

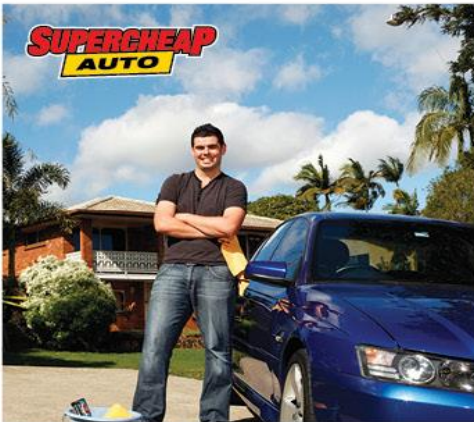


Trading and Strategy Update

Peter Birtles | Group Managing Director and Chief Executive Officer

Macquarie Securities 2017 Australia Conference

4th May 2017



Content

Trading Update

Group Strategy

Trading Update

Auto Retailing

- LFL sales growth circa 2.5% in the first 17 weeks of H2, circa 3.0% YTD to 29 April 2017
- Segment EBIT margin continues to track above PCP
- 315 Supercheap Auto stores at 29 April 2017

Leisure Retailing

- LFL sales growth circa 7% in the first 17 weeks of H2, circa 6.0% YTD to 29 April 2017
- Segment EBIT margin continues to track above PCP
- 134 BCF stores and 17 Rays stores at 29 April 2017

Sports Retailing

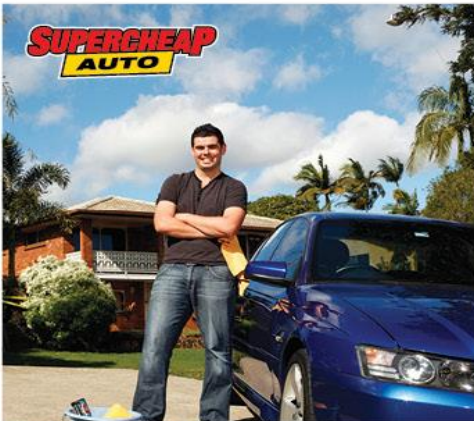
- LFL sales growth circa 1.5% in the first 17 weeks of H2, circa 4.5% YTD to 29 April 2017
- Lower LFL growth reflects lower traffic – conversion and ATV trends are strong
- Segment EBIT margin continues to track above PCP
- 101 Rebel stores and 67 Amart Sports stores at 29 April 2017

Group

- Group costs forecast to be \$23 million, including unallocated logistics costs of \$4 million, digital investment of \$7 million and other Group costs of \$12 million
- Planned full year capital expenditure circa \$100m to support new stores, refurbishment programs, omni-retail development and general requirements

Full year 2016/17 outlook is unchanged from start of year

- Based on current trading conditions, 2016/17 Group EBIT expected to be circa 16% to 18% higher than the PCP



Content

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Strategic Context

Forces
impacting
retail

Global
Competitors

Digitalisation

Increasing
Customer
Power

Evolving
Business
Models

Changing
Workforce

Implications
for Super
Retail Group

Historical levers of differentiation (range and price) will no longer be enough

Building a stronger emotional connection with customers is critical – built around their passions for their leisure activities

We have a significant advantage through connecting our customers with our team members who share their passions

Organisational capabilities have to be World-Class not Australasian class

Group Strategy on a Page

OUR VISION

Inspiring you to live your passion

OUR PURPOSE

To provide solutions and engaging experiences that enable our customers to make the most of their leisure time

