



26 August 2025

The Manager  
Company Announcements Office  
Australian Securities Exchange

Dear Manager

**Coles Group Limited – 2025 Full Year Results Presentation**

Please find attached for immediate release to the market the 2025 Full Year Results Presentation for Coles Group Limited.

This announcement is authorised by the Board.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Daniella Pereira".

**Daniella Pereira**  
Group Company Secretary

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# coles

## 2025 Full Year Results Presentation

26 August 2025

Leah Weckert, Managing Director & Chief  
Executive Officer

Charlie Elias, Chief Financial Officer



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Coles was proud to support FightMND, raising \$8.4 million in FY25, taking total funds raised for MND research by Coles to more than \$48 million over eight years.

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This presentation contains summary information about Coles Group Limited (ACN 004 089 936) and its controlled entities (together, 'Coles', 'Coles Group' or 'the Group') and Coles' activities as at the date of this presentation. It is information given in summary form only and does not purport to be complete. It should be read in conjunction with Coles' other periodic corporate reports and continuous disclosure announcements filed with the Australian Securities Exchange (ASX), available at [www.asx.com.au](http://www.asx.com.au).

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Balance Sheet and Cash Flow information presented in this presentation is consistent with underlying information disclosed in the Appendix 4E Full Year Financial Report.

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

# FY25 highlights

Focus on value, quality, availability and customer experience

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Customer satisfaction scores increased across Supermarkets and Liquor

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ADCs and CFCs fully transitioned and delivering results

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Strong eCommerce growth, with CFCs a key driver

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Delivered \$327 million in Simplify and Save to Invest benefits

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Commenced Liquorland banner simplification

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Achieved highest ever team member engagement score<sup>1</sup>

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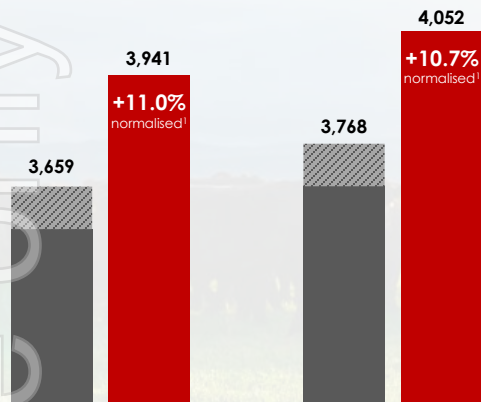
Notes: (1) Based on results of our May 2025 mysay team member engagement survey (69% participation).



The official opening of Coles' second Automated Distribution Centre in Kemps Creek, New South Wales.

# FY25 financial highlights

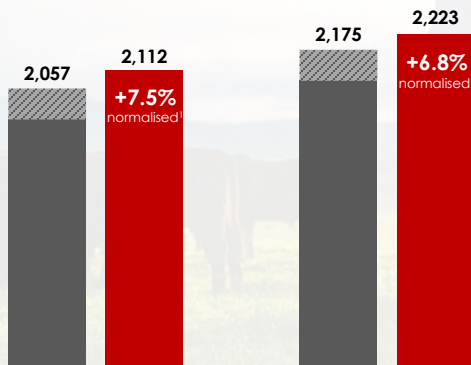
## Group EBITDA (\$m)



**Reported (ex SI<sup>2</sup>)**  
continuing operations

**Underlying<sup>3</sup> (ex SI<sup>2</sup>)**  
continuing operations

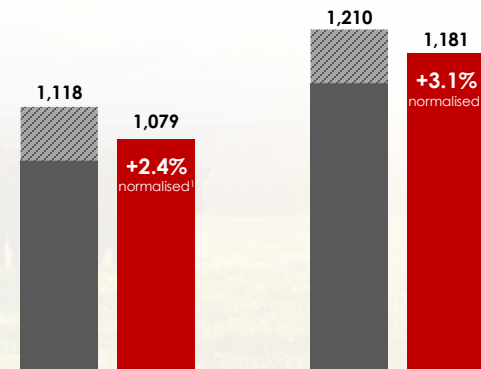
## Group EBIT (\$m)



**Reported (ex SI<sup>2</sup>)**  
continuing operations

**Underlying<sup>3</sup> (ex SI<sup>2</sup>)**  
continuing operations

## NPAT (\$m)



**Reported**  
continuing & discontinued operations

**Underlying<sup>3,4</sup> (ex SI<sup>2</sup>)**  
continuing operations

■ FY24   ■ FY24 53<sup>rd</sup> week   ■ FY25

**Notes:** (1) FY24 was a 53 week year for reporting purposes consistent with the retail calendar. Normalised growth rates are non-IFRS measures and remove the impact of the 53rd week in FY24 for comparability purposes; (2) SI refers to significant items. Significant items of \$35 million (pre-tax) were recorded during the period relating to future closure and site reconfiguration costs following the announced development of a new Victorian ADC; (3) Underlying is a non-IFRS measure and excludes major project implementation, dual running and transition costs in relation to our ADCs and CFCs (FY25: \$103 million; FY24: \$107 million) as well as non-recurring expenses recorded within the Liquor division (FY25: \$8 million; FY24: \$11 million); (4) Calculated underlying NPAT applies the effective income tax rate of 29.8% in FY25 (FY24: 30.2%).

