

MYMYER

Annual Report
2024

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MY STORE

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Annual General Meeting

The fifteenth Annual General Meeting (**AGM**) of Myer Holdings Limited (ABN 14 119 085 602) (**Company** or **Myer**) will be held on Tuesday 10 December 2024 at 2:00pm (Melbourne time).

The AGM will be a hybrid meeting, held in person at Clarendon Auditorium, Melbourne Convention and Exhibition Centre – 2 Clarendon Street, South Wharf VIC 3006, and on an online platform. Shareholders attending in-person will be able to vote and ask questions during the AGM. Shareholders attending online will be able to access a webcast of the AGM, vote and submit questions. A telephone facility will also be available to shareholders to ask a question verbally during the AGM.

The online platform can be accessed at:
meetings.linkgroup.com/myr24

The 2024 Myer Annual Report reflects Myer's financial and sustainability performance for the 52-week period to 27 July 2024. It covers our retail and store support operations in Australia. The Annual Report is prepared for all Myer stakeholders including shareholders, analysts, customers, suppliers, team members, and the wider community. Content is based on ASX financial and governance reporting guidelines, stakeholder feedback, and Myer's business strategy. Further information is available from myer.com.au.

Acknowledgement of Country

In the spirit of reconciliation, Myer acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea, and community. We pay our respects to their Elders past and present and extend that respect to all Aboriginals and Torres Strait Islander people.

About Myer

As one of the country's favourite and most trusted retailers, Myer provides leading customer service and experiences, high quality and exclusive brands, with compelling value.

It is through the work of all Myer team members, that Myer has been ranked as Australia's 7th most trusted brand by Roy Morgan in their Most Trusted Brand Index, with Myer being one of three fashion retailers in the top ten.

Myer operates 56 department stores across Australia, as well as our online business: myer.com.au, and with our team members, we are committed to being Australia's favourite department store. Our merchandise offer includes core product categories: Womenswear; Menswear; Childrenswear; Beauty; Homewares; Electrical Goods; Toys and General Merchandise. The majority of Myer's operations are in Australia and encompass Myer department stores, sass & bide and Marcs and David Lawrence. In addition to our Australian operations, we have a sourcing office located in Hong Kong. Myer's online business is a significant asset, now representing 21.6% of total sales.

About MYER one

Our loyalty program, MYER one, has more than 10 million members. Members earn Credits on purchases at Myer that convert into Reward Cards on a quarterly basis. For every 1,000 Credits earned, Members receive a \$10 Reward Card. Further details about the MYER one program are available at: myerone.com.au

Myer in the community

Myer has a long-standing history of supporting local communities and is proud to partner with more than 58 charities across Australia annually. Myer's founder Sidney Myer was a well-known philanthropist, and it is in his tradition that the Myer Community Fund remains committed and focused on charitable work.

The Myer Community Fund is the national charity of the Myer Group; it is a public ancillary fund and governed by its own Board. The Fund is committed to raising funds through charitable activities involving Myer team members, customers, and suppliers. We believe that by engaging with and contributing to the communities in which we live and work, we can have a positive social impact, make a lasting contribution, and help achieve positive change.

In FY24, the Myer Community Fund was proud to raise over **\$2.3 million**, to support our charity partners, including The Alannah & Madeline Foundation, The Salvation Army, The Pyjama Foundation and local charity partners nationally. Funds go towards supporting children and families in Australia, including those unfortunately impacted by family violence.



Letter from the Executive Chair

We are focused on improving our profitability, performance and shareholder returns. We have commenced a comprehensive strategic review to increase Myer's profitability and drive sustainable earnings growth. Our objective is to identify opportunities to deliver a step-change in Myer's market position and generate strategic and financial benefits.



Dear Shareholder,

On behalf of the Myer Board and executive team, I am pleased to present to you Myer's 2024 Annual Report, the first in my capacity as Executive Chair, having officially commenced this role on 3 June 2024.

Over the past six years, significant work has been undertaken to stabilise the business and build a strong foundation for sustainable future growth. Myer today has 124 years of retail heritage and is the 7th most trusted brand in Australia. We have an engaged front-line team with an 85% in-store customer satisfaction rating and a comprehensive offering across a wide range of price points providing broad customer appeal.

We are laser-focused on improving our profitability, performance and shareholder returns.

To this end when I took on the role as Chair on 14 March 2024, we commenced a comprehensive strategic review with the objective of identifying opportunities to deliver a step-change in Myer's market position and generate substantial strategic and financial benefits.

FY24 Financial Results¹

While our strategic review is progressing, we have remained focussed on improving our profitability, performance and shareholder returns.

Despite the tougher trading conditions, work undertaken by the Myer team in recent years has helped stabilise the business and established a foundation for future growth.

Pleasingly, despite these conditions, our Group comparable sales² increased 0.4%, with the trajectory improving half on half.

Our Total Sales³ were down 2.9 % at \$3,266.1 million, reflecting the impact of the closure of our Frankston (in FY23), Brisbane, and Werribee stores for all or part of the year.

Our online sales continued to grow and were up 2.0% at \$704.3 million, constituting 21.6% of our Total Sales³.

Our Operating Gross Profit (OGP) reduced 2.5% to \$1,194.4 million and gross margin rate increased by 15 basis points (bps) to 36.6%.

Net Profit after Tax⁴ (NPAT) was down 26.0% at \$52.6 million reflecting the impact of store closures, the challenging trading conditions and inflationary cost pressures, and the underperformance of sass & bide, Marcs and David Lawrence.

Statutory NPAT of \$43.5 million includes Implementation Costs and Individually Significant Items of \$9.1 million.

Throughout this challenging period, we have maintained a robust balance sheet and generated strong cash flow. Our operating cashflow was up \$8.0 million at \$250.4 million, and net cash at period end was \$113.8 million.

Tight inventory management remained a key focus, and it was pleasing to see a reduction in our clearance inventory⁵ from 8.0% of total inventory in FY23 to 7.5% in FY24.

Our Net Capital Expenditure of \$69.4 million (versus \$74.5 million in FY23) included investment in key projects such as three store refurbishments, a new Point of Sale System and the new National Distribution Centre which has encountered delays in ramping up, increased implementation costs and complexity that are currently being addressed.

The Board declared a final dividend of 0.5 cent per share fully franked taking the total FY24 dividends for the financial period to 3.5 cents per share fully franked.

1 Compared to FY23 (52 weeks to 29 July 2023), unless otherwise stated

2 Group comparable sales excludes the impact of store openings and closures and stores subject to refurbishment. Significant closures include the Frankston and Brisbane City stores, and the temporary closure of Werribee

3 Revenue from sale of goods excluding concession sales and sales revenue deferred under customer loyalty program was \$2,438.1 million (FY23: \$2,565.8 million)

4 Excluding Implementation Costs and Individually Significant Items

5 Department Stores stock on hand only

FY24 Business overview

Throughout the year we continued to invest in tools for our frontline team members, notably we completed the roll-out of our new point of sale software which provides real-time transaction details for customers and improved transaction speed.

We also expanded our M-Metrics app to our brand partner team members. The M-Metrics app has been a significant resource for our frontline team members giving them access to product and promotion information, performance analytics and verbatim customer feedback. It means everyone on the shop floor now has this data in the palm of their hand.

It is pleasing to report that these investments combined with our other customer service initiatives have resulted in Myer achieving its highest in-store customer service ratings on record, up 210 basis points at 85%.

Team member safety continues to be a priority for us, as we continue to work on implementing initiatives to enhance the working environment. During the year, we undertook trials on body worn cameras and invested in new Myer security guards.

From a loyalty perspective, we achieved another record year for MYER one since the inception of the program in 2004. We now have 4.4 million active MYER one members (which are those members that spent in the last 12 months) and a tag rate of 77.2% of our sales using their MYER one card. This provides us significant access to data to inform and improve our customer engagement and lifecycle value.

We attracted 706,000 new MYER one members during the year, with more than half under the age of 35 – demonstrating that we have the ability to continue to attract a younger demographic. We see enormous potential in leveraging this competitive strength as part of our future growth strategy.

Throughout FY24 we continued to invest in our omni-channel capability and growing our partner and financial services ecosystem. We also strengthened our fulfillment experience with the introduction of metro-to-metro services, increasing speed to customers and continued to drive momentum in big brands and delivering a balanced offer.

Strategic review

In March, we commenced a broad-ranging strategic review focused on repositioning Myer's retail platform for sustainable and profitable long-term growth in an evolving retail landscape.

This review is well progressed and includes a comprehensive assessment of Myer's product offering, brand portfolio, store network, supply chain, eCommerce platform, loyalty program, technology, capital management framework and cost base.

While the review remains ongoing, the preliminary phase of the review has identified growth of Myer's private label and exclusive brands portfolio as a strategic priority. In light of this, the Board decided to:

1. Cease the sale process of sass & bide, Marcs and David Lawrence; and
2. Explore a potential combination with Premier Investments' Apparel Brands.

Sass & bide, Marcs and David Lawrence

On 24 June 2024 we announced plans to retain and leverage the equity in these well-known and loved brands, recognising that in the three periods prior to FY24 (and the disruption of a potential sale) they had a combined track record of positive earnings contribution.

We have commenced a reset of sass & bide to improve its performance, including the closure of 10 retail stores (with four stand-alone stores remaining), the restructure of its support operations and the opening of new Myer concession pads.

We have also identified further opportunities to leverage Myer's loyalty program and omni-channel offering to promote and grow all three brands.

Apparel Brands

In June 2024, we also announced that the Company had approached Premier Investments to explore a potential acquisition of its Apparel Brands business to create one of the leading retail and apparel companies across Australia and New Zealand.

About Olivia Wirth, Myer's Executive Chair

Olivia has a wealth of experience in CEO and senior executive roles, and possesses strong capability in customer experience and analytics, marketing, brand and loyalty, as well as corporate affairs and government relations.

Olivia joined the Myer Board as an independent Non-Executive Director in November 2023 and was recently appointed as Executive Chair to drive the Company's next phase of growth. Olivia is focused on delivering improved outcomes for Myer's valued customers, team members and all Myer shareholders.

Previously, Olivia held a number of other senior leadership roles at Qantas after commencing there in 2009, including

Chief Customer Officer; Group Executive for Brand, Marketing and Corporate Affairs; and Group Executive for Government Relations and Corporate Affairs. She was a member of the Group Management Committee since 2010 and most recently retired as CEO of Qantas Loyalty after 6 years in the role.

Prior to Qantas, Olivia held senior executive roles for a number of organisations including the Tourism and Transport Forum industry lobby group and the Australian Tourist Commission.

Since 2018, Olivia has been a board director of the Great Barrier Reef Foundation and was also on the Board of UNICEF Australia until 24 August 2024.

We believe that this has the potential to generate significant value for shareholders and accelerate the delivery of the Company's key strategic priorities.

Apparel Brands is a leading clothing business with a portfolio comprising the Just Jeans, Jay Jays, Portmans, Jacqui E, and Dotti brands and has a retail network of 717 stores across Australia and New Zealand.

The Board

As I noted earlier, the Company announced my appointment as Executive Chair in March 2024 to drive the Company's next phase of growth. As part of this, the Board also appointed current independent Non-Executive Director, Dr Gary Weiss AM, as Deputy Chair and Lead Independent Director – a new role created to enhance governance.

In May 2024, we also announced that Mr Robert (Rob) Perry joined the Board as a Non-Executive Director.

Rob has extensive experience and expertise in audit, internal audit and risk management from a 36-year career with professional services firm EY, with a major focus on the retail and consumer sector. His appointment enhances and complements the Board's existing skills set.

Executive team

Following the retirement of the Company's Chief Financial Officer, Nigel Chadwick, in early 2024, Matt Jackman assumed the role from 1 February 2024.

In March 2024, we also announced that Executive General Manager Stores, Tony Sutton, was promoted to the new executive position of Chief Operating Officer. With more than 30 years at Myer, Tony is an experienced retail executive, including more than a decade on the Executive Management Group (EMG).

Thank you

On behalf of the Board and the EMG, I want to thank our shareholders, over 10,000 valued team members who serve our customers with distinction every day, our loyal brand partners and suppliers, and above all else, our customers for your ongoing support and loyalty.

I would also like to acknowledge the leadership of Ari Mervis, Myer's previous Chairman and John King, Myer's previous CEO and Managing Director, for the significant work they did to stabilise the business.

With considerable work underway on our strategic review and the potential combination with Apparel Brands, I look forward to communicating to shareholders on our progress at the upcoming AGM.

Yours sincerely,

Olivia Wirth
Executive Chair & Director

Performance Overview

Our results reflect the challenging macroeconomic environment for Australian retailers. Despite the tougher trading conditions, work undertaken by Myer in recent years has helped stabilise the business and establish a foundation for future growth.

With a highly engaged customer base, a leading loyalty program, positive comparable department store sales growth and high levels of trust in the Myer brand, there are significant opportunities for growth.

Key Financials

\$ Millions	2024	2023	Change
Total sales ¹	3,266.1	3,362.9	(2.9%)
Operating gross profit (OGP)	1,194.4	1,224.6	(2.5%)
Cost of doing business (CODB) ²	(834.7)	(824.1)	1.3%
Earnings before interest, tax, depreciation and amortisation (EBITDA) ²	359.7	400.5	(10.2%)
Earnings before interest, tax (EBIT) ²	162.7	196.2	(17.1%)
Net profit after tax (NPAT) ²	52.6	71.1	(26.0%)
Implementation costs and individually significant items after tax	(9.1)	(10.7)	(15.0%)
Statutory profit after tax	43.5	60.4	(28.0%)
Basic earnings per share (cents) ³	5.2	7.4	(28.8%)
Basic earnings per share (cents) – adjusted ⁴	6.3	8.7	(27.0%)

1 Revenue from sale of goods excluding concession sales and sales revenue deferred under customer loyalty program was \$2,438.1 million (FY23: \$2,565.8 million)

2 Excluding implementation costs and individually significant items

3 Based on statutory profit after tax

4 Based on NPAT excluding implementation costs and individually significant





Another strong year of delivery

All Myer team members remained focused on our plans, delivering great value, improved customer service – ensuring we remain Australia's favourite and one of the most trusted department stores in the Country.

Online returns to growth

Group online sales were \$704.3 million, up 2.0% year-on-year with a 3.2% increase in average order value. Importantly, online sales represented 21.6% of total sales. Compared to FY19, Group online sales are up 169%.

Over the past year we have remained dedicated to enhancing our omnichannel customer experience. In the online space, improvements in search result refinement and filtering have made it easier for customers to discover products. Our efforts to deepen on-site personalisation have led to more relevant product recommendations throughout the site.

We have uplifted the checkout experience and implemented user experience improvements including boosting site speed to enable faster product discovery, especially for our customers on mobile devices. We also invested in the security of customers' accounts and personal information by introducing Multi-Factor Authentication.

Additionally, we have significantly expanded our product range through our marketplace offering, doubling the number of products available online over the past year. We have increased our online product count from 20,000 to 47,000 covering fashion, home, beauty and kids and baby categories.

In partnership with Australia Post, we have enhanced our fulfilment proposition by introducing metro-to-metro, intrastate fulfilment, and authority to leave, ensuring our customers receive their parcels faster and more conveniently.

With our continued focus on improving the fulfilment proposition, our post-purchase Net Promoter Score (**NPS**) has improved by 7.7 points year-on-year to 55.6, although purchaser NPS has declined by 4.1 points to 65.4 primarily due to login customer experience issues which we expect to be fixed early in 2025.

After two years of online consolidation post pandemic, we are focused on returning online to accelerated growth, by enhancing our customer experience through personalisation, enhancing our mobile app, and expanding our marketplace offering.

In-store experience

Our investment in store experience has led to us recording our best customer satisfaction results to date, with our in-store team members receiving a score of 85%, up from 83% last year and 70% at the end of the first half of FY18.

Once again, Myer was named Department Store of the Year by Roy Morgan, as well as being rated highly by Roy Morgan as the 7th most trusted brand in Australia. Myer was also recognised by Inside Retail as a 2024 finalist for Customer Service Team of the Year.

Our leading M-Metrics team member application continues to lay the foundation for empowering our team members, providing access to real time internal communications, bite-sized learning, key performance metrics and digital reward and recognition. We welcomed our valued brand partners to the platform, onboarding over 80 brands and 3,800+ brand partner team members. This has enabled our entire Myer team to work more collaboratively than ever before.

We also launched our Store Pathways program in M-Metrics, with learning modules that enhance the capability of our team as they grow into new roles in the store network. For FY25, we are continuing to expand our team development programs across the business. This includes the launch of Mentorship at Myer program for our support office team, as well as a Senior Leader Coaching program to support the professional development of our future leaders.

We are continuing to transform our store technology, ensuring our team members are provided with innovative systems to enhance the customer experience. In the second half of FY24, we achieved a major milestone in our evolving store technology suite by launching our new OmniStore point of sale system into all of our stores, marking our greatest step-change to date.

“ Myer has achieved a major milestone with our new OmniStore point of sale system, which significantly improves the customer experience in store, delivering quicker transaction times and greater interactivity at the checkout. With the delivery of OmniStore, we’ve implemented a modern platform that will enable us to explore even more sophisticated technology levers in the future, such as mobile checkout.

Gary Stones – General Manager of Business Enablement

“ Myer is continuing to strengthen its strategic partnerships with key brand partners to enhance commercial success. As a result, we are continuing to see more brands selecting Myer as their preferred retail partner, with new additions across our Fashion, Beauty, and Home categories this year.

Chris Pitts – Acting Chief Merchandise Officer

Merchandise

Myer is continuing to strengthen its strategic partnerships with key brand partners to deliver stronger outcomes for the business. As a result, we are continuing to see more brands selecting Myer as their preferred retail partner, with new additions across our Fashion, Beauty, and Home categories this year.

Strengthening the relationships with our key brand partners has secured greater investment from brands, exclusive product and Myer only ranges.

We are continuing to add new brands at scale that resonate with our customers, with key new brands in Womenswear and intimates including Country Road, Estelle, Unison, Trenery, Commonry, Decjuba, Dune London, Wittner and Columbia launched in-store with continued expansions in key brands into more doors from Nine West and Witchery.

In Menswear, new brands including Country Road, Trenery, Seed Mens, Unison, Columbia, and Skwosh were launched in-store. As well as continued expansions in key brands into more doors from MJ Bale, Polifix and Vans.

Myer Beauty continues to be the department store of choice for leading luxury beauty brands and niche fragrances. New brands include Penhaligons, Nishane, Matiere Premiere, Initio, Jo Loves, The Beauty Chef, Dr. Hauschka, Toiletpaper beauty, Patricks and Essie.





Property

Myer is continuing to reduce excess space across the business, delivering a total of 14.2% reduction (152,000 m²) in space since the first half of FY18. This, combined with store refurbishments, has seen in-store sales productivity increase by 7% versus FY18.

We also maintained a disciplined focus on cost, rightsizing our cost base with CODB, as a percentage of revenue, 146 basis points lower than FY18, on a pre AASB16 basis.

Reducing costs and ensuring we are operating in the most efficient and effective way continues to be a focus across the business.

MYER one

The MYER one program is a cornerstone of our competitive advantage, strategically positioning our business for continued success.

With a membership base of 10 million members across our omni-channel network, 4.4 million active members who have shopped with Myer in the last 12 months, now sees MYER one as one of the largest retail loyalty programs in Australia. Importantly, throughout FY24, we welcomed 706,000 new members to the program, with over 50% under the age of 35, primarily from younger demographics.

The percentage of MYER one transactions across all purchases, both in-store and online, remained strong with engagement (tag rate) levels at 77.2% of sales.

Through the program, we have the ability to connect with our most valuable customers, delivering targeted and insightful communications and experiences. This program also provides critical data and insights that guide the customer-centric decisions across our Company.

In FY24, we have deepened our engagement with customers by leveraging the comprehensive data from the MYER one program, gaining better insights into their purchasing preferences – what they want to buy, when, and where.

Our enhanced data analytics capabilities, technology infrastructure, and own marketing channels have allowed us to optimise promotions, offers, advertising, and marketing strategies to create more meaningful interactions with our customers.

This initiative is bolstered by our innovative Customer Value Management program. Utilising AI and machine learning models, we can effectively predict customer behaviour and anticipate their needs, enabling us to offer personalised recommendations throughout our marketing ecosystem.

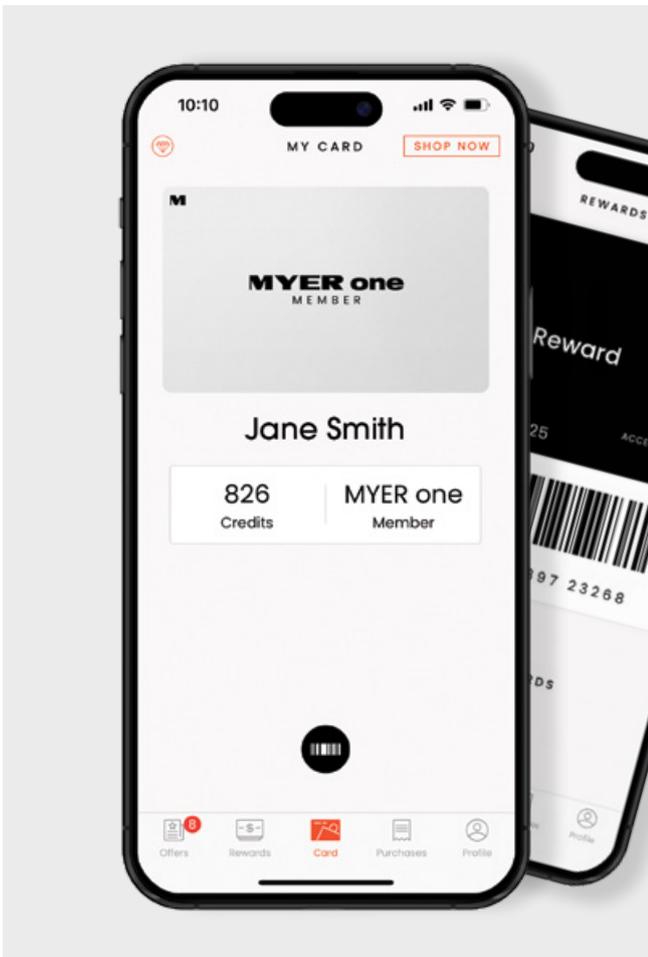
MYER one recognised internationally and delivering for our customers

Our transformative efforts in this area have received national and international recognition for their innovation and impact, showcasing the dedication of our team to unlock greater value from MYER one while fostering deeper customer connections.

