no upgrade path
 - Servers/hardware upgraded for more capacity and resilience
 - Databases and operating systems upgraded
 - Security continually improved/current

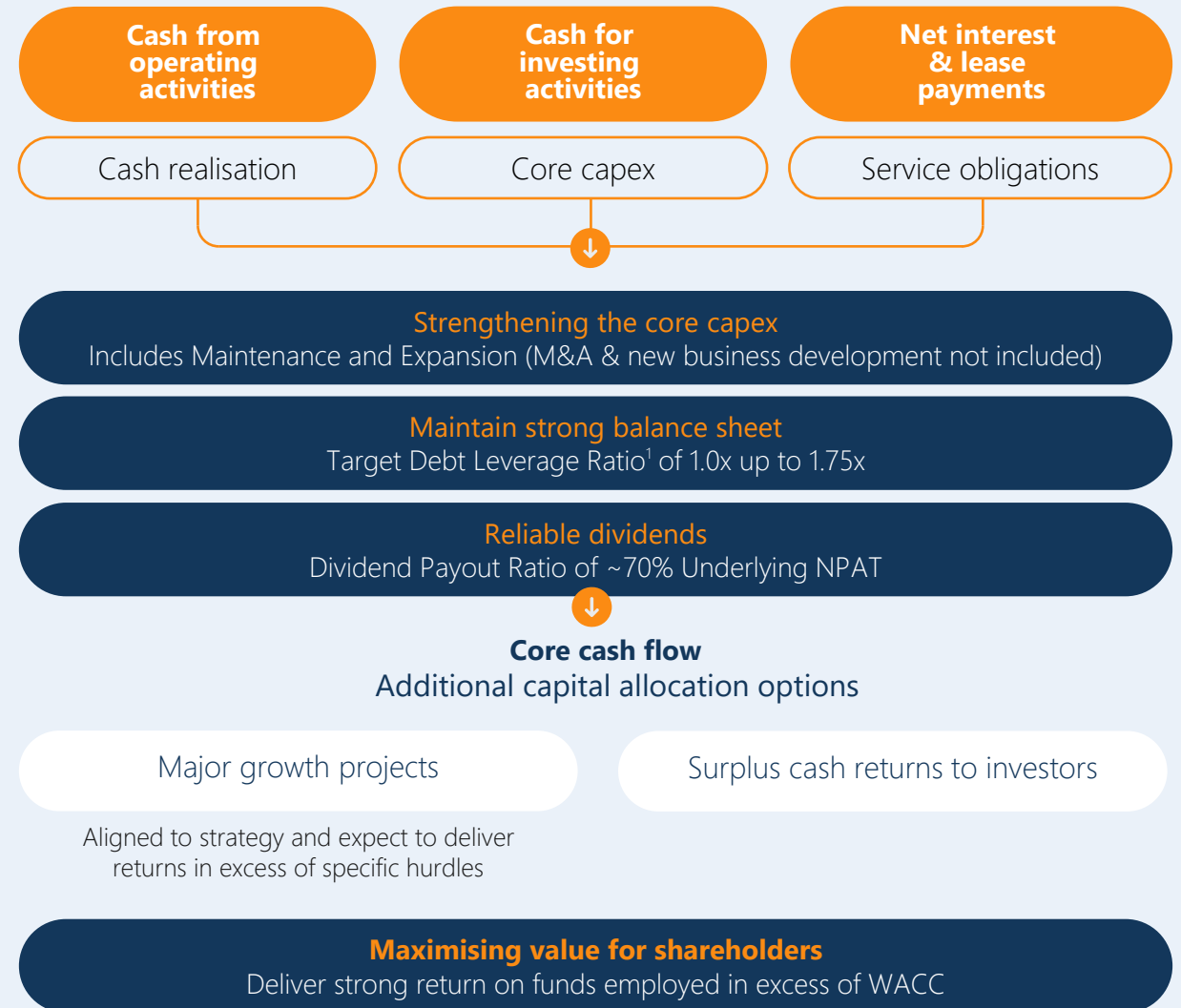
Deployment schedule



Disciplined capital management

Core capital management principles

-  Significant growth opportunity in all pillars, requiring meaningful capital investments
-  Risk and return applied differently per pillar
 - WACC sets base
 - Premium added based on investment category, risk, and pillar specifics
-  Disciplined governance process set up to assess and manage capex expenditure
-  Core focus on maximizing long-term shareholder value
-  Managed from a strategic and absolute return perspective



Group CEO – key focus

Corporate/Group

Our people



- Safety
- Culture
- Operating model and leadership team

Enterprise technology



- Horizon
- Cyber

Environment and economy



- Consumer confidence, cost of living pressures
- Home building confidence and capacity
- Government and ACCC reviews, with focus on merger reform

Operational

Our people, customers and communities



- Safety
- Engagement and culture
- Customer, member, franchise and JV partner business performance, and our relationships with them

Wholesale & retail business performance



- DC investments
- Labour productivity recovery
- Working capital and cost out programs
- Delivering differentiated value to the customer (shopper)

Growth



- Acquisition integration and synergy realisation
- New store growth

Trading update

Group

- Total Group sales for ten months to 25 February 2024 increased 0.9% compared to the prior corresponding period:
 - Growth in Liquor and Hardware
 - Food (Including tobacco) flat
- Food and Liquor pillars continued to perform well supported by their improved competitiveness and differentiated value proposition
- In Hardware, while demand has remained subdued, the business continued to perform better than the market and remains ideally placed with leading market positions to capitalise on an improvement in consumer confidence and activity levels
- Continued strong focus on costs, interest and working capital
- Metcash remains well positioned for future growth and strong returns through the cycle with a resilient and diversified business portfolio

Pillar sales – 10 months ended 25 February 2024¹



- Total Food sales ex-tobacco increased 5.0%, and are flat including tobacco
- Supermarkets wholesale sales ex-tobacco increased 5.3%
 - Volume growth YTD
 - Inflation continued to moderate (YTD: 5.3%, Feb: 3.1%)



- Total Liquor sales increased 1.6%
 - Wholesale sales to retail customers +1.8%
 - Wholesale sales to on-premise customers -1.8%



- Total Hardware sales increased 2.4%

IHG

- Sales decreased 0.6%
- Network sales² flat (LfL: -2.0%)

Total Tools

- Sales increased 16.9%
- Network sales³ +3.4% (LfL: -1.8%)

1. Sales information is presented for the 10 months ended 25 February 2024 (YTD), versus the prior corresponding period (except as noted)

2. IHG retail network sales based on a sample of 371 retail network stores that provide scan data (represents >85% of sales)

3. Total Tools retail network sales based on 114 network stores scan data

A compelling investment proposition



High quality Group

- Diversified and resilient portfolio
- Balance of defensive and cyclical exposure
- Integrated wholesale, banner and retail operator for structural strength and sustainability
- Scaled, highly efficient logistics underpins competitive advantage
- Highly experienced management team and Board
- Disciplined capital allocation and investment
- Track record of delivering for shareholders



Strong positions in attractive markets

- Leading B2B wholesaler and marketplace ecosystem for independents
- Largest supplier of food to independent businesses
- Owner of leading independent brands across Hardware, Food and Liquor
- Leading supplier of Hardware to small/medium size builders
- 2nd largest liquor supplier and largest liquor supplier to on-premise sector
- Leader in professional tools market
- Stores sit at heart of local communities



Positioned for continued growth

- Successful growth strategies replicable across current Group and future businesses
- Logistics scale and group capabilities provide platform for sustained growth, including from:
 - Acquisitions
 - Synergy realisation
 - Performance improvement
 - Entry into new categories and adjacent markets serving independents across Australia
- Continued expansion into retail offers large value creation opportunity





Hardware

Annette Welsh - CEO IHG

March
2024

Overview

1 Strength in market

- The Independent Hardware Group is the 2nd largest player in the Australian Hardware market
- Australia's leading hardware wholesale partner to Independents

2 Rich heritage

- Trade focused – our heritage
- Competitive DIY offer equally important
- Rich consumer engagement supported by digital capabilities
- Continued focus on costs and efficiencies

3 Network growth

- Company-owned/Joint Venture stores core to strategy
- Diverse portfolio of store owners and end customers reduces exposure

4 Consistent growth strategy

- Track record of successful acquisitions - delivering business improvement and synergies
- Strategy enables us to capitalise on growth opportunities



Mitre 10 celebrating 65 years

In 1959

Eight Timber & Plumbing independents joined together to form a buying group. They met at the Mitre Tavern Melbourne.

Today we have a network of 732 stores with network sales of over \$4.5bn¹



1959

Mitre 10 launched with 8 founding members



1965

Stores now operating across mainland Australia

MIGHTY HELPFUL
MITRE 10

2007

Mighty helpful tagline launched – establishment of national structure

Metcash

2012

Metcash acquires 100% of Mitre 10 – JV stores formed



2016

Metcash acquisition of Home Timber & Hardware Group, doubling hardware sales

Independent
Hardware Group

2017

IHG is formed, uniting Independents under one umbrella. IHG sales reach \$2b



2020

Metcash acquires 70% of Total Tools Holdings.
100% ownership Nov 2023

Independent Hardware Group

A national distribution business of scale with a significant retail presence

Distribution



3 mega DCs
(Vic, WA & SA)

Banners

(Wholesale + Value-added services)

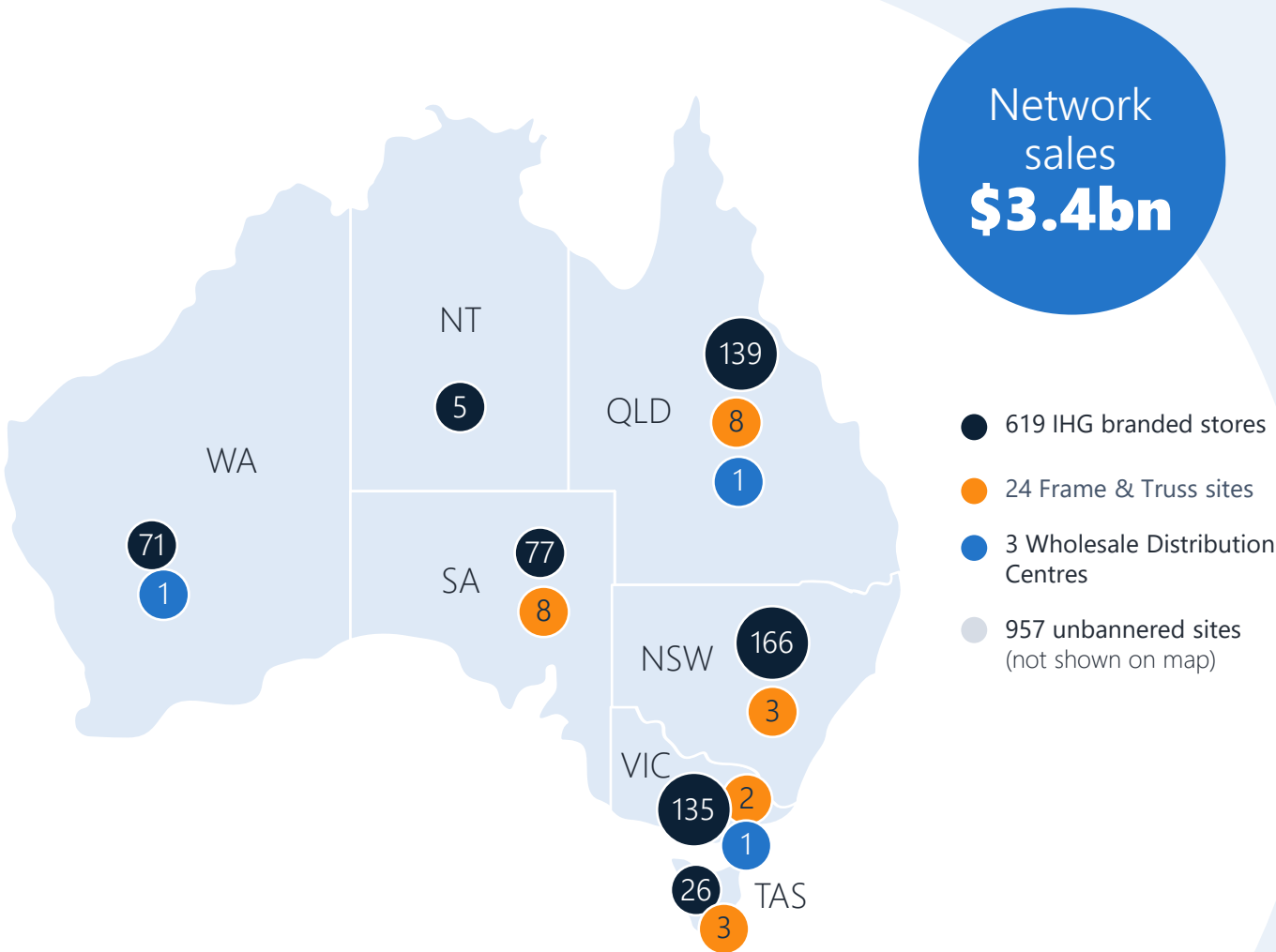



Retail

(Wholesale + Value-added services + Retail ops)



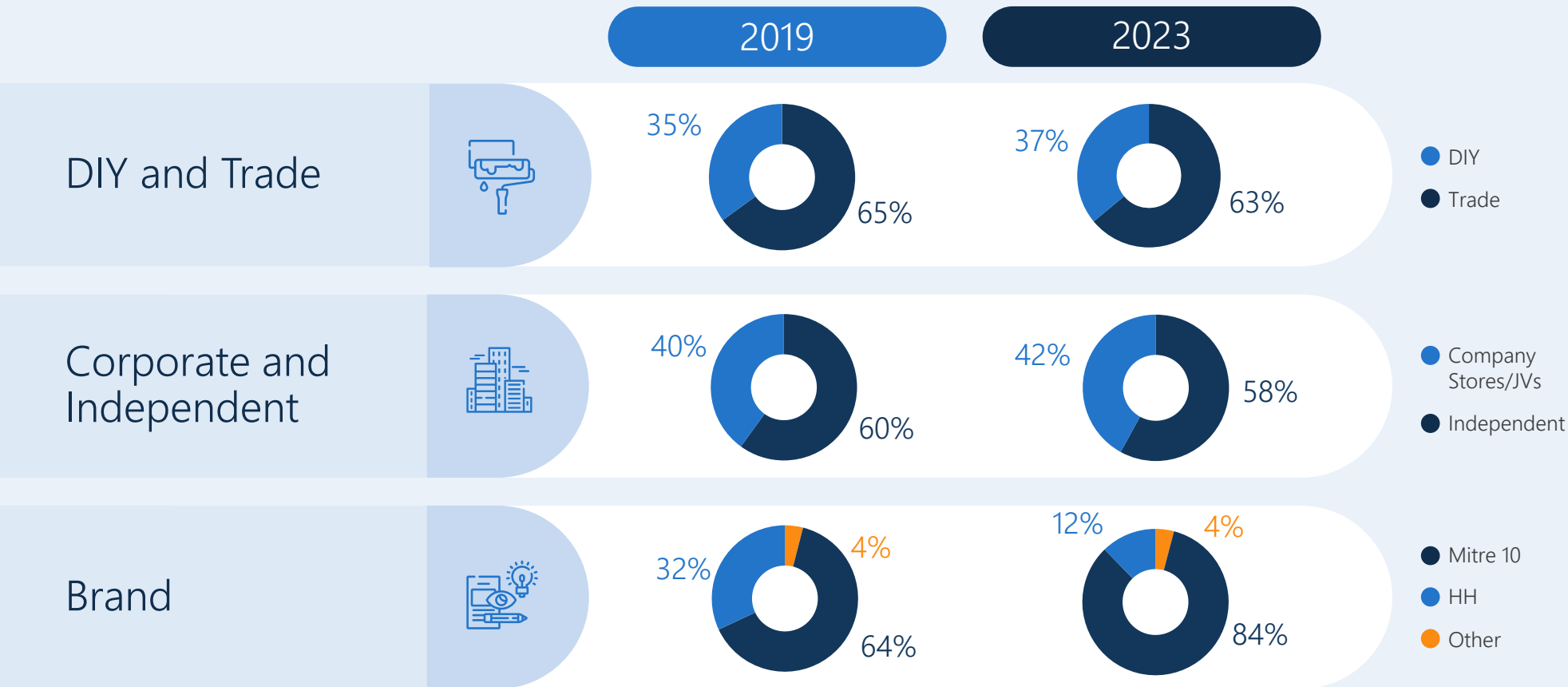
A national network of scale



	# Stores	% of Sales
	368	84%
	155	12%
 	84	3%
	12	1%
 Frame & Truss sites	24	

Sales, brand and ownership mix

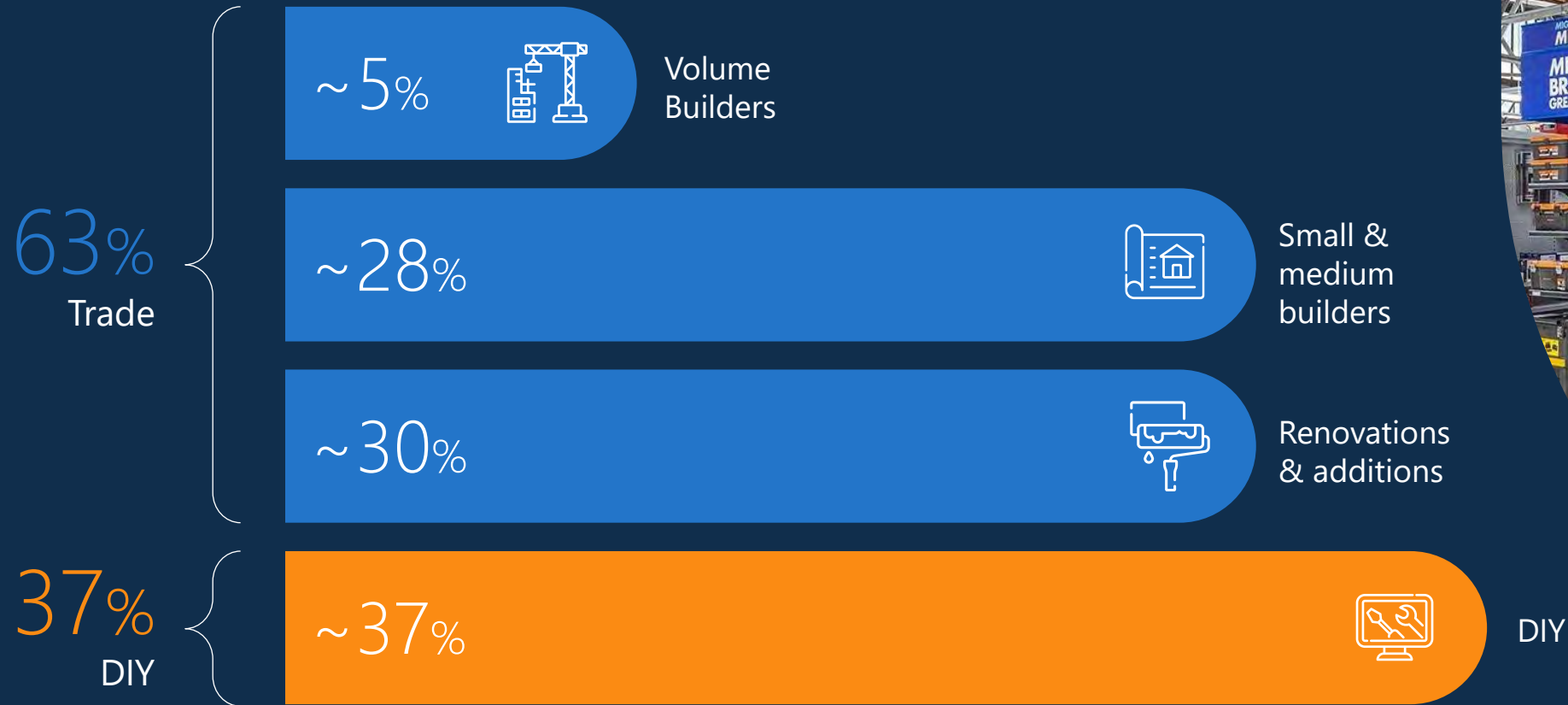
A leader in Trade and a growing #2 position in DIY



Retail ownership remains a key growth strategy

Customer segmentation profile

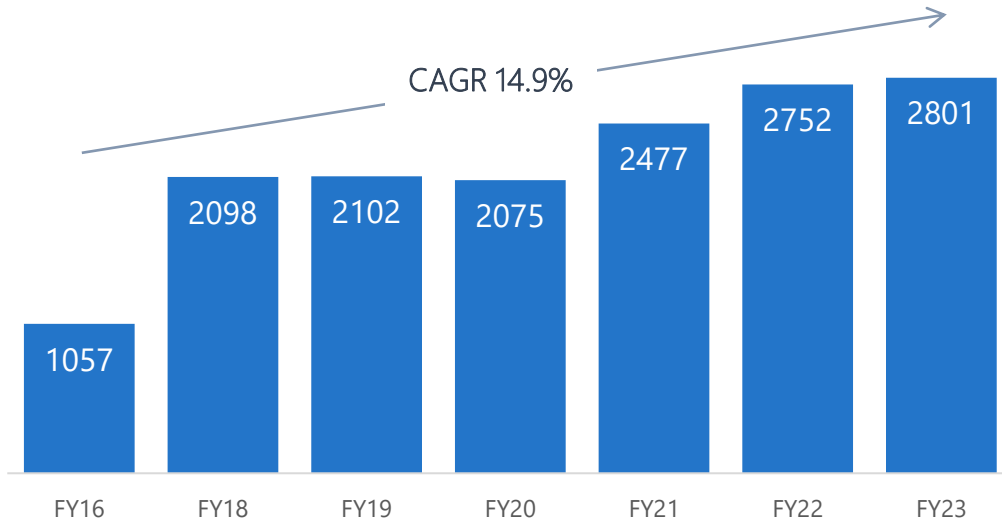
Focused on small/medium size builders and DIY