# Continuing to deliver on strategic priorities



## Destination for food and drink

- ✓ 'Great Value, Hands Down' campaigns in Supermarkets and 'Price Match Promise' in Liquor
- ✓ Launched 970 Exclusive to Coles and 196 Exclusive Liquor Brand products
- ✓ Increased Flybuis active members by 4.4% with a 13.3% increase in customers redeeming points through Coles supermarkets
- ✓ Commenced range reviews across key non-food categories, improving value perception, range and product positioning
- ✓ Commenced 'Simply Liquorland' banner simplification

## Accelerated by digital

- ✓ Delivered eCommerce sales growth of 24.4% in Supers and 7.2% in Liquor (normalised)<sup>1</sup>
- ✓ Transitioned next day home delivery volumes to CFCs in Melbourne and Sydney catchment areas
- ✓ Significant uplift in online NPS
- ✓ Enhanced omnichannel experience through web and App improvements
- ✓ Increased Coles 360 income by 13.5% (normalised)<sup>1</sup>

## Delivered consistently for the future

- ✓ Delivered Simplify and Save to Invest benefits of \$327 million<sup>2</sup> and improved total loss rate by 25bps
- ✓ Completed ramp up of Kemps Creek ADC and commenced construction of Truganina ADC
- ✓ Rolled out Liquor Easy Ordering to 700+ stores
- ✓ 8 new Supermarkets and 60 renewals; 16 new Liquor stores and 118 renewals<sup>3</sup>
- ✓ Reduced combined Scope 1 and 2 emissions by 71.4% from FY24 (81.3% reduction from FY20 baseline year)<sup>4</sup>

**Notes:** (1) FY24 was a 53 week year for reporting purposes consistent with the retail calendar. Normalised growth rates are non-IFRS measures and remove the impact of the 53rd week in FY24 for comparability purposes; (2) Excludes benefits from ADC program; (3) Includes 52 'Simply Liquorland' conversions; (4) FY25 Scope 1 and Scope 2 emissions include one month of estimated data (based on meter data or weighted averages of actuals) and 11 months of actual data and is calculated on a Scope 2 market based methodology using large-scale generation certificates. Coles has not relied on the use of carbon offsets for the achievement of our Scope 1 and 2 emissions reduction.



# Focus on value, quality and the customer offer

## Fewer, deeper promotions and expanded range of EDLP products



~4,700 products on everyday low prices

'Price Match Promise' and simplified offer in Liquor



Seasonal 'Great Value, Hands Down' value campaigns

## Continued growth in Exclusive brands

1,166 new products launched across Supers and Liquor



Coles Finest sales +13.6%

617 awards received across Exclusive to Coles and Exclusive Liquor Brand portfolio



## Strong execution across key events



>400 Own Brand Christmas products and exclusive specialty drinks

Sales across our hot cross bun range +12%



>1 million Smith St floral arrangements sold across Mother's Day and Valentine's Day



# Positive early results from tailored and optimised ranges

## Store specific range and space

- Store specific ranging rolled out across >40 categories catering for local customer preferences
- Optimised space making it easier for customers to shop and provide more of what they are looking for
- Innovated and expanded space in global cuisines, e.g. Authentic Asian and Indian ranges
- Improved waste and markdowns

## Optimised range

- Range reviews undertaken to reduce unnecessary duplication, allow for innovation and improve availability and efficiency