- ✔ The MYER one program has been recognised domestically and internationally for its sophistication, innovation and scale
 - 2023 and 2024 International Loyalty Program of the Year (APAC) – International Loyalty Awards
 - 2024 Best Long Term Loyalty Program Globally – International Loyalty Awards
 - 2023 and 2024 Best Use of Data/Analytics/AI in Loyalty – International Loyalty Awards
 - 2023 Best Use of Communications in Loyalty – International Loyalty Awards
 - 2023 Loyalty Program of the Year – Inside Retail
 - 2024 Best use of Email Marketing – Power Retail



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MYER one membership

10m

Strong MYER one tag rate

77.2%

“ Accelerating and unlocking the MYER one program remained a key strategic focus for FY24, as we drive deeper engagement with our growing base of over 10 million members, achieving another record year for MYER one engagement.

Geoff Ikin – Chief Customer Officer

”

Strengthening strategic partnerships

In FY24, we continued to grow and scale our successful pay with points ecosystem with partners including CommBank, Virgin Australia and American Express, with these partnerships paving the way for further customer acquisition, revenue generation, and engagement enhancement.

Combined with MYER one, these partnerships enable us to reach and access 36 million combined cardholders that participate across these programs, uniquely positioning us to provide more value to more Australians.

Through these partnerships, customers are able to redeem their CommBank, Virgin Australia and American Express loyalty points as a form of currency online at myer.com.au and in-store for CommBank. They also continue to earn MYER one credits on all eligible purchases, enabling them to get to their next reward sooner.

Supply Chain

Both our new 40,000 square metre National Distribution Centre (NDC) in Ravenhall, Victoria and 20,141 square metre Regional Distribution Centre (RDC) in Wacol, Queensland have commenced operation, serving both stores and online fulfillment.

While both distribution centres are running, they are not fully operational and we expect that it will take considerably longer than originally envisioned to fully ramp up the capability and automation in these sites.



Sustainability at Myer

At Myer, sustainability is about responsible business growth and development that considers and addresses the environmental, ethical, economic and social impacts of our business operations and strategies.

Myer recognises that climate change is important to our customers, shareholders, suppliers, and team members and is transitioning towards climate related reporting and disclosure requirements as they develop. Myer continues to progress on its Sustainability Strategy, considering business activities and

impacts across the supply chain, as well as stakeholder interests. The Sustainability Strategy focuses on energy management, sustainable packaging, waste management and sustainable sourcing which includes ethical sourcing and sustainable merchandising.



Energy management



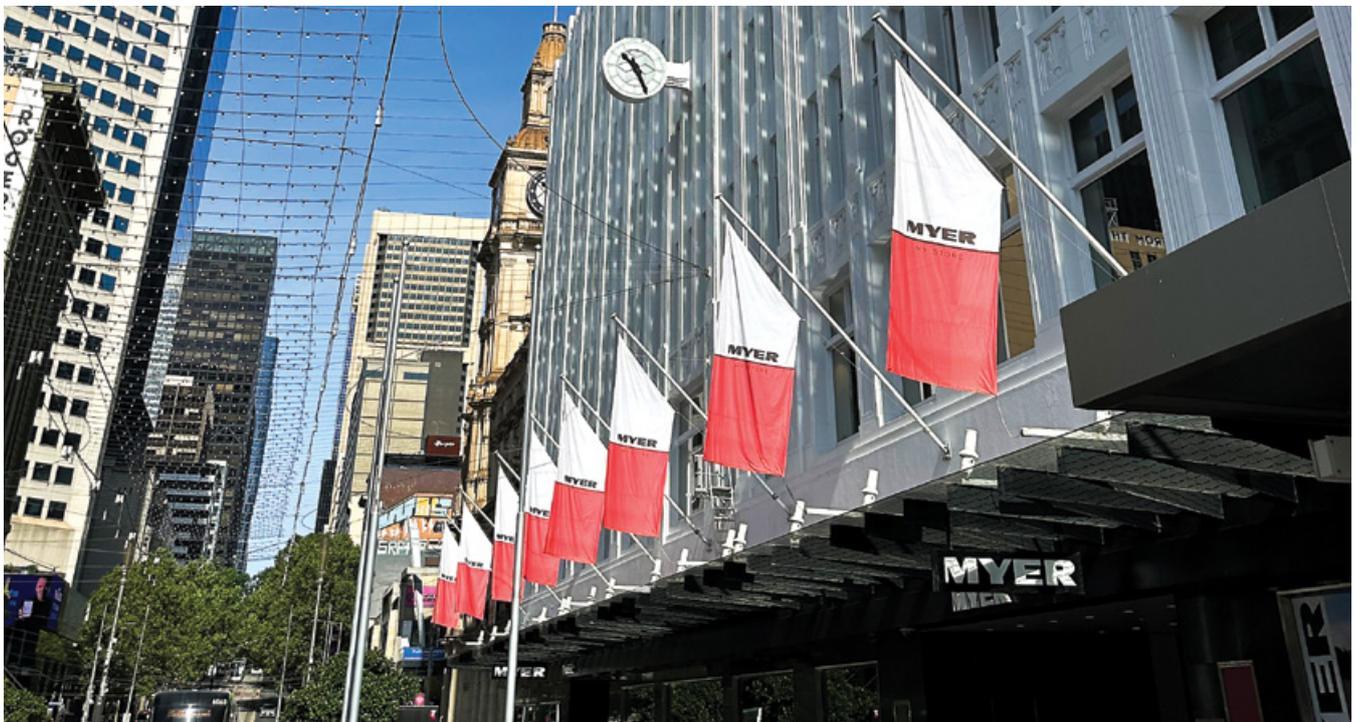
Sustainable packaging



Waste management



Sustainable sourcing



Myer continues to update its Sustainability web page on its Investor and Media Centre, providing customers and stakeholders with information on Myer's commitments and initiatives.

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Energy and emissions management

Myer is committed to reducing carbon emissions, exploring energy reduction initiatives and renewable energy options.

Scope 1 & 2

Myer's direct emissions that are owned or controlled by Myer (Scope 1) and indirect emissions produced to generate the power used by Myer (Scope 2) consumption for the year reduced by 3.2%, which equates to a 3.6% reduction in CO2 emissions, based on National Greenhouse and Energy Reporting (Measurement) Amendment (2023 Update) Determination 2023 emissions factors.

Myer has continued to conduct store lighting audits to prioritise which stores will receive energy efficient lighting upgrades. In FY24, the Southland, Eastland, Geelong, Albury and Fountain Gate stores upgraded to LED lighting. Since implementation, gross energy consumption across these stores reduced by 20%, which equates to a reduction of 614.2 tonnes of CO2 emissions.



Myer's Distribution Centre in Eastern Creek, New South Wales was upgraded with solar panels. In FY24, Eastern Creek's energy consumption reduced by 39.6%.

As our strategic plan continues to develop, Myer will remain focused on decarbonising through various emissions reduction initiatives and will provide updates through our Sustainability web page and annual reports as our strategy evolves.

Scope 3

During FY24, Myer commenced developing targets for Scope 3 emissions (indirect emissions not controlled by Myer that occur in the value chain, including both upstream and downstream emissions).

As part of this process, Myer, with the assistance of an independent third party, commenced a process of data collection and analysis of Scope 3 emissions. The initial assessment of the emissions boundary was also undertaken.

Upstream	
Category 1	Purchased Good & Services
Category 2	Capital Goods
Category 3	Fuel & Energy Related Activities (not included in scope 1 and 2)
Category 4	Upstream Transportation & Distribution
Category 5	Waste Generated in Operations
Category 6	Business Travel
Category 7	Employee Commuting
Downstream	
Category 9	Downstream Transportation & Distribution
Category 12	End-of-life Treatment of Sold Products

The Scope 3 emissions inventory was developed in line with the Greenhouse Gas Protocol, a globally recognised standard for measuring and managing greenhouse gas emissions. The inventory developed was used to identify emissions hotspots, such that material emission reduction opportunities were identified and prioritised.

Myer will continue to refine its Scope 3 emissions assessment and strategy, including via engagement with relevant departments to enhance understanding of category specific emissions impacts so as to accelerate the reduction of emissions across the value chain.

NABERS (National Australian Built Environment Rating System)

NABERS is a rating system designed to measure, understand and compare environmental performance of buildings and tenancies, while identifying areas for cost savings and future improvements.

In FY24, Myer participated in the NABERS Accelerate program for retail, designed to assist in the development of a NABERS scale for a retail store inside or outside a shopping centre, being rated from one to six stars based on energy efficiency. This was beneficial for Myer as it allowed Myer to engage with NABERS and better comprehend how the NABERS benchmarking is developed and what was required. This was also an opportunity to lead the retail sector by being one of the first retail sites to obtain a NABERS rating.

Sustainable packaging

Myer is committed to implementing initiatives in line with APCO commitments and 2025 National Packaging Targets.

Myer has continued to take a comprehensive approach, with several initiatives in place across departments to reduce packaging, increase the amount of recycled and renewable content in private label packaging and implement labelling regarding recyclability.

Myer remains a committed signatory to the Australian Packaging Covenant Organisation (APCO), submitting its Annual Report in March 2024. The APCO is a national co-regulatory initiative in place of state-based regulatory arrangements for sustainable packaging management, optimising packaging practices, reducing the environmental impact of packaging in Australian communities and increasing recycling diversion. Myer's overall performance level rating for the Annual Report was leading – demonstrating Myer's significant progress made.

Throughout the period, Myer has continued to conduct multi-stakeholder packaging steering committees to execute packaging initiatives.

Myer has also continued to conduct packaging reviews across private label packaging through the Packaging Recyclability Evaluation Portal (PREP), which is an online platform used by organisations to verify if packaging is recyclable in Australian kerbside collections. Based on these evaluations, Myer implemented the Australasian Recycling Label (ARL) onto packaging. This is an evidence-based system underpinned by the PREP, providing easy to understand recycling information. These initiatives assist with keeping contamination out of the recycling stream and recyclable material away from landfill.



After carrying out packaging evaluations in FY24 on over 42,000 SKUs, Myer will continue its focus on this area and look to expand the number and breadth of such assessments across its supply chain and merchandising ranges.

Renewable sources were also introduced into private label merchandising packaging, including Forest Stewardship Council accredited materials. Myer has also continued its commitment to reviewing packaging with reference to Sustainable Packaging Guidelines (SPG) or equivalent and will continue to embed the SPGs further into business processes. Myer's sustainability team collaborates with suppliers and brands with the aim of designing better packaging that focuses on innovation and incorporates more recycled and recyclable materials.

Since 2021, Myer has phased out single-use plastic shopping bags and decreased plastic bags by approximately 12 million bags. Myer has also implemented paper bags into its Western Australian and Queensland stores and will complete a national roll out during 2025. For online packaging, Myer has transitioned away from virgin plastic in its satchels, and cardboard boxes are made from recycled content and are fully recyclable. Myer paper bags and online packaging have adopted the ARL to communicate whether it can be recycled.



Waste Management

Myer is committed to focusing on responsible waste management through minimising waste to landfill, promoting recycling and supporting circular economy initiatives

Myer continues to reduce the volume of waste sent to landfill, while sustaining effective re-use systems including cardboard and paper, clear flexible plastics, apparel hangers, damaged and unsold stock, timber pallets and security tags.

In FY24, Myer's hanger reuse rate was 81%, through longstanding partner Pact Group reverse logistics process. This is equivalent to 281 tonnes of waste diverted away from landfill.

In FY24, Myer's commitment to total waste and recycling generation was demonstrated through achieving a waste diversion rate of 69% against a waste diversion target of 70%. This rate was impacted by several store and distribution centre closures within the network contributing to an increase in general waste disposal during FY24.

Myer's waste management roadmap remains in place, with the aim of continuing to improve on existing waste and recycling systems and processes within its operations. Myer has improved governance around these processes, placing waste in store audits and mandatory actions for stores to complete on a quarterly basis, as well as education campaigns to the store network to increase awareness to how best to dispose of materials responsibly.

Circular Economy

Myer continues to expand its circular economy initiatives and is committed to working collaboratively on interrelated systemic issues across the sector to deliver impact through strategic partnerships.

During FY24, Myer continued to offer customers a convenient place to drop off textiles and cookware through in-store partnership recycling and reuse to support with closing the loop and preventing these materials going to landfill.

Myer also expanded its textile initiative with longstanding charity partner, The Salvation Army. Customers are encouraged to donate their textiles to donation stations located at the hub of each selected store whereby textiles are resold into their Salvos Stores network or managed by a third party. In FY24, Myer diverted approximately 9,342 tonnes of textiles away from landfill. This initiative has a positive impact on the environment and on the community.



Myer also continues to engage Textile Recyclers Australia to collect textile waste such as off-cuts and samples from the Merchandising teams during their ranging process. The collected materials are then upcycled into furniture filler, diverting them away from landfill and reducing the use of virgin materials. A total of 473.8 kilograms of textile waste was collected in FY24.

Myer continues to partner with internationally recognised homewares brand Tefal and launched a recycling cookware campaign in 14 stores. Myer collected a total of 2.9 tonnes of cookware that was recycled and diverted away from landfill. Myer has also partnered with Recycle Mate for Tefal's cookware recycling, an initiative of the Australian Council of Recycling with funding support from the Australian Government's Environment Restoration Fund program. This program allows governments, recyclers and communities to work together to gather and share recycling information. Through artificial intelligence, the Recycle Mate app advises the best local disposal options so that consumers can confirm which bin to use at home or learn if there is a better recycling option nearby. By scanning the cookware, consumers are directed to Myer stores participating in these two initiatives.

Sustainable Merchandising

Myer is committed to focusing on increasing sustainable merchandising offerings to reduce impacts on the environment and provide customer value enabling access of more sustainable products.

Myer acknowledges and is aligned with customers' expectations for sustainable merchandising and is committed to increasing efforts to minimise the impacts of our products through increasing the use of environmentally preferred materials, eliminating waste and a responsible sourcing strategy.

The impacts of fibres are reviewed as part of the design and development process, with private label teams focusing on utilising a number of sustainable alternatives to traditional fibres, including Certified European Flax, organic cotton, recycled PET and recycled nylon, vegan leather alternatives and Tencel.

Work also continues on exploring avenues to increase supply chain transparency and further ensure certification of sustainably sourced fibres, including cotton and wool. Mulesing is a painful practice whereby skin around the tail is cut from lambs to prevent flystrike. Myer continues to progress on its commitment to phase out mulesing from private label wool-containing products by 2025 and expects all suppliers including national brands and brand partners to observe the same.

Ethical Sourcing

Myer is committed to high standards of ethical conduct and responsible sourcing practices to protect the rights of workers throughout its operations and supply chain to drive positive change. Respecting human rights is fundamental to doing business with Myer.

Myer's Ethical Sourcing Framework defines the way of working to ensure responsible sourcing and drives ongoing improvement through measurable and actionable insights. The framework is based on internationally recognised standards such as the Ethical Trade Initiative and aligns with the minimum standards set out in Myer's Ethical Sourcing Policy. Suppliers and business partners must share the same values of accountability, corporate responsibility, and ethical business conduct and acknowledge the rights of all workers in alignment with internationally recognised standards.

The framework takes a risk-based approach, which defines the level of due diligence and monitoring that applies to suppliers based on risk exposure. In the case of private label brand suppliers and business partners, a third party ethical audit is required as a minimum.

Myer's ethical sourcing program builds on the businesses commitment to protecting and promoting human rights where modern slavery risks within its business operations and supply chain are identified, assessed, managed and mitigated. Myer has a zero tolerance to modern slavery in all its forms and has implemented measures to identify and mitigate modern slavery in our supply chain.

Myer continued to focus on embedding its Ethical Sourcing Program across the business and building trust and strengthening

relationships with suppliers and workers. Supply contract terms and conditions define expectations of supplier conduct. Training continued to be delivered to educate and raise awareness to internal team members, regardless of role and department, on the topic of Modern Slavery and the responsibilities under Myer's Ethical Sourcing Program. Myer's Whistleblower hotline and alternative grievance reporting hotline enables reporting of unethical, illegal, fraudulent or undesirable conduct.

Modern Slavery Statement

In FY24, Myer published its fourth Modern Slavery Statement, which details the policies, procedures, activities and due diligence processes to address risks of modern slavery. Myer's approach to modern slavery is company-wide with a governance structure overseeing the management of modern slavery risks.

Audits and Monitoring

Ethical Sourcing audits provide a detailed assessment of a factory's compliance level, including an assessment of the working conditions and operations of the factory, and remediation and capacity building requirements to address non-conformances. Factories are assessed against a set of principles utilising the key criteria of the Ethical Trade Initiative, which ensures at a minimum, that all private label suppliers have management systems in place covering all factories. It also includes a requirement to recognise the rights of all workers and to treat them with dignity and respect, providing them an environment that is free from discrimination, abuse, and harassment, and is considered in line by international community standards.

Sustainability and People – performance and targets

Focus Area	Key Measure	FY22	FY23	FY24	FY25 Target
		Performance	Performance	Performance	
Team	Diversity and inclusion (% female senior managers)	57.4	59.4	60.8	≥50
	Workplace safety (LTIFR)	5.8	7.9	8.5	<8
Environment	Greenhouse gas emissions reduction (%)	4.9 ¹	4.3	3.6 ²	≥2%
	Waste Recycling rate (%)	66.4	68.8	69.0	≥70%
Business	Code of Conduct Training (% of required team members trained)	85.6	86.4	97.3	≥80.0

¹ Impacted by store closures due to COVID-19 pandemic

² Based on National Greenhouse and Energy Reporting (Measurement) Amendment (2023 Update) Determination 2023 emissions factors

Myer's diligence process ensures that prior to onboarding or awarding of a contract, all private label suppliers are assessed against its risk framework, as well as those suppliers' seeking renewal. Suppliers are required to provide a valid third-party social compliance or ethical audit report for each factory that will be manufacturing private label products.

During the year, Myer sourced private label brand merchandise from 243 suppliers across 11 countries, with the majority located in China, India, Vietnam and Bangladesh. 397 independent third party factory audits for 221 suppliers were reviewed, no zero tolerance issues reported. Key impacts identified primarily related to excessive overtime. Myer continues to engage in supporting suppliers to remediate and develop corrective action plans for non-conformances identified.

Myer monitors internal and external sourcing and slavery risks and indicators to assess impact to its operations and supply chain, and also consistently monitors news and human rights reports to ensure the regions in which it sources raw materials are not known to have human rights abuses and are open to opportunities that provide greater transparency over the supply chain.

Tracing and Traceability

Myer prioritised its efforts on traceability and mapping beyond final production, and will continue to focus on component manufacturers, input processing facilities and raw material suppliers. During the year, significant progress was made to gain better insight and transparency of the extended supply chain for key commodity areas such as cotton. Myer understands that visibility and transparency into operations beyond final production can present challenges and continues to work closely with private label suppliers to maintain and expand such visibility.

Our team

Myer team members are our most important resource. We are committed to offering our approximately 10,000 team members a supportive, challenging and rewarding workplace that enables them to contribute to Myer's success and reach their full potential.

Myer aspires to create and maintain a collaborative and inclusive workplace to reflect the diversity of our team members, our customers and our community. The business focuses on three key inclusion priorities: cultural diversity, LGBTQIA+ inclusion and female representation at senior leadership levels. These priorities form the basis of our ongoing diversity and inclusion calendar of programs and events, as well as communications with our team.

The Myer Group's workforce composition as at 27 July 2024 was 78.4% female, with 60.8% of leadership roles and 33% of our Board members being female. Myer monitors progress in female representation through measurable objectives in terms of succession planning, parental leave and leadership development metrics.

Our commitment to developing the leadership and capability of our team was also reflected with the continuation of our Merchandise Buyer and Planner in Training program, our Merchandise Essentials program, our Capability Workshops and Leadership training programs during the year.

Myer provides an environment where the health and safety of all team members, contractors and customers is, as always, a priority. Through a program of regular review and verification of our controls, we can ensure risk controls are updated and reliably implemented.

The safety and wellbeing of our team and ensuring they have the knowledge and information available to work safely is an ongoing focus. To drive improved safety in our workplaces, we continue to focus on ensuring our team completed safety management training relevant to their roles and implementation of a targeted workplace inspection program to enhance the identification and management of commonly occurring hazards.

Over the year, 99% of team members completed our annual safety training program. We also engaged with the Black Dog Institute to deliver Managing Team Member Wellbeing training to our people leader, with 450 People Leaders participating to date. We continue to support our team and their families with access to our Employee Assistance and Manager Assist counselling programs, which are actively promoted throughout the year.



DIRECTORS' REPORT

for the period ended 27 July 2024

Your Directors present their report on the consolidated entity consisting of Myer Holdings Limited (ABN 14 119 085 602) (the **Company** or **Myer**) and the entities it controlled (collectively referred to as the **Group**) at the end of, or during, the financial period ended 27 July 2024.

1. Directors

The current and previous Directors of the Company during the financial period and up to the date of this Directors' Report:

Current Directors	Position	Date appointed
Olivia Wirth	Independent Non-Executive Director Chair from 14 March 2024 Executive Chair from 4 June 2024	9 November 2023
Gary Weiss AM	Independent Non-Executive Director Deputy Chair & Lead Independent Director from 14 March 2024	9 November 2023
Dave Whittle	Independent Non-Executive Director	30 November 2015
Jacque Naylor	Independent Non-Executive Director	27 May 2019
Terry McCartney	Non-Executive Director	10 November 2022
Rob Perry	Independent Non-Executive Director	2 May 2024

Previous Directors	Position	Date retired
JoAnne Stephenson	Independent Non-Executive Director Chair until 9 November 2023	9 November 2023
Ari Mervis	Independent Non-Executive Director Chair from 10 November 2023	14 March 2024
John King	Chief Executive Officer and Managing Director	3 June 2024

Details of the qualifications, experience, and special responsibilities of each current Director are set out further in this report.

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DIRECTORS' REPORT

continued

2. Meetings of Directors and Board Committees

The number of meetings of the Board and of each Committee held during the period ended 27 July 2024 are set out below. All Directors are invited to attend Committee meetings. Most Committee meetings are attended by all Directors; however, only attendance by Directors who are members of the relevant Committee is shown in the table below.