Strong financial performance

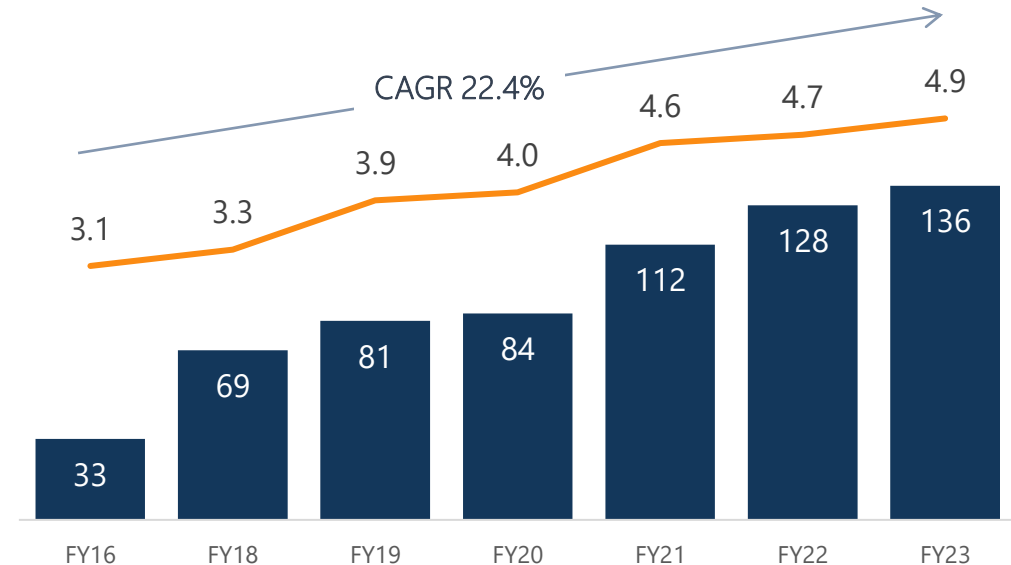
Differentiated shopper value, retail ownership and acquisitions key drivers

Hardware sales (\$m)



Wholesale CAGR 13.8%
Retail CAGR 16.9%

Hardware EBIT (\$m) and EBIT margin (%)



Wholesale CAGR 15.7%
Retail CAGR 35.8%

● Hardware sales ● Hardware EBIT — EBIT %

Hardware strategy

Purpose



Building successful independents

Aspiration



Accelerate growth to consolidate leadership position supplying small and medium builders, and remain the strong #2 in DIY

Where to play



Indispensable partner to thriving independent hardware businesses

- Australia
- Builders, renovators and DIYers

Preferred route to market for suppliers

- Wholesaler to independent and owned/JV store network
- In store, online and on site

How to win



For the shopper

- Unmatched, differentiated value through Sapphire store upgrades
- Relationships and service that keep home builds on time and budget

For the independent member

- Low-cost wholesale operations
- Value through scale and innovation

For the supplier

- Access to small and medium builders via largest store network
- Centralised distribution model
- Omni channel solution

Foundations







Wholesale and retail infrastructure, consumer insights, strong brands and formats

- Logistics & supply chain
- Shopper-led range
- Brand & marketing
- Digital solutions
- Store development
- Retail expertise

Strong heritage, safe, values driven, achievement culture

Continuing to drive growth

Differentiated shopper value, retail ownership and acquisitions key drivers

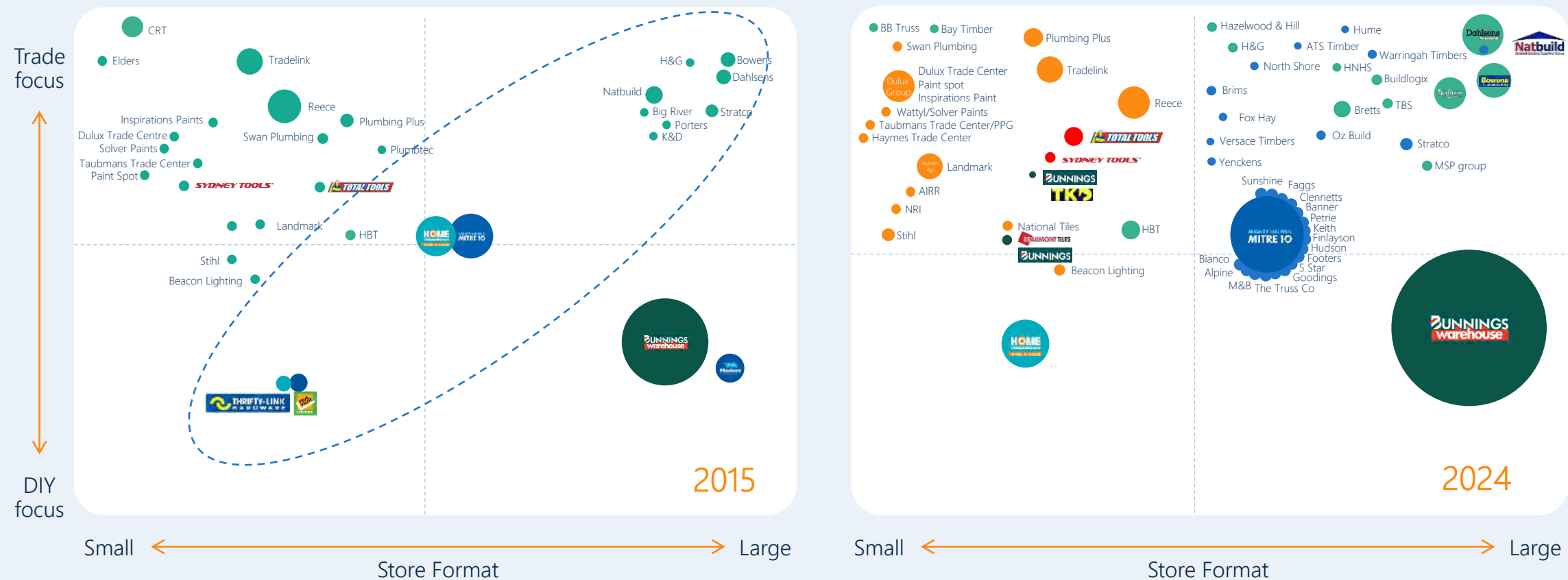
			IHG	Total Tools	Food	Superior	Liquor
	Leveraging platform for M&A growth and enhancing performance	Consolidate fragmented market	✓	na	na	✓	na
		Acquire complementary businesses	✓	★	na	✓	na
		Enter adjacent markets	✓	★	✓	✓	na
	Extending through value chain for growth & resilience	Retail – Company-owned	✓	✓	★	na	na
		Retail – JVs	✓	✓	★	★	na
		New stores	★	✓	★	na	★
	Delivering unique, differentiated value ('Best store in Town')	CVP by format & market	✓	✓	✓	✓	★
		Upgrade stores	✓	✓	✓	na	★
		Improve standards & Retailer compliance	✓	✓	✓	na	★
		Improved price & price perception	✓	✓	✓	✓	★
	Extending and strengthening core competitive advantages	Highly efficient distribution	✓	✓	✓	✓	✓
		Retailer tools & services	✓	✓	✓	★	✓
		Shared & scaled supply chains	✓	★	✓	★	✓
		Digital B2B marketplace	★	na	✓	★	★

✓ Continuing growth focus

★ New, accelerated or potential growth focus

Market Landscape

Significant consolidation opportunities in highly fragmented market



IHG continues to be the natural consolidator

Recent acquisitions

Consolidation of fragmented market to support growth strategies

Alpine Truss



- Largest facility in IHG network
- Strong heritage and relationships
- Reputation for leading quality product
- Adds significant capacity to F&T offer
- Expanded capacity for IHG – VIC/Sth NSW
- New market for Alpine & IHG – ACT
- Ability to add scale with minimal investment

Bianco Construction Supplies



- Grows SA trade market share to >14%
- Adds strength in 'Whole of House' through foundation stage
- Leverages scale, capability and services with K&B Mitre 10 & Independents
- Bianco brand retained
- Ability to add scale with minimal investment

Synergies target \$5.1m

Network - Independents & JV/COS

- Frame & Truss VIC, ACT
- Private label via network
- Extend range SA members/builders

Wholesale

- Teamscore growth
- Leverage supplier partnerships
- Range development

Operational – Bianco & Alpine

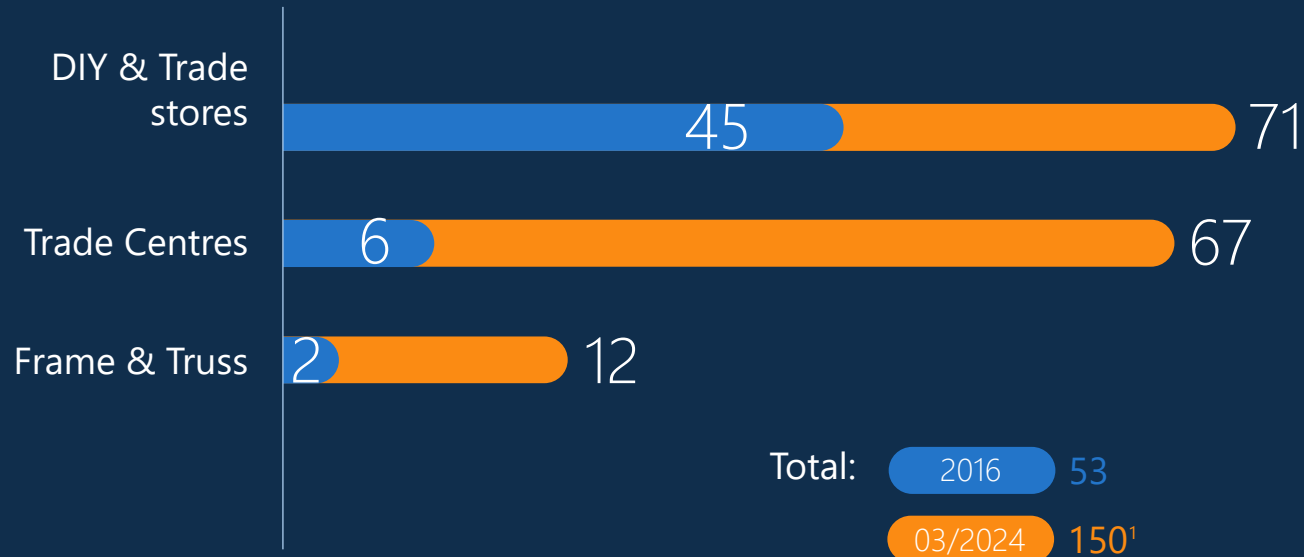
- Leverage site efficiencies
- Freight efficiency
- Metcash deals leveraged



Retail network – JV & CO stores

A key component of IHG's growth strategy

Growth in JV and Company Owned sites



Better together – good for independents and good for Metcash



Protect and defend the network, and support network expansion



Assists members with succession planning and exits



Allows us to walk in the shoes of our members and understand their business context



Platform to trial new initiatives to add value for our members



Higher margin for Metcash vs. pure wholesale

Retail store strategy benefits our independents and Metcash

Store network growth

Significant new site opportunities

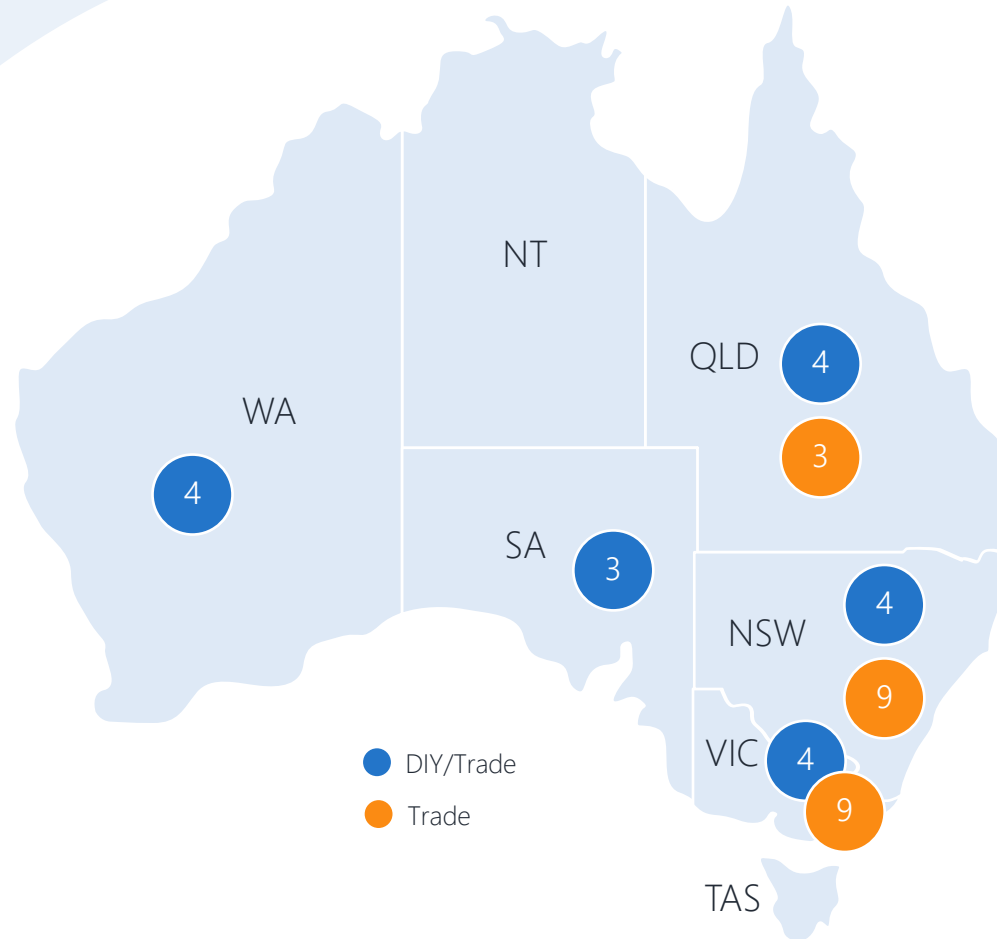
Over 200 potential sites identified

Opportunities available through:

- Independent ownership
- Joint Ventures
- Company-owned

Initially targeting 5 stores a year through:

- Consolidation
- Brownfield
- Greenfield



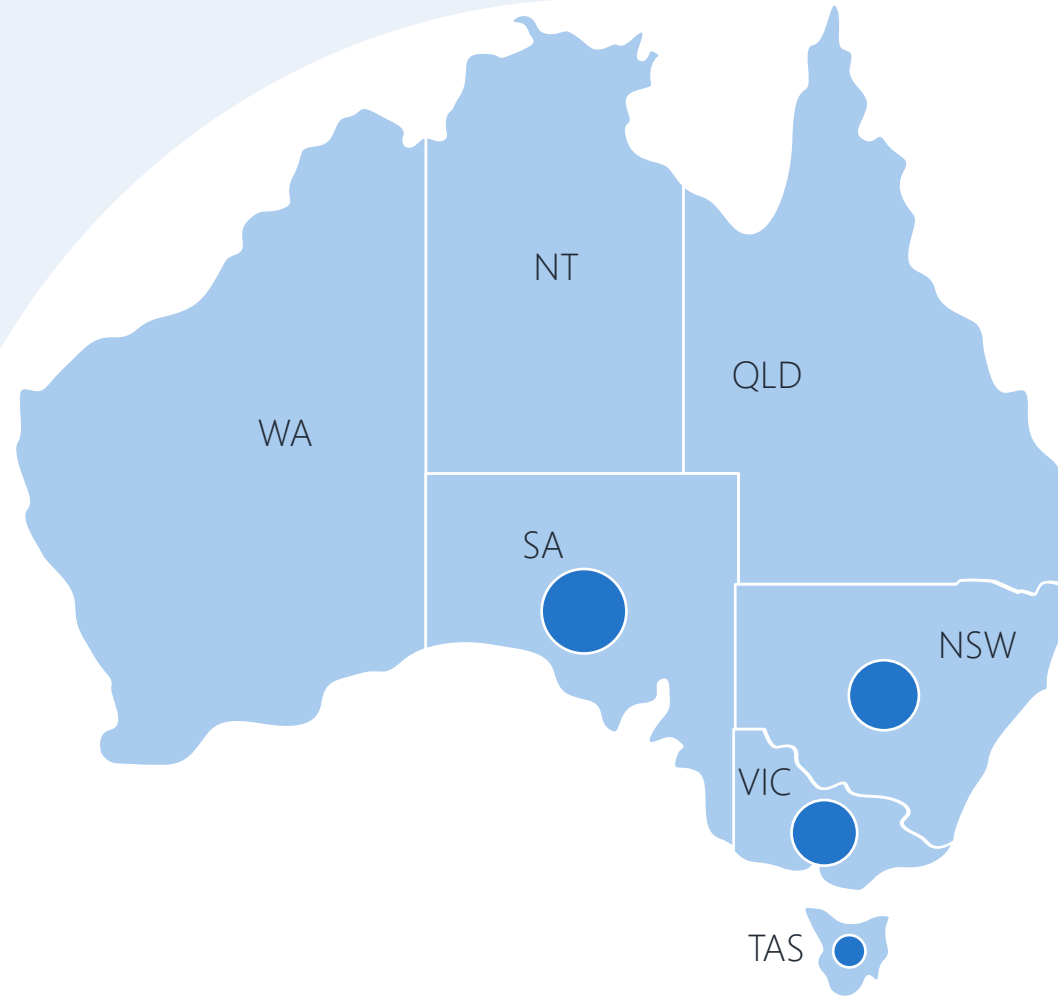
Focus on
top 40

Sales
opportunity
~\$500m

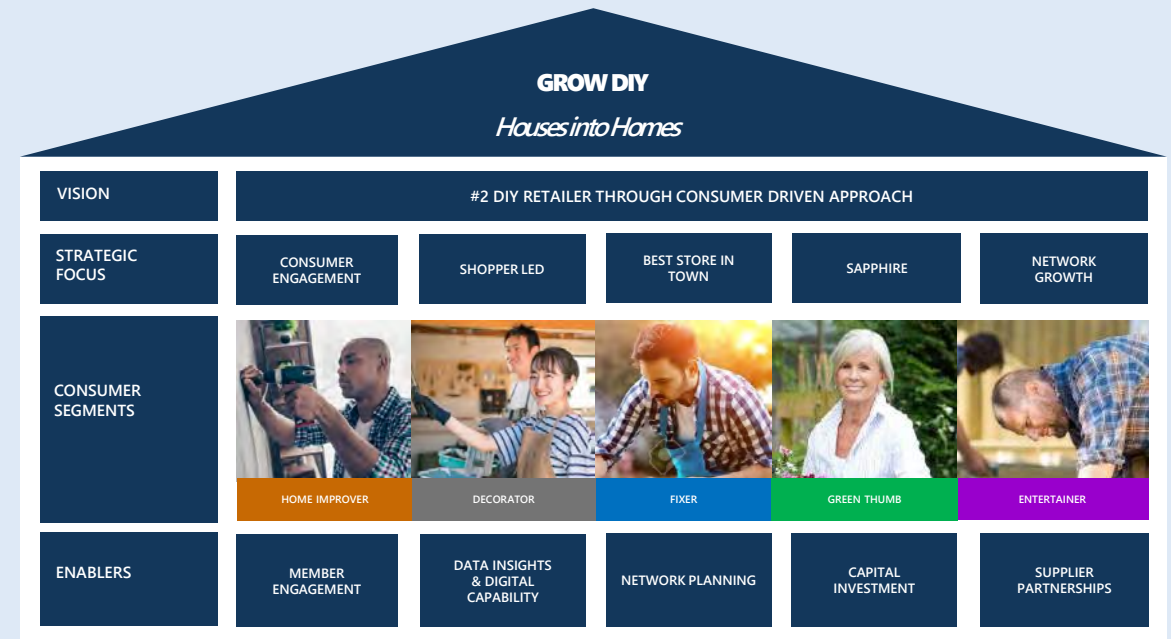
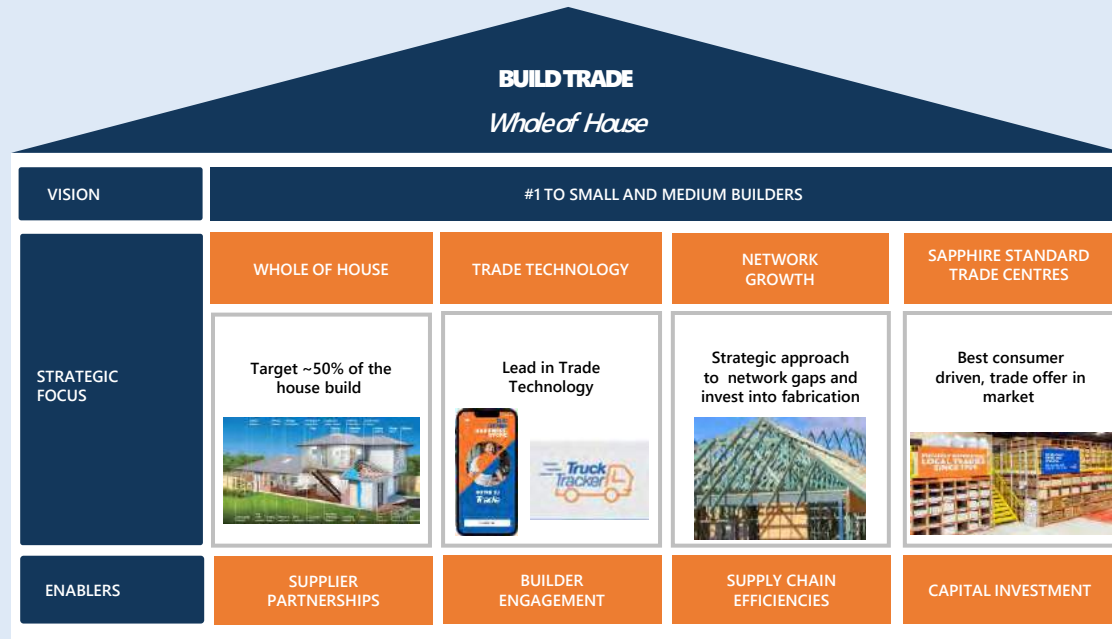
Growth through collaboration



- Strategic growth opportunities
- Delivers stronger regional offer
- Attracts a broader customer base
- Joint location drives floor space productivity
- 10 stores to date, one Independent, 9 COS/JVs, 4 sites in the pipeline
- Better for the customer
- Sales and EBIT results delivering positive returns




Trade and DIY strategies




Helping Australians build great **Houses** & turning their Houses into family **Homes**

Build Trade strategy







Foundation




- Floor systems
- Slabs
- Mesh & accessories




Frame & Truss




- Pine framing
- EWP
- Roof trusses




Lock-up




- Roof
- Windows & doors
- Insulation
- Cladding/bricks
- Flooring



Fix



- Plaster
- Kitchens
- Skirts/archs



Fit Out



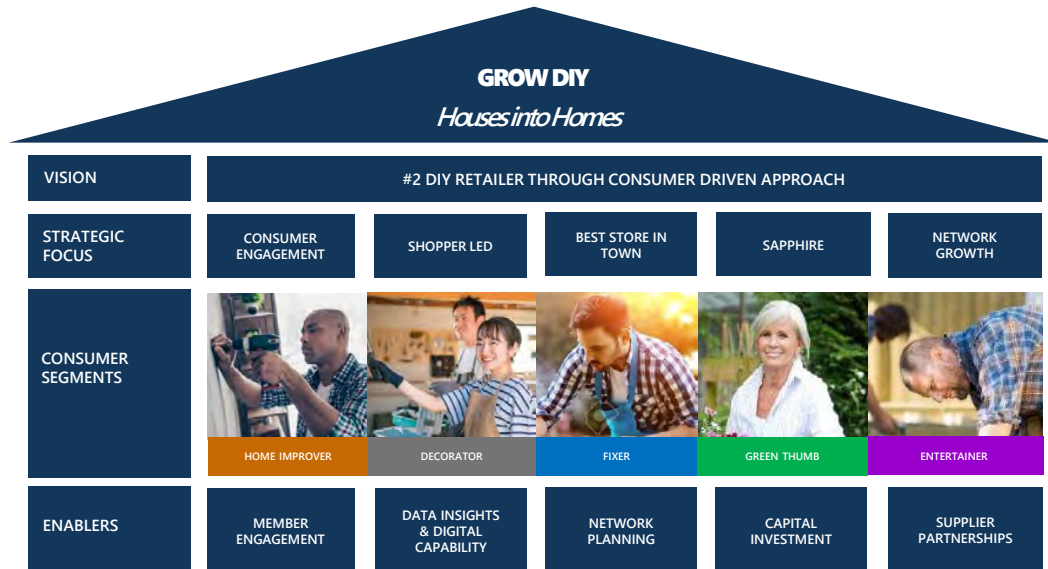
- Flooring
- Garage doors
- Bath/ showers
- Appliances