OUR STRATEGY

Growing businesses in high involvement categories

Engaging capable team members who share our customers' passions

Building a world class omni-retail organisation

OUR GOALS

Top quartile shareholder returns

Inspired, engaged and satisfied customers

Sustainable and efficient omni-retail capabilities

Healthy, passionate and high performing team members

OUR BUSINESSES

AMART
SPORTS

BCF
BOATING • CAMPING • FISHING

RAYS

rebel

SUPERCHEAP
AUTO

SRC
Super Retail Commercial

Solutions that engage and inspire

OUR PILLARS

Seamless
Omni-Retail
Capabilities

Future
Organisation

Actionable
Customer
Insights

Agile &
Efficient
Supply
Chain

Engaged &
Capable
Team

Strong &
Sustainable
Foundations

OUR VALUES



PASSION



OPENNESS



INTEGRITY



CARE



DISCIPLINE

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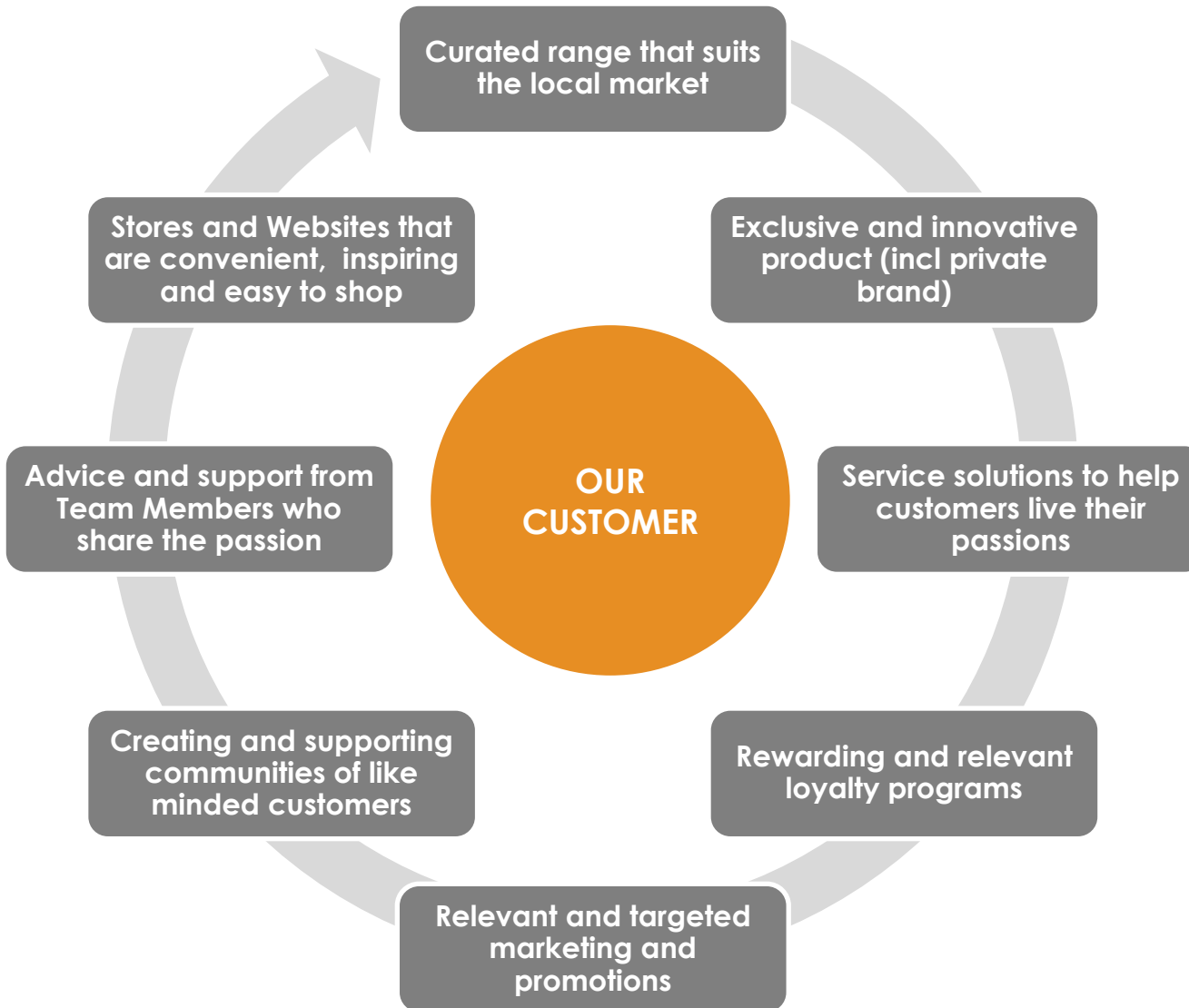


CARE



DISCIPLINE

Our businesses deliver solutions that engage and inspire



Participating in high involvement categories mean that we can win by connecting with and inspiring our customers around their passions by providing solutions and engaging experiences not just product and price transactions

*Our focus is on helping our customer catch the fish they've always wanted to...
...not just to sell them the fishing rod.*

Allowing our customers to shop their way by integrating our web business with our extensive network of conveniently located stores is a major competitive advantage