Current Directors	Meetings of Directors		Audit, Finance and Risk Committee		Human Resources and Remuneration Committee		Nomination Committee	
	Held*	Attended	Held*	Attended	Held*	Attended	Held*	Attended
Olivia Wirth ⁽¹⁾	8	8	2	2	-	-	2	2
Gary Weiss AM ⁽²⁾	8	8	3	3	2	2	2	2
Dave Whittle	17	17	6	6	4	4	3	3
Jacquie Naylor	17	17	-	-	4	4	3	3
Terry McCartney ⁽³⁾	17	17	3	3	1	1	3	3
Rob Perry ⁽⁴⁾	2	2	1	1	-	-	1	1

* Number of meetings held during the time the Director held office or was a member of the Committee during the period.

Previous Directors	Meetings of Directors		Audit, Finance and Risk Committee		Human Resources and Remuneration Committee		Nomination Committee	
	Held*	Attended	Held*	Attended	Held*	Attended	Held*	Attended
JoAnne Stephenson ⁽⁵⁾	9	9	2	2	3	3	1	1
Ari Mervis ⁽⁶⁾	14	14	3	3	-	-	1	1
John King ⁽⁷⁾	16	15	-	-	-	-	-	-

* Number of meetings held during the time the Director held office or was a member of the Committee during the period.

- (1) Olivia Wirth was appointed to the Board as a Non-Executive Director, with effect from the conclusion of Myer's 2023 AGM on 9 November 2023, and as a member of the Audit, Finance and Risk Committee and Nomination Committee, with effect after 11 December 2023. Ms Wirth was subsequently appointed as Chair, with effect from 14 March 2024, ceased being a member of the Audit, Finance and Risk Committee, with effect after 2 May 2024, and assumed Executive Chair responsibilities from 4 June 2024.
- (2) Gary Weiss AM was appointed to the Board as a Non-Executive Director, with effect from the conclusion of Myer's 2023 AGM on 9 November 2023, and as a member of the Audit, Finance and Risk Committee and Nomination Committee, with effect after 11 December 2023. Mr Weiss AM was subsequently appointed as Chairman of the Nomination Committee, with effect after 2 May 2024.
- (3) Terry McCartney ceased being a member of the Audit, Finance and Risk Committee, with effect from 11 December 2023, and became a member of the Human Resources and Remuneration Committee.
- (4) Rob Perry was appointed to the Board as a Non-Executive Director, with effect from the conclusion of the Board meeting on 2 May 2024, and as a member of the Audit, Finance and Risk Committee and Nomination Committee, with effect after 2 May 2024.
- (5) JoAnne Stephenson retired as Non-Executive Director, with effect from the conclusion of Myer's 2023 AGM on 9 November 2023.
- (6) Ari Mervis retired as Non-Executive Director, with effect after 13 March 2024. Mr Mervis was previously appointed as Chairman of the Board, with effect from the conclusion of Myer's 2023 AGM on 9 November 2023, and subsequently appointed as Chairman of the Nomination Committee and ceased being a member of the Audit, Finance and Risk Committee, with effect after 11 December 2023.
- (7) John King resigned as CEO and Managing Director, with effect after 3 June 2024.

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DIRECTORS' REPORT

continued

3. Biographies of Current Directors



Olivia Wirth
Executive Chair & Director

- Executive Chair of the Board
- Member – Nomination Committee

Olivia has a wealth of experience in CEO and senior executive roles, and possesses strong capability in customer experience and analytics, marketing, brand and loyalty, as well as corporate affairs and government relations.

Olivia joined the Myer Board as an independent Non-Executive Director in November 2023 and on 14 March 2024 was appointed as Executive Chair to drive the Company's next phase of growth. Olivia is focused on delivering improved outcomes for Myer's valued customers, team members and all Myer shareholders.

Previously, Olivia held a number of other senior leadership roles at Qantas after commencing there in 2009, including Chief Customer Officer; Group Executive for Brand, Marketing and Corporate Affairs; and Group Executive for Government Relations and Corporate Affairs. She was a member of the Group Management Committee since 2010 and most recently retired as CEO of Qantas Loyalty after 6 years in the role.

Prior to Qantas, Olivia held senior executive roles for a number of organisations, including the Tourism and Transport Forum industry lobby group and the Australian Tourist Commission.

Since 2018, Olivia has been a board director of the Great Barrier Reef Foundation and was also on the Board of UNICEF Australia until 24 August 2024.



Gary Weiss AM
Deputy Chair & Lead Independent Director

- Member of the Board
- Deputy Chair & Lead Independent Director
- Member – Audit, Finance and Risk Committee
- Chairman – Nomination Committee

Gary has extensive global experience across a range of industries, both at executive and board levels.

Gary was Chairman of Ridley Corporation Limited from June 2010 until August 2020, ClearView Wealth Limited from July 2013 until May 2016, Coats plc from 2003 until April 2012, Estia Health from December 2016 until December 2023, and executive director of Guinness Peat Group plc from 1990 to April 2011. He has also held directorships of numerous companies, including The Straits Trading Co Ltd in Singapore, Premier Investments Limited, Tag Pacific Limited, Westfield Group, Tower Australia Ltd, Australian Wealth Management Limited, Tyndall Australia Ltd (Deputy Chairman), Joe White Maltings Ltd (Chairman), CIC Ltd, Whitlam Turnbull & Co Ltd and Industrial Equity Ltd. Dr Weiss was also a director of Brisbane Broncos Ltd (formerly Pacific Sports Entertainment Ltd), an ASX-listed company which owns the Brisbane Broncos.

Gary is also a Commissioner of the Australian Rugby League Commission.

In 2019, Gary was awarded the Member (AM) in the General Division of the Order of Australia for significant service to business, and to the community.

Gary holds an LLB (Hons) and LLM from Victoria University of Wellington and a Doctor of the Science of Law (JSD) from Cornell University. He was admitted as a Barrister and Solicitor of the Supreme Court of New Zealand, a Barrister and Solicitor of the Supreme Court of Victoria and as a Solicitor of the Supreme Court of New South Wales.

Other Current Directorships: Gary is Executive Director of Ariadne Australia Ltd, and Chairman of Coast Entertainment Holdings Ltd (formerly Ardent Leisure Limited) and Cromwell Property Group. He is a Non-Executive Director of Hearts & Minds Investments Limited, Thorney Opportunities Limited, the Victor Chang Cardiac Research Institute, and The Centre for Independent Studies.



Dave Whittle
Independent Non-Executive Director

- Member of the Board
- Member – Audit, Finance and Risk Committee
- Member – Human Resources and Remuneration Committee
- Member – Nomination Committee

Dave has considerable brand, data, technology, omni-channel retail and digital transformation experience. He is a Founder of Lexer, a global software company helping brands and retailers genuinely understand and engage their customers.

Previously, Dave spent 10 years with global advertising group M&C Saatchi in a number of local and international leadership roles, culminating in three years as Managing Director in Australia. Prior to joining M&C Saatchi, Dave was the first employee of a marketing services group that built four digital service and software businesses.

Dave has a Bachelor of Arts and a Bachelor of Commerce from Deakin University.

Other Current Directorships: Dave is a Director of Lexer Pty Ltd and Michael Hill International Limited.

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DIRECTORS' REPORT

continued



Jacquie Naylor
Independent Non-Executive Director

- Member of the Board
- Chairman – Human Resources and Remuneration Committee
- Member – Nomination Committee

Jacquie was appointed as a Non-Executive Director on 27 May 2019. Jacquie brings to the role a wealth of experience and knowledge of both women's and men's apparel, homewares and outdoor brands. She has been an owner, Director and Executive at some of the most iconic Australian retailers. Jacquie has held the position of Non-Executive Director at The PAS Group and was a Non-Executive Director of Macpac Retail.

At the Just Jeans Group, Jacquie was a Group Executive Director and responsible for driving the merchandise, marketing and brand strategies of five of their key brands including Just Jeans, Jay Jays, Portmans, Jacqui E and Dotti. Jacquie has extensive experience in portfolio optimisation through vertical integration and a track record of driving brand growth and strategic transformation.

Jacquie was a Non-Executive Director of Michael Hill International Ltd from July 2020 to April 2024, and the Virgin Australia Melbourne Fashion Festival for more than 13 years, and remains committed to showcasing the fashion industry as well as new and emerging talent. Jacquie is also a member of the Australian Institute of Company Directors and of the International Women's Forum.

Other Current Directorships: Jacquie is a Non-Executive Director of Cambridge Clothing Ltd.



Terry McCartney
Non-Executive Director

- Member of the Board
- Member – Human Resources and Remuneration Committee
- Member – Nomination Committee

Terry has had a comprehensive career spanning more than 40 years in retail in both Executive and Director positions, spanning the full spectrum of retailing – ranging from luxury goods in department stores to mass merchandise discount operations.

Terry's career started at Boans Department Stores in Perth, then moved to Grace Bros in Sydney. After the acquisition of Grace Bros by Myer, he relocated to the merged department stores group in Melbourne. His executive career culminated in his roles as Managing Director of Kmart Australia and New Zealand, and Managing Director of Myer Grace Bros.

Other Current Directorships: Terry has been a Non-Executive Director of Premier Investments Limited since 2016, and Premier's wholly owned subsidiary, Just Group Limited, since 2008. Premier operates a portfolio of retail brands through the Just Group, consisting of Just Jeans, Jay Jays, Peter Alexander, Smiggle, Jacqui E, Portmans and Dotti. Terry has also served as the Chairman of Premier's Remuneration and Nomination Committee since 2017.



Rob Perry
Independent Non-Executive Director

- Member of the Board
- Chairman – Audit, Finance and Risk Committee
- Member – Nomination Committee

Rob is a retired Partner of 36 years' experience from global accounting firm Ernst & Young (**EY**). At EY, Rob was one of the most experienced Retail Audit Partners in the market, performing audit, risk management, internal audit and assurance engagements on large, complex global organisations as well as mid-cap and smaller listed companies. His audit experience gives him a strong understanding of business risks and financial issues.

Rob has provided audit services to clients across a broad range of sectors, primarily focusing his efforts on clients within the retail and consumer goods sector. Rob also led a number of EY's Corporate Risk and Audit engagements across large international and ASX-listed brands.

At EY, Rob also held a number of executive roles, including leader of Risk and Governance Services for the Asia Pacific region and was a member of EY's Global Risk Management Committee. Rob's previous roles also included Managing Partner of Risk Consulting Services for EY in Melbourne.

DIRECTORS' REPORT

continued

4. Directorships of Other Listed Companies

The following table shows, for each Director, all directorships of companies that were listed on the ASX, other than the Company, since 31 July 2021, and the period during which each directorship has been held.

Current Directors	Listed entity	Period directorship held
Olivia Wirth	-	-
Gary Weiss AM	Ariadne Australia Limited	November 1989 – present
	Coast Entertainment Holdings Ltd (formerly Ardent Leisure Limited)	September 2017 – present
	Cromwell Property Group Ltd	September 2020 – present
	Hearts & Minds Investments Limited	September 2018 – present
	Thorney Opportunities Limited	November 2013 – present
	Estia Health Limited	February 2016 – December 2023
Dave Whittle	Michael Hill International Limited	August 2023 – present
Jacquie Naylor	Michael Hill International Limited	July 2020 – April 2024
Terry McCartney	Premier Investments Limited	April 2016 – present
Rob Perry	-	-

Previous Directors	Listed entity	Period directorship held
JoAnne Stephenson	Challenger Limited	October 2012 – present
	Qualitas Limited	November 2021 – present
Ari Mervis	McPherson's Limited	February 2021 – present
	Endeavour Group Limited	April 2024 – present
John King	-	-

5. Directors' Relevant Interests in Shares

The following table sets out the relevant interests that each Director has in the Company's ordinary shares or other securities as at the date of this Directors' Report. No Director has a relevant interest in a related body corporate of the Company.

Current Directors	Ordinary Shares	Deferred Rights	Performance Rights	Performance Options
Olivia Wirth	Nil	Nil	Nil	Nil
Gary Weiss AM	100,000	Nil	Nil	Nil
Dave Whittle	266,666	Nil	Nil	Nil
Jacquie Naylor	250,000	Nil	Nil	Nil
Terry McCartney	200,000	Nil	Nil	Nil
Rob Perry	Nil	Nil	Nil	Nil

Previous Directors	Ordinary Shares	Deferred Rights	Performance Rights	Performance Options
JoAnne Stephenson	300,000	Nil	Nil	Nil
Ari Mervis	500,000	Nil	Nil	Nil
John King	5,091,710	Nil	6,489,052	Nil

6. Company Secretary and Other Officers

Paul Morris is the General Counsel and Company Secretary of the Company. Prior to joining Myer, Paul was General Counsel and Company Secretary of Spotless Group.

Matt Jackman is the Chief Financial Officer of the Company. Details of Matt's experience and background are set out in the Executive Management Team section of Myer's Investor Centre website.

DIRECTORS' REPORT

continued

7. Principal Activities

During the financial period, the principal activity of the Group was the operation of the Myer department store business.

8. Operating and Financial Review

To assist in the evaluation of the financial performance of the Company, certain measures are used that are not recognised under the Australian Accounting Standards or International Financial Reporting Standards (**IFRS**) and therefore, these are considered to be non-IFRS measures.

Although the Board of Directors believe that these measures provide useful information about the financial position and performance of the Company, they should be considered to be supplementary to the consolidated statement of comprehensive income and consolidated statement of financial position presented in accordance with Accounting Standards. As these non-IFRS measures are not defined in the Accounting Standards, the way the Company may calculate these measures may differ from similarly titled measures used by other companies.

Summary of Financial Results for 52 Weeks Ended 27 July 2024:

- Total sales⁽¹⁾ down 2.9% to \$3,266.1 million reflecting closure of Brisbane, Frankston and Werribee stores for all or part of the period.
- Group comparable sales⁽²⁾ up 0.4% despite challenging trading conditions.
- Group online sales⁽³⁾ up 2.0% to \$704.3 million representing 21.6% of total sales.
- Operating gross profit (**OGP**) reduced 2.5% to \$1,194.4 million, margin rate increased by 15 basis points (bps) to 36.6%. Excluding a reclassification adjustment of delivery income⁽⁵⁾, underlying margin rate declined 12bps reflecting sales mix changes.
- Cost of doing business⁽⁴⁾ (**CODB**) was \$834.7 million, an increase of 1.3%, but was broadly flat if the delivery income reclassification was excluded, reflecting the focus on mitigating cost increases, including the impact on CODB of the store closures.
- Net profit after tax⁽⁴⁾ (**NPAT**) of \$52.6 million, reflecting impact of store closures, challenging trading conditions, inflationary cost pressures and underperformance in sass & bide, Marcs and David Lawrence.
- Statutory net profit after tax of \$43.5 million includes Implementation Costs and Individually Significant Items of \$9.1 million (\$12.2 million pre-tax) from impairment of store assets including right-of-use assets, taxation adjustments relating to prior periods, and certain Software as a Service (**SaaS**) implementation costs that cannot be capitalised.
- Operating cashflow of \$250.4 million was \$8.0 million favourable to previous comparative period, with net cash at period end of \$113.8 million. Inventory was well controlled, down \$2.8 million on previous comparative period.
- Net Capital Expenditure of \$69.4 million (FY23: \$74.5 million). Key capex projects include three refurbished stores, a new Point of Sale System and the new National Distribution Centre which has encountered delays in ramping up, increased implementation costs and complexity that are currently being addressed.

(1) Revenue from sale of goods excluding concession sales and sales revenue deferred under customer loyalty program was \$2,438.1 million (FY23: \$2,565.8 million)

(2) Group comparable sales excludes the impact of store openings and closures and stores subject to refurbishment. Significant closures include the Frankston and Brisbane City stores, and the temporary closure of Werribee for part of the period

(3) Group online sales includes sass & bide, Marcs and David Lawrence. Excludes sales via in-store iPads

(4) Excluding implementation costs and individually significant items

(5) Reclassification of \$9.1 million of delivery income from CODB to OGP

DIRECTORS' REPORT

continued

Income Statement for the 52 Weeks to 27 July 2024

	2024 \$m	2023 \$m	Change
Total sales ⁽¹⁾	3,266.1	3,362.9	(2.9%)
Operating gross profit	1,194.4	1,224.6	(2.5%)
Cost of doing business ⁽²⁾	(834.7)	(824.1)	1.3%
EBITDA⁽²⁾	359.7	400.5	(10.2%)
Depreciation ⁽²⁾	(197.0)	(204.3)	(3.6%)
EBIT⁽²⁾	162.7	196.2	(17.1%)
Net finance costs	(87.3)	(91.5)	(4.6%)
Tax ⁽²⁾	(22.8)	(33.6)	(32.1%)
NPAT⁽²⁾	52.6	71.1	(26.0%)
Implementation costs and individually significant items after tax	(9.1)	(10.7)	(15.0%)
Statutory profit after tax	43.5	60.4	(28.0%)

(1) Revenue from sale of goods excluding concession sales and sales revenue deferred under customer loyalty program was \$2,438.1 million (FY23: \$2,565.8 million)

(2) Excluding implementation costs and individually significant items

Balance Sheet as at 27 July 2024

	2024 \$m	2023 \$m	Change \$m
Inventory	368.5	371.3	(2.8)
Creditors	(417.9)	(401.7)	(16.2)
Other assets	169.3	157.5	11.8
Other liabilities	(73.3)	(89.5)	16.2
Right-of-use assets	1,038.5	1,101.4	(62.9)
Lease liabilities	(1,567.1)	(1,644.9)	77.8
Property, plant and equipment	317.4	321.7	(4.3)
Intangibles assets	305.8	305.2	0.6
Total Funds Employed	141.2	120.9	20.2
Cash	176.0	179.7	(3.7)
Less Borrowings	(62.2)	(60.1)	(2.1)
Net Cash	113.8	119.6	(5.8)
Equity	255.0	240.5	14.4

Cash Flow for the 52 Weeks to 27 July 2024

	2024 \$m	2023 \$m	Change \$m
EBITDA⁽¹⁾	359.7	400.5	(40.8)
Implementation costs and individually significant items	(12.2)	(15.4)	3.2
Non-cash impairments	5.9	3.1	2.8
Working capital movement	20.9	(1.4)	22.3
Operating cash flow (before interest and tax)	374.3	386.8	(12.5)
Conversion	105.9%	99.7%	0.1
Tax paid	(37.0)	(54.0)	17.0
Net Interest paid	(5.2)	(5.7)	0.5
Interest on lease liabilities	(81.7)	(84.7)	3.0
Operating cash flow	250.4	242.4	8.0
Capital expenditure paid ⁽²⁾	(69.4)	(74.5)	5.1
Free cash flow	181.0	167.9	13.1
Dividends paid	(33.2)	(86.2)	53.0
Principle portion of lease liabilities paid	(151.5)	(142.8)	(8.7)
Other	-	(3.1)	3.1
Net cash flow	(3.7)	(64.2)	60.5

(1) Excluding implementation costs and individually significant items

(2) Net of landlord contributions

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DIRECTORS' REPORT

continued

Shares and Dividends

	2024	2023
Shares on issue	831.8 million	821.3 million
Basic earnings per share ⁽¹⁾	5.2 cents	7.4 cents
Basic earnings per share (before implementation costs and individually significant items) ⁽²⁾	6.3 cents	8.7 cents
Dividend per share	3.5 cents	9.0 cents

(1) Calculated on weighted average number of shares of 829.3 million (FY23: 820.0 million) and based on NPAT

(2) Calculated on weighted average number of shares of 829.3 million (FY23: 820.0 million) and based on NPAT pre implementation costs and individually significant items

Non-IFRS Financial Measures

A reconciliation of the non-IFRS measures relating to the financial performance of the Company disclosed in this Directors' Report to the Financial Statements is as follows:

Income statement reconciliation (\$ millions)	EBIT	Interest	Tax	NPAT
Statutory result	150.5	(87.3)	(19.7)	43.5
Add back: implementation costs and individually significant items:				
Restructuring, space exit costs and other significant items	12.2	-	(3.1)	9.1
Reported result (before implementation costs and individually significant items)	162.7	(87.3)	(22.8)	52.6

FY24 Operations

The Company achieved the following during FY24:

- New Point of Sale (POS) software rollout completed, delivering improved efficiency and transaction speed.
- Expansion of M-Metrics app to brand partner team members, allowing access to greater analytics and product and promotion information.
- Strong inventory management in a challenging environment, with the percentage of clearance inventory⁽¹⁾ improving to 7.5% (FY23: 8.0%).
- Continued to improve the MYER one program resulting in 706,000 of new MYER one members in FY24 and an increase in tag rate to 77.2% (FY23: 74.6%).
- Store refurbishments completed at Cherside, Tea Tree Plaza, Marion and Ballarat.
- Werribee store closed from February 2024 until November 2024 due to centre remediation works.
- Customer service satisfaction increasing to 85% (FY23: 83%), highest on record.

(1) Department Stores stock on hand only

9. Significant Changes in the State of Affairs in FY24

Other than the matters described elsewhere in this report, there have been no other significant changes occurred during the financial period.

10. Business Strategies and Future Developments

Customer First Plan

The Board and the Executive Management Group have been focused on delivery against the Customer First Plan. In June 2024 Myer announced a strategic review, following Olivia Wirth commencing as Executive Chair. The Strategic review will look to reposition the business for growth with a focus on the evolution of Myer's future customer and product offer, re-imagining of its Myer Exclusive Brands (MEBs) and private labels, leveraging its leading loyalty and partnership ecosystem and delivering an improved and more connected customer experience across stores and online.

In line with this approach, Myer has taken the decision to retain ownership of its current brand portfolio, which includes iconic brands sass & bide, Marcs and David Lawrence.

DIRECTORS' REPORT

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Since inception the transformational impact of the Customer First Plan has delivered improved financial performance and improvement in core metrics. The Customer First Plan focused on the following areas:

- **Accelerate Online:** focus on profitable online growth and building scale by leveraging the multi-channel capability that has been developed and through a continuing focus on user experience and range development.
- **Accelerate Factory to Customer (F2C) change:** improving capability and capacity across the supply chain network including the launch of the new National Distribution Centre, Ravenhall Victoria and the new distribution centre, Wacol Queensland. This will provide greater efficiencies across the network and improve customer experience and fulfilment options.
- **Engage the Customer:** drive engagement and new customer growth through our MYER one loyalty base and expanded ecosystem by delivering improved rewards, leverage of new and expanded partnerships and greater personalisation.
- **Adapting our In-Store Experience:** focus on delivering an uplifted in-store experience and higher levels of in-store customer satisfaction. Investments in store formats, and technology, such as M-Metrics, the one device strategy, and the new point of sale rollout will continue to deliver a compelling experience for our customers.
- **Refocus Merchandise:** the approach has been to reset category offer, remove duplication, improve MEBs and provide a more balanced offer. Creating greater opportunities through deeper brand partnerships and tightened inventory management.
- **Rationalise Property:** strategically review, optimise and reduce our overall store space with a view to driving greater profitability and productivity gains. Our approach seeks to leverage our multi-channel capability and strength to better serve our customers.
- **Reduce Costs:** proactively realign our cost base to manage profitability and increase flexibility as the change to our markets and channels accelerates.