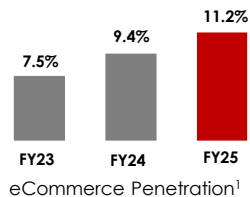


# Strong growth in eCommerce sales and uplift in online NPS

## Supermarkets

**+24.4%**

normalised sales growth<sup>1,2</sup>



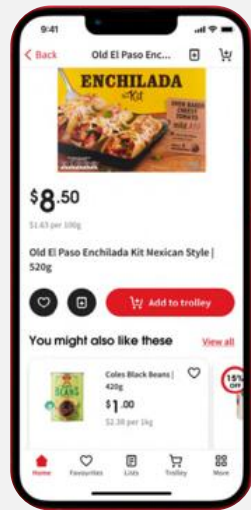
## Liquor

**+7.2%**

normalised sales growth<sup>1,2</sup>

**7.4%**

eCommerce Penetration<sup>1</sup>



**+36%**  
Monthly active app users

**More tailored**  
specials and product suggestions

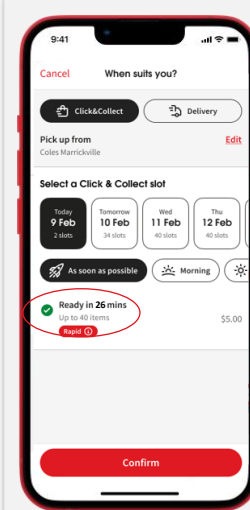
**Simplified checkout**  
processes



**>2x**  
Coles Plus and Coles Plus Saver subscription membership growth

**+6%**  
Flybuis swipe rates

**+13%**  
customers redeeming Flybuis points<sup>3</sup>



**Windowless Rapid**  
Delivery and C&C launched nationally

**Expanded**  
Melbourne & Sydney delivery catchments

**Continued growth in penetration**

**Improved digital experience**

**Improved personalisation and loyalty**

**Network expansion**



# CFCs delivering significant uplift in customer metrics



## >Sales growth

than Coles' total eCommerce channel

**>2x**

Perfect order rate vs. in-store fulfilment<sup>1,2</sup>

**33%+**

Range increase vs. average store range<sup>1</sup>

**Improved freshness**

Improved chill chain & minimum life on 2,500+ SKUs<sup>1</sup>

**Significant NPS uplift**

NSW and VIC next day HD orders<sup>3</sup>

## Coles CFCs relative to Ocado international partner benchmarks

**Fastest growth in volumes**  
within first 6 months of operation

**Top quartile ranking**  
across a number of key CFC efficiency and last mile metrics

## Network benefits

**Same day, immediacy and C&C growth**  
enabled by opening up store fulfilment capacity

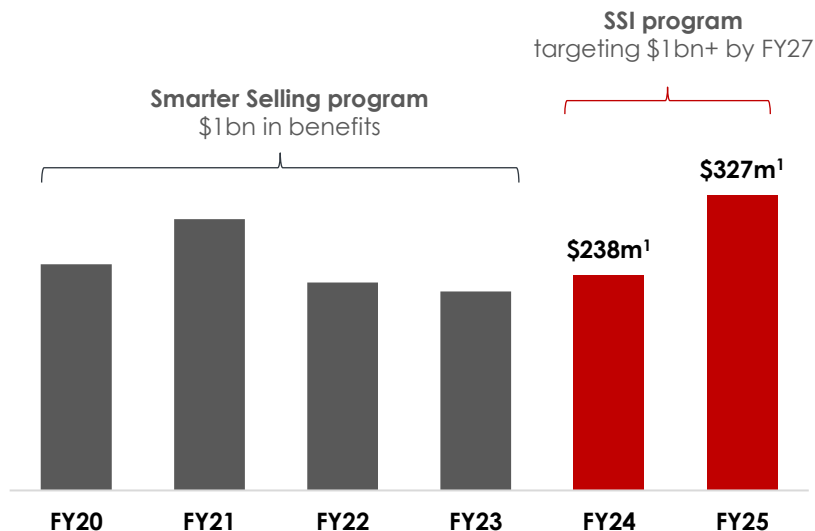
**Ability to ramp volumes quickly**  
to respond to peaks in demand during key events or market disruptions (such as competitor supply chain disruption in Nov and Dec)

**Less congestion in store**  
improving store level NPS in CFC catchment areas



## SSI program delivered significant benefits

### Track record of delivering annual efficiency benefits



- Simplify and Save to Invest (SSI) aims to deliver annual efficiency benefits to help offset inflation and allow for reinvestment in the business to support sales and earnings growth
- FY25 initiatives included:
  - **Optimised store operations** through AI driven rostering tools and improved in store processes including technology-led guided counts and dynamic markdowns
  - **Supply chain efficiencies** including improved workflows and transport optimisation
  - **eCommerce pick efficiencies** and use of **AI automation** in call centre
  - **Above store operating model efficiencies** in Store Support Centre



# Successfully completed NSW ADC ramp up and commenced construction in VIC

## Redbank (QLD) and Kemps Creek (NSW) ADCs now fully operational

- Redbank completed its first full year of operations; Kemps Creek ramp up completed in January in line with schedule
- Cost per carton benefits in line with business case
- In-store availability in NSW and QLD 20% higher than VIC in 4Q25<sup>1</sup>



Aisle-friendly pallet being loaded for transport

### Increased resilience and flexibility in network

- Leveraged both sites to support Victorian stores during competitor supply chain disruption
- Enabled rapid response to challenges posed by severe weather events experienced in 2H25



Products prepared for high-bay stacking

## Construction at Truganina ADC (VIC) underway



# Committed to supporting our team members, suppliers, communities and the environment

## Team members

Achieved our **highest ever team member engagement score**, placing Coles in the top quartile<sup>1</sup>