Currently supplying 48% of house build (745 accounts)
(FY21 28%, FY22 30%, FY23 37%)

Targeting to supply 50% of the House build

Grow DIY strategy



Consumer Engagement

- Loyalty
- Go To Market strategy
- Customer Value Proposition

Shopper led

- Shopper Led Range
- Best in Class supply chain
- Competitive pricing

Best Store In Town

- Store standards
- E-commerce
- My Store program

Sapphire

- 300 store target
- >20% sales growth
- Joint investment

Network Growth

- New members
- New stores



**Growth in DIY market share to ~5%
(FY20 to FY23 +20%)**

Targeting a further 20% growth in share of DIY market by 2027

Driving competitive network health



Logistics

- 3 distribution centres
- National coverage
- 26,000 SKUs
- Weekly consolidated delivery
- Free into store



Operational excellence

- Business planning
- Store standards
- Planograms
- Electronic Product Guides
- Hub & Spoke
- eLearning
- Safety standards



Digital solutions

- eCommerce – national and local
- Loyalty
- Trade Technology
- Truck Tracker
- CRM
- AI personalization



Technology

- Point of Sale Systems
- One stop shop intranet
- Electronic shelf labels
- Future proof ERP solution



Data & Insights

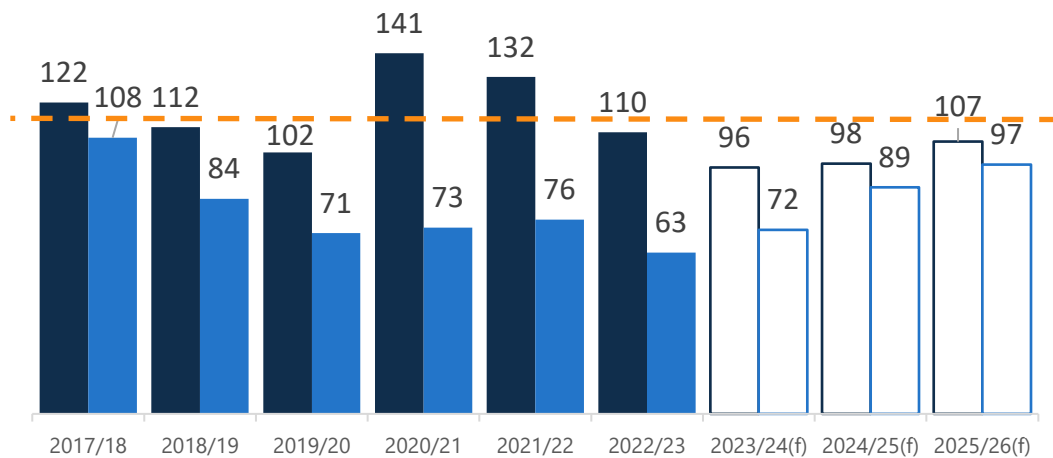
- Scan data insights
- Benchmarking
- Digital Dashboard
- Margin optimization
- Inventory health

A low-cost leading hardware wholesaler with significant retail expertise

Market data - Trade

IHG trade sales growth (CAGR +18.7%¹) well above housing market

Australian dwelling starts forecast ('000)²



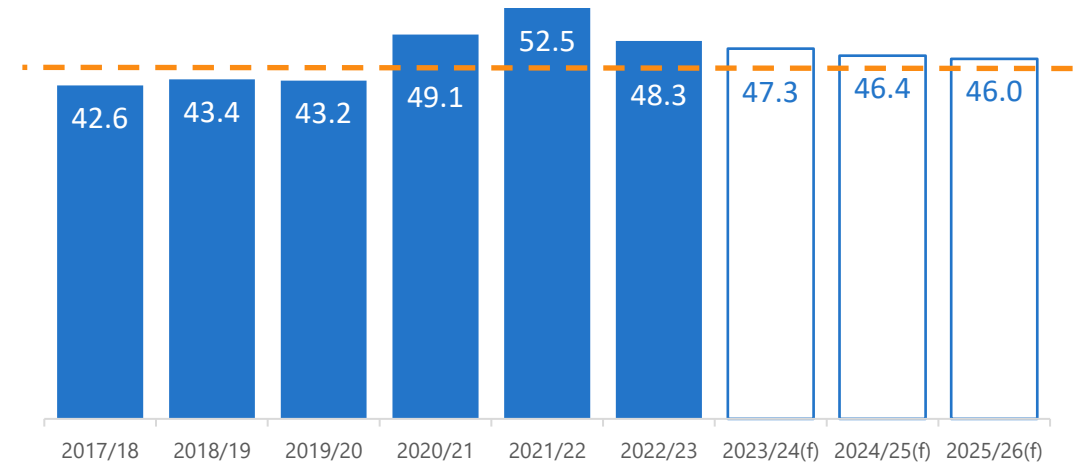
CAGR 2015/16 to 2023/24 -1.2%

● Houses

● Multi Res

— Previous 10-Year Average (Houses)

Australian renovations forecast (\$bn)²

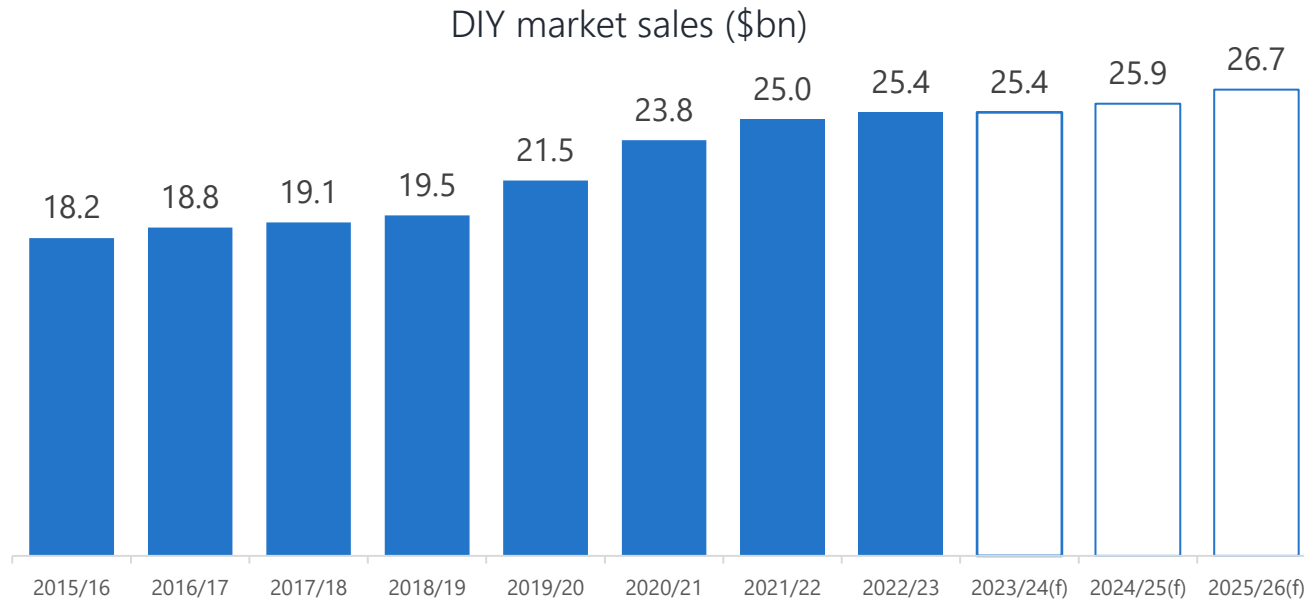


CAGR 2015/16 to 2023/24 +2.4%

Housing starts forecast to remain below historical average, renovations to return to average²

Market data – DIY

IHG DIY sales growth (CAGR +12.5%¹) well above market



CAGR FY16 to FY23 +5.7%



DIY market continues to be at strong levels

Fundamentals for growth remain solid

#1

hardware
wholesaler in
Australia

2024

- Lower confidence levels
- Low housing build cycle
- Independents and suppliers leveraging IHG's value
- Build Trade & Whole of House growth opportunities
- Growth from DIY & Houses into Homes focus
- Network growth

Grow through market share

2025 and beyond

- Housing demand strengthens
- Population growth forecasted
- Government planning 1.2 million homes over 5 years
- Renovation investment increases
- DIY continues at strong levels
- Industry consolidation continues

IHG well positioned to capitalise on improved conditions

Summary



Strong
market
positions



Proven
strategy for
continued
growth



Track record
of successful
acquisitions
and synergies
realisation



Significant
opportunities
to continue
market share
growth

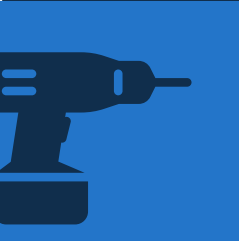
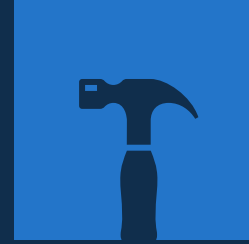


Fundamentals
for return to
market
growth are
sound



Ideally
positioned to
capitalise on
improvement
in activity
levels







Total Tools

Richard Murray - CEO

March
2024



Overview



#1 professional tools retailer with growing national footprint



10 new stores per year with target network size of ~170+ stores



Strong focus on supporting Franchise and Retail Network. JV's now ~45% of store network



Exceptional long term supplier partnerships



Data insights provided via a single ERP drive fast and effective decision making



Strong omni-channel shopping experience through physical stores, online and app



Best in class Loyalty program driving hyper-personalisation; 90%+ of sales through Insider rewards



In a strong position to leverage Outdoor Powered Equipment and Commercial market expansions



Leveraging Metcash's platform and capabilities has delivered strong 3 years returns from Investment in Total Tools

Total Tools milestones

A history of consistent store and sales growth



Diverse network structure

Supports capability to drive growth with new and existing partners

Number of stores today

115

Network sales (L12M)

\$1.1b

Customer NPS

80%+

Retail SQM

~152k+

Avg sales per store

\$10.3m

Insider penetration

90%+



Ownership mix

Retail network

52

Franchise

54

IHG

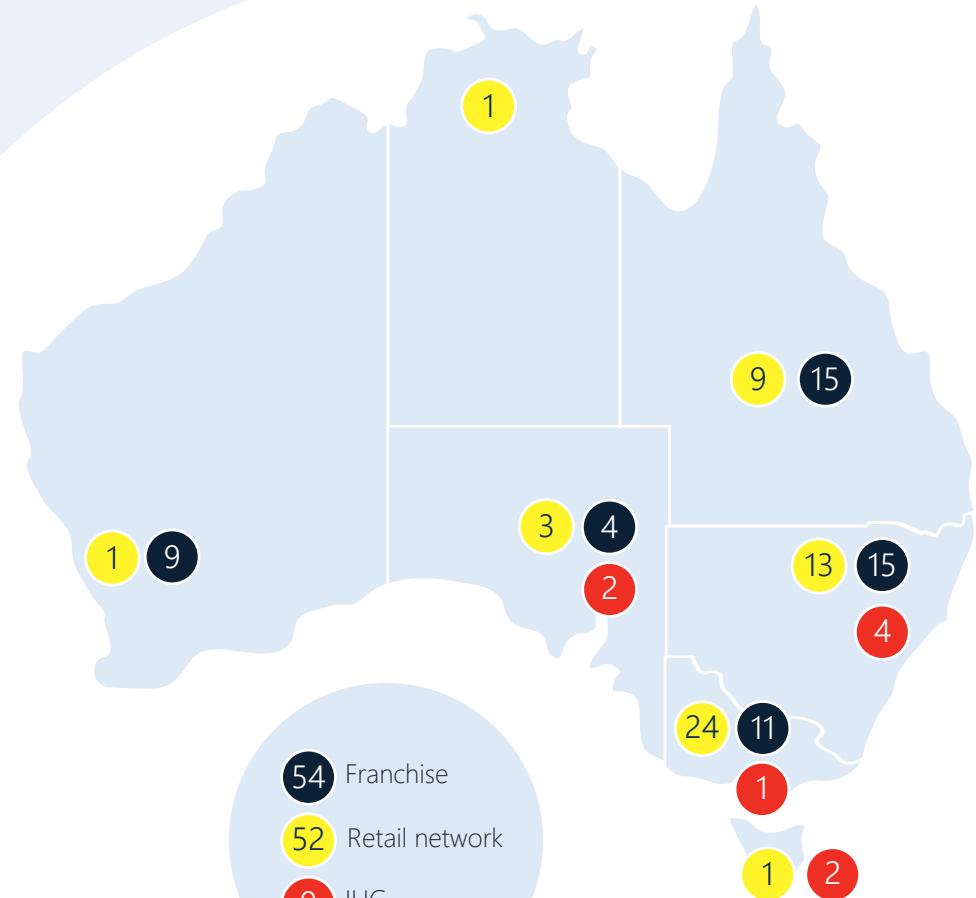
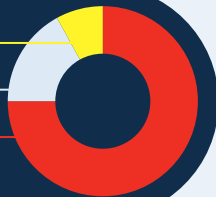
9

Sales mix weighted

Online 8%

Account 17%

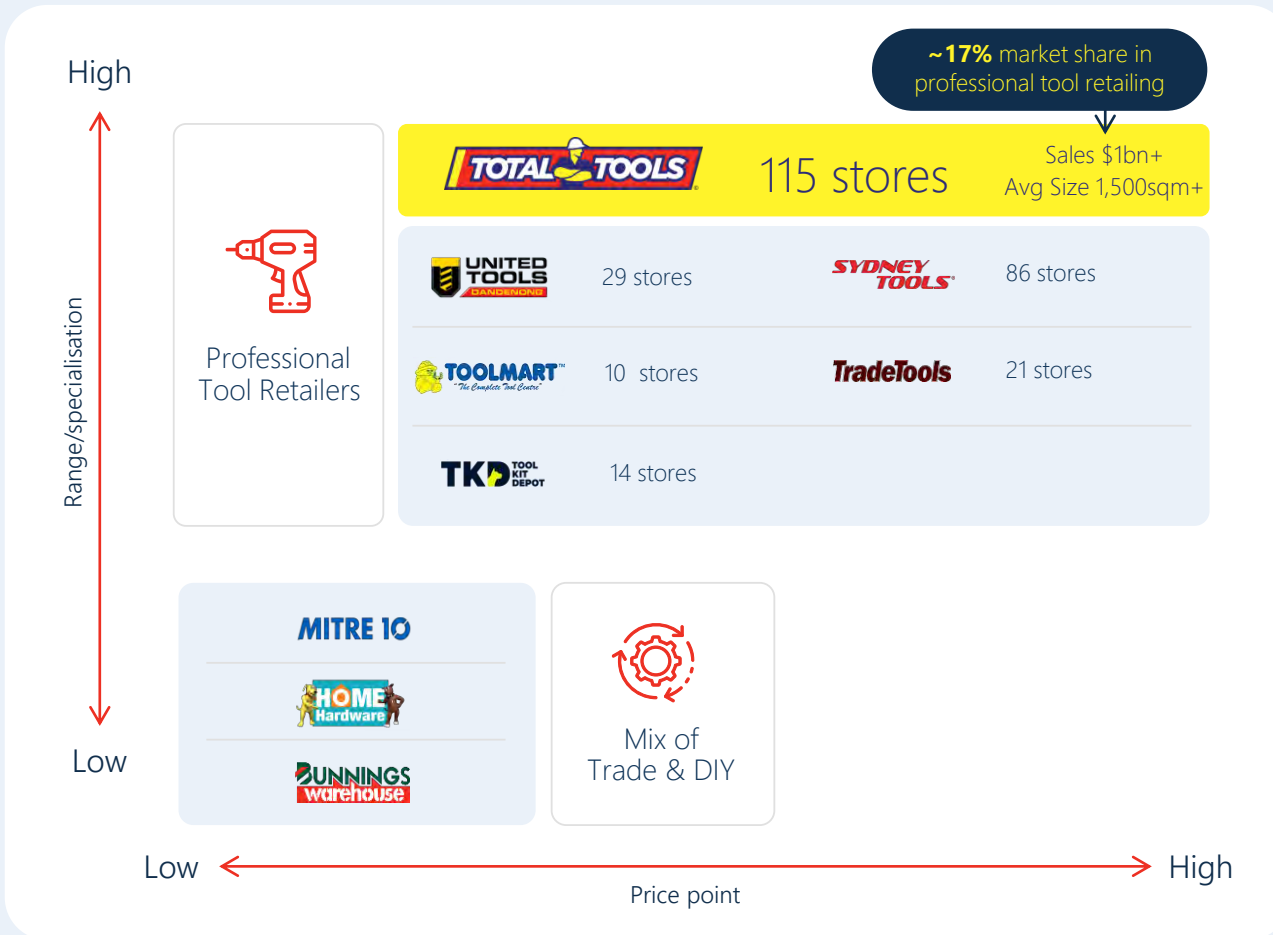
Cash 75%



Competitive landscape

Largest participant in growing professional tools segment

Our differentiated market position is complementary to IHG



Professional tools market

- \$6.4bn retail market with positive long-term outlook
- Current housing market undersupply and continued population growth underpinning demand
- Refurbishment, maintenance & renovation tailwinds to continue over medium / long term
- Government target of 1.2m new homes over 5yrs and ongoing investment in infrastructure provides medium and long-term confidence



Competitive position and strengths

- Leading retail channel for professional tools with largest and rapidly growing store footprint
- Cross industries - housing, refurbishment, renovation, service, maintenance and infrastructure
- Market leading loyalty program driving higher customer engagement (NPS 80%+)
- Strong omnichannel capability
- Wide range supported by long-term supplier relationships
- Presence across all major tool categories, including power tools, OPE and PPE

Retailer of choice for major tool distribution partners

Long-term relationships with many major tool distribution partners



**Largest
professional
tool
specialist
retailer in
ANZ for
majority of
our
distribution
partners**

Exclusive brands

Differentiated range, 12% of network sales, available penetration >20%

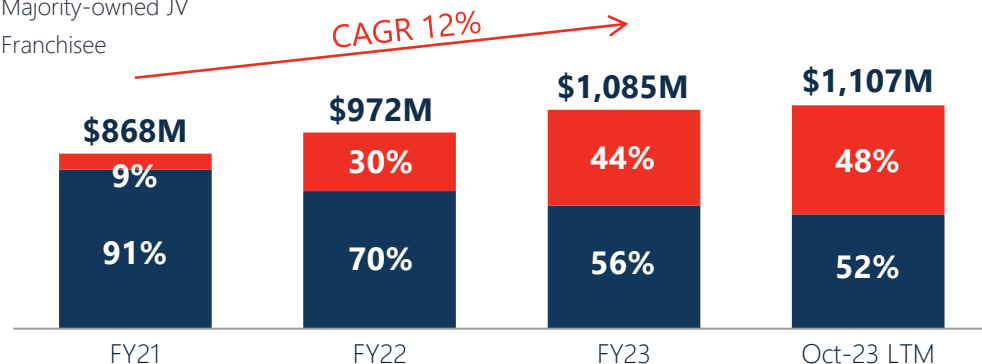


Track record of success

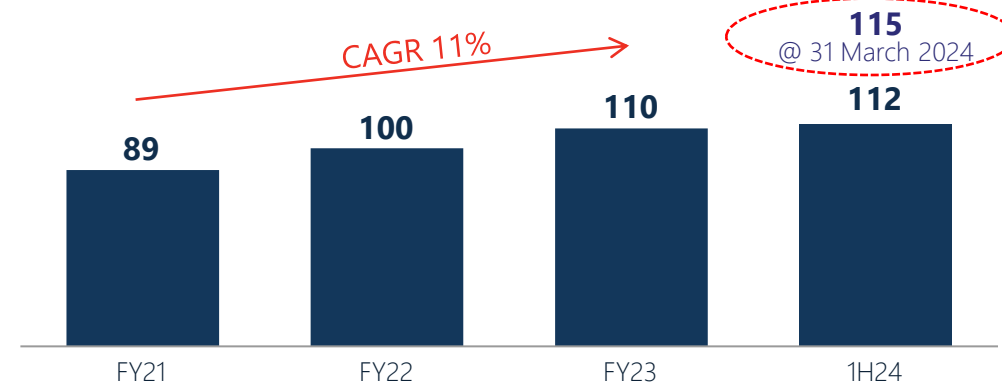
Store network expansion and JV strategy key drivers of growth