Potential acquisition of Premier's Apparel Brands

As reported on 24 June 2024, the Company has approached Premier Investments Limited (**Premier**) to explore a potential acquisition of its Apparel Brands business to create one of the leading retail and apparel companies across Australia and New Zealand. The Company is proposing the acquisition of Apparel Brands to capitalise on the highly complementary nature of the businesses, which the Company believes has the potential to generate significant value for shareholders and accelerate the delivery of the Company's key strategic priorities.

Apparel Brands is a leading clothing business with a portfolio comprising the Just Jeans, Jay Jays, Portmans, Jacqui E, and Dotti brands. Apparel Brands has a retail network of 717 stores across Australia and New Zealand, generating revenues of \$845 million in FY23. The Company will progress discussions with Premier to explore the potential combination with Apparel Brands. The discussions with Premier are preliminary, non-binding and exploratory in nature and there is no certainty that any transaction will eventuate.

11. Key Risks and Uncertainties

The Group's strategies take into account the expected operating and retail market conditions, together with general economic conditions, which are inherently uncertain. The Group has a structured proactive risk management framework and internal control systems in place to manage current material risks and the emergence of any new risks. The key risks that may have an effect on the Group's ability to execute its business strategies, and the Group's future growth prospects and how the Group manages these risks, are set out below.

External Environment Risks

Unstable and deteriorating macro-economic factors such as the fluctuation of the Australian dollar and increasing interest rates; heightened domestic and global inflation leading to cost of living pressure; poor consumer confidence; changes in government policies; external, natural or unforeseen events, such as an act of terrorism, political instability, global conflicts, national strike or pandemic; transition to a lower carbon economy; physical impacts of climate change and weakness in the global economy could adversely impact the Company's ability to achieve financial and trading objectives. Myer regularly analyses and monitors economic and other available data to allow the Company to develop action plans to mitigate the future impact on sales, cost of doing business, and has implemented conservative hedging, capital management, and marketing and merchandise initiatives to address the cyclical nature of the business.

Supplier and Supply Chain Risks

Myer monitors its supplier relationships and quality standards via a range of means, including implementation of its quality assurance, compliance policies and rigorous procurement and contracting processes. Our sourcing offices maintain regular contact with our supplier base to ensure they adhere to our requirements and also assist in any challenges they may have. We continue to review new sourcing opportunities to allow us greater flexibility and diversification across the portfolio. This assists with minimising any risks, helps ensure competitiveness and gives us the ability to expand ranges and brands.

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DIRECTORS' REPORT

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Disruption in the global shipping industry has come to the fore again this year. Continued re-routing has meant extended shipping times and displacement of equipment. The consequential effects of this include increasing freight rates as shipping demand increases, equipment shortages, and ongoing delays. The normal practice of 'blank sailings' carried out by the shipping lines remains on the Oceania route as the carriers move larger vessels onto the US and EU routes to take advantage of the rising costs. The Company continues to work with suppliers and partners to ensure any challenges are carefully monitored and addressed.

Competitive Landscape Risks

The Australian retail industry in which Myer operates remains highly competitive. The Company's competitive position may be negatively impacted by new entrants to the market, existing competitors, changes to consumer demographics and increased online competition, which could impact sales. To mitigate these risks, Myer continues to select optimal merchandise assortment with the right categories and brands.

Pandemics

The impact of any future pandemics on the Company's operations (including any requirement for temporary store closures), domestic and global economic conditions, and consumer behaviour remains uncertain, and may adversely affect the Company's financial position and performance. However, the Executive Management Group monitors and assists the business to adapt to changes in ongoing risks and adhere to Government requirements and health measures when the need arises. In addition, the Company continues to remain agile to adapt to changing market conditions (including adjusting its strategic initiatives in response to the changing market context), whilst maintaining its focus on the disciplined management of costs and preservation of cash to ensure it is well placed to deal with any future impacts. The successful hybrid working model that the Company adopted, as a result of the COVID-19 pandemic, gives team members flexibility as they fulfil their roles and responsibilities and allows the Company to remain agile in a competitive retail landscape.

Technology Risks, including Cyber Security

With Myer's increasing reliance on technology in a rapidly changing digital environment, there is a risk that the disruption, malfunction, or obsolescence of our technology applications and infrastructure, inability to attract and retain qualified team members, cyber-security violation or data breach of personal information could have a detrimental effect on Myer's sales, business efficiencies, and brand reputation. To offset these risks, Myer continues to invest and develop in-house technology capabilities and engage with reputable third-party IT service providers to ensure that we have reliable IT systems and issue management processes in place.

Brand Reputation Risks

As one of the top 10 most trusted brands in Australia as reported in the Roy Morgan 2023 Risk Report, Myer's strong brand reputation is crucial for building positive relationships with customers, suppliers, and contractors which in turn generates sales and goodwill towards the Company. A significant event or issue (including inability to meet sustainability commitments and regulatory expectations) could attract strong criticism of the Myer brand, which could impact sales or our share price. Myer has a range of policies and initiatives to mitigate brand risk, including an updated Code of Conduct, a Whistleblower Policy, an Ethical Sourcing Policy, marketing campaigns, and ongoing environmental and sustainability initiatives.

Strategic and Business Plan Risks

A failure to deliver our strategic plan could impact sales, profitability, share price, and our reputation. It includes that all team members, brand partners and suppliers provide our customers with the service, brands and products they desire and expect, both in store and online. The strategy has been overlaid and enhanced with additional details of initiatives and mitigation plans to ensure it remains "fit for purpose". This includes changes to the economic environment, customer behaviours, and to the retail landscape.

People Management Risks

With the impact of current low unemployment and labour shortages in the external market, Myer continues to focus on the attraction and retention of talented senior managers to ensure that our leadership team has the right skills and experience to deliver our strategy, and store and online team members to ensure sales growth. Failure to do so may adversely impact Myer's ability to deliver on its strategic imperatives. Training and development programs continue to be offered to further refine the skills of our team members and business leaders and forms a part of Myer's overall attraction and retention strategy.

The combination of the competitive labour market, increases to the cost of living, and inflation impacts, has compelled Myer to keep step with shifts in external salary and employee benefits. To meet this, Myer conducted an annual remuneration review using salary data benchmarked against external market information and regularly analyses employee turnover data to identify and mitigate any flight risks of team members in key roles.

The safety of our team members, customers, and suppliers is a high priority at Myer. Failure to manage health and safety risks could have a negative effect on team member wellbeing, and Myer's reputation and performance. Myer has well-developed safety management systems which are implemented across each store, distribution centre and the support office. Detailed risk assessments are conducted and regularly reviewed for existing and emerging risks and regular education programs are delivered to all team members.

DIRECTORS' REPORT

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Regulatory Risks

From time to time, Myer may be subject to regulatory investigations and disputes, including by the Australian Taxation Office (**ATO**), Federal or State regulatory bodies including the Australian Competition and Consumer Commission (**ACCC**), the Australian Securities and Investments Commission (**ASIC**), the Australian Securities Exchange (**ASX**) and Federal and State work, health and safety authorities. The outcome of any such investigations or disputes may have a material adverse effect on Myer's operating and financial performance. Myer has an established governance framework to monitor, assess and report on such occurrences to senior management when they arise.

Litigation

The Company is required to maintain compliance with applicable laws and regulations. Failure to comply could result in enforcement action and claims, which may have a material adverse impact on the Company's reputation, financial performance and profitability. Legal proceedings and claims may also arise in the ordinary course of the Company's business and could result in high legal costs, adverse monetary judgements, reputational damage and other adverse consequences. The Company has an established governance framework to monitor, assess and report to management on litigation risks when they arise, and seeks to minimise risk through appropriate compliance training for team members and management.

12. Matters Subsequent to the End of the Financial Period

No matter or circumstance has arisen since the end of the financial period which has not been dealt with in this Directors' Report or the Financial Report, and which has significantly affected, or may significantly affect:

- the Group's operations in future financial periods;
- the results of those operations in future financial periods; or
- the Group's state of affairs in future financial periods.

13. Dividends

Myer paid a fully franked interim dividend of 3.0 cents per share, totalling \$25.0 million on 16 May 2024.

The Board has determined a final dividend of 0.5 cent per share, fully franked, to be paid on 21 November 2024 (Record Date of 4 October 2024).

This takes the total FY24 dividend to 3.5 cents per share.

Further information regarding dividends is set out in the Financial Statements.

14. Performance Rights and Options Granted Over Unissued Shares

The Myer Long Term Incentive (**LTI**) plan operates for selected senior executives and has been in operation since December 2006. Under the LTI plan, the Company has granted eligible executives:

- (1) in FY21, FY22, FY23 and FY24, performance rights over unissued ordinary shares of the Company;
- (2) in FY19 and FY20, performance options over unissued ordinary shares of the Company, and
- (3) in previous periods, performance rights over unissued ordinary shares of the Company,

with all options and rights issued subject to certain vesting conditions. Shares delivered to senior executives as a result of the vesting of performance options and rights can be either issued as new shares or purchased on market.

Each performance right entitles the holder to acquire one ordinary fully paid share in the Company (subject to the adjustments outlined below).

Performance options are exercised on a net settlement basis; the executive is allocated the total number of shares that would have been allocated upon exercise, less the number of shares equal to the value of the aggregated exercise price payable (and the exercise price is not required to be paid). The number of shares delivered by the Company represents the value above the exercise price in accordance with the formula below:

$(A - B) / C$, where:

A = Aggregate value of vested performance options (based on the market value of a share)

B = Aggregate exercise price payable

C = Market value of share

The net settlement method ensures that executive reward is aligned to shareholder value creation by only rewarding executives if there is a growth to share price and material reward can be earned only if there is significant growth to share price.

During the financial period ended 27 July 2024, the Company granted a total of 5,935,578 performance rights under the LTI plan. None of these performance rights were issued to John King, who retired as CEO and Managing Director, with effect after 3 June 2024, nor to Olivia Wirth, whose executive responsibilities as Executive Chair commenced on 4 June 2024.

DIRECTORS' REPORT

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The performance options and rights granted under each offer are subject to different performance conditions. No performance options or rights have been granted since the end of the financial period ended 27 July 2024.

In September 2023, 304,724 fully paid ordinary shares transferred to the then CEO and Managing Director, John King, following the exercise on a "net settlement" basis of 2,799,378 performance options granted under the LTI plan in FY20, following testing against the EPS performance criteria.

In September 2023, 10,547,466 fully paid ordinary shares transferred to participating executives following the vesting and exercise of performance rights granted under the LTI plan in FY21, following testing against the EPS and TSR performance criteria. The issued shares are classified as "restricted shares" and subject to the FY21 LTI plan rules, and as such are unable to be sold, transferred or otherwise dealt with until the day following release of the Company's FY24 full-year financial results. A continuous service condition also applied for the period ended on 31 January 2024.

During the financial period ended 27 July 2024:

- a total of 150,762 performance rights granted under the LTI plan in FY22 lapsed due to the cessation of employment with the Company of two senior executives; and
- a total of 949,712 performance rights granted under the LTI plan in FY23 lapsed due to the cessation of employment with the Company of two senior executives.

The table in Section 15 sets out the details of performance options and rights that have been granted under the LTI plan and which remain on issue as at the date of this Directors' Report.

A holder of a performance options or rights may only participate in new issues of securities of the Company if the performance options or rights has been exercised, participation is permitted by its terms, and the shares in respect of the performance options or rights have been allocated and transferred to the performance options or rights holder before the record date for determining entitlements to the new issue.

During FY21, the Transformative Incentive (**TI**) plan was introduced to replace the normal Short-Term Incentive (**STI**) plan for a period of 2 years. Under the FY21 TI plan, the CEO and nominated executives received 50% of the TI achieved in cash and 50% in the form of deferred rights (FY21) or deferred shares (FY22) in the Company.

During the financial period ended 27 July 2024:

- 1,147,055 deferred rights issued under the FY21 TI plan were converted into shares in the Company, comprising 338,801 deferred rights to the CEO and 808,254 deferred rights to other nominated senior executives; and
- 209,934 deferred shares in the Company were issued under the FY23 STI plan, comprising 61,244 deferred shares to the CEO and 148,690 deferred shares to other nominated senior executives, with such shares subject to a 12-month holding lock.

The number of deferred shares to be issued under the FY24 STI plan will be determined by dividing the dollar value of the deferred component of the STI plan award outcome by the volume weighted average price of the Company's shares over a period of trading days determined by the Board following the release to the market of the Company's full year FY24 results.

Further information about performance options and rights issued under the LTI plan, TI plan, and STI plan (including the attached performance conditions and the performance options and rights granted to the KMP of the Company) is included in the Remuneration Report.

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DIRECTORS' REPORT

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15. Shares Issued on the Exercise of Performance Options and Performance Rights

From time to time, the Company issues fully paid ordinary shares in the Company to the Myer Equity Plans Trust (**Trust**) for the purpose of meeting anticipated exercises of securities granted under the LTI plan, TI plan, and STI plan. To calculate the issue price of shares issued to the Trust, the Company uses the five-day volume weighted average price of the Company's shares as at the close of trading on the day before the date of issue.

During the financial period ended 27 July 2024:

- Nil fully paid ordinary shares were purchased on market by the Trust, 10,547,466 fully paid ordinary shares were issued by the Company to the Trust, and 12,209,179 shares were transferred from the Trust to eligible participants in relation to the FY20 LTI plan, FY21 LTI Plan, FY21 TI plan and FY23 STI Plan (refer to Section 14 for further details); and
- since 27 July 2024, no shares have been issued to or otherwise acquired by the Trust, and no fully paid ordinary shares of the Company held by the Trust were transferred to participants in the LTI, TI, or STI plans.

Date performance rights and options granted	Expiry date	Issue price	Number of performance rights and options remaining on issue ⁽¹⁾
9 November 2020 (rights grant to CEO under the FY21 LTI plan offer)	n/a	Nil	3,442,622
10 November 2021 (rights grant to CEO under the FY22 LTI plan offer)	n/a	Nil	1,396,815
10 November 2021 (rights granted to senior executives under the FY22 LTI plan offer)	n/a	Nil	4,576,239
10 November 2022 (rights grant to CEO under the FY23 LTI plan offer)	n/a	Nil	972,772
16 November 2022 (rights granted to senior executives under the FY23 LTI plan offer)	n/a	Nil	5,201,574
22 November 2023 (rights granted to senior executives under the FY24 LTI plan offer)	n/a	Nil	5,935,578
Closing balance of performance rights and options			21,525,600

(1) Each performance right entitles the holder to receive one fully paid ordinary share in the Company, subject to the satisfaction of the relevant performance outcomes. Performance options vest and are automatically exercised on a net settlement basis. The executive is allocated the total number of shares that would have been allocated upon exercise, less the number of shares equal to the value of the aggregated exercise price payable (and the exercise price is not required to be paid). The number of performance options or rights that a holder is entitled to receive on the exercise of a performance option or right may also be adjusted in a manner consistent with the ASX Listing Rules if there is a pro-rata issue of shares or a reconstruction of the capital of the Company.

16. Remuneration Report

The Remuneration Report, which forms part of this Directors' Report, is presented separately from page 31.

17. Indemnification and Insurance of Directors and Officers

The Company's Constitution requires it to indemnify current and former Directors, alternate Directors, executive officers and officers of the Company on a full indemnity basis and to the full extent permitted by the law against all liabilities incurred as an officer of the Group, except to the extent covered by insurance. Further, the Company's Constitution permits the Company to maintain and pay insurance premiums for Director and officer liability insurance, to the extent permitted by law.

Consistent with (and in addition to) the provisions in the Company's Constitution outlined above, the Company has also entered into deeds of access, indemnity and insurance with all Directors of the Company which provide indemnities against losses incurred in their role as Directors, subject to certain exclusions, including to the extent that such indemnity is prohibited by the *Corporations Act 2001* (Cth) (**Corporations Act**) or any other applicable law. The deeds stipulate that the Company will meet the full amount of any such liabilities, costs and expenses (including legal fees).

During the financial period, the Company paid insurance premiums for a Directors' and officers' liability insurance contract that provides cover for the current and former Directors, alternate Directors, secretaries, executive officers and officers of the Company and its subsidiaries. The Directors have not included details of the nature of the liabilities covered in this contract or the amount of the premium paid, as disclosure is prohibited under the terms of the contract.

The Group's auditor is PricewaterhouseCoopers (**PwC**). No payment has been made to indemnify PwC during or since the financial period end. No premium has been paid by the Group in respect of any insurance for PwC. No officers of the Group were partners or Directors of PwC whilst PwC conducted audits of the Group.

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DIRECTORS' REPORT

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18. Proceedings on Behalf of the Company

No person has applied to the court under section 237 of the Corporations Act for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with the leave of the court under section 237 of the Corporations Act.

19. Environmental Regulation

The Group is subject to and has complied with the reporting and compliance requirements of the *National Greenhouse and Energy Reporting Act 2007* (Cth) (**NGER Act**). The NGER Act requires the Group to report its annual greenhouse gas emissions and energy use. The Group has implemented systems and processes for the collection and calculation of the data required. In compliance with the NGER Act, the Group is due to submit its report by 31 October 2024. No significant environmental incidents have been reported internally, and no breaches have been notified to the Group by any government agency.

The Group is a signatory to the Australian Packaging Covenant Organisation (**APCO**), which is a national co-regulatory initiative in place of state-based regulatory arrangements for sustainable packaging management. Members are required to adhere to the covenant commitments, which includes the development and implementation of an action plan and reporting annually on progress. The Group submitted its Annual Report and Australasian Recycling Label (**ARL**) Report on 31 March 2024 and Action Plan on 31 May 2024.

20. Rounding of Amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and, except where otherwise stated, amounts in the Directors' Report have been rounded off to the nearest hundred thousand dollars.

21. Non-Audit Services

The Company may decide to employ its external auditor on assignments additional to its statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important, provided such assignments do not give rise to a potential conflict of interest.

Details of the amounts paid or payable to the auditor (PwC) for audit and non-audit services provided during the financial period are set out in the Financial Statements.

The Board has considered the position and, in accordance with advice received from the Audit, Finance and Risk Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The Directors are satisfied that the provision of the non-audit services by the auditor did not compromise the auditor independence requirements of the Corporations Act for the following reasons:

- all non-audit services have been reviewed by the Audit, Finance and Risk Committee to ensure that they do not impact on the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

22. Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act is attached to this Directors' Report.

23. Annual General Meeting

The Annual General Meeting of the Company will be held on Tuesday, 10 December 2024.

The Directors' Report is made in accordance with a resolution of Directors.



Olivia Wirth
Executive Chair

Melbourne, 19 September 2024

REMUNERATION REPORT

for the period ended 27 July 2024

Dear Shareholder

On behalf of the Board, I present to you Myer Holdings Limited's (**Myer** or the **Company**) Remuneration Report for FY24. This report sets out the remuneration information for the Non-Executive Directors and Executive Key Management Personnel (**Executive KMP**).

The remuneration outcomes set out in this Report were carefully considered by the Board, taking into account all relevant factors, the broader management (**Management**), including Executive KMP and non-KMP executives (**Executives**), team's performance in delivering the FY24 results, and ensuring the best interests of our shareholders and other stakeholders.

In determining the remuneration framework and assessing remuneration outcomes, Myer's remuneration objective is to support Management to deliver a business strategy that puts our customers first and ultimately delivers value to our shareholders. Consistent with previous years, in FY24, there were five key principles associated with the Remuneration objective:

- (1) Reward outcomes that reinforce our Customer First Plan
- (2) Build our capability by attracting and retaining high calibre talent
- (3) Align the interests of our Executives to those of our shareholders – think like owners
- (4) Drive sustainable long-term performance of the business
- (5) Be simple and transparent

As always, the Board welcomes feedback and has taken this into account in considering the FY24 remuneration outcomes.

Company Performance

FY24 results and highlights include:

- Total sales⁽¹⁾ down 2.9% to \$3,266.1 million reflecting closure of Brisbane, Frankston and Werribee stores for all or part of the period.
- Group online sales⁽²⁾ up 2.0% to \$704.3 million representing 21.6% of total sales.
- Net profit after tax⁽³⁾ (**NPAT**) of \$52.6 million reflecting impact of store closures, challenging trading conditions, inflationary cost pressures and underperformance in sass & bide, Marcs and David Lawrence.
- Statutory net profit after tax of \$43.5 million includes Implementation Costs and Individually Significant Items of \$9.1 million (\$12.2 million pre-tax) from impairment of store assets including right-of-use assets, taxation adjustments relating to prior periods, and certain Software as a Service (**SaaS**) implementation costs that cannot be capitalised.
- Operating cashflow of \$250.4 million was \$8.0 million favourable to previous comparative period, with net cash at period end of \$113.8 million. Inventory was well controlled, down \$2.8 million on previous comparative period.
- New Point of Sale (POS) software rollout completed, delivering improved efficiency and transaction speed.
- Expansion of M-Metrics app to brand partner team members, allowing access to greater analytics and product and promotion information.
- Continued to improve the MYER one program resulting in 706,000 of new MYER one members in FY24 and an increase in tag rate to 77.2% (FY23: 74.6%).
- Customer service satisfaction increasing to 85% (FY23: 83%), highest on record.

(1) Revenue from sale of goods excluding concession sales and sales revenue deferred under customer loyalty program was \$2,438.1 million (FY23: \$2,565.8 million)

(2) Group online sales includes sass & bide, Marcs and David Lawrence. Excludes sales via in-store iPads

(3) Excluding implementation costs and individually significant items

Executive Remuneration Outcomes

- Olivia Wirth was appointed as Chair on 14 March 2024 following Ari Mervis' retirement and then commenced executive responsibilities as Executive Chair from 4 June 2024, following the retirement of John King. Ms Wirth's remuneration arrangements were outlined in our announcement on 14 March 2024 and are further detailed in this Report. As a result of this appointment, a separate Chair fee ceased to be payable.
- At the same time as Ms Wirth's appointment as Chair, Gary Weiss AM assumed the role of Deputy Chair and Lead Independent Director, a role created to enhance governance, and which includes overseeing meetings of Non-Executive Directors, leading performance reviews of the Executive Chair and liaising with external stakeholders regarding governance, reporting and management oversight. In consideration of these additional responsibilities, an additional fee is payable to Mr Weiss on top of the Non-Executive Directors' base annual fee.
- Executive KMP and Management will receive an award under the Short-Term Incentive (**STI**) plan equal to 20% of their maximum entitlement. The STI award outcome reflected the continued challenging macroeconomic conditions, with the threshold target for the key net profit after tax metric not being met.