Progressed our **Diversity and Inclusion Strategy**



## Suppliers

Awarded **\$3.5 million** in grants to 11 small and medium sized businesses to drive innovation and sustainability as part of the latest round of the **Coles Nurture Fund**, bringing total financial support awarded to **more than \$40 million** since 2015



## Communities

**#1 corporate giver** in Australia for the fifth consecutive year<sup>2</sup>

**39.1 million equivalent meals** donated to SecondBite and Foodbank



## Environment

Reduced combined **Scope 1 and 2** emissions by **71.4%** from FY24 (81.3% reduction from FY20 baseline year)<sup>3</sup>

Sourced **100% renewable energy**

Set an SBTi validated Forest, Land and Agriculture (**FLAG**) target to deliver a **30.3% reduction in Scope 3 FLAG sector emissions** by the end of FY30 (from FY24 baseline year)



## Regulatory environment

- ACCC released its Supermarkets Inquiry final report in February 2025 finding no evidence of price gouging or land banking. Coles continues to work with government and industry stakeholders in relation to the recommendations in the report
- New tobacco legislation came into effect on 1 July 2025 resulting in a further decline in legal tobacco sales

# Group financial overview



# FY25 results – Group

\$m	FY25 (52 weeks)	FY24 (53 weeks)	Change	Normalised <sup>1</sup> (52 weeks)
<b>Continuing operations</b>				
<b>Sales revenue</b>	<b>44,352</b>	<b>43,571</b>	<b>1.8%</b>	<b>3.6%</b>
<b>EBITDA</b>				
- reported (excl. SI <sup>2</sup> )	3,941	3,659	7.7%	11.0%
- underlying (excl. SI <sup>2</sup> ) <sup>3</sup>	4,052	3,768	7.5%	10.7%
<b>EBIT</b>				
- reported (excl. SI <sup>2</sup> )	2,112	2,057	2.7%	7.5%
- underlying (excl. SI <sup>2</sup> ) <sup>3</sup>	2,223	2,175	2.2%	6.8%
Financing costs	(541)	(442)	22.4%	23.0%
Income tax expense	(467)	(487)	(4.1%)	1.6%
<b>Net profit after tax</b>				
- reported (excl. SI <sup>2</sup> )	1,104	1,128	(2.1%)	3.7%
- underlying (excl. SI <sup>2</sup> ) <sup>3</sup>	1,181	1,210	(2.4%)	3.1%
<b>Continuing and discontinued operations</b>				
<b>Net profit after tax - reported (excl. SI<sup>2</sup>)</b>	<b>1,104</b>	<b>1,128</b>	<b>(2.1%)</b>	<b>3.7%</b>
Significant items, after tax	(25)	-	n/m	n/m
Loss from discontinued operations, after tax <sup>4</sup>	-	(10)	n/m	n/m
<b>Net profit after tax - reported</b>	<b>1,079</b>	<b>1,118</b>	<b>(3.5%)</b>	<b>2.4%</b>

n/m denotes not meaningful.

**Notes:** (1) FY24 is a 53 week year for reporting purposes consistent with the retail calendar. Normalised growth rates are non-IFRS measures and remove the impact of the 53rd week in FY24 for comparability purposes; (2) SI refers to significant items. Significant items of \$35 million (\$25 million after tax) were recorded during the period relating to the future closure and site reconfiguration costs following the announced development of a new Victorian ADC; (3) Underlying is a non-IFRS measure and excludes major project implementation, dual running and transition costs in relation to our ADCs and CFCs (FY25: \$103 million; FY24: \$107 million) as well as non-recurring expenses recorded within the Liquor division (FY25: \$8 million; FY24: \$11 million). Calculated underlying NPAT applies the effective income tax rate of 29.8% in FY25 (FY24: 30.2%).

# FY25 results – Segment overview

\$m	FY25 (52 weeks)	FY24 (53 weeks)	Change	Normalised <sup>1</sup> (52 weeks)
<b>Supermarkets</b>				
Sales revenue	39,987	39,042	2.4%	4.3%
EBIT – reported	2,108	2,018	4.5%	9.0%
EBIT – underlying <sup>2</sup>	2,211	2,125	4.0%	8.3%
<b>Liquor</b>				
Sales revenue	3,667	3,692	(0.7%)	1.1%
EBIT – reported	113	133	(15.0%)	(8.6%)
EBIT – underlying <sup>2</sup>	121	144	(16.0%)	(10.1%)
<b>Other</b>				
Sales revenue	698	837	(16.6%)	(15.2%)
EBIT	(109)	(94)	16.0%	16.0%