Network sales

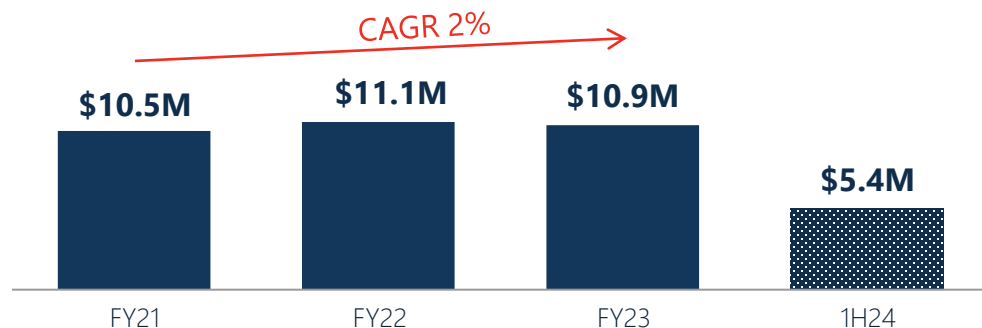
- Majority-owned JV
- Franchisee



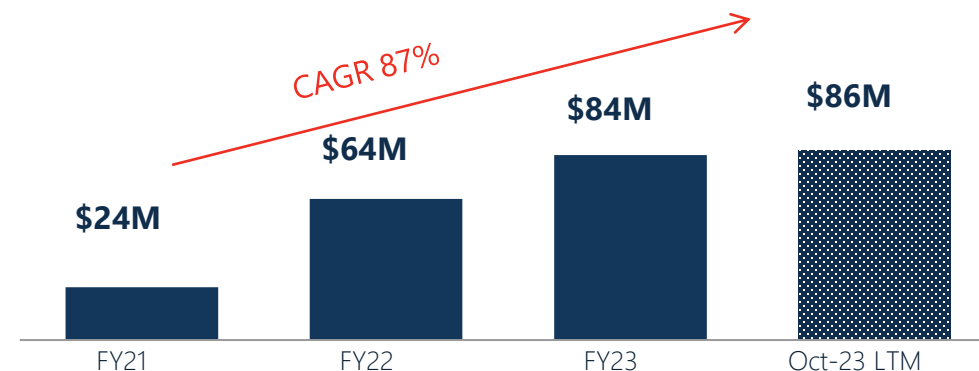
Store numbers



LFL sales per store



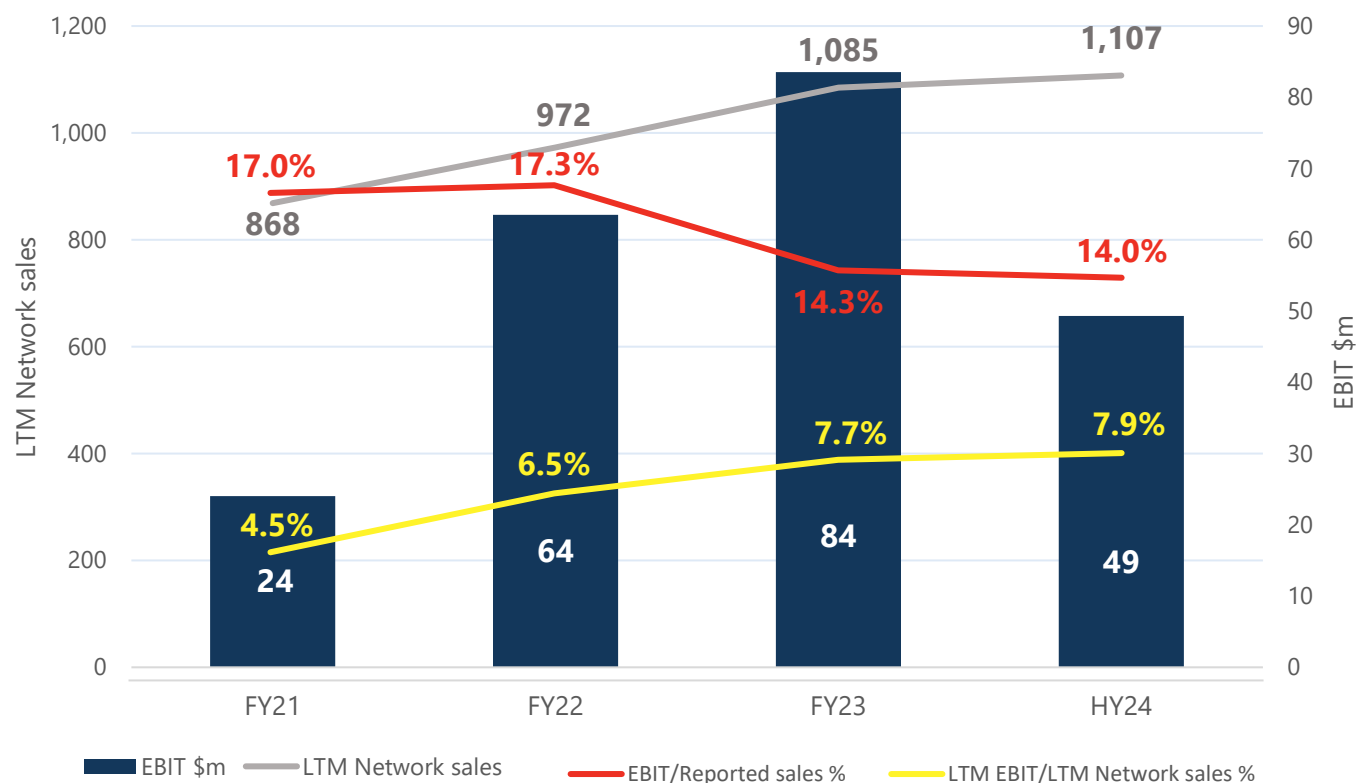
EBIT



Sales & margin profile

Investment in retail network JV's influences the blended EBIT %

TT sales & EBIT performance



Total Tools strategy

Purpose



Championing Successful Independents

Aspiration



#1 retailer of choice for Tradespeople, first choice for trade quality tools

Where to play



- Australia
- In store, online and app

- Professional Tools retailing
- Commercial B2B

How to win



For the tradie

- Obsession with our end user and their needs, creating raving fans
- Best store in town
- User led range

For the retailer

- Best in class end to end system
- Digital and technology innovation providing a competitive advantage
- Leveraging scale

For the supplier

- Leading retail distribution partner of choice
- Omni channel & loyalty providing insights and reach
- Investment in service providing value

Foundations



Highly engaged, high performing team with a winning culture

- Franchise & JV structure
- Whole of Trade strategy
- Insider Loyalty program

- Digital & Technology solutions
- Retail & operations disciplines
- B2B Commercial structure

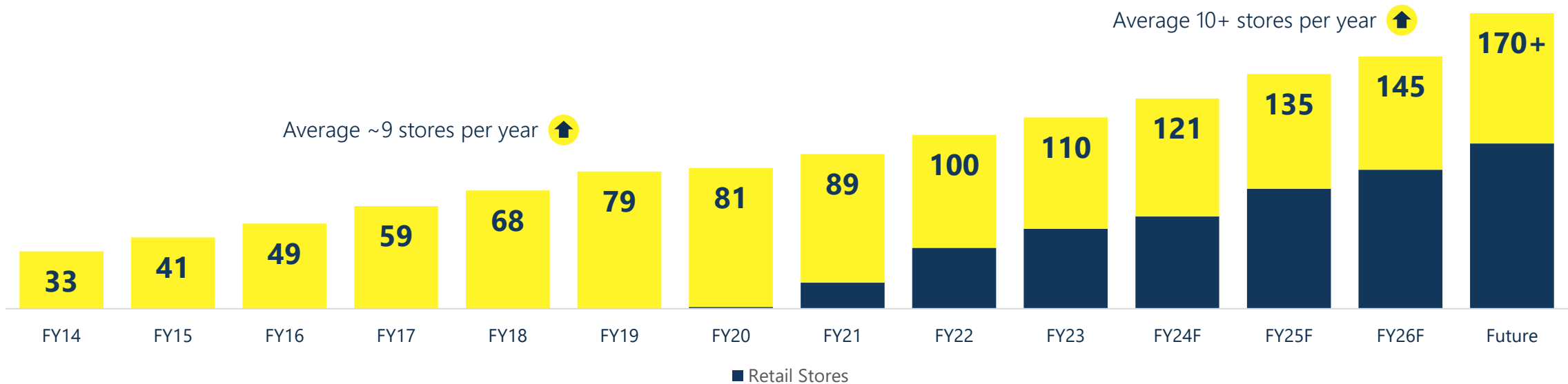
Track record of execution delivering strong results and continued growth

Accelerating momentum

			IHG	Total Tools	Food	Superior	Liquor
	Leveraging platform for M&A growth and enhancing performance	Consolidate fragmented market	✓	na	na	✓	na
		Acquire complementary businesses	✓	★	na	✓	na
		Enter adjacent markets	✓	★	✓	✓	na
	Extending through value chain for growth & resilience	Retail – Company-owned	✓	✓	★	na	na
		Retail – JVs	✓	✓	★	★	na
		New stores	★	✓	★	na	★
	Delivering unique, differentiated value ('Best store in Town')	CVP by format & market	✓	✓	✓	✓	★
		Upgrade stores	✓	✓	✓	na	★
		Improve standards & Retailer compliance	✓	✓	✓	na	★
		Improved price & price perception	✓	✓	✓	✓	★
	Extending and strengthening core competitive advantages	Highly efficient distribution	✓	✓	✓	✓	✓
		Retailer tools & services	✓	✓	✓	★	✓
		Shared & scaled supply chains	✓	★	✓	★	✓
		Digital B2B marketplace	★	na	✓	★	★

Store network growth

Targeting ~10 additional stores per year



Track record of network growth

- History of existing franchisees opening additional stores – demonstrates confidence and belief in model
- JV partners expanding networks ~40% new stores from JV partners
- 6 co-located stores with Mitre 10 & future opportunity for several more sites
- CO store strategy refocused to drive growth within Retail Network, with existing JV partners

Significant growth path remaining

170+ potential sites identified across Australia

JV strategy remains critical to success

Providing a sustainable model for retention and growth



Background

- One of the key objectives of the joint venture with MTS for the TTH shareholders was to provide a path for succession for its network of franchise stores over time, and to partner with retailers to support future growth



Update

- 52 JV stores from 14 franchise groups acquired, TTH ownership ranging from 51% to 95%
- 3-5 year Put/Call arrangement in place for Metcash to take full ownership
- Majority of existing JV partners in negotiation to extend options. Aligned to strategy of "successful independents"

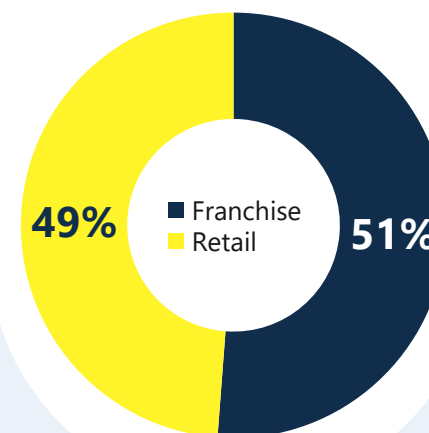


Strategy

- Continue to negotiate 6-18 months ahead of PUT options for selected JV partners with partial sell down & extended tenure provided to drive sustainable long-term growth
- 4-10 new stores per annum from existing JV network
- 3-5 stores expected to convert from franchise to JV p.a.
- Management and operational "hub" structures in MSO's largely in place – following IHG's playbook



Revenue split

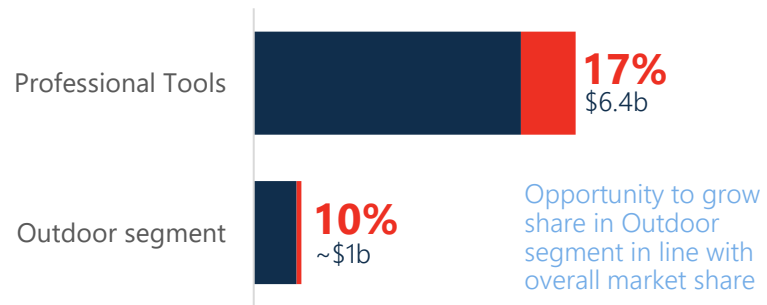


JV Reset Partners continuing to reinvest to drive future growth

Category expansion - Outdoor Power Equipment

Capitalising on existing capability and competency to win in high growth category

Expansion into fast-growing category



● Total Tools market share

The opportunity

- Capitalise and drive share in the fastest growing segment of the professional tool industry
- Battery technology and new product innovation fueling growth in both trade and commercial sectors
- Heightened awareness of emissions and noise regulations driving conversion to cordless

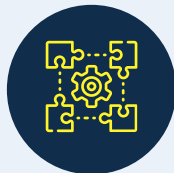
Total Tools is well positioned

- Leveraging existing Total Tools ecosystem to rapidly expand market share and gain presence in Professional OPE space
- Strong relationships with key OPE suppliers
- Expand supplier relationships to several key new brands
- Strong logistics and distribution network

What we will do



Convenient one-stop shop



Commercial solutions



Brand partnerships



Differentiated shopper experience



Cordless innovation

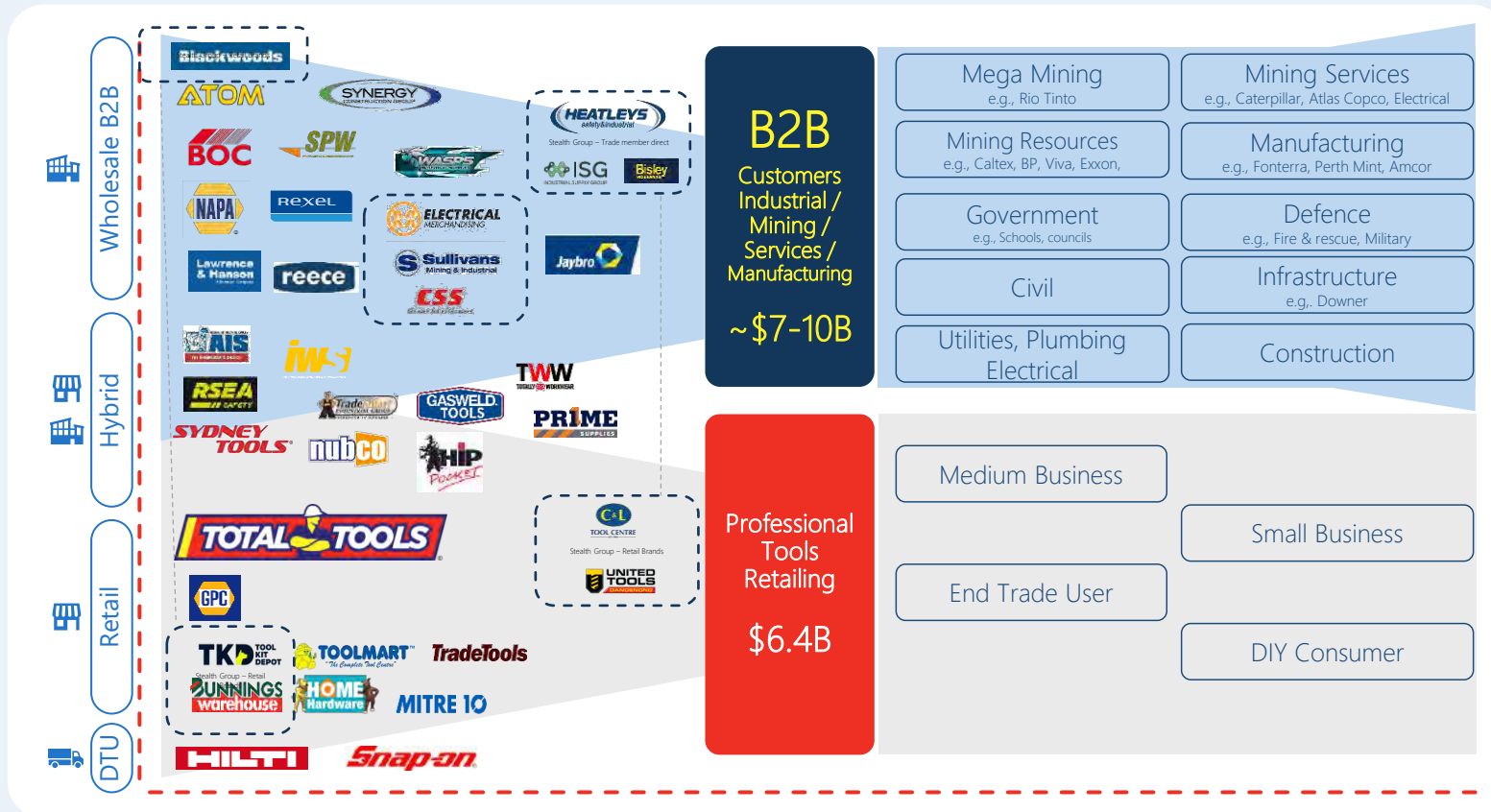


Exceptional service

Expansion into Commercial market

B2B a key growth opportunity – more than doubles addressable market

Industrial (Commercial) and Professional tools landscape



Professional tools market

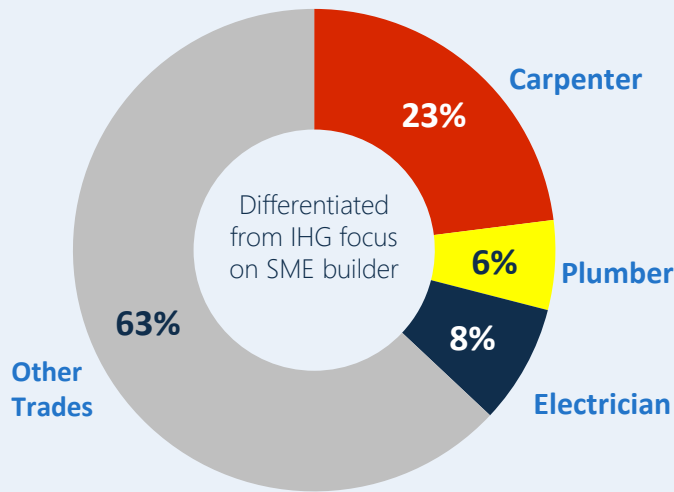
- Ability to leverage existing Total Tools ecosystem, including technology (B2B portal)
- Strong existing partnerships with suppliers who are seeking consolidated, multi-sector partners in wholesale and retail
- Strong presence in key categories provides compelling one-stop shop proposition for commercial customers
- Existing private labelling sourcing competencies and structure
- TT has 90+ Reps/BDM's across network (FY21: 23)
- +76% growth from FY21

Customer experience

Delivering an excellent customer value proposition to Tradies

Focused on servicing 1.5m Tradies¹

Providing shoppers with a best-in-class experience



- New products and technology shifts continue to provide growth opportunities
- Dominant position amongst carpenter segment
- Plumbers and electricians present strong growth opportunity
- Focus on key growth categories: PPE, OPE, Storage

Value proposition



User led range of market leading brands



Endless aisle and specialty ranging



Whole of Trade strategy



Specialised power tool & OPE zones



Dedicated training team

Loyalty program



~2m Insider Rewards members



230+ Insider events p.a.



90% loyalty penetration



Launch B2B Trade Rewards program in Feb 24



Hyperpersonalisation driving next wave of growth

Omnichannel



9% e-commerce penetration



Digital marketing & social media



AI-driven personalisation



Customer behaviour insights



Order tracking & broad range

Cordless - significant growth potential remains

Capitalising on battery technology improvements, NPI and new market segments

Traditional Cordless



Innovation and New Products

- Australians remain early adopters of new products
- Continued leverage of cordless systems growing user acquisition
- Key brands delivering strong NPI lifecycles
- Lifestyle product segment expansion

Consumables

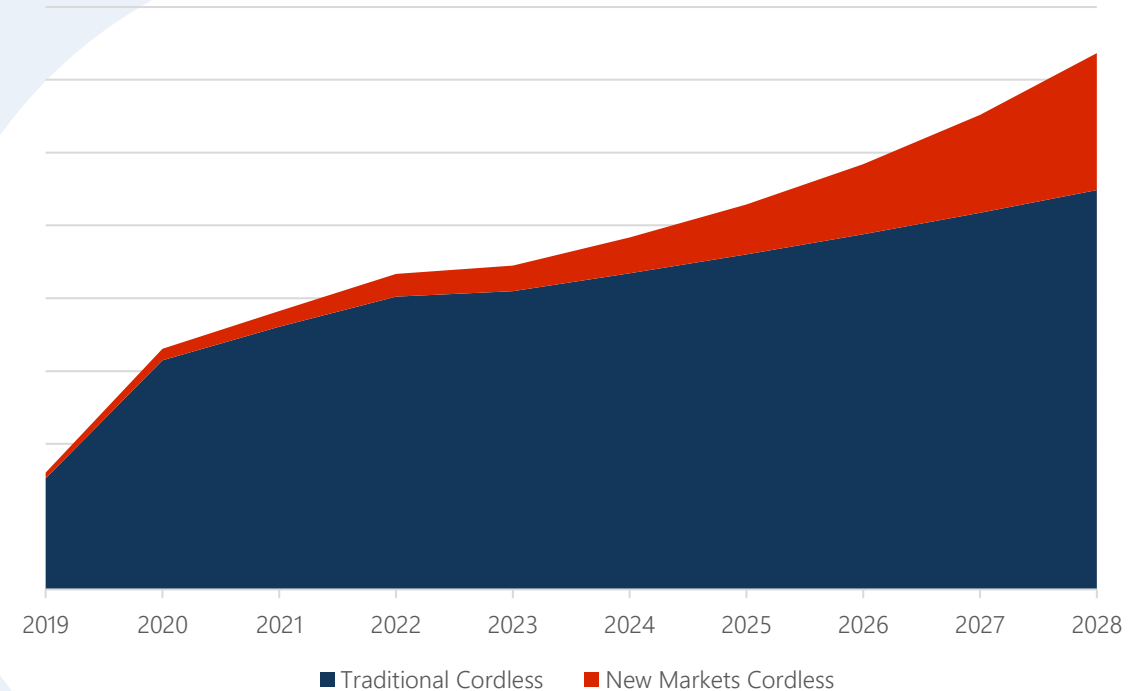
- Battery replacement
- Improved battery technology driving upgrades
- Fast charging options

New Markets Cordless



New technologies and categories

- High voltage battery technology replacing AC/Air power tools on commercial sites
- High adoption of battery powered equipment replacing traditional petrol products
- New categories – ATV, Bikes, Zero-turn mowers
- Emissions/noise regulations driving safer use alternatives



Whole of Trade strategy

Well positioned through our highly engaged Insider program

Where they work



- Innovation and new products
- New technologies
- High voltage battery tech
- Emerging categories
- Jobsite security

Where they live



- Home security
- Garage (automotive, storage)
- Garden (OPE, storage)
- Mancave / BBQing
- Weekend warrior

How they work



- Services
- Payment solutions e.g. Trade rewards
- Tool insurance
- Deliver to site

DIGITAL ENABLED

Online &
Endless Aisle
driving
capability

Where they play



- Lifestyle
- Boating, camping, fishing
- 4WD, touring

Digital Store

Enhancing customer experience and store efficiency to drive process optimisation, revenue growth, and working capital reduction



Productivity



- Immediate Uncapped Price Updates
- 1st Australian Retailer nearing 100% rollout
- Full Digital Store/Web/ERP integration
- Customer Experience
- Staff Culture and Engagement



Electronic Shelf Labels and the Digital Store

- Aged and Deleted Stock Reduction
- Minimise working capital/optimisation of stock levels
- ESL association compliance
- Stock type placement analytics



Working Capital



Monetisation



- Margin Optimisation
- Pricing Elasticity
- Pricing and data flexibility
- Promotional, bulk, local special and Catalogue
- Defensive/Offensive pricing strategy enablement

- Reverse Integrated Planogram
- Navigation and customer Experience
- Insights and on placement
- Layout optimisation
- Merge Online/Instore experience



Blue Sky

On track to deliver our ambitious growth plans



Clear #1 in Professional Tools segment

Continued strong history of sustainable growth



Network Growth to 145 stores by FY26 with further growth opportunities identified beyond

Strong execution of JV acquisitions and JV resets



Track record of delivering innovative solutions to support our Total Tools Ecosystem

Insights ensure we provide a best-in-class customer experience whilst leveraging our Insider program

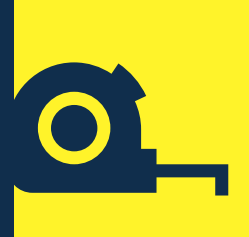


New products and technology shifts continue to provide growth opportunities i.e. Cordless, OPE & Commercial