REMUNERATION REPORT

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- In relation to performance rights issued under the FY22 Long-Term Incentive (**LTI**) plan for Executive KMP, maximum performance under the relative TSR hurdle was met with TSR measuring in the top decile of the comparator group. However, the EPS hurdle was not met and as such an LTI outcome of 50% was achieved.

Non-Executive Director Remuneration

Since the reductions in Board fees disclosed in the FY21 and FY22 Remuneration Reports, there have been no further changes to the Non-Executive Directors' base annual fees.

Looking Ahead

The Board views the current executive remuneration framework as fit for purpose for the current Myer business, and will adopt a similar approach in FY25.

We thank all stakeholders who provided feedback to us over the past year. The Board will continue to take account of the views of our shareholders in reviewing and setting the remuneration framework.

Yours faithfully,



Jacquie Naylor
Chairman – Human Resources and Remuneration Committee

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REMUNERATION REPORT

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1. Introduction

The Directors of the Company present the Remuneration Report for the financial period ended 27 July 2024 prepared in accordance with the requirements of the *Corporations Act 2001* (Cth) and its regulations.

This report outlines the remuneration strategy, framework and other conditions of employment for Key Management Personnel (**KMP**) and details the role and accountabilities of the Board and relevant Committees that support the Board on these matters.

The information provided within this report has been audited as required by section 308(3C) of the *Corporations Act 2001* and forms part of the Directors' Report. The table below details the Company's KMP during FY24.

Name	Role	Term
Non-Executive Directors		
G Weiss AM	Independent Non-Executive Director	Commenced 9 November 2023
	Deputy Chair, Lead Independent Director	Commenced 14 March 2024
D Whittle	Independent Non-Executive Director	Full year
J Naylor	Independent Non-Executive Director	Full year
R Perry	Independent Non-Executive Director	Commenced 2 May 2024
T McCartney	Non-Executive Director	Full year
Former Non-Executive Directors		
J Stephenson	Chairman, Independent Non-Executive Director	Retired 9 November 2023
A Mervis	Independent Non-Executive Director	To 8 November 2023
	Chairman, Independent Non-Executive Director	Commenced 9 November 2023 and retired 14 March 2024
O Wirth	Independent Non-Executive Director	Commenced 9 November 2023
	Chair, Independent Non-Executive Director	Commenced 14 March 2024
Executive Directors		
O Wirth	Executive Chair	Commenced 4 June 2024
Former Executive Directors		
J King	Chief Executive Officer and Managing Director	Retired 3 June 2024
Other Executive KMP		
M Jackman	Chief Financial Officer	Commenced 1 February 2024
A Sutton	Executive General Manager Stores	To 3 June 2024
	Chief Operating Officer	Commenced 4 June 2024
A Winstanley	Chief Merchandise Officer	Full year
Former Executive KMP		
N Chadwick	Chief Financial Officer	Retired 31 January 2024

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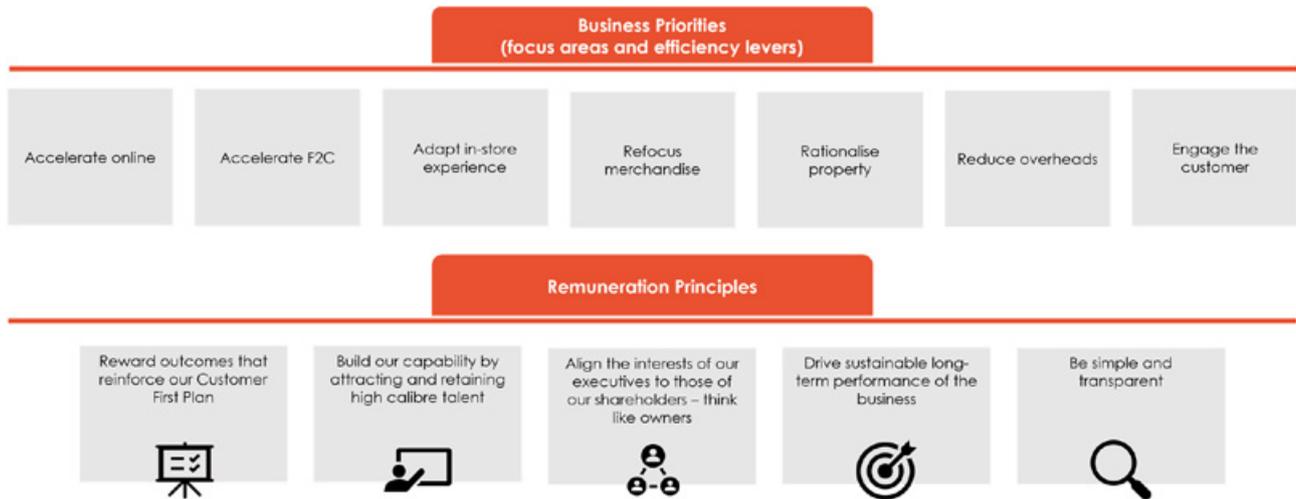
REMUNERATION REPORT

continued

2. Overview

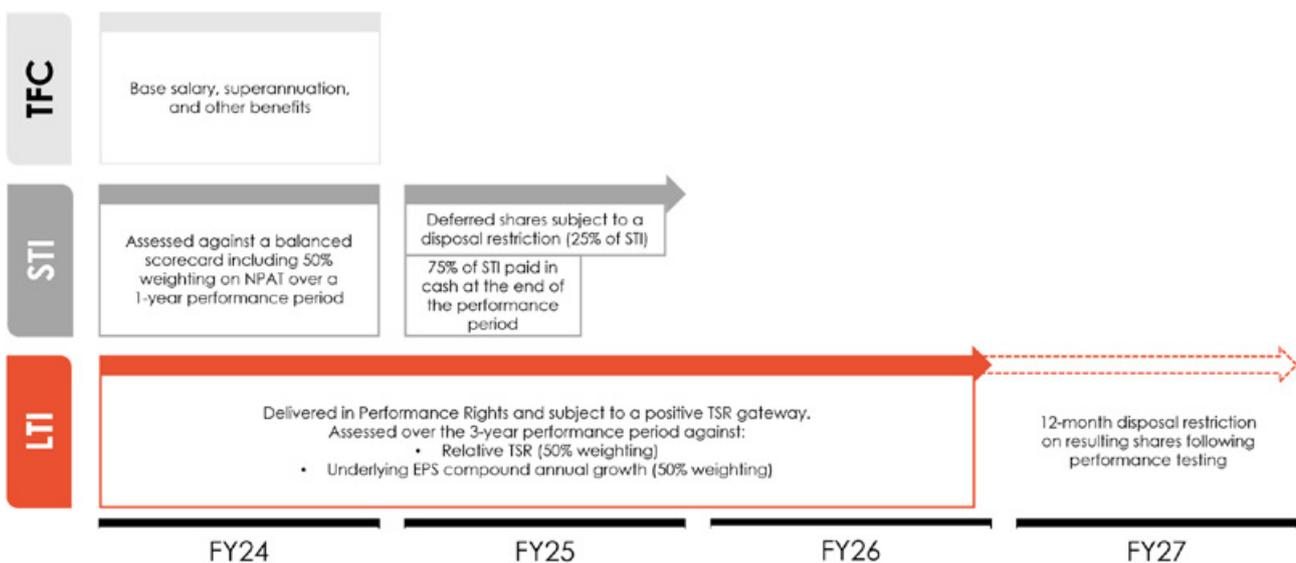
2.1 Objective and Guiding Principles

As with previous years, for FY24, our remuneration objective was to support Executive KMP in delivering a business strategy that puts our customers first and ultimately delivers value to our shareholders.



2.2 FY24 Executive Remuneration

Executive Chair: O Wirth	Retiring Executives: J King and N Chadwick	Other Executive KMP: M Jackman, A Sutton, A Winstanley
<ul style="list-style-type: none"> Did not participate in FY24 STI or FY24 LTI TFC \$1.25M, from commencement as Executive Chair FY25 STI opportunity = 90% of TFC FY25 LTI opportunity = 100% of TFC 	<ul style="list-style-type: none"> No change to TFC Did not participate in FY24 LTI FY24 STI opportunity of 116.7% and 83.3% respectively FY24 STI delivered at 20% of target, and pro-rated to reflect portion of year served FY22 and FY23 LTI forfeited on a pro-rata basis, with balance to be tested in ordinary course 	<ul style="list-style-type: none"> FY24 STI outcome of 20% of target for all participants A Sutton's TFC increased to \$810,330 upon promotion to Chief Operating Officer role M Jackman's TFC was \$650,000 upon promotion to Chief Financial Officer role A Winstanley's TFC did not change during FY24 FY24 STI opportunity = 65% of TFC FY24 LTI opportunity = 55% of TFC



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2.3 Company Performance for FY24

The Company's remuneration structure aligns Executive KMP remuneration with shareholder interests over the short and long term and provides an appropriate reward on delivering our strategy.

The table below presents the Company's annual performance against key financial metrics since 2020.

	FY20	FY21	FY22	FY23	FY24
Basic EPS (cents)	(21.0)	5.7	6.0	7.4	5.2
Basic EPS (cents) – adjusted ⁽¹⁾	(1.6)	6.3	7.3	8.7	6.3
Net profit after tax (NPAT) (pre implementation costs and individually significant items) (\$m)	(13.4)	51.7	60.2	71.1	52.6
NPAT (post implementation costs and individually significant items) (\$m)	(172.4)	46.4	49.0	60.4	43.5
Dividends (cents per share)	-	-	4.0	9.0	3.5
Share price at beginning of year (\$)	0.53	0.21	0.49	0.47	0.65
Share price at end of year (\$)	0.21	0.49	0.47	0.65	0.82
Market capitalisation (\$m)	172.5	402.4	386.0	533.8	682.1

(1) Basic EPS is adjusted to exclude implementation costs and individually significant items. Refer to Section 8 of the Directors' Report for further details. The Directors believe this metric is more relevant as it excludes individually significant items that may not recur and may not be predictive of future performance.

2.4 Incentive Outcomes

FY24 STI Outcome

The Board set challenging performance targets for the FY24 STI.

The FY24 STI outcome (award of 20% of maximum STI opportunity) reflected the challenging consumer and trading environment in FY24. The challenging NPAT target set by the Board was not met this year, reflecting the impact of the headwinds generated from the macroeconomic environment.

The remaining STI metrics were operational objectives, aligned with key priorities of the Customer First Plan. These measures comprised online EBIT, bricks & mortar EBITDA per square metre, customer service satisfaction, stock turn performance and MYER one tag rate. Two of the five measures reached the challenging targets set by the Board, these being the MYER one tag rate and customer service satisfaction. Achievement of these targets was pleasing given the importance of these metrics with the results demonstrating our continued commitment to a positive customer experience.

Progress was made in key areas that contribute to the remaining three measures, however the performance was not enough to meet the challenging threshold targets set at the start of the performance period. The Board is satisfied that the STI measures for FY24 were appropriate and well aligned with shareholder outcomes and will continue to challenge Management with metrics fully aligned with the Company's strategic priorities.

The FY24 STI awarded to each Executive KMP are detailed in the table at Section 7. The payment of a STI award for FY24 represents the fourth time that the Company has paid such an award to Executive KMP since the STI award relating to FY16.

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The following table details FY24 STI scorecard measures and assessment applied to Executive KMP.

Objectives	2024 Performance Assessment	Commentary
Financial Objectives (50% weighting)		
NPAT	Threshold hurdle not met	<ul style="list-style-type: none"> This outcome is a reflection of the challenging consumer and trading environment, impact of store closures and underperformance of Myer Speciality Brands
Operational Objectives (50% weighting, 10% for each measure)		
Online Earnings Before Interest and Taxes	Threshold hurdle not met	<ul style="list-style-type: none"> Online EBIT improved again year on year, but stretch objectives were not achieved
Customer Service Satisfaction	Maximum hurdle met	<ul style="list-style-type: none"> Reflecting the continued focus on the customer experience, there was further improvement in this important metric, with customer service satisfaction of 84.6% achieved for FY24. Results for this metric have improved significantly since inception of Customer First Plan
Department Store, Bricks and Mortar EBITDA per square metre	Threshold hurdle not met	<ul style="list-style-type: none"> Performance in FY24 was impacted by the challenging trade environment and inflationary cost increases, and therefore productivity improvement targets were not met
Stock turn	Threshold hurdle not met	<ul style="list-style-type: none"> Stock-turn was broadly consistent to prior period, and did not meet the stretch objectives
MYER one tag rate (in-store and online) %	Maximum hurdle met	<ul style="list-style-type: none"> Tag rate increased significantly again year on year, finishing the year at a new record level of 77.2%
% of Maximum Achieved: 20%		

FY22 LTI Outcome

The FY22 LTI assessed performance over a three-year performance period, against relative TSR (50% weighting) and EPS (50% weighting) performance metrics.

The relative TSR component vested in full, reflecting Myer's performance in the top decile of the comparator group.

The TSR performance reflects the strong share price growth during the performance period, during which the Company also returned to paying dividends for the first time since FY17.

The TSR performance rights held by Management will convert into restricted shares following the release of the FY24 results (or in the case of Mr King, following the release of the FY25 results), on and subject to the terms of the FY22 LTI Plan.

The EPS performance targets were not achieved, and accordingly 50% of the LTI will not vest.

Vested performance rights which convert to restricted shares following the release of the FY24 results, will be subject to a 12-month disposal restriction.

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2.5 Payments to Executive KMP in FY24 (Non-Statutory)

The table below sets out the actual remuneration received by Executive KMP in FY24. The table has not been prepared in accordance with accounting standards but has been provided to outline clearly the remuneration outcomes for Executive KMP. Remuneration outcomes prepared in accordance with the accounting standards are provided in Section 7.

Name	Cash salary ⁽¹⁾ \$	Super-annuation ⁽²⁾ \$	Short Term Incentive		Long Term Incentive	Termination and other payments \$	Actual FY24 Remuneration \$
			FY23 STI ⁽³⁾ \$	Vested & exercised TIP/STI ⁽⁴⁾ \$	Vested & exercised LTIP \$		
Executive Directors							
O Wirth ⁽⁵⁾	198,462	4,663	-	-	-	-	203,125
Other Executive KMP							
M Jackman ⁽⁶⁾	311,090	13,910	-	-	-	-	325,000
A Sutton ⁽⁷⁾	698,970	27,610	47,687	81,100	887,188	-	1,742,555
A Winstanley ⁽⁸⁾	855,620	-	57,441	97,688	1,068,657	-	2,079,406
Former Disclosed Executives							
N Chadwick ⁽⁹⁾	499,789	18,266	56,972	97,564	1,068,657	77,117	1,818,365
J King ⁽¹⁰⁾	1,005,000	-	113,400	196,022	2,520,770	114,990	3,950,182

- (1) Cash salary includes short-term compensated absences, any salary sacrifice arrangement implemented by the Executive KMP, including additional superannuation contributions.
- (2) Executive KMP receive a statutory superannuation contribution up to a threshold limit in line with the ATO published maximum superannuation contribution base.
- (3) STI payments relating to FY23 performance and conditions, but paid during FY24. Includes only the non-deferred component.
- (4) Shares relating to conversion of the 24-month deferred rights awarded under the FY21 TI plan, and shares awarded under the FY23 STI plan that were subject to a 12-month disposal restriction. These shares were issued following the opening of a trading window after the release of the FY23 Results and the Myer share price at issue was \$0.49.
- (5) Ms Wirth was appointed as Executive Chair and Director on 4 June 2024. The remuneration in the above table relates only to the time Ms Wirth was considered an Executive KMP.
- (6) Mr Jackman was promoted to Chief Financial Officer on 1 February 2024. The remuneration in the above table relates only to the time Mr Jackman was considered a KMP.
- (7) Mr Sutton was promoted to Chief Operating Officer on 4 June 2024.
- (8) Mr Winstanley does not receive superannuation contributions due to his tax status. As per the terms of his employment contract, Mr Winstanley is entitled to other support, including a health insurance allowance and return flights home. This support has not been included in this table. More details can be found in Section 7.
- (9) Mr Chadwick stepped down as Chief Financial Officer on 31 January 2024 and his notice period concluded on 13 March 2024. Mr Chadwick's other payment represents the payment of accrued annual leave.
- (10) Mr King stepped down as CEO and Managing Director on 3 June 2024 and his other payment represents the payment of accrued annual leave. Mr King does not receive superannuation contributions due to his tax status. As per the terms of his employment contract, Mr King was entitled to other support including a health insurance allowance, relocation expenses for spouse and return flights home. This support has not been included in this table. More details can be found in Section 7.

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3. Executive KMP Remuneration

Executive KMP remuneration is delivered through a mix of fixed and variable pay, and a blend of short and long term incentives. As outlined in the Remuneration Structure in Section 2.2, the core components are TFC, STI and LTI.

3.1 Total Fixed Compensation (TFC)

TFC is set at a level to attract and retain high calibre executives that can deliver our strategy.

The Human Resources and Remuneration Committee (**Committee**) reviews and makes recommendations to the Board regarding TFC for Executive KMP, having regard to performance, skills, responsibilities and relevant comparative remuneration in the market.

As was disclosed in the Company's ASX announcement on 14 March 2024, Ms Wirth commenced as Executive Chair from 4 June 2024, on a TFC of \$1,250,000. Ms Wirth's package recognises the skills and experience required for the role and the Board is satisfied that the package was appropriate and necessary to attract and retain such a high-quality candidate.

3.2 FY24 Short Term Incentive (STI) plan

The STI is designed to drive the achievement of annual financial, operational and strategic objectives, aligned to the accelerated Customer First Plan.

The FY24 STI followed a similar design to the FY23 STI plan.

It assessed participants on a group-wide corporate scorecard, 50% of which was assessed against a Group NPAT target. The full scorecard is disclosed at Section 2.4.

The Board set stretching targets within the STI, and have the ability to exercise discretion where scorecard outcomes are not considered appropriate in the context of broader circumstances.

For Executive KMP, 25 percent of vested FY24 STI will be delivered in deferred shares subject to a one-year disposal restriction.

The number of deferred shares (subject to a disposal restriction) granted is determined by dividing the dollar value of the deferred share component of the STI outcome by the volume weighted average price (VWAP) of the Company's shares over the five trading days following the release of the Company's FY24 results.

Subject to applicable law relating to the provision of benefits, and unless the Board determines otherwise, participants leaving employment during the performance year due to termination for cause, gross misconduct or resignation are generally not eligible to receive an award under the STI plan.

Participants leaving employment during the performance year for other reasons will be entitled to receive a pro-rata award.

The STI plan allows the Board to take any steps that it determines appropriate to recover from Executive KMP any STI reward that was determined to have been an "unfair benefit" as a result of a material misstatement in, or omission from, the Company's financial statements or concerning the satisfaction of targets applicable to the STI. The Board may also adjust the award in cases of fraud, dishonest or gross misconduct, unsustainable performance involving high-risk actions and bringing the company into disrepute.

The Board has absolute discretion in relation to the treatment, payment or provision of STI awards on a change of control, which it would exercise in the best interests of the Company.

3.3 FY24 Long Term Incentive (LTI) plan

The LTI is designed to complement the STI, in promoting the delivery of strategic objectives and long term value to shareholders.

The FY24 LTI followed a similar design to the FY23 LTI plan.

It is delivered in performance rights, and assesses performance over a 3-year period (30 July 2023 to 25 July 2026). An additional 12-month disposal restriction is applied to any awards that vest.

The number of performance rights granted is determined by dividing an individual's LTI opportunity by the volume weighted average price (**VWAP**) of the Company's shares over the five trading days following the release of the Company's results. For the FY24 LTI, this price was \$0.6172 (representing the VWAP for the 5 trading days commencing on 14 September 2023).

In order for any of the FY24 LTI to be eligible to vest, Myer must deliver a positive TSR to shareholders over the performance period.

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Where absolute TSR performance is positive over the performance period, performance rights will be assessed against underlying EPS growth (50% weighting) and relative TSR (50% weighting) objectives, based on the below vesting schedules:

Underlying EPS – Compound annual growth rate (50% weighting)		Relative total shareholder return (50% weighting)	
Performance	Vesting outcome	Performance	Vesting outcome
Below 4%	Nil	Below 50th percentile	Nil
At 4%	50%	At 50th percentile	50%
Between 4% and 10%	Straight line pro-rata vesting between 50% and 100%	Between 50th percentile and 75th percentile	Straight line pro-rata vesting between 50% and 100%
At or above 10%	100%	At or above 75th percentile	100%

The comparator group of companies used for the relative TSR measure in FY24 is as follows: Accent Group, Adairs, Baby Bunting, Beacon Lighting, Cettire, Endeavour Group, Harvey Norman Holdings, JB Hi-Fi, Kogan, Lovisa Holdings, Metcash, Michael Hill International, Nick Scali, Premier Investments, Super Retail Group, Temple & Webster Group, Universal Store Holdings, Wesfarmers and Woolworths. This comparator group was selected by the Board based on the same criteria used in selecting the group used for the FY23 LTI grant. The peer group may, at the discretion of the Board, be adjusted to take into account events during the performance period including, but not limited to, takeovers, mergers, de-mergers and de-listings.

Subject to applicable law relating to the provision of benefits, and unless the Board determines otherwise, generally, if the Executive ceases employment on or before the vesting date due to termination for cause, gross misconduct or resignation, they will forfeit any interest in the rights. If employment ceases on or before the vesting date for other reasons, the Executive as a "good leaver", will retain a pro-rata interest in the rights. The calculation is determined based on portion of the performance period served as an employee.

The Board has discretion to allow full or pro-rated accelerated vesting of performance rights in the event of certain change of control events, having regard for the relevant circumstances. The Rules also provide for an automatic pro-rated accelerated vesting on the occurrence of certain limited change of control events, if the Board does not elect to exercise discretion as referred above.

The LTI plan allows the Board to take any steps that it determines appropriate to recover from Executives KMP any LTI award that vests or may vest if it was determined to have been an 'unfair benefit' as a result of a material misstatement in, or omission from, the Company's financial statements or concerning the satisfaction of KPI applicable to the LTI. The Board may also adjust the award in cases of fraud, or dishonest or gross misconduct, unsustainable performance involving high-risk actions and bringing the Company into disrepute.