## Supermarkets delivered strong earnings growth

underpinned by volume-led sales growth of 4.3% (normalised). Underlying EBIT margin expansion of 21 bps also contributed to earnings growth with gross margin, efficiency initiatives and operating leverage more than offsetting cost inflation and supporting investments in value

## Liquor remains impacted by subdued market conditions

however, operating leverage improved in 2H25 with underlying EBIT increasing by 6.8% (normalised) vs. pcp as a result of stronger revenue growth supported by new stores, coupled with simplification in our above store operating model

## Other

was impacted by higher insurance costs and an increase in property related expenses

# Operating cash flow

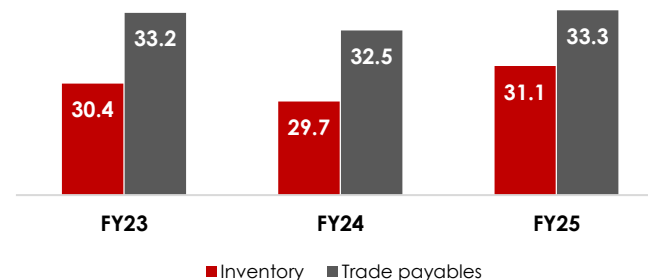
## Cash flow<sup>1</sup>

\$m	FY25	FY24 <sup>2</sup>
EBIT (excl. significant items)	2,112	2,043
Depreciation and amortisation	1,829	1,602
Significant items	(35)	-
<b>EBITDA (incl. significant items)</b>	<b>3,906</b>	<b>3,645</b>
Change in working capital <sup>3</sup>	73	(91)
Change in provisions and other <sup>3</sup>	2	35
<b>Operating cash flow (excl. interest and tax)</b>	<b>3,981</b>	<b>3,589</b>
<b>Cash realisation ratio<sup>4</sup></b>	<b>102%</b>	<b>98%</b>

## Commentary

- **Working capital** movement driven by higher payables, largely due to the timing of year end payments, partially offset by an increase in inventories to support availability
- Movement in **provisions and other** largely driven by the utilisation of provisions relating to NSW manual DC closures following the opening of the Kemps Creek ADC

## Inventory and trade payables days<sup>5</sup>



**Notes:** (1) Cash flow, EBIT and EBITDA on a continuing and discontinued operations; (2) FY24 includes a net \$14 million loss from discontinued operations; (3) Reflects cash movements only and therefore differ from changes in working capital and provisions in the balance sheet which include non-cash movements; (4) Calculated as net cash flow from operating activities before interest and tax, divided by EBITDA; (5) Inventory and trade payable days are calculated as average inventory and trade payables, divided by cost of goods sold, multiplied by 364 days (371 days for FY24). FY23 and FY24 are calculated on a continuing operations basis.

# Capital expenditure

## Capital expenditure breakdown

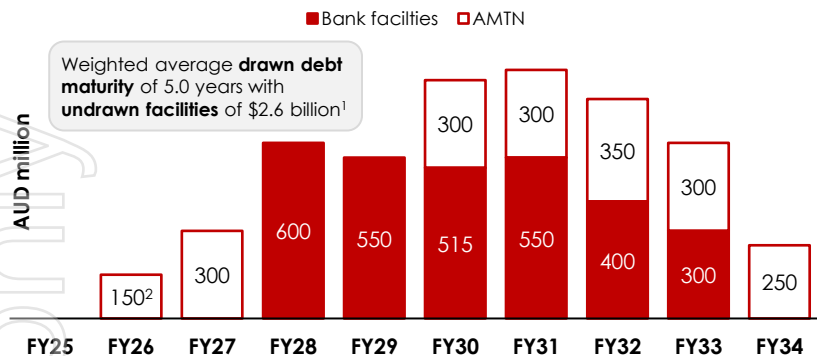
\$m	FY25	FY24
Store renewals	349	383
Growth initiatives	258	247
Efficiency initiatives	356	492
Maintenance	302	277
<b>Operating capital expenditure</b>	<b>1,265</b>	<b>1,399</b>
Property acquisitions and development	262	275
Property divestments	(207)	(256)
<b>Net property capital expenditure</b>	<b>55</b>	<b>19</b>
<b>Net capital expenditure</b>	<b>1,320</b>	<b>1,418</b>