Our businesses deliver solutions that engage and inspire

CREATING UNIQUE
RETAIL EXPERIENCES

Rebel Accelerate stores



Supercheap Auto
Vision store



New Rays format



Buy online & pickup instore

BUILDING LONG
TERM VALUE ADDED
RELATIONSHIPS WITH
OUR CUSTOMERS

Amart – Community Kick-
backs



Supercheap Auto – 'We'll fit
it for you', AutoGuru



BCF – Fisho App, 'How To'
YouTube channel



Strategic Pillars

PILLAR	PURPOSE	CURRENT STATE	FIVE YEAR VISION
Seamless Omni-retail Capability	Build the capabilities that will enable our customers to shop their way, how, where and when they choose	Emerging cross channel integration and developing eCommerce solutions	World class Omni-retail capability that meets customer expectations
Future Organisation	Challenge our operating approach, and improve how effectively and efficiently we work to deliver our strategy and provide the foundations of a scalable cost base	Traditional retail operating approach	Efficient and effective Group operating capability, underpinning a world class Omni-retailer
Actionable Customer Insights	Develop a clear understanding of our customer's leisure passions, buying habits and opinions to drive the development of the best customer experience.	Basic in-house customer analytics capability	The capability to generate insights that improve the customer experience and maximise customer lifetime value

Strategic Pillars (cont)

PILLAR	PURPOSE	CURRENT STATE	FIVE YEAR VISION
Agile & Efficient Supply Chain	Deliver a high value, connected supply chain network that meets customer, safety and financial goals	Distribution centre and freight network to support business plans are built and operational	Source to customer supply chain network to deliver the flexibility and agility required
Engaged & Capable Team	Maintain an achievement culture that is consistent with our values, attracts, engages and empowers team members who share our customer's leisure passions	High levels of team member engagement and retention	Accelerated development of our team members to have 'an achievement edge' to deliver against the changing needs of the business
Strong & Sustainable Foundations	Sustainable business performance, underpinned by system and information management capability that deliver visibility, alignment, stability and focus.	Fragmented business and IT infrastructure that supports traditional product and physical channel business model	A sustainable group infrastructure, that supports an Omni-retail operating environment, and meets customer expectations

Delivering improved returns in a more competitive market

MARKET GROWTH

- Auto, Outdoor Leisure and Sports markets are all projected to continue to grow, driven by population growth, product innovation and participation
- Our analysis of top selling lines suggests overall deflationary impact of price competition may be less than projected in some market analysis

MARKET SHARE GAINS

- Our businesses today have market shares of between 20–30%, with each of our businesses under-represented in some states representing a direct, ongoing growth opportunity
- Our online business is growing rapidly and will continue to grow share and profitability
- We see the opportunity to increase store numbers to around 800 from 635 today
- Improved omni-retail capabilities should drive customer engagement
- A more competitive market will require scale and capability, or clear specialisation, to succeed – this is likely to drive further consolidation

COST OF DOING BUSINESS

- We continue to deliver supply chain efficiencies and expect to deliver further efficiencies through review of business model and ongoing operational improvements
- BCF, Amart Sports and Rays businesses are expected to deliver improved margin as they continue to increase in scale and maturity
- Investment in competitive pricing should be partially funded by lower buying prices, as well as an increase in direct sourcing of international brands and private brand development

CAPITAL EFFICIENCY

- The Group is continuing to deliver significant improvement in working capital efficiency

Delivering our Financial Targets

5 Year Target	Store Numbers	LFL Growth	EBIT Margin *	Pre Tax ROC % **
Auto	350	>3% PA	12%	> 50%
Leisure	220	>3% PA	11%	> 30%
Sports	230	>4% PA	11%	> 30%

* Based on current competitive environment

** Excludes acquired goodwill and brand names

Opportunities

- Growing store numbers to over 800
- Delivering LFL growth of 3% to 4%
- Range management and sourcing initiatives
- Deliver \$20m saving in supply chain costs
- Address loss making small businesses
- Eliminate Group transformation costs
- Private brand profit contribution
- Amart Sports scale and profitability
- Successful transformation of Rays
- Group costs efficiencies targeting \$10m
- \$75m to \$100m working capital savings
- Omni retail capability
- Effective change management

Challenges

- Increased investment in digital and technology
- Investment in in-store customer experience
- Lower domestic growth
- Consumer confidence
- Weakening Australian dollar
- Competitive intensity

Compared to 2014/15 base



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