The rights and entitlements attaching to performance rights may be adjusted if the Company undertakes a bonus or rights issue or a capital reconstruction in relation to the Company's shares. For example, in the event of a rights issue, the number of shares to be allocated on the exercise of performance rights may be changed in a manner determined by the Myer Board and consistent with the ASX Listing Rules.

Executives are forbidden from entering into any hedging arrangements affecting their economic exposure to performance rights or restricted shares. Executives are also forbidden from entering into transactions or arrangements prohibited under the Company's Securities Dealing Policy.

FY24 LTI allocations

Olivia Wirth, John King and Nigel Chadwick did not participate in the FY24 LTI.

The following table summarises the FY24 LTI awards granted to Executive KMP.

Name	Number of performance rights granted	Valuation of each performance right at grant date ⁽¹⁾ \$	Exercise price \$	Applicable hurdles	End of performance period
M Jackman ⁽²⁾	266,505	0.2237	Nil	TSR	25 July 2026
	266,505	0.2573	Nil	EPS	25 July 2026
A Sutton	316,495	0.2237	Nil	TSR	25 July 2026
	316,495	0.2573	Nil	EPS	25 July 2026
A Winstanley	381,230	0.2237	Nil	TSR	25 July 2026
	381,230	0.2573	Nil	EPS	25 July 2026

(1) The valuation is calculated in accordance with AASB 2 Share-based Payment.

(2) Mr Jackman was promoted to Chief Financial Officer on 1 February 2024 and received 225,170 additional performance rights under the FY24 LTI plan granted on 22 November 2023, calculated on a pro-rata basis from commencement of his new role.

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4. Executive KMP Service Agreements

Remuneration and other terms of employment for the Executive Chair, and Other Executive KMP are formalised in service agreements.

No members of Executive KMP are employed on a fixed term basis.

Ms Wirth's service agreement provides a 12-month notice period for termination of employment by either party, except that such notice period, where given by the Executive Chair, may not end prior to 14 March 2026.

As part of the terms of her service agreement, Ms Wirth is also eligible to receive subsidised accommodation in Melbourne as and when required, of a standard and at a cost reasonably acceptable to both Ms Wirth and the Company.

The service agreements of Other Executive KMP provide a 6-month notice period for termination of employment by either party. The exception to this was John King's service agreement, which provided for 12 months' notice by either party.

Mr King and Mr Winstanley were provided with support relating to their relocations, and were entitled to the following benefits:

- Coverage of costs associated with moving personal and household items, tax services and rental assistance for the first year of their assignments;
- Health care coverage and two return flights for self and spouse to and from the USA or the United Kingdom annually, and other costs related to their Australian residency; and
- The cost to the Company in providing this support for the period ended 27 July 2024 is summarised in Section 7.

5. Non-Executive Director Remuneration

Non-Executive Director fees

Below is a summary of Myer's approach to Non-Executive Director remuneration.

Base Annual Fees	FY24
Chairman (only applicable until 3 June 2024, after which Ms Wirth assumed role of Executive Chair)	250,000
Other Non-Executive Directors	100,000
Additional annual fees	
Deputy Chair and Lead Independent Director	50,000
Audit Finance and Risk Committee – Chairman	20,000
Audit Finance and Risk Committee – member	-
Human Resources and Remuneration Committee – Chairman	20,000
Human Resources and Remuneration Committee – member	-
Nomination Committee – Chairman	-
Nomination Committee – member	-

Myer has not made any increases to base Non-Executive Director fees for several years. Its maximum aggregate fee pool has remained at \$2.15 million per annum since the Company listed in 2009.

The Board, on the recommendation of the Human Resources and Remuneration Committee, reviews Non-Executive Directors' fees and payments at least once a year. As part of that review, the Board considers the advice of independent remuneration consultants.

Non-Executive Directors are not entitled to any additional remuneration upon retirement. Superannuation contributions required by legislation are made from the fee paid to Directors and fall within the aggregate fee pool limit.

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The table below shows the remuneration recorded in the financial statements in the period for Non-Executive Directors:

Name	FY	Board & Committee Fees \$	Superannuation \$	Total \$
Non-Executive Directors				
D Whittle	2024	106,750	13,250	120,000
	2023	107,350	12,650	120,000
J Naylor	2024	106,750	13,250	120,000
	2023	107,350	12,650	120,000
T McCartney ⁽¹⁾	2024	88,958	11,042	100,000
	2023	64,710	7,638	72,348
G Weiss AM ⁽²⁾	2024	75,629	9,418	85,047
	2023	-	-	-
R Perry ⁽³⁾	2024	21,886	2,752	24,638
	2023	-	-	-
Former Non-Executive Directors				
J Stephenson ⁽⁴⁾	2024	61,550	7,579	69,129
	2023	224,532	25,468	250,000
A Mervis ⁽⁵⁾	2024	102,247	12,597	114,844
	2023	89,458	10,542	100,000
O Wirth ⁽⁶⁾	2024	79,445	9,800	89,245
	2023	-	-	-
Total Non-Executive Directors				
	2024	643,215	79,688	722,903
	2023	593,400	68,948	662,348

(1) Mr McCartney was appointed as a Non-Executive Director on 10 November 2022.

(2) Mr Weiss was appointed as a Non-Executive Director on 9 November 2023 before assuming the role of Deputy Chair and Lead Independent Director on 14 March 2024.

(3) Mr Perry was appointed as a Non-Executive Director on 2 May 2024.

(4) Ms Stephenson retired as a Non-Executive Director on 9 November 2023.

(5) Mr Mervis was appointed as Chairman on 9 November 2023 before retiring from the Board on 14 March 2024.

(6) Ms Wirth was appointed as a Non-Executive Director on 9 November 2023 before assuming the role of Chair on 14 March 2024, and then the role of Executive Chair from 4 June 2024.

Minimum Shareholding Policy

Each Non-Executive Director will target a shareholding in the Company that, as at the date of the last purchase, is equivalent to at least one year's Non-Executive Director's base fees, progressively over three years from the date of their appointment, for new Non-Executive Directors.

All Non-Executive Directors are currently in compliance with the Minimum Shareholding Policy.

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REMUNERATION REPORT

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6. Remuneration Governance

6.1 Human Resources and Remuneration Committee

The Board reviews its role, responsibilities, and performance annually to ensure that the Company continues to maintain and improve its governance standards.

The Board is responsible for ensuring the Company's remuneration strategy is equitable and aligned with Company performance and shareholder interests. The Board conducts an annual review of the remuneration strategy of the business. To assist with this, the Board has established a Human Resources and Remuneration Committee (**Committee**) made up of Non-Executive Directors only. The Committee Charter is available on the Company's Investor Centre website.

When making remuneration decisions, the Committee will also consider the Company's internal succession plan and capability profile.

The Committee comprises Ms Jacque Naylor as Chairman and Mr Terry McCartney and Mr David Whittle as members.

In performing its role, the Committee has the responsibility to make recommendations to the Board on:

- Non-Executive Director fees;
- Executive remuneration (for the Executive Chair, and other Executives) including specific recommendations on remuneration packages and other terms of employment;
- The overarching remuneration framework including the policy, strategy and practices for fixed reward and both short and long term incentive plans; and
- The health of the organisation, suitable succession coverage, organisational culture and diversity.

The Committee has been established under rule 8.15 of the Constitution of the Company. Further information on the role of the Committee, its membership and meetings held throughout the year will be set out in the Corporate Governance Statement (available on the Company's website) and the Directors' Report.

The Executive Chair (and previously, the CEO and Managing Director), the CFO, and the General Manager, People & Culture are regular attendees at the Committee meetings. The above individuals were not present during any Committee or Board meetings when their remuneration was considered or discussed during the financial period.

The Committee must at all times have regard to, and notify the Board as appropriate, of all legal and regulatory requirements, including any shareholder approvals required in connection with remuneration matters.

The Committee Chairman or, if she is not available, a Committee member, will attend the AGM and be available to answer any questions from shareholders about the Committee's activities or, if appropriate, the Company's remuneration arrangements.

While the Committee obtained independent advice from remuneration consultants during FY24, no remuneration recommendations (as defined in the *Corporations Act 2001*) were provided.

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7. Executive KMP Statutory Disclosures

The following table shows details of the nature and amount of each element of the remuneration paid or awarded for services provided in this period. In the case of share-based payments and retention incentives, the amounts disclosed reflect the amount expensed during the period in accordance with relevant accounting standards and accordingly this does not necessarily reflect the amount actually paid to the individual during the period, which may be more or less than the amount shown in the following tables.

Name	FY	Short-term employee benefits				Post employment benefits ⁽⁵⁾	Other benefits			Total remuneration expense			% of remuneration consisting of rights and/or options
		Cash salary ⁽¹⁾	STI / TI ⁽²⁾	Non-Monetary ⁽³⁾	Annual Leave ⁽⁴⁾		Long service leave ⁽⁷⁾	Termination & other payments	Excluding share-based payments	Share-based payment expense ⁽⁸⁾	Performance related remuneration	Total	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Executive Directors													
O Wirth ⁽⁹⁾	2024	198,462	-	7,266	14,177	4,663	224,568	647	-	225,215	-	225,215	0%
	2023	-	-	-	-	-	-	-	-	-	-	-	0%
Executive KMP													
M Jackman ⁽¹⁰⁾	2024	311,090	30,991	350	(157)	13,910	356,184	40,299	-	396,483	64,734	461,217	14%
	2023	-	-	-	-	-	-	-	-	-	-	-	-
A Sifton	2024	698,970	70,704	474	12,663	27,610	810,421	20,538	-	830,959	237,237	1,068,196	22%
	2023	673,309	47,687	450	(18,639)	25,468	728,275	12,828	-	741,103	381,623	1,122,726	34%
A Winstanley ⁽¹¹⁾	2024	855,620	83,423	83,973	(6,919)	-	1,016,097	21,658	-	1,037,755	301,586	1,339,341	23%
	2023	841,707	57,441	73,185	(62,734)	-	909,599	23,875	-	933,474	459,683	1,393,157	33%
Formerly Disclosed Executives													
J King ⁽¹²⁾	2024	1,119,990	178,851	51,471	(92,307)	-	1,258,005	(67,032)	-	1,190,973	553,725	1,744,698	32%
	2023	1,200,000	113,400	71,645	(9,451)	-	1,375,594	32,935	-	1,408,529	1,042,701	2,451,230	43%
N Chadwick ⁽¹³⁾	2024	480,792	65,356	-	(75,131)	13,699	484,716	(48,158)	100,680	537,238	200,696	737,934	27%
	2023	809,282	56,972	391	19,022	25,468	911,135	23,224	-	934,359	459,548	1,393,907	33%
Total KMP Remuneration													
	2024	3,664,924	429,325	143,534	(147,674)	59,882	4,149,991	(32,048)	100,680	4,218,623	1,357,978	5,576,601	
	2023	3,524,298	275,500	145,671	(71,802)	50,936	3,924,603	92,862	-	4,017,465	2,343,555	6,361,020	

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Footnotes

- (1) Cash salary includes short-term compensated absences, including any salary sacrifice arrangement implemented by the Executive KMPs, including additional superannuation contributions.
- (2) STI / TIP payments relate to program performance and conditions for the year they were earned, not the year of actual payment.
- (3) Non-monetary short-term benefits include Fringe Benefits Tax paid by the Company in respect of Company provided car parking up to the end of March 2024 (in accordance with the FBT year), mobile phone expenses and other items referred to in footnotes (11) and (12) for Mr Winstanley and Mr King, respectively.
- (4) This reflects the movement in annual leave accrual.
- (5) There were no post-employment benefits other than superannuation.
- (6) Executive KMP receive a statutory superannuation contribution up to a threshold limit in line with the ATO published maximum superannuation contribution base, with the exception of Mr King and Mr Winstanley, who do not receive superannuation due to their tax status.
- (7) This benefit includes the movement in long service leave accrual.
- (8) The share-based payment expense represents the amount expensed for the period based on valuations determined under AASB 2 Share Based Payment. This expense is based on the fair value at grant date, and reflects expectations of the number of rights and options expected to vest. Where expectations change in relation to vesting, adjustment is made in the current period to reflect this change. As the equity grant may fully vest, partially vest or not vest at all, the benefit that the Executive KMP ultimately realises is likely to be different to the amount disclosed in a particular year. The amount disclosed does not represent cash payments received in the period, and if vesting conditions are not met, may result in reversal of the remuneration amount in a future period.
- (9) Ms Wirth commenced as Executive Chair and Director on 4 June 2024. Ms Wirth's other short-term benefits include return flights from Sydney to Melbourne and accommodation in Melbourne as and when required, under the terms of her employment contract.
- (10) Mr Jackman was appointed as Chief Financial Officer on 1 February 2024. The figures in this table relate to the period of the year that he was considered KMP.
- (11) Mr Winstanley's other short-term benefits include annual leave accrual, a health insurance allowance, and return flights home under the terms of his employment contract.
- (12) Mr King's short-term benefits include annual leave accrual, a health insurance allowance, relocation expenses for spouse, and return flights home under the terms of his employment contract. Mr King stepped down as CEO and Managing Director on 3 June 2024 and his cash salary includes a \$114,990 payment for accrued annual leave.
- (13) Mr Chadwick stepped down as Chief Financial Officer on 31 January 2024 and his notice period concluded on 13 March 2024, and his cash salary includes a \$77,117 payment for accrued annual leave.

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REMUNERATION REPORT

continued

7.1 Invested Performance Rights and Options

Details of performance rights and options granted to Executive KMP under the previous equity incentive plans that remain unvested as at 27 July 2024 are set out in the table below.

Grant type	Grant date	Number of instruments ⁽¹⁾	Value per instrument at grant date \$	Vesting date (if holder remains employed by a Myer Group Company)
Other Executive KMP Rights (EPS hurdle)	10-Nov-21	670,704	\$0.40	September 2024
Other Executive KMP Rights (TSR hurdle)	10-Nov-21	670,704	\$0.38	September 2024
Other Executive KMP Rights (EPS hurdle)	16-Nov-22	800,477	\$0.46	September 2025
Other Executive KMP Rights (TSR hurdle)	16-Nov-22	800,477	\$0.44	September 2025
Other Executive KMP Rights (EPS hurdle)	22-Nov-23	964,230	\$0.26	September 2026
Other Executive KMP Rights (TSR hurdle)	22-Nov-23	964,230	\$0.22	September 2026
STI Rights	24-Nov-23	TBC ⁽²⁾	TBC ⁽²⁾	September 2024
Total		4,870,822		

- (1) Mr King and Mr Chadwick retired from their roles during FY24 and accordingly their holdings at the end of the period have not been included.
(2) The number of rights granted and converted into deferred shares will be determined by dividing the dollar value of the rights component of the FY24 STI plan award by the volume weighted average price of the Company's shares over a period of trading days determined by the Board following the release to the market of the Company's full year FY24 results. The deferred shares will be subject to a one-year disposal restriction period.

Details of performance rights or options over ordinary shares in the Company currently provided as remuneration and granted during FY24 to Executive KMP are set out in sections 7.2 and 7.4. Further information on the LTI, TI, and STI plans are set out in note H4 of the Financial Statements.

7.2 Equity Instruments Granted to Executive KMP in FY24

Name	Vesting Date	Number of performance rights granted ⁽¹⁾⁽³⁾	Value of performance rights at grant date ⁽²⁾⁽³⁾ \$	Number of rights and options vested during the period
M Jackman	30-Sep-26	533,010	328,974	-
A Sutton	30-Sep-26	632,990	390,682	2,409,163
A Winstanley	30-Sep-26	762,460	470,591	2,901,944
Former Disclosed Executives				
N Chadwick	n/a	-	-	2,901,690
J King	n/a	-	-	6,642,045

- (1) No performance rights were granted to Non-Executive Directors during the reporting period.
(2) The face value for allocating rights under the FY24 LTI plan was \$0.62, based on the volume weighted average price of the Company's shares over the five trading days following the release of the Company's FY23 results.
(3) Rights for the equity component of the FY24 STI plan were granted on 24 November 2023. The number of rights granted and converted into deferred shares will be determined by dividing the dollar value of the rights component of the FY24 STI plan award by the volume weighted average price of the Company's shares over a period of trading days determined by the Board following the release to the market of the Company's full year FY24 results. Therefore, the rights are not reflected in the numbers disclosed in the above table.

7.3 Shares Provided on Exercise of Rights or Options

The KMP were provided ordinary shares as a result of exercise of options or rights.

Name	Number of ordinary shares provided on exercise of rights or options during the period	Value at exercise date ⁽¹⁾ \$
M Jackman ⁽²⁾	-	-
A Sutton	1,382,724	908,805
A Winstanley	1,665,552	1,094,696
Former Disclosed Executives		
N Chadwick	1,665,298	1,094,572
J King	704,769	375,809

- (1) The value at exercise date of options and rights that were granted in prior periods as part of remuneration and were exercised during the period has been determined as the intrinsic value of the rights at that date. This represents the market value of the share acquired.
(2) Mr Jackman became KMP on promotion to Chief Financial Officer on 1 February 2024. No ordinary shares have been provided to him on exercise of rights or options since that date.

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REMUNERATION REPORT

continued

7.4 Performance Options and Performance Rights on Issue

For each grant of performance options or performance rights included in this report, the percentage of the grant that was paid, or that vested, in the financial period, and the percentage and value that was forfeited because the service and performance criteria were not met is set out below. Options and performance rights vest provided the vesting conditions or performance hurdles are met. No options or performance rights will vest if the hurdles (either service or performance) are not satisfied, therefore the minimum value of the performance options or performance rights yet to vest is nil.

Name	Grant date	Equity Vehicle	Vested %	Forfeited %	Maximum total value of grant yet to be expensed ⁽¹⁾
M Jackman ⁽²⁾	24-Nov-23	Rights ⁽⁶⁾	-	-	2,583
	22-Nov-23	Rights	-	-	87,708
	16-Nov-22	Rights	-	-	43,755
	10-Nov-21	Rights	-	-	2,125
	21-Nov-19	Options	-	-	-
A Sutton	24-Nov-23	Rights ⁽⁶⁾	-	-	3,367
	22-Nov-23	Rights	-	-	98,952
	16-Nov-22	Rights	-	-	97,718
	7-Nov-22	Rights ⁽⁵⁾	100%	-	-
	10-Nov-21	Rights	-	-	5,636
	15-Dec-20	Rights ⁽⁴⁾	50%	-	-
	9-Nov-20	Rights ⁽³⁾	100%	-	-
21-Nov-19	Options	50%	-	-	
A Winstanley	24-Nov-23	Rights ⁽⁶⁾	-	-	3,973
	22-Nov-23	Rights	-	-	24,816
	16-Nov-22	Rights	-	-	53,389
	7-Nov-22	Rights ⁽⁵⁾	100%	-	-
	10-Nov-21	Rights	-	-	6,788
	15-Dec-20	Rights ⁽⁴⁾	50%	-	-
	9-Nov-20	Rights ⁽³⁾	100%	-	-
21-Nov-19	Options	50%	-	-	
Formerly Disclosed Executives					
J King ⁽⁷⁾	24-Nov-23	Rights ⁽⁶⁾	-	-	-
	16-Nov-22	Rights	-	38%	-
	7-Nov-22	Rights ⁽⁵⁾	100%	-	-
	10-Nov-21	Rights	-	5%	-
	15-Dec-20	Rights ⁽⁴⁾	50%	-	-
	9-Nov-20	Rights ⁽³⁾	100%	-	-
21-Nov-19	Options	50%	-	-	
N Chadwick ⁽⁸⁾	24-Nov-23	Rights ⁽⁶⁾	-	-	-
	16-Nov-22	Rights	-	46%	-
	7-Nov-22	Rights ⁽⁵⁾	100%	-	-
	10-Nov-21	Rights	-	12%	-
	15-Dec-20	Rights ⁽⁴⁾	50%	-	-
	9-Nov-20	Rights ⁽³⁾	100%	-	-
21-Nov-19	Options	50%	-	-	

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REMUNERATION REPORT

continued

Footnotes

- (1) This represents the maximum remaining accounting value of the LTI and STI plan awards (rights and options) as at their grant date.
- (2) No rights or options have vested since Mr Jackman became KMP on promotion to Chief Financial Officer on 1 February 2024.
- (3) Performance rights granted on 9 November 2020 were tested following the release of the FY23 results, maximum performance under both the EPS and TSR conditions was achieved resulting in 100 percent vesting.
- (4) During the period the remaining 50 percent of the total deferred rights awarded under the FY21 TI plan vested following completion of the attached two-year service period.
- (5) During FY24 rights were issued for the equity component of the FY23 STI plan that was granted on 7 November 2022. The number of rights was determined by dividing the dollar value of the rights component of the award by the volume weighted average price of the Company's shares over the five trading days immediately following the release to the market of the Company's full year FY23 results. The rights then automatically converted to deferred shares on a one for one basis.
- (6) Rights to deferred shares relating to the FY24 STI plan. The number of rights granted and converted into deferred shares will be determined by dividing the dollar value of the rights component of the STI award by the volume weighted average price of the Company's shares over a period of trading days determined by the Board following the release to the market of the Company's full year FY24 results.
- (7) Mr King stepped down as CEO and Managing Director on 3 June 2024. Performance rights related to the FY22 and FY23 LTI plans were forfeited on a pro-rata basis, with the balance to be tested in ordinary course as per the original terms.
- (8) Mr Chadwick stepped down as Chief Financial Officer on 31 January 2024 and his notice period concluded on 13 March 2024. Performance rights related to the FY22 and FY23 LTI plans were forfeited on a pro-rata basis, with the balance to be tested in ordinary course as per the original terms.

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REMUNERATION REPORT

continued

8. Equity

The number of rights and options over ordinary shares in the Company held during the financial period by Executive KMP of the Company, including their personally related parties, are set out below. No rights or options over ordinary shares are held by Non-Executive Directors.