## Key capital expenditure initiatives

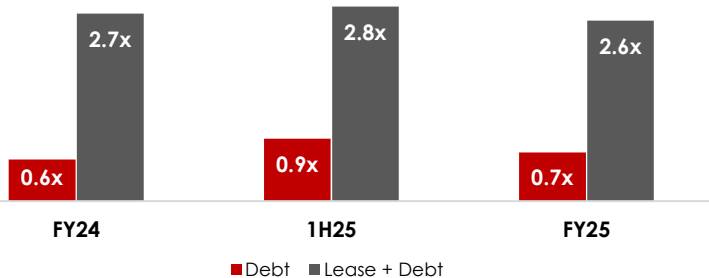
<b>Store renewals</b>	<ul style="list-style-type: none"> <li>Store renewals across Supermarkets (60) and Liquor (118)</li> <li>Optimised renewal program enabling renewal of more stores vs FY24 at a lower capital cost</li> </ul>
<b>Growth initiatives</b>	<ul style="list-style-type: none"> <li>New stores across Supermarkets (8) and Liquor (16)</li> <li>Continued investment in eCommerce, including digital platforms and completion of CFC program</li> <li>Investments in the integration and growth of recent acquisitions (MilkCo and Tasmanian Liquor stores)</li> </ul>
<b>Efficiency initiatives</b>	<ul style="list-style-type: none"> <li>ADC investments, including completion of NSW and commencement of VIC construction</li> <li>Stock loss, store front-end service transformation, Liquor Easy Ordering, in-store AI tools</li> </ul>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>Refrigeration and electrical replacement programs</li> <li>Lifecycle replacement of store and IT assets, including master data management system and Group cyber control investments</li> </ul>
<b>Property</b>	<ul style="list-style-type: none"> <li>FY25 net property investment outflow of \$55 million</li> </ul>
<b>Outlook</b>	<ul style="list-style-type: none"> <li>FY26 operating capital expenditure expected to be approximately \$1.2 billion</li> </ul>

# Funding and dividends

## Debt facility maturity profile (\$m)



## Leverage ratio<sup>3</sup>

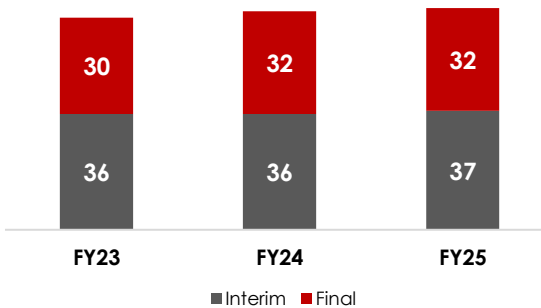


## Financing costs

Financing costs increased by \$99 million to \$541 million

- **AASB 16 lease financing costs** increased by \$62 million to \$425 million, reflecting the first full year of interest on lease liabilities associated with the Kemps Creek ADC and two CFCs as well as lease interest on new stores and manufacturing facilities
- **Debt related financing costs** increased by \$37 million to \$116 million with a higher weighted average debt and interest rate compared to the prior year, including a full year of interest on Coles' \$600 million bond issued in November 2023 and interest on Coles' \$300 million medium term note issuance in April 2025

## Dividend (cps)



## Ratings

Moody's

Baa1

S&P Global  
Ratings

BBB+

Internal use only

## Supermarkets

colesgroup



The newly opened Coles supermarket at Thurgoona Village, NSW.

Seafood

DELI

## Supermarkets – key metrics

Sales revenue

**\$40.0bn**

Sales growth

**+4.3%**

normalised vs. pcp

Sales growth ex-tobacco

**+5.7%**

normalised vs. pcp

eCommerce sales growth<sup>1</sup>

**+24.4%**

normalised vs. pcp

Reported  
EBIT

**+9.0%**

normalised vs. pcp

Underlying  
EBIT<sup>2</sup>

**+8.3%**

Reported EBIT  
margin

**5.3%**

+23bps vs. pcp

Underlying EBIT<sup>2</sup>  
margin

**5.5%**

+21bps vs. pcp

Notes: (1) eCommerce sales are based on IFRS sales revenue and includes liquor sold through coles.com.au; (2) Underlying is a non-IFRS measure and excludes major project implementation, dual running and transition costs in relation to our ADCs and CFCs (FY25: \$103 million; FY24: \$107 million).



# Supermarkets – FY25 results

\$m	FY25 (52 weeks)	FY24 (53 weeks)	Change	Normalised <sup>1</sup> (52 weeks)
<b>Key P&amp;L items</b>				
Sales revenue	39,987	39,042	2.4%	4.3%
EBITDA – reported	3,788	3,487	8.6%	11.8%
EBITDA – underlying <sup>2</sup>	3,891	3,585	8.5%	11.6%
EBIT – reported	2,108	2,018	4.5%	9.0%
EBIT – underlying <sup>2</sup>	2,211	2,125	4.0%	8.3%
<b>Key metrics (non-IFRS)</b>				
Sales growth excl. tobacco – normalised (%)	5.7	5.7	n/a	-
Comparable sales growth <sup>3</sup> – normalised (%)	3.7	3.5	n/a	19bps
eCommerce penetration <sup>4</sup> (%)	11.2	9.4	177bps	n/a
Inflation (%)	1.5	2.5	n/m	n/a
Inflation excl. tobacco (%)	1.2	2.2	n/m	n/a
Inflation excl. tobacco and fresh (%)	0.2	3.8	n/m	n/a
<b>Rate to Sales metrics</b>				
	FY25 (52 weeks)	FY24 (52 weeks) <sup>1</sup>	Change	
Gross margin – underlying <sup>2</sup> (%)	27.5	26.7	79bps	
CODB – underlying <sup>2</sup> (%)	(21.9)	(21.3)	59bps	
EBIT margin – underlying <sup>2</sup> (%)	5.5	5.3	21bps	

n/m denotes not meaningful.