Leveraging best practice and synergies across Metcash & IHG



Fortify and extend #1 position in professional tools



March
2024

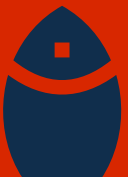
Metcash



Food

Grant Ramage – CEO Food

March
2024



Overview

Metcash Food has proven to be a resilient business with excellent potential for further growth



The Food businesses was reset and returned to growth pre-COVID



We are now positioned for accelerated growth through:

- Expanding the store network
- Further differentiating the IGA offer
- Unlocking the potential of existing stores
- Providing more of what our customers need, delivered to more places, more often, more efficiently
- Investing in being easier to do business with



It has now transformed to be stronger and more competitive, with productive customer and supplier relationships



Our confidence in ongoing success is underpinned by:

- Strong, clear growth plans
- Aligned, healthy and supportive store network of independent retailers who are investing in their stores
- An experienced and passionate Metcash team

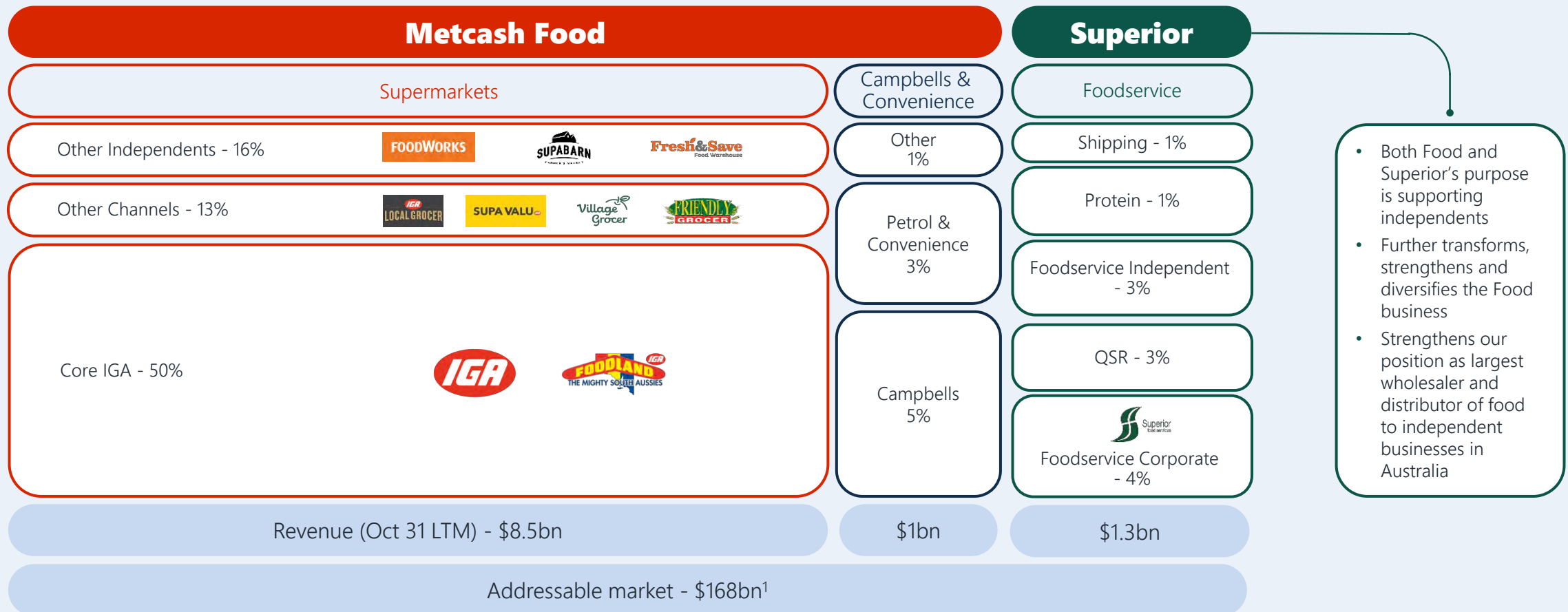


The business has continued to grow post-COVID supported by better stores and better value



Diversified across supermarkets, foodservice & convenience

Core IGA business now represents ~50% of Food pillar sales



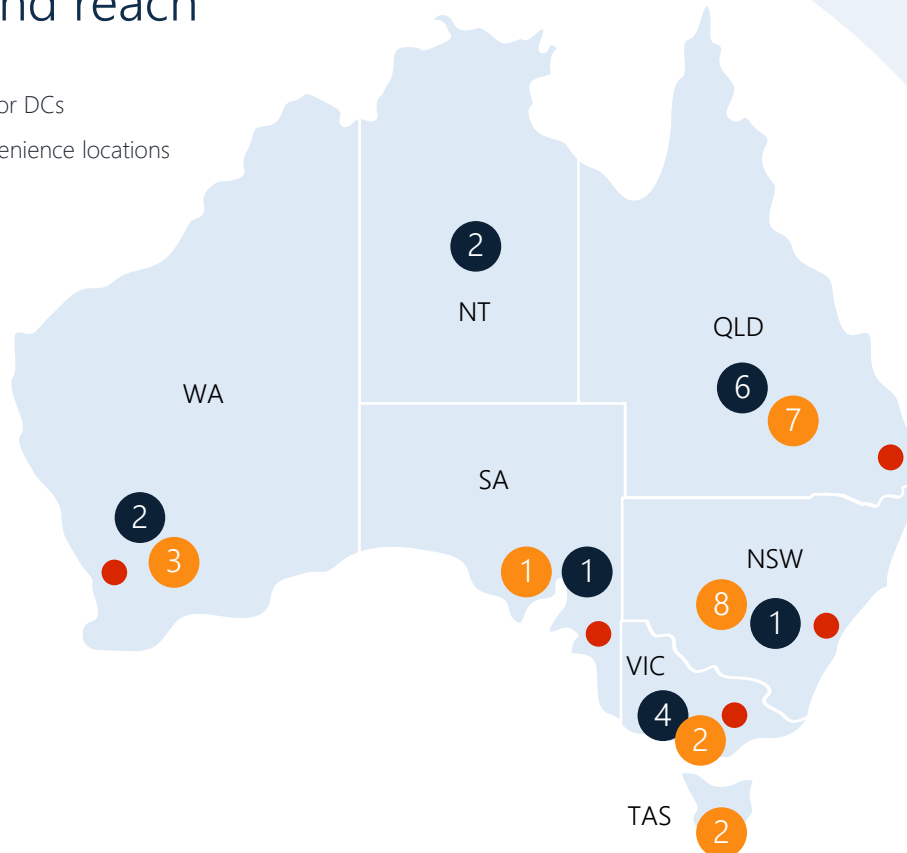
1: Supermarkets & Grocery Stores market size; Convenience and Petrol & Convenience store market size, excluding fuel revenue; Foodservice market size
Source: Internal data; Market reports; Superior Food management estimates

Superior acquisition

Enables delivery of an extensive product catalogue to more independents, more often

Highly complementary distribution network and reach

- Metcash Food major DCs
- Campbells & Convenience locations
- Superior branches



Greater scale & efficiency for our stakeholders



Shoppers

- Better range & availability
- Locally competitive prices
- Enhanced customer value proposition
- Australia wide – strength in regional areas



Customers

- More fresh products, more often – high velocity replenishment & last mile capabilities
- Expanded range supports fresh solutions e.g. to meet part meal needs
- Economies of scale, lowering CODB



Suppliers

- Expanded route-to-market and access to new customers
- Extensive geographic coverage from CBD to remote Australia
- Network density and end-to-end efficiency



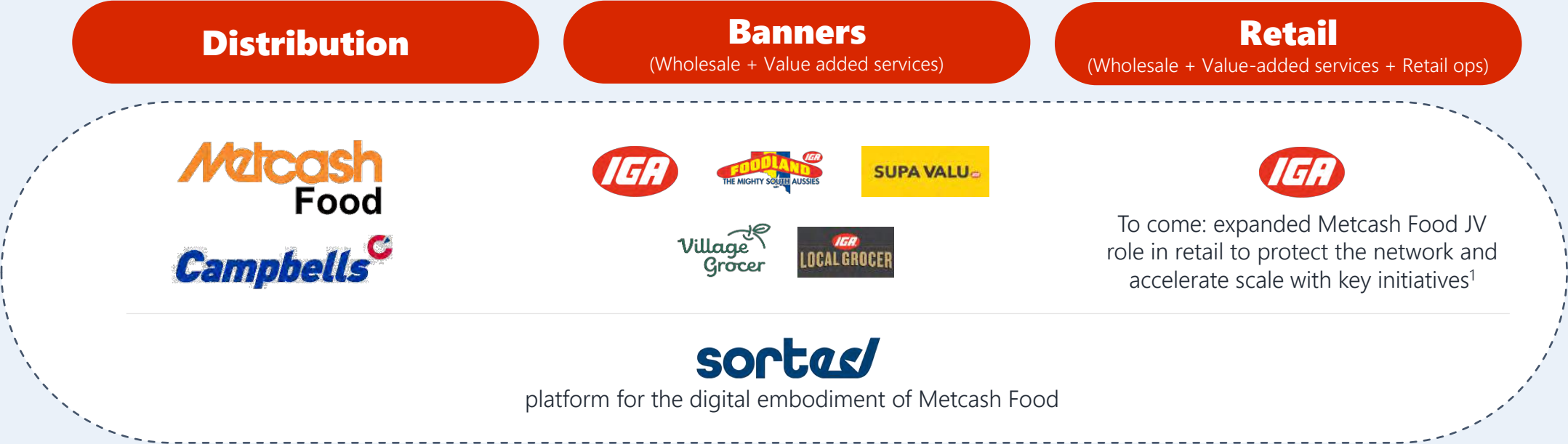
Metcash Food



Metcash

Metcash Food

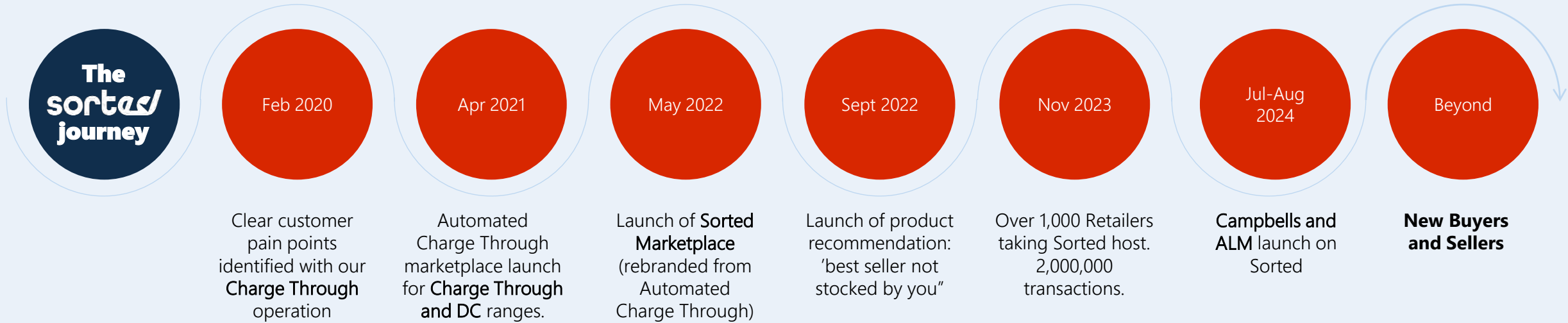
From traditional food wholesaler to integrated wholesaler, banner-operator and retailer



1: As of 1HFY24 Metcash owns 29.9% stake in Ritchies and 45% stake in Cornetts, in addition to several other grocery retailing entities

Further growth through Sorted platform

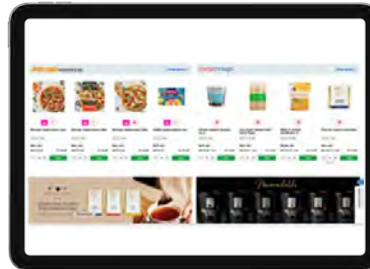
Opportunity to expand reach from ~1k to +50k B2B customers



A marketplace for products and services

We enable our retailers to easily order over 80,000 products and services from 3,500 Suppliers.

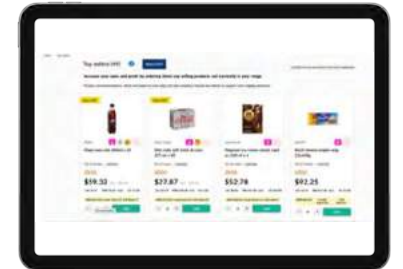
We focus on simpler, better and more efficient ways of working for our retailers and suppliers, segmenting our Marketplace by: 'What's new, On Deal and best sellers you're not stocking.'



Value Adding Services

We support our retailers by sharing the information they need to make informed buying decisions.

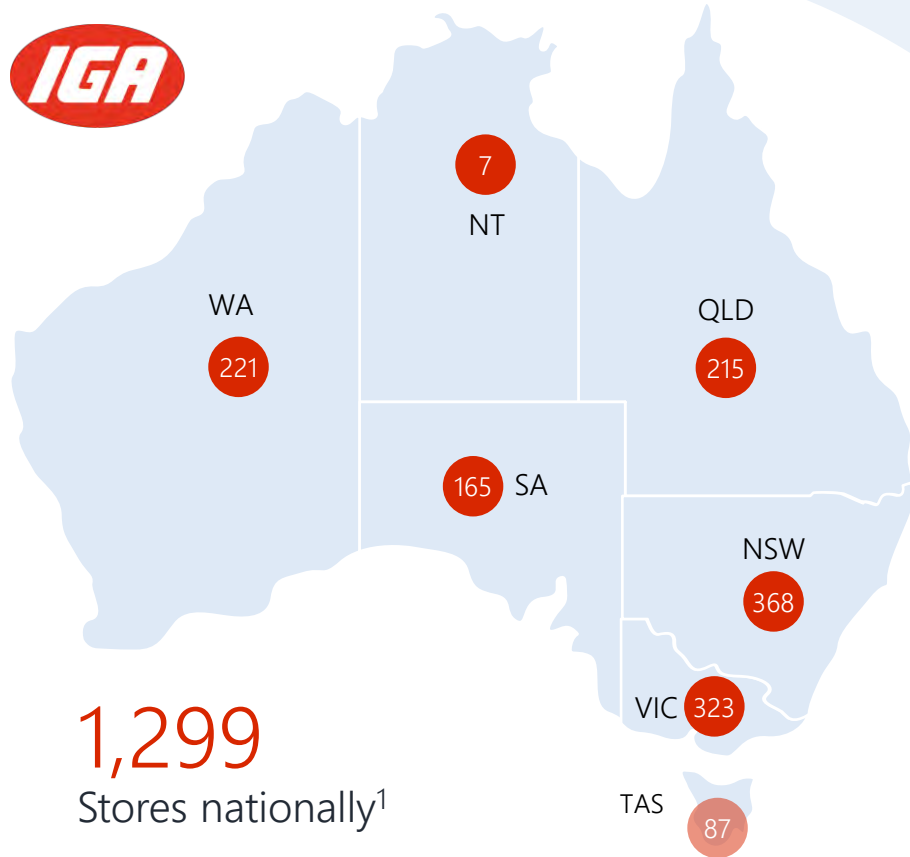
We highlight best selling products to retailers that they are not stocking in their stores. We share with them likely sales and category rankings, presented for easy ordering.




Sorted is both a B2B marketplace and a provider of value-adding services and support

IGA national store network

Quality brands and range of store formats



Store network now in right channels and formats

	Store format	# stores	
Core IGA	 Large format catering to price-sensitive catchments	4 (<1%)	
	  Competitive large format local supermarkets¹	252 (19%)	} Our sweet spot at ~900-1500m²
	 Medium format local community supermarkets	644 (50%)	
	 Small format positioned to deliver on daily shopping requirements²	399 (31%)	
	 Village Grocer created as an alternative banner (currently ~1% of total network)		

Differentiated shopper value

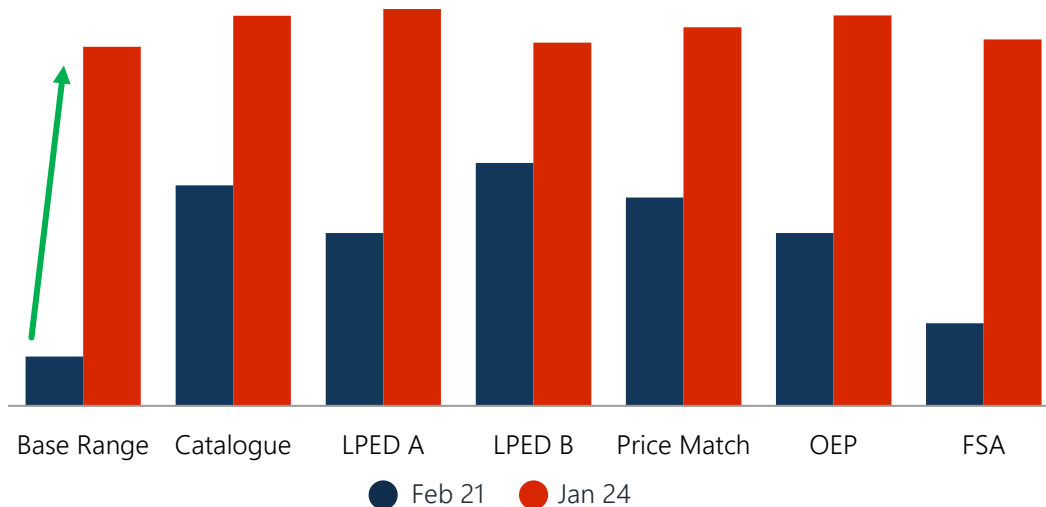
Improved network competitiveness through better retailer standards

Better stores

+

Better value for shoppers

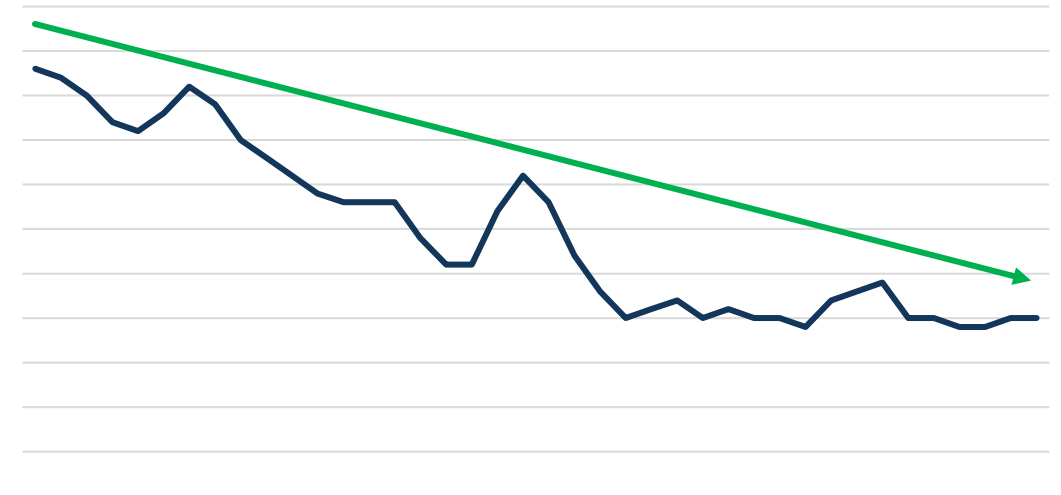
Store compliance



Healthier retailer network

Compliance improves supplier ROI

Price Paid Index



Margin expansion from improved mix

Sustainable growth for all stakeholders

Campbells & Convenience

A leading wholesale food distributor serving multiple non-supermarket channels

Business overview

Campbells

- **Cash & carry front door stores** and online portal for small customers (e.g. milk bars)
- Wholesale distribution for **foodservice**
- **Broad range** from food and fresh meat to hospitality equipment and office supplies

Convenience

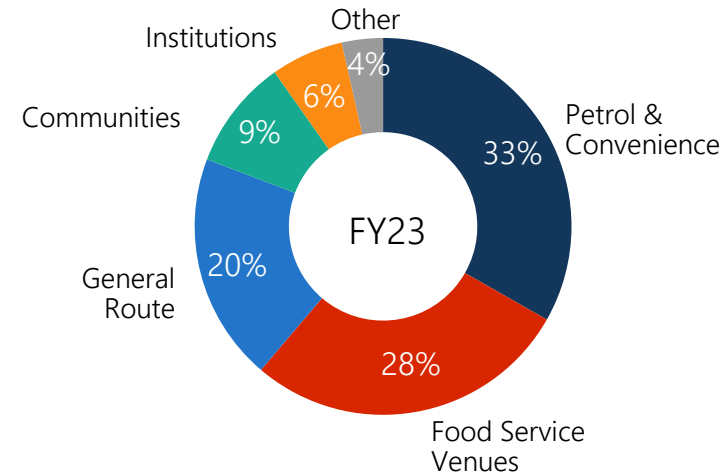
- Large-scale, **petrol & convenience** customers through organised contracts
- Growth through existing and new-win contracts

Supply chain

- **Scaled national network** with 16 Campbells branches
- Strengthening to meet future needs

Customer base

Revenue by channel (ex-tobacco)



\$1.01bn Revenue (incl. tobacco)

\$12bn Addressable market

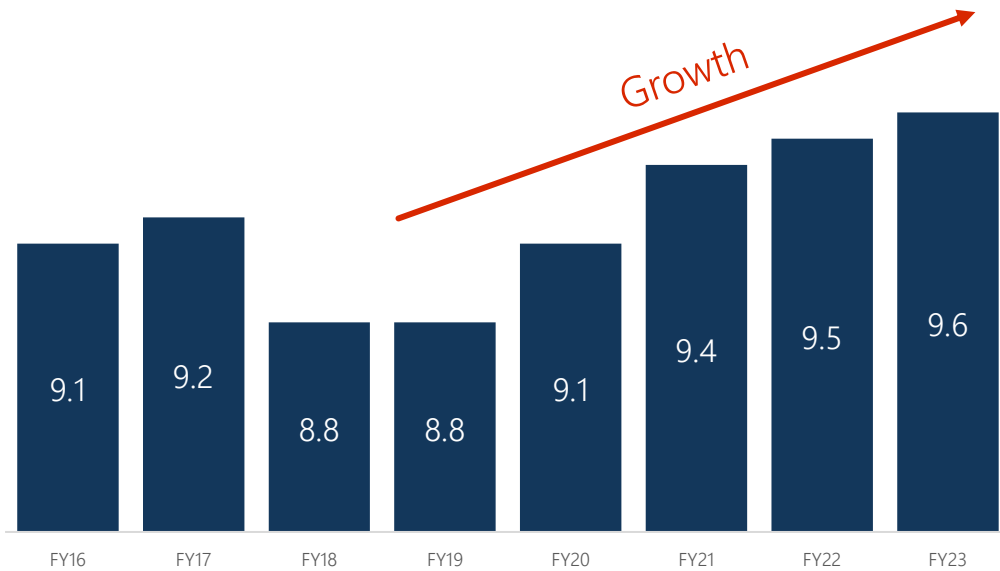
Example customers



Financial performance

Resilience post-COVID despite legal tobacco decline

Food revenue¹ (\$bn)