2024	Opening balance			Granted as compensation			Exercised			Lapsed			Closing balance		
	Options	Rights		Options	Rights ⁽¹⁾⁽²⁾		Options ⁽³⁾	Rights ⁽²⁾		Options	Rights		Options	Rights	
M Jackman ⁽⁴⁾	-	724,542	-	-	225,170	-	-	-	-	-	-	-	-	-	949,712
A Sutton	-	2,502,630	-	-	658,744	-	-	(1,382,724)	-	-	-	-	-	-	1,778,650
A Winstanley	-	3,014,530	-	-	793,482	-	-	(1,665,552)	-	-	-	-	-	-	2,142,460
Former Disclosed Executives															
J King ⁽⁵⁾	2,799,378	6,827,853	-	-	61,244	-	(2,799,378)	(400,045)	-	-	(676,843)	-	-	-	5,812,209
N Chadwick ⁽⁶⁾	-	3,014,530	-	-	30,768	-	-	(1,665,298)	-	-	(423,631)	-	-	-	956,369

(1) Rights for the equity component of the FY24 STI plan were granted on 24 November 2023. The number of rights granted and converted into deferred shares will be determined by dividing the dollar value of the rights component of the FY24 STI plan award by the volume weighted average price of the Company's shares over a period of trading days determined by the Board following the release to the market of the Company's full year FY24 results. Therefore the rights are not reflected in the numbers disclosed in the above table.

(2) During FY24, rights were issued for the equity component of the FY23 STI plan that were granted on 7 November 2022. The number of rights was determined by dividing the dollar value of the rights component of the award by the volume weighted average price of the Company's shares over the five trading days immediately following the release to the market of the Company's full year FY23 results. The rights then automatically converted to deferred shares on a one for one basis.

(3) During the period shares were issued to Mr King on the exercise of performance options granted on 21 November 2019.

(4) The opening balance of Mr Jackman's performance rights reflects the number of rights held when he commenced as a KMP on 1 February 2024 on promotion to Chief Financial Officer. The rights granted during the period reflects the additional rights received on commencing his new role.

(5) Mr King stepped down as CEO and Managing Director on 3 June 2024 and the closing balance of his rights reflects the number held at this date. Performance rights related to the FY22 and FY23 LTI plans were forfeited on a pro-rata basis, with the balance to be tested in ordinary course as per the original terms.

(6) Mr Chadwick stepped down as Chief Financial Officer on 31 January 2024 and his notice period concluded on 13 March 2024. The closing balance of Mr Chadwick's rights reflects the number held on completion of his notice period. Performance rights related to the FY22 and FY23 LTI plans were forfeited on a pro-rata basis, with the balance to be tested in ordinary course as per the original terms.

REMUNERATION REPORT

continued

The number of shares in the Company held during the financial period by each Director of the Company and Executive KMP of the Company, including their personally related parties are set out below.

2024	Opening balance	Received on exercise of rights and/or options to shares	Other changes during the year	Closing balance
D Whittle	266,666	-	-	266,666
J Naylor	211,000	-	39,000	250,000
T McCartney	-	-	200,000	200,000
G Weiss AM ⁽¹⁾	-	-	100,000	100,000
R Perry ⁽²⁾	-	-	-	-
Former Directors				
J Stephenson ⁽³⁾	300,000	-	-	-
A Mervis ⁽⁴⁾	250,000	-	250,000	-
Executive KMP				
O Wirth ⁽⁵⁾	-	-	-	-
M Jackman ⁽⁶⁾	495,065	-	-	495,065
A Sutton	221,383	1,481,861	-	1,703,244
A Winstanley	1,605,140	1,784,967	-	3,390,107
Former Disclosed Executive KMP				
J King ⁽⁷⁾	4,386,941	704,769	-	-
N Chadwick ⁽⁸⁾	853,585	1,784,713	-	-

- (1) Mr Weiss was appointed as a Non-Executive Director on 9 November 2023 before assuming the role of Deputy Chair and Lead Independent Director on 14 March 2024.
- (2) Mr Perry was appointed as a Non-Executive Director on 2 May 2024.
- (3) Ms Stephenson retired as a Non-Executive Director on 9 November 2023. Her holdings at the end of the period have not been reported in the table above.
- (4) Mr Mervis was appointed as a Chairman on 9 November 2023 before retiring from the Board on 14 March 2024. His holdings at the end of the period have not been reported in the table above.
- (5) Ms Wirth was appointed as a Non-Executive Director on 9 November 2023 before assuming the role of Chair on 14 March 2024, followed by the role of Executive Chair from 4 June 2024.
- (6) The opening balance of Mr Jackman's holding reflects the number of shares held when he commenced as a KMP following promotion to Chief Financial Officer on 1 February 2024.
- (7) Mr King stepped down as CEO and Managing Director on 3 June 2024. His holdings at the end of the period have not been reported in the table above.
- (8) Mr Chadwick stepped down as Chief Financial Officer on 31 January 2024 and his notice period concluded on 13 March 2024. His holdings at the end of the period have not been reported in the table above.

9. Other

Securities dealing policy

Under the Securities Dealing Policy, Directors and Senior Executives are prohibited from entering into hedging arrangements with respect to the Company's securities. A copy of the Securities Dealing Policy is available on the Myer Investor Centre website.

Loans with KMP

There were no loans made to Executive KMP or entities related to them, including their personally related parties, at any time during FY23 or FY24.

Transactions with KMP

During the period, Mr King was a director and held shares in Raging Bull Group Limited. During the period ended 27 July 2024, Myer Pty Ltd placed orders for apparel totalling \$1.5 million with Raging Bull Leisure Limited, whose ultimate parent is Raging Bull Group Limited.

The orders have been placed on an arm's length basis under a standard wholesale agreement. As at 27 July 2024, \$0.5 million remained on order and not received, and \$0.2 million was owing to Raging Bull Leisure Limited, in accordance with the terms under the wholesale agreement.

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Auditor's Independence Declaration

As lead auditor for the audit of Myer Holdings Limited for the period ended 27 July 2024, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Myer Holdings Limited and the entities it controlled during the period.

A handwritten signature in black ink that reads 'Alison Tait Milner'.

Alison Tait Milner
Partner
PricewaterhouseCoopers

Melbourne
19 September 2024

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CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 27 July 2024

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period ended 27 July 2024

	Notes	2024 52 weeks \$m	2023 52 weeks \$m
Total sales	A2	3,266.1	3,362.9
Concession sales		(780.3)	(748.3)
Sale of goods	A2	2,485.8	2,614.6
Sales revenue deferred under customer loyalty program		(47.7)	(48.8)
Revenue from sale of goods	A2	2,438.1	2,565.8
Other operating revenue	A2	206.3	194.7
Cost of goods sold		(1,450.0)	(1,535.9)
Operating gross profit		1,194.4	1,224.6
Other income		1.7	-
Selling expenses		(749.1)	(751.1)
Administration expenses		(284.3)	(277.3)
Restructuring, space exit costs, impairments and other significant items	A3	(12.2)	(15.4)
Earnings before interest and tax		150.5	180.8
Finance revenue	A2	5.5	4.7
Finance costs	A3	(92.8)	(96.2)
Net finance costs		(87.3)	(91.5)
Profit before income tax		63.2	89.3
Income tax expense	A4	(19.7)	(28.9)
Profit for the period attributable to owners of Myer Holdings Limited		43.5	60.4
Other comprehensive income			
<i>Items that may be reclassified to profit or loss:</i>			
Cash flow hedges	F2	-	-
Exchange differences on translation of foreign operations	F2	(0.2)	(0.9)
Other comprehensive loss for the period, net of tax		(0.2)	(0.9)
Total comprehensive income for the period attributable to owners of Myer Holdings Limited		43.3	59.5
Earnings per share attributable to the ordinary equity holders of the Company:		Cents	Cents
Basic earnings per share	A5	5.2	7.4
Diluted earnings per share	A5	5.1	7.2

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

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CONSOLIDATED BALANCE SHEET

as at 27 July 2024

	Notes	2024 \$m	2023 \$m
Assets			
Current assets			
Cash and cash equivalents	D1	176.0	179.7
Trade and other receivables and prepayments	B1	32.9	28.4
Inventories	B2	368.5	371.3
Derivative financial instruments	E1	3.8	6.0
Current tax assets		3.2	-
Total current assets		584.4	585.4
Non-current assets			
Property, plant and equipment	C1	317.4	321.7
Right-of-use assets	C4	1,038.5	1,101.4
Intangible assets	C2	305.8	305.2
Deferred tax assets	A4	127.2	121.9
Derivative financial instruments	E1	0.8	0.4
Other non-current assets		1.4	0.8
Total non-current assets		1,791.1	1,851.4
Total assets		2,375.5	2,436.8
Liabilities			
Current liabilities			
Trade and other payables	B3	417.9	401.7
Lease liabilities	C4	161.9	154.3
Provisions	C3	66.2	73.4
Derivative financial instruments	E1	0.3	1.4
Current tax liabilities		-	9.8
Other liabilities		-	0.1
Total current liabilities		646.3	640.7
Non-current liabilities			
Borrowings	D3	62.2	60.1
Lease liabilities	C4	1,405.2	1,490.6
Provisions	C3	6.8	4.9
Total non-current liabilities		1,474.2	1,555.6
Total liabilities		2,120.5	2,196.3
Net assets			
Equity			
Contributed equity	F1	734.0	734.0
Accumulated losses	F2	(492.8)	(503.1)
Reserves	F2	13.8	9.6
Total equity		255.0	240.5

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period ended 27 July 2024

	Notes	Contributed equity \$m	Accumulated losses \$m	Reserves \$m	Total \$m
Balance as at 30 July 2022		737.1	(477.3)	7.6	267.4
Net profit for the period		-	60.4	-	60.4
Other comprehensive loss for the period		-	-	(0.9)	(0.9)
Total comprehensive income/(loss) for the period		-	60.4	(0.9)	59.5
<i>Transactions with owners in their capacity as owners:</i>					
Acquisition of treasury shares	F1	(3.1)	-	-	(3.1)
Employee share schemes	F2	-	-	2.9	2.9
Dividends Paid	F3	-	(86.2)	-	(86.2)
		(3.1)	(86.2)	2.9	(86.4)
Balance as at 29 July 2023		734.0	(503.1)	9.6	240.5
Net profit for the period		-	43.5	-	43.5
Other comprehensive loss for the period		-	-	(0.2)	(0.2)
Total comprehensive income/(loss) for the period		-	43.5	(0.2)	43.3
<i>Transactions with owners in their capacity as owners:</i>					
Employee share schemes	F2	-	-	4.4	4.4
Dividends Paid	F3	-	(33.2)	-	(33.2)
		-	(33.2)	4.4	(28.8)
Balance as at 27 July 2024		734.0	(492.8)	13.8	255.0

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CASH FLOWS

for the period ended 27 July 2024

	Notes	2024 52 weeks \$m	2023 52 weeks \$m
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		2,957.5	3,089.2
Payments to suppliers and employees (inclusive of goods and services tax)		(2,585.1)	(2,702.4)
		372.4	386.8
Other income		1.9	-
Interest paid		(92.4)	(95.1)
Tax paid		(37.0)	(54.0)
Net cash inflow from operating activities	D2	244.9	237.7
Cash flows from investing activities			
Payments for property, plant and equipment		(52.0)	(66.8)
Payments for intangible assets		(27.5)	(33.5)
Lease incentives and contributions received		10.1	25.8
Interest received		5.5	4.7
Net cash outflow from investing activities		(63.9)	(69.8)
Cash flows from financing activities			
Proceeds from borrowings, net of transaction costs		40.0	-
Repayment of borrowings, including transaction costs		(40.0)	-
Payments for principal portion of lease liabilities		(151.5)	(142.8)
Dividends paid to equity holders of the parent	F3	(33.2)	(86.2)
Payment for acquisition of treasury shares	F1	-	(3.1)
Net cash outflow from financing activities		(184.7)	(232.1)
Net decrease in cash and cash equivalents		(3.7)	(64.2)
Cash and cash equivalents at the beginning of the period		179.7	243.9
Cash and cash equivalents at end of period	D1	176.0	179.7

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 27 July 2024

A. Group Performance

This section provides additional information regarding lines in the financial statements that are most relevant to explaining the performance of the Group during the period, including the applicable accounting policies applied and significant estimates and judgements made.

A1 Segment Information

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer that are used to make strategic decisions about the allocation of resources.

The Chief Executive Officer considers the business based on total store and product portfolio, and has identified that the Group operates in Australia in the department store retail segment.

The Group also undertakes activities outside the department store retail business through its subsidiaries: sass & bide and Marcs and David Lawrence. On the basis that these subsidiaries represent less than 10% of the total Group's operations and have similar economic characteristics to the department store retail business, they have not been disclosed as separate reporting segments.

Accounting policy

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

A2 Revenue

	2024 52 weeks \$m	2023 52 weeks \$m
Sales revenue		
Total sales ¹	3,266.1	3,362.9
Concession sales	(780.3)	(748.3)
Sale of goods	2,485.8	2,614.6
Sales revenue deferred under customer loyalty program	(47.7)	(48.8)
Revenue from sale of goods	2,438.1	2,565.8
Other operating revenue		
Concessions revenue	177.3	169.4
Other ²	29.0	25.3
	206.3	194.7
Finance revenue		
Interest revenue	5.5	4.7
Total revenue	2,649.9	2,765.2

¹ Includes concession sales (non-IFRS measure).

² Other includes revenue in relation to gift card non-redemption income, and forfeited lay-by deposits.

Accounting policy

Total sales value presented in the consolidated statement of comprehensive income represents proceeds from sale of goods (both from the Group and concession operators) and prior to the deferral of revenue under the MYER one customer loyalty program. Concession sales presented in the income statement represents the sales proceeds of concession operators within Myer stores. Total sales value is disclosed to show the total sales generated by the Group and provide a basis of comparison with similar department stores.

Revenue from sale of goods, excluding lay-by transactions, is recognised when the performance obligation has been fulfilled, which is principally at the point of sale after deducting taxes paid, and does not include concession sales. Goods are sold to the end customer with a right of return within a reasonable period at the Group's discretion and in accordance with legislative requirements. A refund liability (included in trade and other payables) and a right to returned goods (included in trade and other receivables) are recognised for the goods expected to be returned, with a corresponding adjustment to revenue from sale of goods and cost of goods sold. The assumptions and the estimated amount of returns are based on historical evidence and are reassessed at the end of each reporting period. Revenue from lay-by transactions is recognised as part of revenue from sale of goods at the date upon which the customer satisfies all payment obligations and control of the goods has transferred to the customer.

Revenue from sale of goods excludes concession sales in Myer stores on the basis that the inventory sold is owned by the concession operator at the time of sale and not the Group. The Group's share of concession sales is recognised as revenue within other operating revenue at the time the sale is made.

Gift cards are considered a prepayment for goods or services to be delivered in the future, which creates a future performance obligation for the Group. The Group recognises a liability for the amount received in advance for the gift card and recognises revenue when the customer redeems the gift card and the Group fulfils the performance obligation related to the transaction. The Group recognises revenue on the unredeemed value of gift cards and rewards cards (under the MYER one loyalty program), referred to as non-redemption income. The Group recognises the expected non-redemption amount as revenue in proportion to the pattern in which the gift card or reward card is utilised by the customer.

Interest income is recognised on a time proportion basis using the effective interest method.

Critical accounting estimates and judgements – customer loyalty program

The Group operates a loyalty program where customers accumulate award points for purchases made which entitle them to discounts on future purchases. The award points are recognised as a separately identifiable component of the initial sale transaction, by allocating the fair value of the consideration received between the award points and the other components of the sale such that the award points are recognised at their fair value. Revenue from the award points is recognised when the points are redeemed. The amount of revenue recognised is based on the number of points redeemed relative to the total number expected to be redeemed. Award points expire 24 months after the initial sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 27 July 2024

A3 Expenses

	2024 52 weeks \$m	2023 52 weeks \$m
Profit before income tax includes the following specific expenses:		
<i>Employee benefits expenses</i>		
Defined contribution superannuation expense	41.7	39.6
Other employee benefits expenses	416.0	413.0
	457.7	452.6
<i>Depreciation, amortisation and write-off expense</i>		
Property, plant and equipment	50.0	49.6
Intangibles	26.8	27.4
Right-of-use assets	120.1	127.3
	196.9	204.3
<i>Finance costs</i>		
Interest and finance charges paid/payable for lease liabilities and financial liabilities	92.8	96.2
	92.8	96.2
<i>Rental expense relating to operating leases</i>		
Contingent rentals	3.7	3.4
	3.7	3.4
Net foreign exchange losses/(gains)	(8.5)	5.3

Cost of goods sold

Cost of goods sold includes cost of inventories sold, incoming freight and related duties.

Restructuring, space exit costs, impairments and other significant items

The following individually significant items are included within restructuring, space exit costs, impairments and other significant items in the consolidated statement of comprehensive income:

	2024 52 weeks \$m	2023 52 weeks \$m
Restructuring, space exit costs, impairments and other significant items ¹	12.2	15.4
Income tax benefit	(3.1)	(4.7)
Restructuring, space exit costs, impairments and other significant items, net of tax	9.1	10.7

¹ Restructuring, space exit costs, impairments and other significant items includes costs associated with store and distribution centre closures and space hand backs, impairment of store assets, taxation adjustments related to prior periods and implementation costs for certain Software-as-a-Service (SaaS) applications that are one off in nature, but cannot be capitalised.

Accounting policy

The expenses disclosed above are also disclosed in the following sections of the financial statements:

- Employee benefits expenses – refer to note C3
- Depreciation and amortisation expense – refer to note C1, C2 and C4
- Finance costs – refer to note D3 and E1
- Net foreign exchange gains/losses – refer to note F2

Individually Significant Items

Certain items have been separately disclosed and presented as individually significant based on the nature and/or impact these items have on the Group's financial performance for the period.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 27 July 2024

A4 Income Tax

	2024 52 weeks \$m	2023 52 weeks \$m
(a) Income tax expense		
<i>(i) Income tax expense</i>		
Current tax	25.0	39.2
Deferred tax	(5.3)	(10.3)
Income tax expense ¹	19.7	28.9
Deferred income tax expense included in income tax expense comprises:		
Increase in deferred tax assets, net	(5.3)	(10.3)
	(5.3)	(10.3)
<i>(ii) Numerical reconciliation of income tax expense to prima facie tax payable</i>		
Profit before income tax expense	63.2	89.3
Tax at the Australian tax rate of 30% (2023: 30%)	18.9	26.8
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Sundry items	0.4	0.2
Adjustments for current tax of prior periods	0.4	1.9
Income tax expense ¹	19.7	28.9
¹ Income tax includes an income tax benefit of \$3.1 million (2023: \$4.7 million) attributable to restructuring, space exit costs, impairments and other significant items recorded during the period. Refer to note A3 for more information.		
	2024 \$m	2023 \$m
(b) Deferred tax assets		
Deferred tax assets comprise temporary differences attributable to:		
Employee benefits	15.0	14.5
Non-employee provisions and accruals	11.4	10.9
Amortising deductions	0.5	0.6
Property, plant, equipment and software	41.8	34.9
Lease liabilities	470.6	494.1
Trading stock	6.2	5.5
Tax losses	1.2	-
Total deferred tax assets	546.7	560.5
Set off of deferred tax liabilities/assets pursuant to set off provisions	(419.5)	(438.6)
Net deferred tax assets	127.2	121.9
Movement		
Carrying amount at beginning of period	560.5	571.9
Charged to income statement	(13.8)	(11.4)
Carrying amount at end of period	546.7	560.5

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 27 July 2024

A4 Income Tax (continued)

	2024	2023
	\$m	\$m
(c) Deferred tax liabilities		
Deferred tax liabilities comprise temporary differences attributable to:		
Brand names	71.8	71.8
Right-of-use assets	347.7	366.8
Total deferred tax liabilities	419.5	438.6
Set off of deferred tax liabilities/assets pursuant to set off provisions	(419.5)	(438.6)
Net deferred tax liabilities	-	-
Movement		
Carrying amount at beginning of period	438.6	460.3
Credited to income statement	(19.1)	(21.7)
Carrying amount at end of period	419.5	438.6

Accounting policy

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the national income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences and losses at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exemption is made for certain temporary differences if they arise in a transaction, other than a business combination, that at the time of the transaction did not affect accounting profit or taxable profit or loss. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses, which is dependent on the generation of future taxable profits. The assumptions regarding future taxable profits are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised in other comprehensive income or directly in equity are also recognised directly in other comprehensive income or equity.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from, or payable to, the taxation authority, are presented as operating cash flow.

OECD Pillar Two model rules

The Group is within the scope of the OECD Pillar Two model rules. It is anticipated that the Pillar Two rules will apply to Myer for the financial period commencing 28 July 2024. Since the Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the Amendments to AASB 112 *Income Tax* issued in June 2023.

Under the legislation, the Group is liable to pay a top-up tax for the difference between the GloBE effective tax rate for each jurisdiction and the 15% minimum rate. All entities in the Group operate in jurisdictions in which the corporate tax rate is above 15%. If the income tax profile in each jurisdiction remains unchanged, the Group does not expect a material exposure to Pillar Two taxes.

Myer is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect. Due to the complexities in applying the legislation and calculating GloBE income, the quantitative impact of the Pillar Two rules cannot be reasonably estimated. Therefore, there may still be Pillar Two tax impacts for those entities with an accounting effective tax rate above 15%. Myer will engage with tax specialists to assist them with applying the legislation when it is effective.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 27 July 2024

A5 Earnings Per Share

	2024	2023
	cents	cents
(a) Basic earnings per share		
Total basic earnings per share attributable to the ordinary equity holders of the Company	5.2	7.4
(b) Diluted earnings per share		
Total diluted earnings per share attributable to the ordinary equity holders of the Company	5.1	7.2

	2024	2023
	\$m	\$m
(c) Reconciliation of earnings used in calculating earnings per share		
Earnings used in calculation of basic and diluted EPS attributable to ordinary shareholders	43.5	60.4

	2024	2023
	Number	Number
(d) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	829,349,405	819,988,986
Adjustments for calculation of diluted earnings per share - performance rights and options	17,513,675	23,646,743
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	846,863,080	843,635,729

(e) Information concerning the classification of securities

Performance rights and options granted to employees under the Myer Long Term Incentive Plan, Transformation Incentive Plan and Short Term Incentive Plan are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The performance rights and options granted have not been included in the determination of basic earnings per share. Details relating to performance rights and options are set out in note H4.

Potential ordinary shares are treated as dilutive when, and only when, their conversion to ordinary shares decreases earnings per share or increases loss per share.

Accounting policy

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 27 July 2024

B. Working Capital

This section provides additional information regarding lines in the financial statements that are most relevant to explaining the assets used to generate the Group's trading performance during the period and liabilities incurred as a result, including the applicable accounting policies applied and significant estimates and judgements made.