## Key commentary

- Volume-led sales growth supported by our focus on value, quality, availability and the overall customer experience. Excluding tobacco, sales revenue increased by 5.7% (normalised)
- FY25 inflation was 1.5%, with Q4 inflation remaining stable vs. Q3 also at 1.5%
- eCommerce sales increased by 24.4%<sup>4</sup> (normalised) supported by App and web enhancements, network expansion, increased subscriptions and CFC fulfilled growth
- Coles 360 retail media income increased by 13.5%<sup>5</sup> (normalised)
- Underlying gross margin<sup>2</sup> increased 79 bps, supported by 25 bps improvement in total loss, benefits from our strategic sourcing, Simplify and Save to Invest and ADC programs, growth in Coles 360 retail media income, and lower tobacco sales
- Underlying CODB<sup>2</sup> % increased 59 bps, primarily reflecting an increase in depreciation and amortisation attributable to our capital investment program and additional right of use lease depreciation. Wage and other inflationary cost impacts and the new costs associated with operating our CFCs were largely offset by operating leverage and Simplify and Save to Invest benefits

**Notes:** (1) FY24 was a 53 week year for reporting purposes consistent with the retail calendar. Normalised growth rates and rate to sales metrics are non-IFRS measures and remove the impact of the 53rd week in FY24 for comparability purposes; (2) Underlying is a non-IFRS measure and excludes major project implementation, dual running and transition costs in relation to our ADCs and CFCs (FY25: \$103 million; FY24: \$107 million); (3) Comparable sales for FY25 are based on the period 3 July 2023 to 30 June 2024 (weeks 2 to 53 of FY24) to more closely align the dates of the reporting period in FY25 to the prior corresponding period in FY24; (4) eCommerce sales and penetration are based on IFRS sales revenue and include liquor sold through coles.com.au (previously based on gross retail sales, 20 comparatives have been restated); (5) Includes Coles 360 income in Supermarkets and Liquor.

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Liquor

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*Our 'Simply Liquorland' banner simplification commenced during the year with 52 stores converted to the Liquorland banner by year end.*

## Liquor – key metrics

Sales revenue

**\$3.7bn**

Sales growth

**+1.1%**

normalised vs. pcp

eCommerce sales growth<sup>1</sup>

**+7.2%**

normalised vs. pcp

Reported  
EBIT

**(8.6%)**

normalised vs. pcp

Underlying  
EBIT<sup>2</sup>

**(10.1%)**

2H25  
Underlying EBIT<sup>2</sup>

**+6.8%**

normalised vs. pcp

Liquor store renewals

**118**

completed in FY25

Notes: (1) eCommerce sales and penetration are based on IFRS sales revenue and exclude liquor sold through coles.com.au which is reported in Supermarkets' eCommerce sales. B2B sales are now included; (2) Underlying is a non-IFRS measure and excludes non-recurring expenses (FY25: \$8 million; FY24: \$11 million).

# Liquor – FY25 results

\$m	FY25 (52 weeks)	FY24 (53 weeks)	Change	Normalised <sup>1</sup> (52 weeks)
<b>Key P&amp;L items</b>				
Sales revenue	3,667	3,692	(0.7%)	1.1%
EBITDA – reported	246	261	(5.7%)	(2.2%)
EBITDA – underlying <sup>2</sup>	254	272	(6.6%)	(3.2%)
EBIT – reported	113	133	(15.0%)	(8.6%)
EBIT – underlying <sup>2</sup>	121	144	(16.0%)	(10.1%)
<b>Key metrics (non-IFRS)</b>				
Comparable sales growth <sup>3</sup> – normalised (%)	(1.3)	(1.0)	n/a	(29bps)
eCommerce penetration <sup>4</sup> (%)	7.4	7.0	34bps	n/a
<b>Rate to Sales metrics</b>				
Gross margin – underlying <sup>2</sup> (%)	FY25 (52 weeks) 23.6	FY24 (52 weeks) <sup>1</sup> 23.5	Change 15bps	
CODB – underlying <sup>2</sup> (%)	(20.3)	(19.7)	56bps	
EBIT margin – underlying <sup>2</sup> (%)	3.3	3.7	(41bps)	