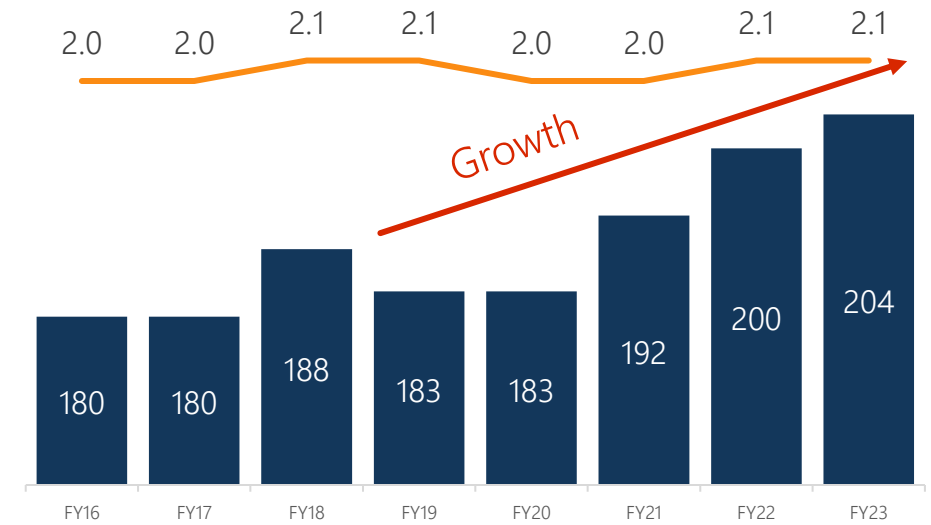


Ending of Drakes
SA contract

Majority 7-11
contract ceased

Tobacco sales
peaked at \$3.1bn

Food EBIT (\$m) and EBIT margin (%)



● Food EBIT ● EBIT %

End of 12.5% tobacco
excise increase

Accelerating momentum

Significant growth opportunities

		IHG	Total Tools	Food	Superior	Liquor
	Leveraging platform for M&A growth and enhancing performance	Consolidate fragmented market	✓	na	✓	na
		Acquire complementary businesses	✓	★	✓	na
		Enter adjacent markets	✓	★	✓	na
	Extending through value chain for growth & resilience	Retail – Company-owned	✓	✓	★	na
		Retail – JVs	✓	✓	★	na
		New stores	★	✓	na	★
	Delivering unique, differentiated value ('Best store in Town')	CVP by format & market	✓	✓	✓	★
		Upgrade stores	✓	✓	na	★
		Improve standards & Retailer compliance	✓	✓	na	★
		Improved price & price perception	✓	✓	✓	★
	Extending and strengthening core competitive advantages	Highly efficient distribution	✓	✓	✓	✓
		Retailer tools & services	✓	✓	★	✓
		Shared & scaled supply chains	✓	★	★	✓
		Digital B2B marketplace	★	na	✓	★



Continuing growth focus



New, accelerated or potential growth focus

Growing market share

Network expansion and improving store sales

Network growth (m²)

Sustainable growth through new retailers,
new stores and growing footprint



- New footprint & existing sites
- Geospatial mapping guides network expansion opportunity analysis
- Existing stores share of catchment
- Future store locations identified



- Developer/landlord engagement
- Property brochures by format for developers/landlords
- Clash site guideline to maximise share of catchment growth alongside a sustainable network
- Commercial modelling to balance investment with ROI

Retail excellence (sales/m²)

Support IGA retailers to implement category management and reinvest
in their stores – lifting productivity in our core business



- Store fit out
- Branded formats according to catchment, mission & size
- Store layouts, macro space
- Store design templates



- Equipment solution according to format shelving, refrigeration, ovens/juicers
- In store technology i.e. retail POS, self service checkouts, electronic shelf labels



- Department excellence
- Range, price & promotions
- Planograms
- Operations modules by dept
- Training academy



- Retailer excellence
- Retailer Training program
- Modules supporting store operations, business acumen, leadership

Improving store performance

Western Australia example



Great examples exist *today* in our network



Fresh solutions – value-added fruit & veg, home meal replacement options: ready to eat/heat/cook



Multiple Store Owners (MSOs) and Single Store Owners (SSOs)



Bias to above average affluence suburbs



Stores of all sizes, but focus on 'sweet spot' 1200m² +/-300m²

differentiated
product/service offer

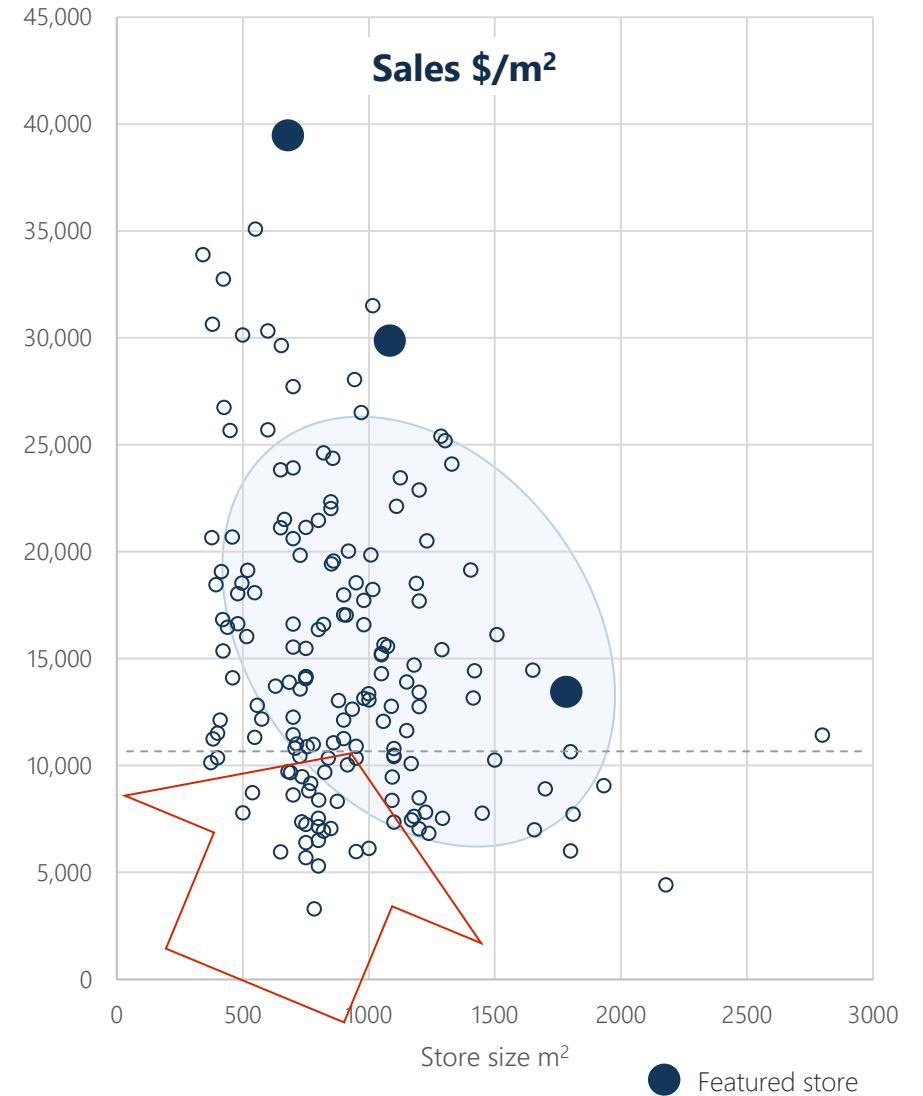
+

more
competitive prices

+

localisation

= differentiated value





Kinross



Socio-economics

Mid-affluent



Store size

Large



Store status

Recently refurbished with DSA



Competition

New Coles opened 1.2km away



Store specialties

- Revitalised fresh
- Repurposed deli
- Activated fresh solutions
- In-store kitchen



Carine



Socio-economics

Affluent



Store size

Medium



Store status

Recently extended to adjacent tenancy



Competition

Specialist food store adjacent tenancy



Store specialties

- Expanded fresh
- Activated fresh solutions
- Very high sales/m²



Myaree



Socio-economics

Mid-affluent



Store size

Large



Store status

New owner, refurbished with DSA & extended



Store specialties

- Exemplary fresh
- Commercial kitchen
- Fresh solutions pioneer
- Very high sales/m²

Network expansion

Western Australia example



Pace of store rollout can be accelerated – by replicating and productionising '1200sqm standard' modern IGA store



Attractive option for developers



Accelerating network growth



Category management incorporated in store design



Value engineered fit out costs



Faster break even and payback for retailers

differentiated
product/service offer

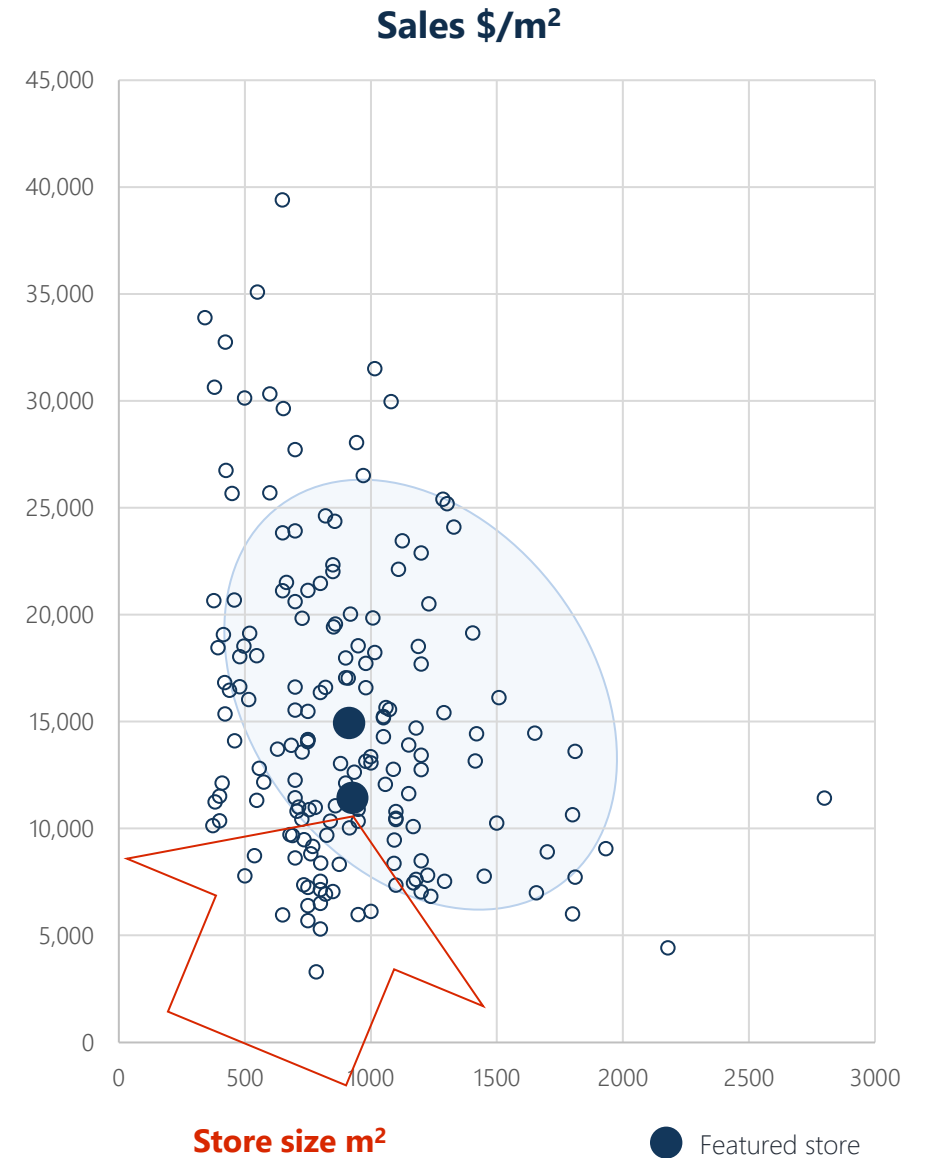
+

more
competitive prices

+

localisation

= **differentiated value**





Piara Waters



Socio-economics

Mid-affluent. Growing, master planned suburb



Store size

Medium



Store status

Opened Oct 23; low-cost fit-out



Store specialties

- Commercial kitchen
- Fresh solutions
- Full grocery range, locally competitive pricing
- Above average sales/m² with scope to grow with new housing



Langley Park



Socio-economics

CBD Perth



Store size

Medium



Store status

Opened 17 Jan 2024



Store specialties

- Commercial kitchen
- Fresh solutions
- Full supermarket offer – 1st in eastern CBD
- Already above average sales/m² with excellent growth potential

Network expansion

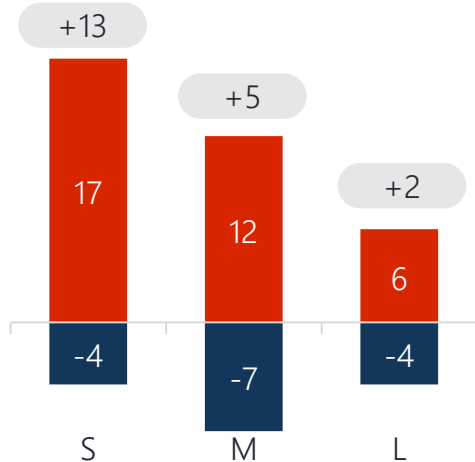
Prioritising openings of 'sweet spot' IGA stores 900-1500m²

IGA new store development by format (net store/size mix)



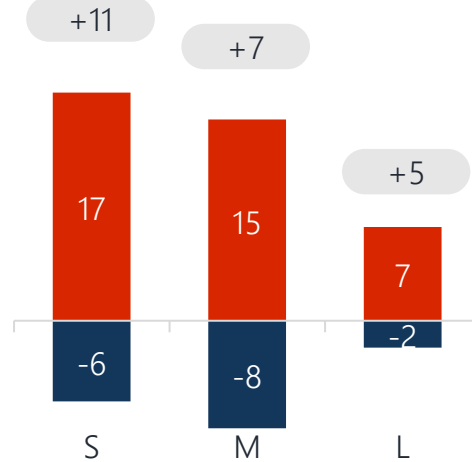
FY22

+20 stores



FY23

+23 stores



FY24F

+16 stores



Summary



Healthy supermarket network – ready to unlock latent potential



Earnings growth 'through the cycle' – growing volume



Highly relevant local offer, more competitive than ever



Focused on our core strengths



Superior acquisition supports differentiated Fresh Solutions



Campbells & Convenience retaining and winning new business





March
2024



Mztcash



Superior Food

Craig Phillips CEO

March
2024

Proud new member of Metcash family¹



Metcash is the ideal partner to take Superior to the next level through its:

- Existing wholesaling and distribution capabilities
- Leading Australian foodservice distribution business



Superior provides scale and capability to Metcash in corporate and street foodservice markets, as well as shipping supplies, proteins and QSR distribution



Metcash and Superior create a formidable force in foodservice:

- A strong appetite for growth and investment
- Diversification benefits, procurement savings and range expansion, and
- Expands our joint purpose of championing successful independents

We are proud of our past and excited about the bright future with Metcash

About Superior



Industry leader servicing a broad range of customers across the foodservice sector



A wide range of dry, chilled, frozen, meat, smallgoods and seafood lines



Partnerships with mining sites, restaurants, cafes, canteens, caterers, schools, universities, healthcare and aged care facilities and other food service operations



23 branches across Australia including Global Meats and Mooloolah River Fisheries protein businesses



Our history

Supporting foodservice for over 30 years



1992

First delivery



2005

Acquired
Cameron
Wholesale
Foods Albury



2008

Domino's
Victoria
distribution



2011

Acquired
Money Savers
Sydney



2015

Quadrant
investment



2016

Acquired
Sealanes
Perth



2019

Won
Compass
tender



2021

Acquired
QFB Brisbane

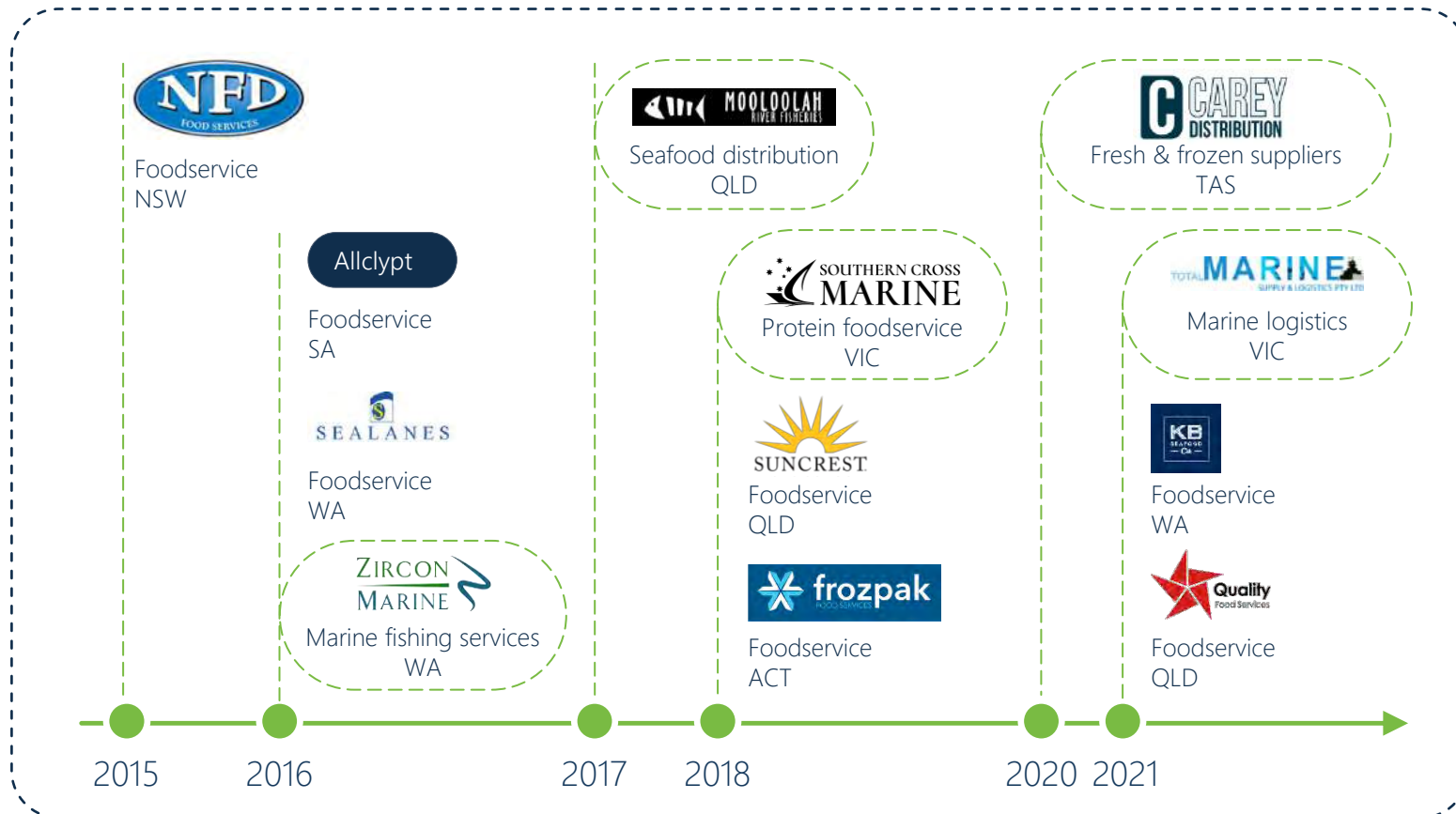


2024

Joins
Metcash

Consolidating a fragmented market

Management is experienced in identifying and integrating M&A targets



Grown national distribution network across states



Built network to ~600 suppliers

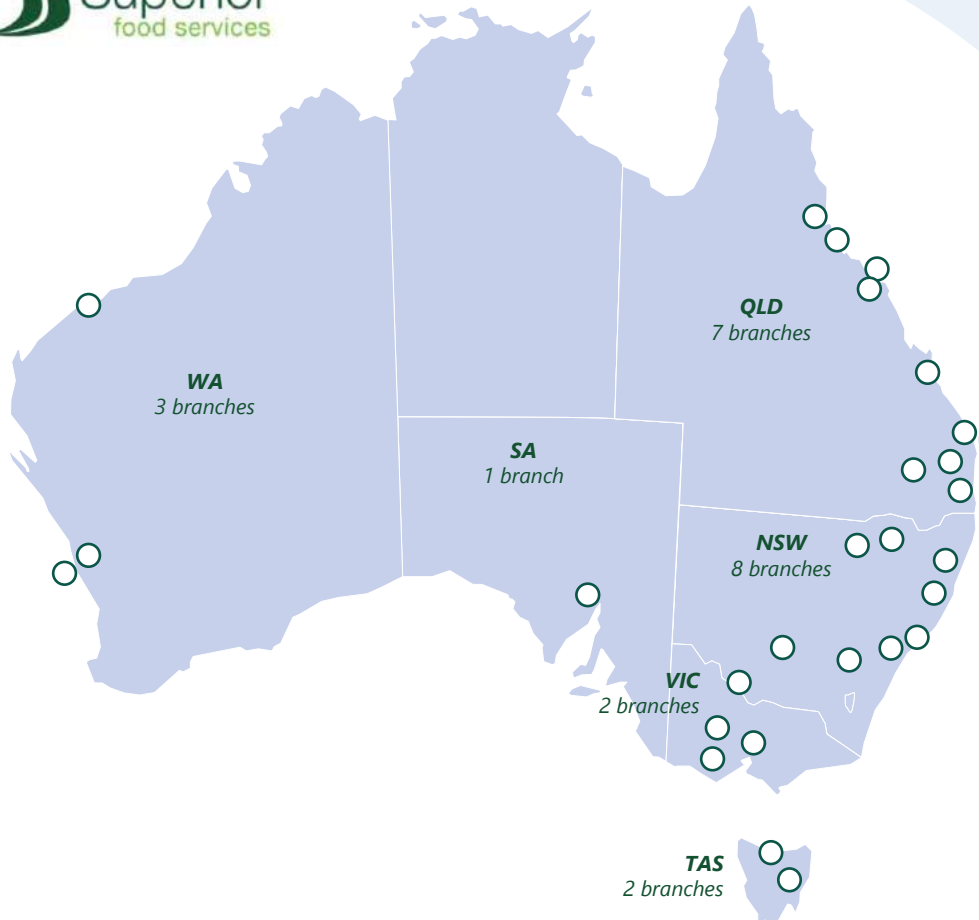


Bolting on smaller foodservice players to consolidate markets



Enter attractive adjacent foodservice segments (e.g. protein, frozen)