## Key commentary

- Market remained subdued. However, sales growth was supported by new stores, strong trading across key events, including Christmas and Easter, and a positive response to increased tailoring of store ranges
- eCommerce sales increased by 7.2%<sup>4</sup> (normalised) with penetration at 7.4%<sup>4</sup> (8.6% including liquor sold on Coles Online)
- Underlying gross margin<sup>2</sup> increased by 15 bps with investments in value offset by promotional optimisation, strategic sourcing and Coles 360 benefits
- Underlying CODB<sup>2</sup> % increased by 56 bps reflecting cost inflation exceeding sales growth, particularly wages and tenancy costs, coupled with an increase in right of use lease depreciation and ongoing investments in core IT systems. These costs were partially offset by Simplify and Save to Invest benefits
- Commenced 'Simply Liquorland' banner simplification with 52 stores converted. One-off costs of \$8 million were incurred in relation to 'Simply Liquorland' in 2H25
- Excluding one-off costs incurred in FY24 and FY25, EBIT declined by 10.1% (normalised). Pleasingly, operating leverage improved in 2H25 with underlying EBIT increasing by 6.8% (normalised) vs pcp

**Notes:** (1) FY24 was a 53 week year for reporting purposes consistent with the retail calendar. Normalised growth rates and rate to sales metrics are non-IFRS measures and remove the impact of the 53rd week in FY24 for comparability purposes; (2) Underlying is a non-IFRS measure and excludes non-recurring expenses (FY25: \$8 million; FY24: \$11 million); (3) Comparable sales for FY25 are based on the period 3 July 2023 to 30 June 2024 (weeks 2 to 53 of FY24) to more closely align the dates of the reporting period in FY25 to the prior corresponding period in FY24; (4) eCommerce sales and penetration are based on IFRS sales revenue and exclude liquor sold through coles.com.au which is reported in Supermarkets' eCommerce sales. B2B sales are now included (comparatives have been restated).

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## Outlook

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Since 2018, Coles has distributed more than \$2.5 million in sports equipment grants to grassroots Little Athletics clubs and centres through the Coles Little Athletics Community Fund.

# Outlook

We remain focused on delivering value to enable our customers to shop with confidence, driving efficiency gains and investing in areas where we can uplift availability and the customer experience.

In FY26, our ADC program will deliver its first full year of annualised benefits and we will continue our disciplined approach to cost control as part of our Simplify and Save to Invest program. With our CFC volumes continuing to increase, we are also on track to deliver improved earnings from these facilities across the course of the year. In addition, in FY26 no implementation, dual running or transition costs in relation to our ADC and CFC programs will be incurred.

<b>Supermarkets</b>	<ul style="list-style-type: none"><li>In the first eight weeks of FY26, sales revenue increased by 4.9% (7.0% ex-tobacco) supported by strength in volumes as we continue to invest in customer value and experience. Our eCommerce sales have also continued to benefit from the investments we are making in our digital offer. Strong growth in sales has been partially offset by a further decline in tobacco as a result of the impact of the new tobacco legislation and growth in the illicit market</li></ul>
<b>Liquor</b>	<ul style="list-style-type: none"><li>In the first eight weeks of FY26, sales revenue growth was flat. Whilst the market remains subdued, the convenience of our offer and the investments we are making in 'Simply Liquorland' and in streamlining our operations will enable us to benefit from improved operating leverage as cost-of-living pressures ease</li><li>'Simply Liquorland' is expected to be completed by the third quarter of FY26 and incur one-off costs of approximately \$20 million</li></ul>
<b>Store network</b>	<ul style="list-style-type: none"><li>In Supermarkets, we expect to open ~12 new stores and close two, and renew ~70 stores</li><li>In Liquor, as we optimise our network to ensure we are positioned in the right locations for long-term growth, we expect to open ~19 new stores and close ~25, including ~15 closures identified as part of 'Simply Liquorland'. In addition, ~130 renewals are expected to be completed, inclusive of the remaining 'Simply Liquorland' conversions</li></ul>
<b>Capital expenditure</b>	<ul style="list-style-type: none"><li>Expected to be ~\$1.2 billion in FY26 as we continue to invest in store renewals, digital and technology and growth initiatives and enter the second year of our Victorian ADC development</li></ul>
<b>Coles Group CEO, Leah Weckert:</b>	<p>"As we enter FY26, we are again clear on the priorities for the year ahead. Ensuring our value proposition and offer resonates with customers, delivering consistent quality and availability, continuously improving customer experience in-store and online and maintaining a laser focus on costs. We are also focused on unlocking the full benefits from our ADC and CFC investments for the benefit of both customers and shareholders."</p>

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## Q&A

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Team members Georgia and Iman at our Chadstone Village store.