Our network



~20k
Customers



~6%
Market share



~600
Suppliers



~15k
SKUs



23
Branches
nationwide

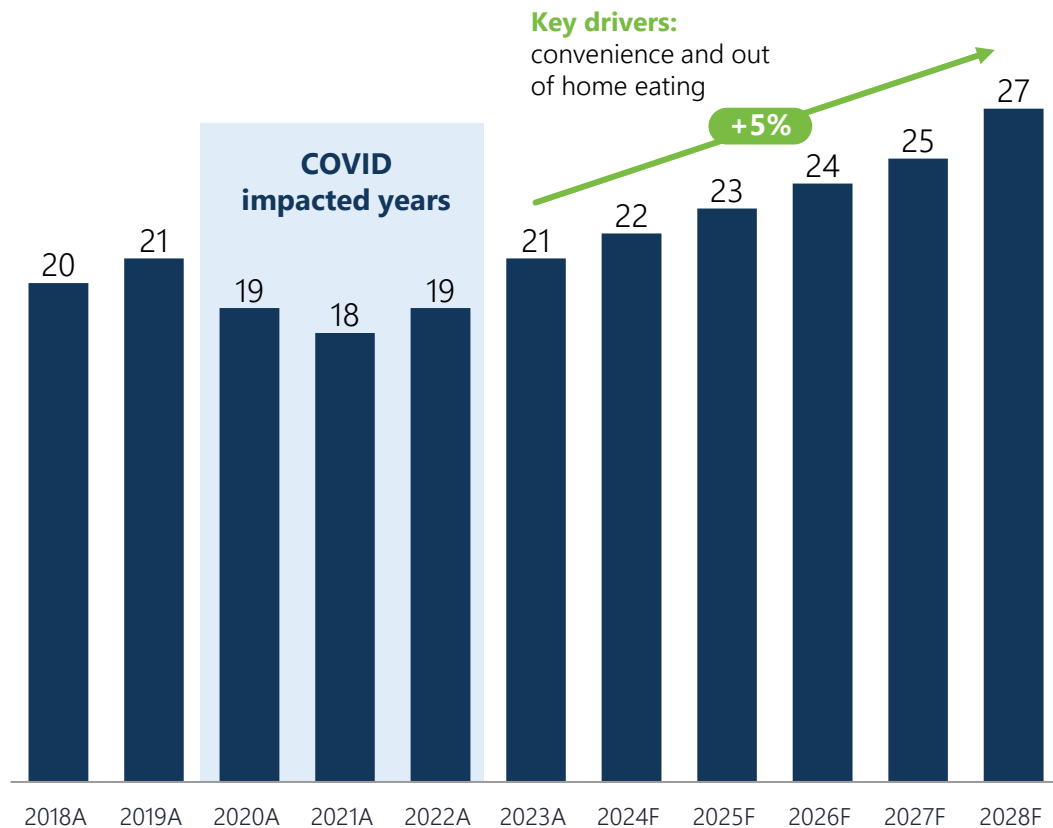


~290
Vehicles

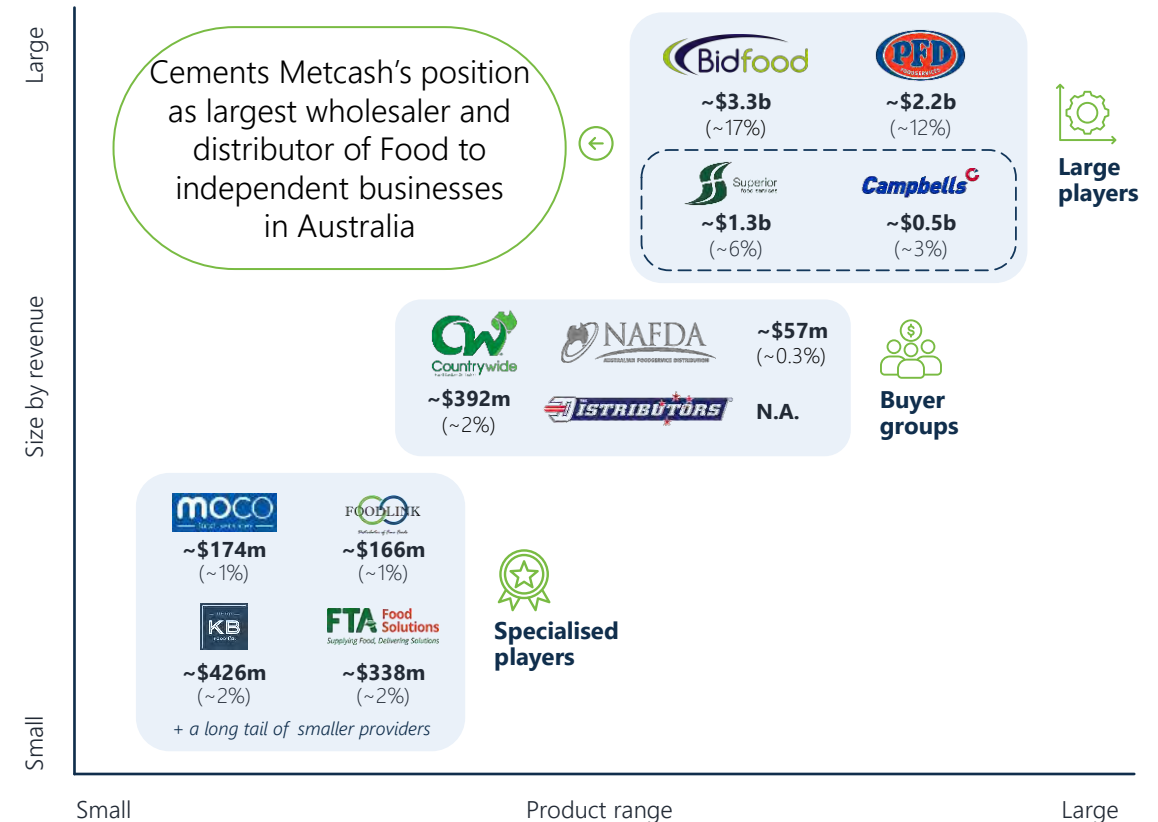
Foodservice market

Expected to grow strongly

Australian Foodservice market size (\$bn)¹



Superior is positioned strongly in the foodservices market



Quadrant ownership

Invested in 2015 with aim of helping create 3rd national foodservice provider

Quadrant's support and investment



01

Targeting and investing in growth acquisitions

02

Organic growth (customer wins such as Compass, RFT, Carl's Jnr)

03

New management roles to support growth

04

A new ERP (Pronto) providing national visibility

05

Safety

06

Investment in new trucks and equipment

07

Sound business advice

Innovation

Sign on Glass – the future of foodservice

New digital platform integrated to existing ERP and web solution

Delivers the following benefits:



Real-time updates on orders via web



SMS for expected delivery time



Ability to place orders with drivers



Driver records temperatures for chilled/frozen goods



Ability to make payment via credit card directly with the driver to settle invoice or outstanding account



Ability to create RMA at delivery reducing credits and removing a manual process



Customer delivery instructions and notes are captured: alarm codes, loading dock information can be stored



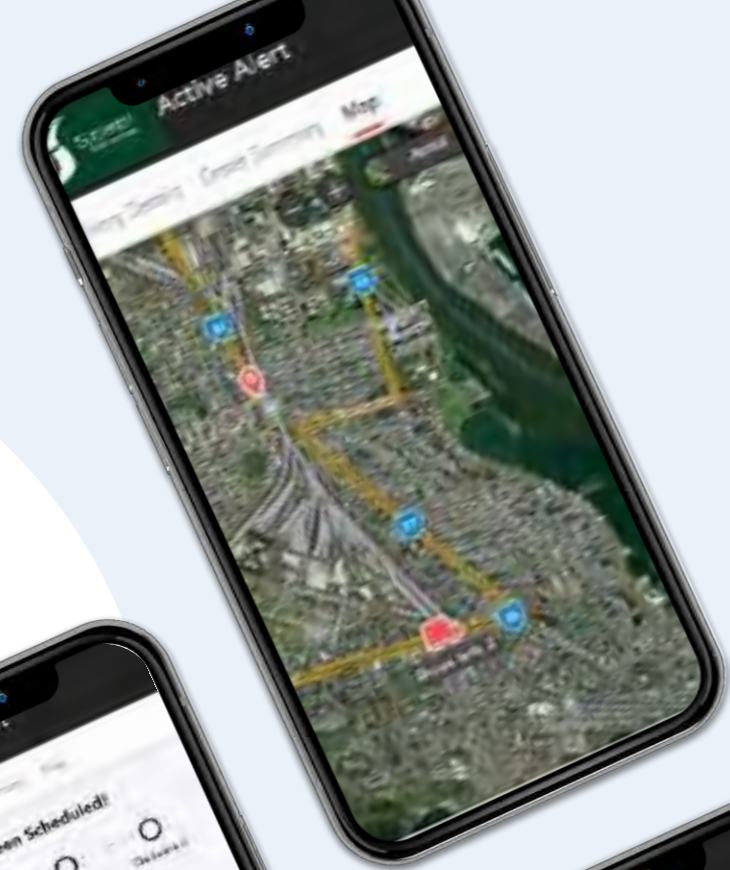
Capability to email and SMS a customer with a pre-delivery ETA



For key drops both the customer and Superior have exact times the driver is at a store



Customers have the ability to log onto our portal and track their delivery



Synergies from Superior acquisition

~\$14m+ annualised

Implementation:



High confidence level with track record of over delivery



Phased and careful approach, ensuring right foundations for integrations are established



~20% of the ~\$14m estimated annualised synergies to be delivered into Food EBIT in Year 1 post completion



~60% (cumulative) delivered into Food EBIT in Year 2 post completion

Network optimisation and shared services

~\$1m+

Utilising the combined supply chains of Metcash & Superior

Procurement benefits

~\$7m+

Unlocking mutual benefit from scale & efficiencies in products, services, expenses

Cross promotions to increase share of customer wallet

~\$1m+

Opportunities to leverage each business's strengths with combined customer group

Ranging, brands & private label expansion

~\$6m+

Combining product catalogues and leveraging greater scale & efficiencies

Dis-synergies

(\$1m)

Incremental support office costs

Total expected annualised synergies

~\$14m+

Annualised synergies in year 2





Liquor

Kylie Wallbridge – CEO ALM

March
2024

Serving the independent market across all liquor channels



Strong market position

- Second largest supplier of liquor in Australia
- Diversified portfolio
- Strong national retail brands (IBA)
- Supply ~85% of all independent liquor stores
- Large contract customers in retail and on-premise



Competitive advantage

- The only scaled national logistics network serving independents in liquor
- Retail locations aligned to convenience
- Local ranging tailored to each local market
- Tailored promotional programs by brand and region
- Knowledgeable local and friendly service



Growth opportunities

- Significant growth and outperformance in recent years
- Network of the Future acceleration
- Owned & Exclusive brands
- Extended aisle through ALM Connect
- Data and digital

Our wholesale scale, efficiency and services enable independents to be competitive

Distribution



Off-Premise



On Premise
(pubs, venues)



NZ



IBA banner group
Wholesale and
value-added services



Contract Customers
Other on & off premise
independent groups

Banners

(Wholesale + value added services)

Cellarbrations

the Bottle-O

IGA LIQUOR

THIRSTY CAMEL

PORTERS LIQUOR

LIQUOR@

DUNCAN'S

Examples

LMG LIQUOR MARKETING GROUP

LIQUOR STAX

THIRSTY CAMEL

Merivale

LOCAL LIQUOR

Liquor Legends

WA/VIC

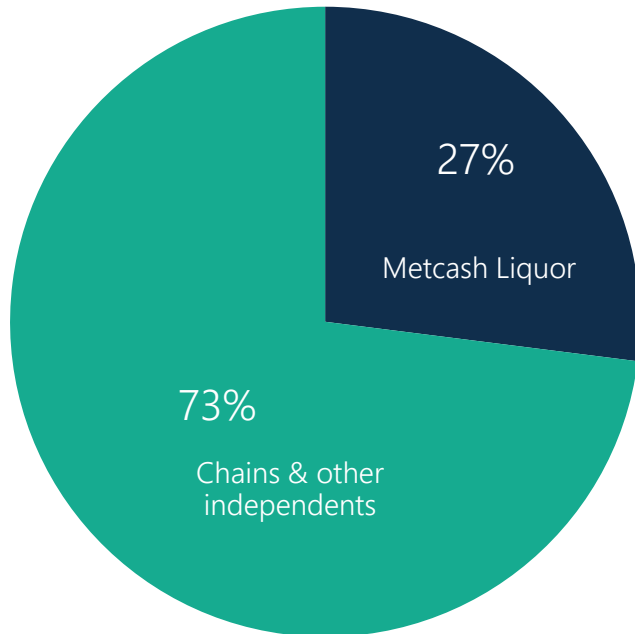
Shared distribution network with Food provides scale for competitive advantage

Independents' market share has grown significantly

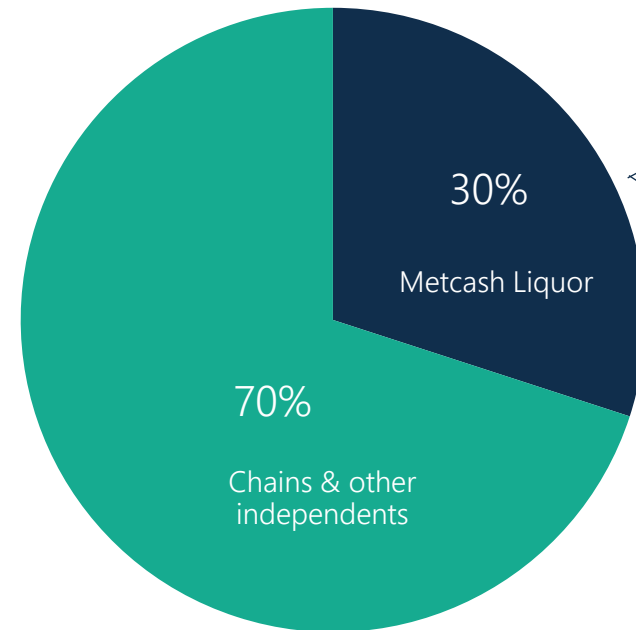
Metcash supplies ~85%¹ of all independent liquor retailers

Australian Liquor Market¹

FY22 - \$21.9bn (total packaged liquor)²



FY24 - \$21.8bn (total packaged liquor)



Metcash sales mix:

87% retail
13% on-premise

Store mix:

50% IBA
50% contract customers

The largest network of bannered liquor stores in Australia & NZ

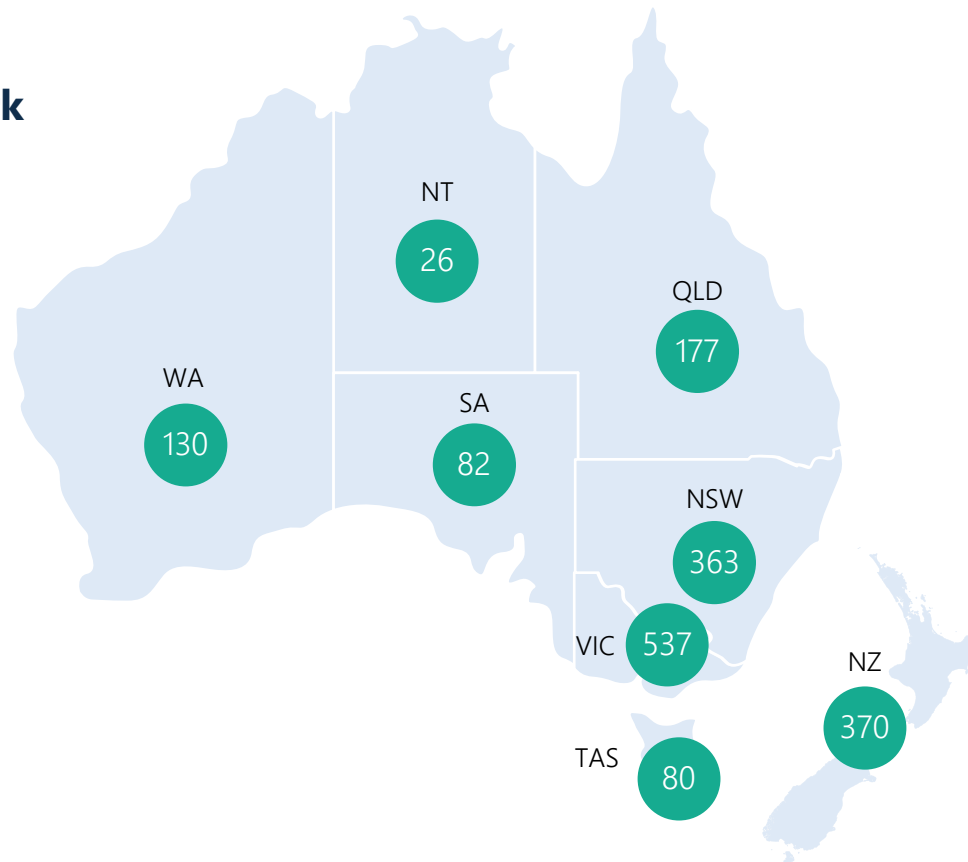
Network of >1,700 IBA stores and portfolio of leading brands

Branded banner store network

1,395
AU

370
NZ

Store network includes an additional ~1,000 Liquor@ stores



Cellarbrations

496

IGA LIQUOR

476

the Bottle-O

264

THIRSTY CAMEL

128

PORTERS
LIQUOR

31

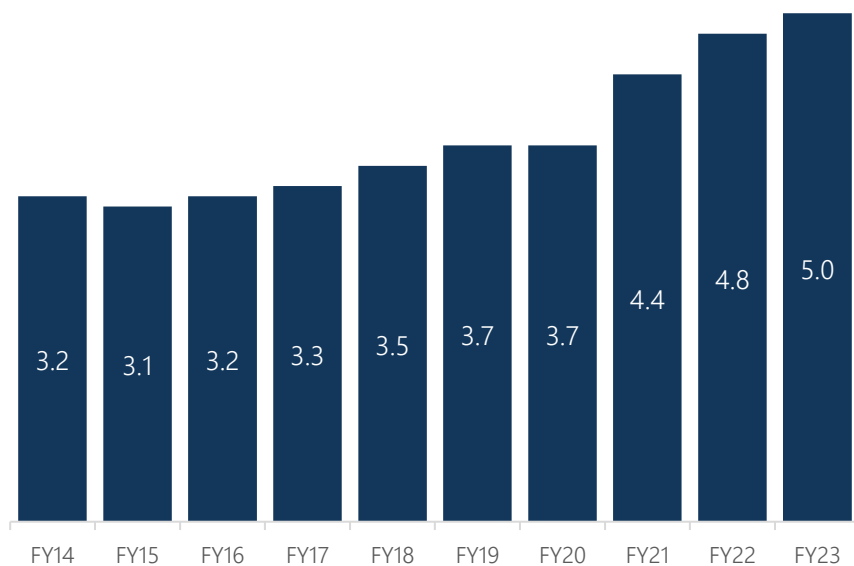
the Bottle-O LIQUOR CENTRE

370

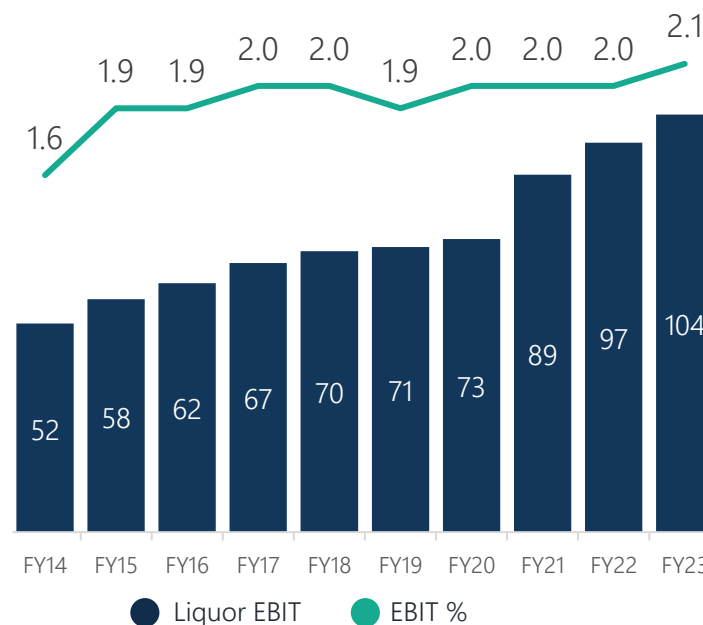
Sustained revenue & profitability growth

+60% revenue growth and doubled EBIT since FY14

Liquor revenue (\$bn)



Liquor EBIT (\$m) and EBIT margin (%)



A multi-channel liquor wholesaler, with less cyclical risk through customer diversity



Continuing momentum

Liquor strategy

Purpose



Championing successful independents

Aspiration



Consolidate 2nd largest liquor position in ANZ

Grow IBA, on premise and support contract customers through wholesale excellence

Where to Play



- Indispensable provider of scale economics to thriving small independent business
- Preferred route to market for liquor suppliers

- Australia and New Zealand
- Bannered and contract retail, on premise
- Physical and digital retail

How to win



FAMOUS for the right offer

- Renowned brands with character
- World class CRM

FRictionLESS for best core processes

- Frictionless from order to cash
- Better and then bigger footprint

STICKY for the value add

- Value adds you can't live without
- The best experience in any channel

Foundations



Effective and efficient logistics and wholesale infrastructure - unmatched tech and service

The best and sustainable infrastructure, technology and systems

Safe, values driven, achievement culture

Continuing to drive growth

Building on strong foundations

			IHG	Total Tools	Food	Superior	Liquor
	Leveraging platform for M&A growth and enhancing performance	Consolidate fragmented market	✓	na	na	✓	na
		Acquire complementary businesses	✓	★	na	✓	na
		Enter adjacent markets	✓	★	✓	✓	na
	Extending through value chain for growth & resilience	Retail – Company-owned	✓	✓	★	na	na
		Retail – JVs	✓	✓	★	★	na
		New stores	★	✓	★	na	★
	Delivering unique, differentiated value ('Best store in Town')	CVP by format & market	✓	✓	✓	✓	★
		Upgrade stores	✓	✓	✓	na	★
		Improve standards & Retailer compliance	✓	✓	✓	na	★
		Improved price & price perception	✓	✓	✓	✓	★
	Extending and strengthening core competitive advantages	Highly efficient distribution	✓	✓	✓	✓	✓
		Retailer tools & services	✓	✓	✓	★	✓
		Shared & scaled supply chains	✓	★	✓	★	✓
		Digital B2B marketplace	★	na	✓	★	★

✓ Continuing growth focus

★ New, accelerated or potential growth focus

Metcash

Differentiated shopper value

Continuing to drive growth and the IBA network

Network of the Future



Right formats
each market and location



Brand
standards



Improving compliance
(supplier partnerships)



Store upgrades



Remaining competitive
(price & range)

Driving
the flywheel



Value added services

Promotional programming

Retail development
(signage, store fit-outs and layout)

Digital

Loyalty

Strategic brand planning

Owned & Exclusive product

ALM Connect
(B2B Sorted platform)

Differentiated shopper value

Driving sales growth through best-in-class fit-outs and refresh projects

Signage Refresh

Consistent branding creates a cohesive experience for customers



Coolroom Refresh

Improving shopping experience – shopability of products driving growth

~860 Coolroom refreshes (~60%)



Store Refurb

Insight led store design driving growth and value through best in class fit-outs and refresh projects

~660 Store refurbes (~50%)



New Store Design

Providing our members a visual representation on store design



Average sales uplift of 13% (coolroom refreshes and store refurbes)

Platinum program

Acceleration of growth through digital, data, standards & compliance



Collaboration and commitment between retailers, suppliers and IBA to increase sales and improve margins



Involves store standards, loyalty and better quality data insights and reporting



Focus on:

- Ranging
- POS integration
- Execution / compliance (increased supplier support)
- Digital programs (loyalty & eCommerce)



Leads to:

- Increased value for shoppers
- Improved sales and margins for retailers
- Increased volumes for IBA (drives flywheel)
- Greater ROI for suppliers

Platinum program

	Activity/capability	Current program	Platinum program
POS	Preferred POS vendor	○	✓
	Scan data	✓	✓
	Host support file	○	✓
	IBA promo file	○	✓
	eInvoice	○	✓
Ranging	Allocations	○	✓
	Distribution requirement	✓ 90%	✓ 100%
	NPD program	*	✓
	Non-Alc range / sundries	*	✓
Execution	3 Off-location displays	*	✓
	Instore Excellence Program	○	✓
	Reporting	○	✓
Programs	Gift card	✓	✓
	MSP participation	○	✓
	Loyalty	○	✓
	eComm	○	✓
	Q-Comm / on demand	○	✓

○ Optional ✓ Mandatory * New Program

Owned and Exclusive brands

Quality products, value for shoppers, good margins for retailers and volumes for IBA



Continuing to leverage acquisition

Independent Beverage Partners embedded in the ALM business

- Team of experts delivering against the 'Buy well, make well, sell well' philosophy
- Sustainability at the heart of all sourcing decisions
- The portfolio now delivering a complete and complementary offer

Brand creation and leveraging supplier exclusives

- Innovation backed by consumer, shopper and retailer needs
- Enabled early retailer endorsement and engagement
- Ensure the right balance of owned and exclusive brands on relevant supplier trademarks

Grow IBA volumes and create new channels

- Quality, value and margin proposition remains centre of strategy
- Utilise combined ALM and supplier field resources to drive execution
- Create a curated range for on-premise based on channel needs
- New distribution channels offering incremental revenue opportunities in FY25

On target to exceed business case in FY25 (~5% of IBA) – aiming for \$150m by FY29

Diversifying supplier base supports differentiated and tailored range



**Providing a route to market for independent suppliers
~ 150 new suppliers every year**

ALM Connect

Growth through an extended aisle for all customers across all channels

sorted



'Endless Aisle' - a broader product range (currently ~6,000 SKUs, potential to grow to ~30,000 within 3 years)



Expanded supplier network creating a broader supplier base for ALM customers



'Nursery' – provide craft and independent suppliers an opportunity to access ALM's 14,000 customers



Creates ease of doing business for retailers and suppliers



Nurturing new products without impost on ALM warehouses

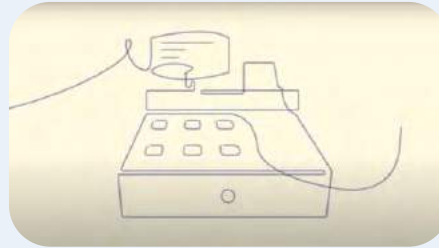
Opportunity +\$100m in sales by 2026



Connects ALM customers to broad product range



Easy ordering system through existing ALM portal



Simplifies order to cash for supplier and retailer



Enables further tailoring of range



**Food & Liquor using same B2B platform (Sorted),
to diversify and extend range for retailers and support all suppliers**

Positioned to continue growth momentum



Continued focus on growing independent share of liquor market and the IBA network



Confidence in success underpinned by:

- Strong market positions
- Competitive advantages
- Growth initiatives:
 - Network of the Future acceleration
 - Data and digital (Platinum & B2B)
 - Growing Owned & Exclusive brands



Passionate, experienced and capable independent retailers and Metcash team







Financial Framework

Deepa Sita - Group CFO

March
2024

Key focus areas

Maintaining a disciplined approach to working capital and costs

- Maintain appropriate inventory to ensure our retailers have access to best-cost inventory in sufficient quantities
- Meet seasonal fluctuations in demand
- Effective management of debtors
- Deliver appropriate cash conversion
- Effective cost management

Active capital allocation

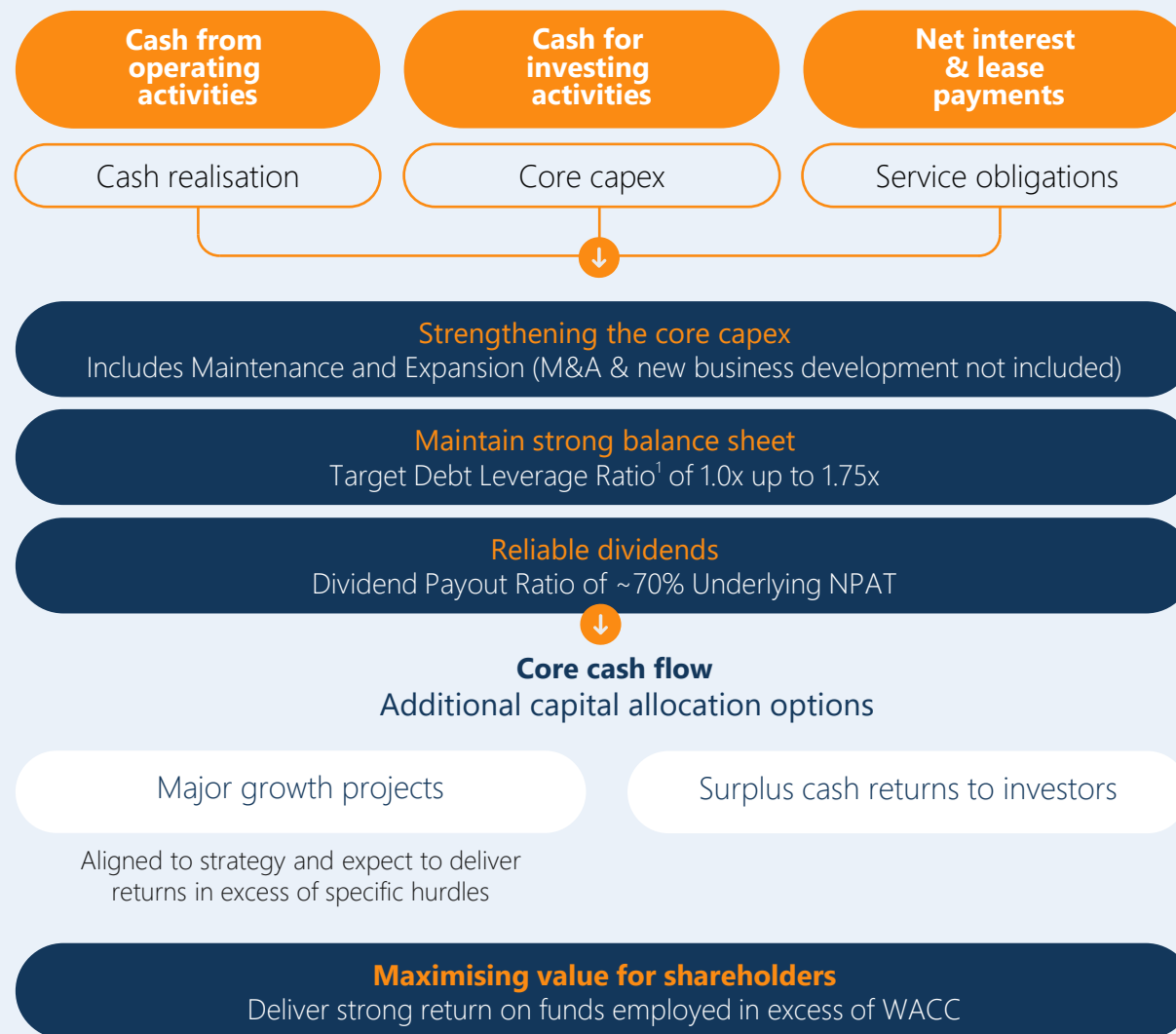
- Underpins long term earnings and cash flow growth
- Delivering Project Horizon and DC redevelopments and successful Superior Food integration
- Strengthening the core capex for:
 - Maintenance
 - Expansion
- Flexibility to respond to opportunities/ risks (i.e. M&A and new business development)
- Ongoing focus on meeting return on investment hurdles and creating shareholder value

Maintaining a strong and flexible balance sheet

- Maintain net debt levels within our Group debt metrics
- Maintain an appropriate debt portfolio to support growth and operations

Key objective is to maximise sustainable value for shareholders

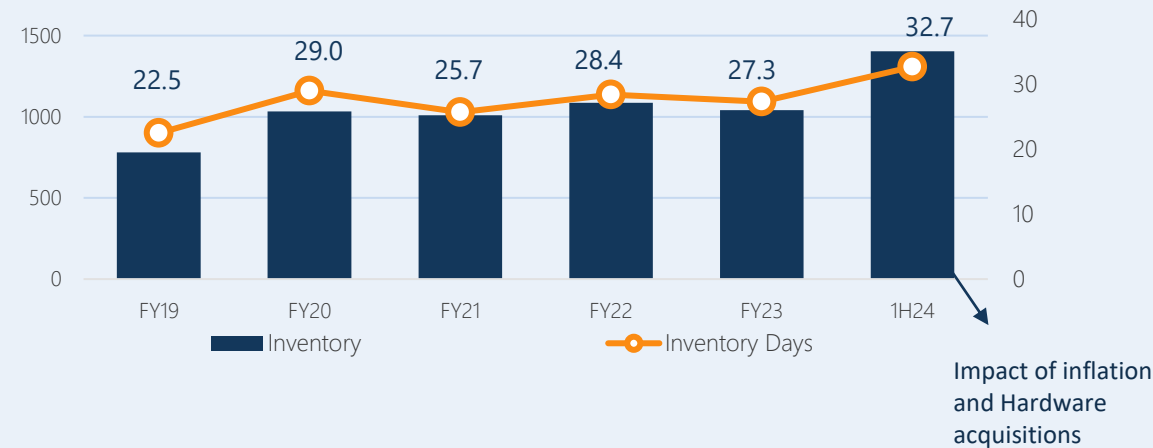
Capital management framework



Working capital

- Strong focus on cash management
 - Timely collection of debtors and inventory management
- Factors impacting inventory levels and cash realisation ratio
 - Growth in sales and price inflation
 - Seasonality and daily operational cash cycles
 - Strategic investment in higher levels of inventory
 - Post COVID normalisation of inventory and payables positions
 - Differing Pillar working capital profiles
 - Acquisitions
- More timely reporting and transparency through leverage of automation

Inventory (\$m) and inventory days



Continued focus on working capital to drive operating cash

Active capital allocation

Capex investment is categorised to focus on achieving attractive portfolio returns

Strengthening the core

Strategic growth

Maintenance

Expansion

M&A and new business development



Category

- Replacement of capital items that have reached the end of their useful life or become obsolete
- Initiatives to deliver synergies, leverage, efficiencies and optimisation



Description

- Maintenance capex
- IT and technology
- DC upgrades
- Store upgrades and renewals
- New stores
- Retailer support
- Productivity
- IT and technology
- eCommerce and digital
- Acquisitions
- New business development



Returns

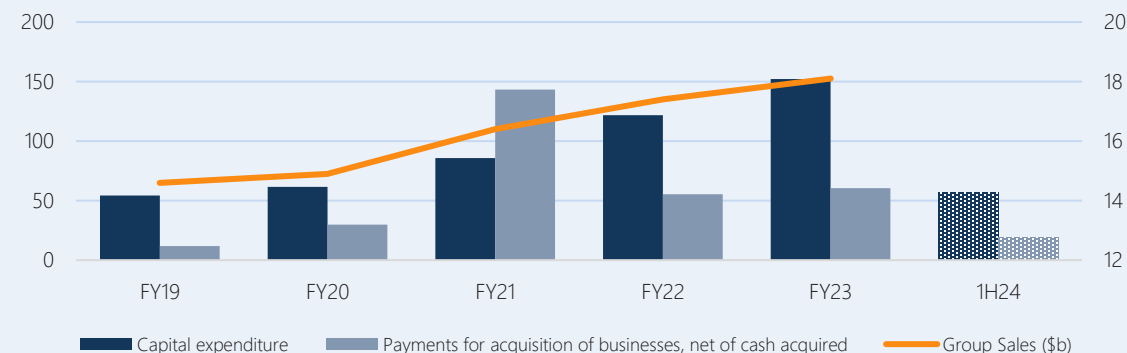
- Ongoing business benefits at least matching annual depreciation (ex ROU Assets)
- Hurdle rates by pillar above WACC
- Further strengthens the core business
- Risk adjusted hurdle rates and minimum ROFE - achieving attractive returns above our long term WACC
- Focus on maximising shareholder returns and alignment with strategy

A disciplined approach to delivering attractive returns

Capital allocation

- Capital investment categories/projects have differing rates of returns but are expected to achieve hurdle rates above the long term WACC, and overall achieve attractive blended returns for the Group
- DCF/IRR and ROFE analysis used to analyse and evaluate projects
- Post implementation reviews against business case metrics
- Maintenance capex spend level approximates historic D&A (excluding ROU assets), plus maintenance capex for Superior Foods, Bianco, Alpine and other bolt-on acquisitions
- M&A - Superior Foods acquisition completion anticipated 1Q25. Acquisition cost \$412m¹

Capital expenditure (\$m)²



Potential capex (\$m) FY25-FY26^{2,3}



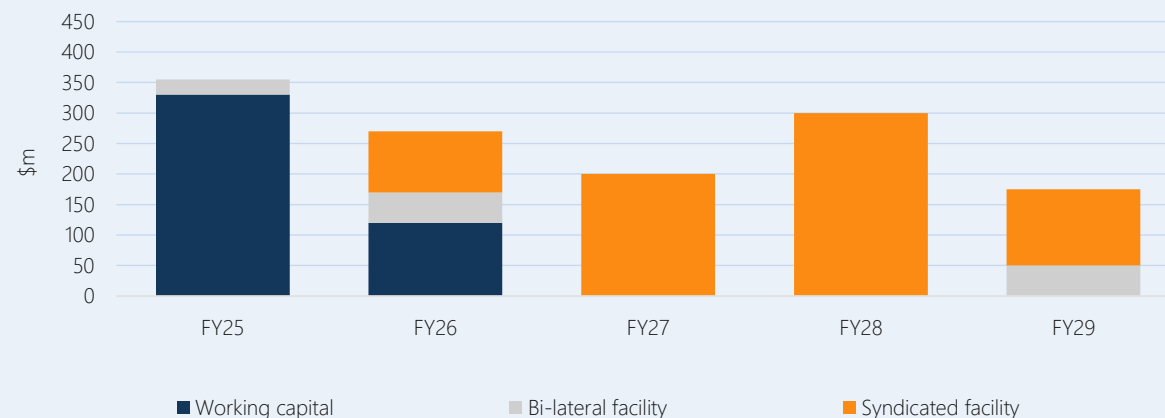
	FY25	FY26
Maintenance capex	~90	~95
Expansion capex	~145	~145
Core operations	~80	~85
Superior Foods ⁴	~10	~15
DC and automation ⁵	~40	~30
Horizon ⁶	~15	~15

Deliver EBIT growth and value creation

Debt management

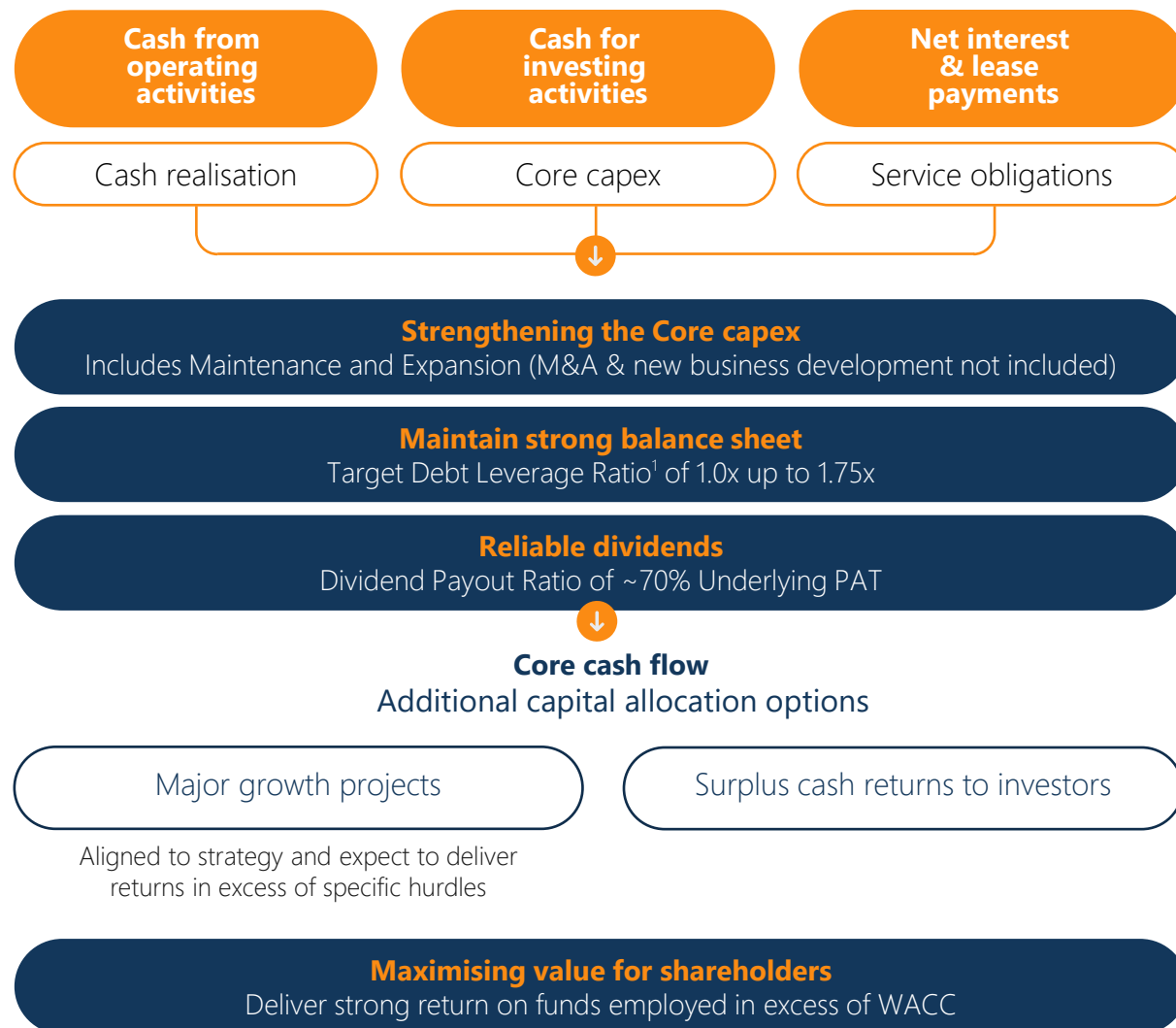
- Continued focus on optimisation of debt book
 - Maintain flexibility at competitive average cost of debt
 - Maintain a strong credit profile
 - Ensure a balanced maturity profile – average tenure >2.7yrs (1H24)
 - Flexibility to accommodate seasonal fluctuations: working capital facilities, AMEX receivables facility and supplier finance facilities
- Net debt \$329.4m at 1H24
 - \$150m hedged (1.2yrs from 1 May 23 at 3.73%)
 - Weighted average cost of debt 5.5% (1H24)
- \$200m of committed facilities added Nov 23
 - Support funding of acquisitions announced Feb 24
- Increasing leverage to upper end of target range
 - DLR target range: 1.0x to 1.75x
 - DLR expected to be at upper end of target range in FY25-FY26, returning to middle of range from FY27

Debt facility maturity profile



Leveraging the Balance Sheet for growth

Capital management framework



Commentary	Guidance
Cash realisation ratio dependent on working capital management, significant items and trading results. (1H24: 92%)	~75-85% rolling 3yr av
DLR ¹ of 0.59x 1H24. Pro forma 1H24 DLR 1.16 – 1.19x ² (post acquisitions)	Upper end of target range of 1.0x – 1.75x in FY25-FY26
Interim FY24 dividend 11.0cps (~75% UPAT)	Total FY24 ~70% UPAT
Major growth projects have principally related to Hardware in recent years. Expansion in Foodservice announced 5 February 2024 via acquisition of Superior Food	
Measured in various ways – EBIT growth ahead of sales, ROFE, EPS growth, dividend yield	



2024



Wrap up

Doug Jones - Group CEO

March
2024



Summary

The way forward

1 Purpose led

Championing Successful Independents in support of thriving communities

- Is our strategy
- Provides a large opportunity

2 Portfolio of strong businesses

Our business has significantly transformed

- More diverse
- More resilient
- High quality

Strategies that underpinned transformation remain valid

- And will continue to fuel growth
- Along with existing and new capabilities

3 Bright future

Strong and attractive market positions

- Hardware & Tools – positive housing fundamentals
- Food & Liquor – networks and offer resonating and getting stronger

Superior: move into adjacent Food market delivers growth and stronger core

IHG: continues to strengthen leading position in small/medium builder segment

4 Disciplined approach

Disciplined cost and capital management underpins our focus on accelerated growth



A compelling investment proposition



High quality Group

- Diversified and resilient portfolio
- Balance of defensive and cyclical exposure
- Integrated wholesale, banner and retail operator for structural strength and sustainability
- Scaled, highly efficient logistics underpins competitive advantage
- Highly experienced management team and Board
- Disciplined capital allocation and investment
- Track record of delivering for shareholders



Strong positions in attractive markets

- Leading B2B wholesaler and marketplace ecosystem for independents
- Largest supplier of food to independent businesses
- Owner of leading independent brands across Hardware, Food and Liquor
- Leading supplier of Hardware to small/medium size builders
- 2nd largest liquor supplier and largest liquor supplier to on-premise sector
- Leader in professional tools market
- Stores sit at heart of local communities



Positioned for continued growth

- Successful growth strategies replicable across current Group and future businesses
- Logistics scale and group capabilities provide platform for sustained growth, including from:
 - Acquisitions
 - Synergy realisation
 - Performance improvement
 - Entry into new categories and adjacent markets serving independents across Australia
- Continued expansion into retail offers large value creation opportunity