B1 Trade and Other Receivables and Prepayments	2024	2023
	\$m	\$m
Trade receivables	11.0	10.5
Loss allowance	(0.9)	(0.4)
Trade receivables, net	10.1	10.1
Other receivables	13.1	10.6
Prepayments	9.7	7.7
Other receivables	22.8	18.3
	32.9	28.4

Fair value and risk exposure

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of receivables mentioned above. Information about the Group's exposure to credit risk, foreign currency risk and interest rate risk in relation to trade and other receivables and the Group's financial risk management policy is provided in note E1.

Accounting policy

Trade receivables are non-interest bearing and are recognised initially at fair value, and subsequently at amortised cost using the effective interest rate method, less expected loss allowance. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade and other receivables based on all possible default events over the expected life of the receivable. The amount of the impairment loss is recognised as an expense in the profit or loss. Subsequent recoveries of amounts previously written off are credited against expenses in the profit or loss.

B2 Inventories	2024	2023
	\$m	\$m
Retail inventories	368.5	371.3

Provision for write-down of inventories to net realisable value amounted to \$10.2 million (2023: \$9.3 million) at 27 July 2024.

Accounting policy

Inventories are valued at the lower of cost and net realisable value. Cost is determined using the weighted average cost method, after deducting any purchase settlement discount and including logistics expenses incurred in bringing the inventories to their present location and condition.

Volume-related supplier rebates and supplier promotional rebates are recognised as a reduction in the cost of inventory and are recorded as a reduction of cost of goods sold when the inventory is sold.

Critical accounting estimates and judgements - recoverable amount of inventory

Management has assessed the value of inventory that is likely to be sold below cost using past experience and judgement on the likely sell through rates of various items of inventory, and booked a provision for this amount. To the extent that these judgements and assumptions prove incorrect, the Group may be exposed to potential additional inventory write-downs in future periods.

B3 Trade and Other Payable	2024	2023
	\$m	\$m
Trade payables	195.5	188.0
Other payables	222.4	213.7
	417.9	401.7

Trade and other payables are non-interest bearing.

Accounting policy

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 to 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 27 July 2024

C. Capital Employed

This section provides additional information regarding lines in the financial statements that are most relevant to explaining the capital investment made that allows the Group to generate its trading performance during the period and liabilities incurred as a result, including the applicable accounting policies applied and significant estimates and judgements made.

C1 Property, Plant and Equipment

	Freehold land \$m	Freehold buildings \$m	Fixtures and fittings \$m	Plant and equipment \$m	Capital works in progress \$m	Total \$m
At 30 July 2022						
Cost	9.6	19.5	516.8	470.2	28.5	1,044.6
Accumulated depreciation and impairment	-	(7.9)	(432.8)	(298.9)	-	(739.6)
Net book amount	9.6	11.6	84.0	171.3	28.5	305.0
Period ended 29 July 2023						
Carrying amount at beginning of period	9.6	11.6	84.0	171.3	28.5	305.0
Additions	-	-	16.1	29.6	26.8	72.5
Transfer between classes	-	-	6.7	8.8	(18.9)	(3.4)
Assets written off – cost	-	-	(8.9)	(7.0)	-	(15.9)
Assets written off – accumulated depreciation	-	-	8.9	6.6	-	15.5
Impairment ¹	-	-	(0.6)	(1.8)	-	(2.4)
Depreciation charge	-	(0.5)	(27.3)	(21.8)	-	(49.6)
Carrying amount at end of period	9.6	11.1	78.9	185.7	36.4	321.7
At 29 July 2023						
Cost	9.6	19.5	530.7	501.6	36.4	1,097.8
Accumulated depreciation and impairment	-	(8.4)	(451.8)	(315.9)	-	(776.1)
Net book amount	9.6	11.1	78.9	185.7	36.4	321.7
Period ended 27 July 2024						
Carrying amount at beginning of period	9.6	11.1	78.9	185.7	36.4	321.7
Additions	-	-	18.9	33.3	6.3	58.5
Transfer between classes	-	-	7.5	17.9	(34.6)	(9.2)
Assets written off – cost	-	-	(25.0)	(18.4)	-	(43.4)
Assets written off – accumulated depreciation	-	-	24.6	17.6	-	42.2
Impairment ¹	-	-	(3.6)	0.1	-	(3.5)
Depreciation charge	-	(0.5)	(23.7)	(24.7)	-	(48.9)
Carrying amount at end of period	9.6	10.6	77.6	211.5	8.1	317.4
At 27 July 2024						
Cost	9.6	19.5	532.1	534.4	8.1	1,103.7
Accumulated depreciation and impairment	-	(8.9)	(454.5)	(322.9)	-	(786.3)
Net book amount	9.6	10.6	77.6	211.5	8.1	317.4

¹ Impairment relates to assets associated with redundant assets, space handbacks and store and distribution centre closures. Refer to note A3 for more information.

Accounting policy

Property, plant and equipment is stated at cost less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate the cost net of their residual values, over their estimated useful lives, as follows:

- Buildings: 40 years (2023: 40 years)
- Fixtures and fittings: 3 - 12.5 years (2023: 3 - 12.5 years)
- Plant and equipment, including leasehold improvements: 10 - 20 years (2023: 10 - 20 years)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (refer to note C2).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

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C2 Intangible Assets

	Goodwill \$m	Brand names and trademarks \$m	Software \$m	Lease rights \$m	Total \$m
At 30 July 2022					
Cost	492.1	437.3	380.9	18.3	1,328.6
Accumulated amortisation and impairment	(492.1)	(197.1)	(315.8)	(18.3)	(1,023.3)
Net book amount	-	240.2	65.1	-	305.3
Period ended 29 July 2023					
Carrying amount at beginning of period	-	240.2	65.1	-	305.3
Additions	-	-	23.9	-	23.9
Transfer between classes	-	-	3.4	-	3.4
Assets written off – cost	-	-	(0.2)	-	(0.2)
Assets written off – accumulated amortisation	-	-	0.2	-	0.2
Amortisation charge ¹	-	-	(27.4)	-	(27.4)
Carrying amount at end of period	-	240.2	65.0	-	305.2
At 29 July 2023					
Cost	492.1	437.3	408.0	18.3	1,355.7
Accumulated amortisation and impairment	(492.1)	(197.1)	(343.0)	(18.3)	(1,050.5)
Net book amount	-	240.2	65.0	-	305.2
Period ended 27 July 2024					
Carrying amount at beginning of period	-	240.2	65.0	-	305.2
Additions	-	-	18.3	-	18.3
Transfer between classes	-	-	9.2	-	9.2
Assets written off – cost	-	-	(0.4)	-	(0.4)
Assets written off – accumulated amortisation	-	-	0.4	-	0.4
Amortisation charge ¹	-	-	(26.9)	-	(26.9)
Carrying amount at end of period	-	240.2	65.6	-	305.8
At 27 July 2024					
Cost	492.1	437.3	435.1	18.3	1,382.8
Accumulated amortisation and impairment	(492.1)	(197.1)	(369.5)	(18.3)	(1,077.0)
Net book amount	-	240.2	65.6	-	305.8

¹ Amortisation of \$26.9 million (2023: \$27.4 million) is included in administration and selling expenses in the consolidated statement of comprehensive income.

Impairment of non-financial assets

AASB 136 *Impairment of Assets* requires goodwill and intangible assets with an indefinite useful life to be assessed at the end of each reporting period where there is any indication that an asset may be impaired. A review of indicators of impairment using both external and internal sources of information has been undertaken.

The brand names arising on the acquisition of the Myer business amounting to \$232.8 million (2023: \$232.8 million) cannot be allocated to the Group's individual cash generating units (CGUs) (the Group's stores), and hence has been allocated to the Myer CGU, which is the business as a whole. The remaining brand name intangible asset with an indefinite useful life has been allocated to the Marcs David Lawrence business totalling \$7.4 million (2023: \$7.4 million).

AASB 136 *Impairment of Assets* requires goodwill and intangible assets with an indefinite useful life to be tested annually for impairment. As a result during the period, the recoverable amount of the assets relating to this CGU have been assessed using a value-in-use discounted cash flow model. This model uses cash flow projections based on financial forecasts approved by management covering a five-year period. Cash flows beyond five-year periods are extrapolated using a terminal growth rate.

Key assumption	2024	2023	Approach used to determine value
Weighted average discount rate (pre-tax)	12.8%	12.6%	The pre-tax discount rate is sourced from observable market information and is risk-adjusted relative to the risks associated with the net pre-tax cash flows being achieved.
Terminal growth rate	1.7%	1.7%	This is the weighted average growth rate used to extrapolate cash flows beyond the five-year forecast period.
Average EBITDA margin	11.0%	11.4%	Average annual EBITDA margin over the five-year forecast period, applied to sales forecast consistent with external market forecasts. The average annual EBITDA margin is based on external sources of information, past performance and management's expectations. This assumption incorporates anticipated market conditions, sales channel performance, and management's expectations of future cost saving initiatives.

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C2 Intangible Assets (continued)

The headroom approximates 29% of the CGU's net carrying value. The recoverable amount is based on approved cash flow projections, however the projections can be influenced by market and macro economic conditions.

The recoverable amount is highly sensitive to changes in the average EBITDA margin assumption. For the recoverable amount to approximate the carrying value, a 147 basis points decrease in the average EBITDA margin would need to occur. Any reasonable possible change in other key assumptions would not result in an impairment.

During the period, a review of the carrying value for each Myer store was undertaken and no indicators of impairment were identified.

Accounting policy

(i) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate they might be impaired. Other non-current assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash generating units). For store assets, the appropriate cash generating unit is an individual store. Non-financial assets other than goodwill that have previously suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(ii) Goodwill

Goodwill is measured as the excess of the consideration transferred and any non-controlling interest in an acquiree over the fair value of the net identifiable assets acquired. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(iii) Brand names and trademarks

The useful life of brands are assessed on acquisition. The brands which are not considered to have foreseeable brand maturity dates have been assessed as having indefinite useful lives as there is a view that there is no foreseeable limit to the period over which key brands are expected to generate net cash inflows for the entity. These brands are therefore not amortised. Instead, these brand names are tested for impairment annually, or more frequently if events or changes in circumstances indicate that they might be impaired, and are carried at cost less accumulated impairment losses.

(iv) Computer software

All costs directly incurred in the purchase or development of major computer software or subsequent upgrades and material enhancements are capitalised as intangible assets where the Group has control and obtains all the future economic benefit from the underlying asset. Direct costs may include internal payroll and on-costs for employees directly associated with the project. Costs incurred on computer software maintenance or during the planning phase are expensed as incurred. Costs paid to the suppliers for Software-as-a-Service arrangements to significantly customise cloud-based software for the Group are recorded as a prepayment for services and amortised over the expected renewable term of the arrangement. Computer software is amortised over the period of time during which the benefits are expected to arise, initially being up to 10 years. The assets' residual values and useful lives are reviewed annually and adjusted if appropriate, which may result in a useful life outside of this period.

(v) Lease rights

Lease rights represent the amount paid upfront to take over store site leases from the existing lessee where such payments are in addition to the ongoing payment of normal market lease rentals. Lease rights are amortised over the term of the lease plus any renewal options reasonably certain to be utilised at the time of acquisition of the lease rights.

Critical accounting estimates and judgements – impairment

Goodwill and intangible assets that have an indefinite life are tested annually for impairment, or more frequently if there are indicators of impairment, in accordance with the accounting policy noted above. Goodwill and certain intangibles are tested for impairment at the level of the Group as a whole, using value-in-use calculations, which requires an estimation of the recoverable amount.

C3 Provisions

	2024	2023
	\$m	\$m
Current		
Employee benefits	48.5	47.5
Restructuring ¹	4.4	13.2
Workers' compensation ²	10.7	10.6
Other ³	2.6	2.1
	66.2	73.4
Non-current		
Employee benefits	4.3	3.6
Other ³	2.5	1.3
	6.8	4.9

¹ Restructuring - the restructuring provision relates to the costs associated with store and distribution centre closures and space hand backs committed but not yet paid. Refer to note A3 for more information.

² Workers' compensation - the amount represents a provision for workers' compensation claims in certain states, for which the Group is self-insured.

³ Other - the amount includes the provision for make good associated with leased premises and other provisions.

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C3 Provisions (continued)

Movement in provisions

Movement in each class of provision during the financial period, other than employee benefits, are set out below:

	Workers' compensation	Restructuring	Other ¹	Total
	\$m	\$m	\$m	\$m
2024				
Carrying amount at beginning of period	10.6	13.2	3.4	27.2
Additional provisions recognised	1.1	1.0	11.7	13.8
Amounts utilised	(1.0)	(9.8)	(10.0)	(20.8)
Carrying amount at end of period	10.7	4.4	5.1	20.2

¹ The movement in the additional provisions recognised and amounts utilised relate to other provisions.

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes accrued annual leave and long service leave. For long service leave it covers all unconditional entitlements where employees have completed the required period of service. The entire annual leave amount and current portion of the long service leave provision is presented as current since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued long service leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	2024	2023
	\$m	\$m
Current long service leave obligations expected to be settled after 12 months	19.6	18.2

Accounting policy

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

The Group is self-insured for costs relating to workers' compensation and general liability claims in certain states. Provisions are recognised based on claims reported, and an estimate of claims incurred but not yet reported, prior to balance date. These provisions are determined utilising an actuarially determined method, which is based on various assumptions including but not limited to future inflation, average claim size and claim administrative expenses. These assumptions are reviewed annually and any reassessment of these assumptions will affect the workers' compensation expense.

Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations

The liability for long service leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) Profit sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit sharing based on a formula that takes into consideration the profit attributable to the Group's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(iv) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

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C3 Provisions (continued)

Critical accounting estimates and judgements - restructuring provision

Restructuring provision recognised include the Group's best estimate of costs expected to be payable as a result of store and distribution centre exits and restructuring. To the extent the estimates prove incorrect, the Group may be exposed to potential additional costs in future periods or a reversal of the provision if costs are less than estimated.

C4 Leases

The Group has lease agreements for properties and various items of equipment used in its operations. The carrying amounts of the right-of-use assets and movements during the period are set out below:

	Property leases \$m	Equipment leases \$m	Total \$m
At 30 July 2022	1,177.8	-	1,177.8
Additions, modifications and other reassessments	55.0	2.2	57.2
Depreciation	(133.4)	(0.2)	(133.6)
At 29 July 2023	1,099.4	2.0	1,101.4
At 29 July 2023	1,099.4	2.0	1,101.4
Additions, modifications and other reassessments	66.4	1.6	68.0
Depreciation	(128.2)	(0.5)	(128.7)
Impairment	(2.2)	-	(2.2)
At 27 July 2024	1,035.4	3.1	1,038.5

The carrying amounts of the lease liabilities and movements during the period are set out below:

	Property leases \$m	Equipment leases \$m	Total \$m
At 30 July 2022	1,699.2	-	1,699.2
Additions, modifications and other reassessments	86.4	2.1	88.5
Cash payments	(227.3)	(0.2)	(227.5)
Interest expense	84.6	0.1	84.7
At 29 July 2023	1,642.9	2.0	1,644.9
Current	153.9	0.4	154.3
Non-current	1,489.0	1.6	1,490.6
At 29 July 2023	1,642.9	2.0	1,644.9
Additions, modifications and other reassessments	72.1	1.6	73.7
Cash payments	(232.6)	(0.6)	(233.2)
Interest expense	81.5	0.2	81.7
At 27 July 2024	1,563.9	3.2	1,567.1
Current	161.5	0.4	161.9
Non-current	1,402.4	2.8	1,405.2

The following amounts have been recognised in the profit or loss during the period:

	2024 52 weeks \$m	2023 52 weeks \$m
Depreciation of right-of-use assets ¹	120.1	127.3
Interest expense on lease liabilities ¹	79.2	83.6
Short-term leases expense ²	0.3	0.6
Variable lease payments ³	3.7	3.2
	203.3	214.7

¹ The depreciation and interest expense associated with certain leases is recognised in cost of sales in the consolidated statement of comprehensive income.

² Short-term leases expense are included in selling and administration expenses in the consolidated statement of comprehensive income.

³ Some property leases contain variable payment terms that are linked to sales generated from a store and are recognised in selling expenses in the consolidated statement of comprehensive income in the period in which the condition that triggers those payments occurs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 27 July 2024

C4 Leases (continued)

Accounting policy

The Group leases various retail stores, distribution centres and offices. Rental contracts are typically made for fixed periods but may have extension options.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and any estimated restoration costs, less any lease incentives received. The right-of-use asset is subsequently depreciated on a straight-line basis from the commencement date to the end of the lease term. The right-of-use asset can be reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise of fixed payments and variable payments that are based on an index or rate.

Some property leases contain variable payment terms that are linked to sales generated from a store. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Payments associated with short-term leases and leases of low-value assets, such as IT equipment, are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Critical accounting estimate - Determining the lease term

Extension options are included in a number of leases across the Group. In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and is within the control of the Group.

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D. Net Debt

This section provides additional information regarding lines in the financial statements that are most relevant to explaining the net debt position and structure of the Group's borrowings for the period, which are key to financing the Group's activities both now and for the future.

The net debt/(cash) of the Group as at 27 July 2024 and 29 July 2023 is as follows:

	2024	2023
	\$m	\$m
Borrowings	62.2	60.1
Less: cash and cash equivalents	(176.0)	(179.7)
Net cash at end of period (excluding lease liabilities)	(113.8)	(119.6)
Plus: lease liabilities	1,567.1	1,644.9
Net debt at end of period	1,453.3	1,525.3

The movement in net cash excluding lease liabilities is as follows:

	2024	2023
	\$m	\$m
Opening balance	(119.6)	(185.9)
Net decrease in cash and cash equivalents	3.7	64.2
Repayment of borrowings, including transaction costs	40.0	-
Proceeds from borrowings, net of transaction costs	(40.0)	-
Amortisation of transaction costs	2.1	2.1
Closing balance	(113.8)	(119.6)

D1 Cash and Cash Equivalents

	2024	2023
	\$m	\$m
Cash on hand	2.1	2.1
Cash at bank	173.9	177.6
	176.0	179.7

Accounting policy

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

D2 Reconciliation of Cash Flows from Operating Activities

	2024	2023
	52 weeks	52 weeks
	\$m	\$m
Profit for the period	43.5	60.4
Depreciation, amortisation and impairment	210.9	213.2
Interest income	(5.5)	(4.7)
Finance costs	2.1	2.1
Share-based payments expense	2.3	4.3
Net exchange differences	(0.2)	(0.9)
<i>Change in operating assets and liabilities:</i>		
Decrease/(increase) in trade and other receivables and prepayments	(5.2)	-
Decrease/(increase) in inventories	2.8	(2.7)
Decrease/(increase) in deferred tax assets	(3.1)	(11.6)
Decrease/(increase) in derivative financial instruments	0.7	2.8
Increase/(decrease) in trade and other payables	16.3	(17.4)
Increase/(decrease) in current tax payable	(13.0)	(14.0)
Increase/(decrease) in provisions	(6.6)	6.2
Increase/(decrease) in other liabilities	(0.1)	-
Net cash inflow from operating activities	244.9	237.7

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D3 Borrowings

(a) Structure of debt

The debt funding of the Group at 27 July 2024 is an Asset Based Loan (ABL) syndicated facility, which contains a term loan tranche and a revolving credit tranche. The maximum facility size is \$215 million and availability fluctuates in line with a borrowing base of nominated assets, including specified inventory and intangibles, less allowances and certain liabilities. This facility was established on 28 November 2021 and the Term Loan was drawn down on 3 December 2021. As at 27 July 2024, the following amounts were drawn:

	2024 \$m	2023 \$m
Non-current		
Bank loans	65.0	65.0
Less: transaction costs	(2.8)	(4.9)
Borrowings	62.2	60.1

The terms and conditions of the Group's syndicated facility is as follows:

	Amount ^{3,4}	Term	Expiry date
Term loan - Tranche A ¹	\$65 million	4 years	3 December 2025
Revolving Credit - Tranche B ²	\$150 million	4 years	3 December 2025
Total syndicated facility	\$215 million		

¹ Tranche A is a non-amortising term loan and is required to be fully drawn during the term.

² Tranche B is a revolving credit and may be redrawn during the term.

³ The syndicated facility available at 27 July 2024 was \$129.6 million, at which time the Company also had \$176.0 million cash on hand. Refer to note E1(c) for more information.

⁴ Subsequent to the end of the financial period, the available syndicated facility increased to \$179.9 million in line with the seasonal and fluctuating nature of the ABL facility.

(b) Security

The ABL facility is secured, subject to various representations, undertakings, events of default and review events.

(c) Fair value

The fair value of existing borrowings approximates their carrying amount, as the impact of discounting is not significant.

(d) Risk exposures

Details of the Group's exposure to risks arising from borrowings are set out in note E1.

(e) Debt covenants

Under the terms of the ABL facility, the Group is not required to comply with any financial covenant unless it utilises more than 90% of the available facility. The Group did not utilise more than 90% of the available borrowing base at any time in the period ended 27 July 2024, and therefore testing of compliance with the financial covenant was not required.

Accounting policy

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

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E. Risk Management

This section provides information relating to the Group's exposure to various financial risks, how they could affect the Group's financial position and performance and how these risks are managed.

E1 Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as forward foreign exchange contracts and interest rate swaps to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes and are not used as trading or other speculative instruments.

The Group's financial risk management is predominantly controlled by the centralised Group Treasury function under the Group's financial risk management policies approved by the Board of Directors. The Group Treasury function is responsible for the identification and management of financial risks, with the co-operation of other Group functions. The Board provides principles for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, and use of financial instruments and non-derivative financial instruments.

Where all relevant criteria are met, hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. This will effectively result in recognising interest expense at a fixed interest rate for the hedged floating rate borrowings and inventory at a fixed foreign currency rate for the hedged purchases.

Financial Instruments

The Group holds the following financial instruments, classified under the categories in the table below:

	Notes	Total \$m	Amortised cost \$m	Fair value through OCI \$m
At 27 July 2024				
Financial assets				
Cash and cash equivalents	D1	176.0	176.0	-
Trade and other financial receivables	B1	23.2	23.2	-
Derivative financial instruments	E1	4.6	-	4.6
Total financial assets		203.8	199.2	4.6
Financial liabilities				
Trade and other financial payables ¹	B3	324.7	324.7	-
Borrowings	D3	62.2	62.2	-
Lease liabilities	C4	1,567.1	1,567.1	-
Derivative financial instruments	E1	0.3	-	0.3
Total financial liabilities		1,954.3	1,954.0	0.3
At 29 July 2023				
Financial assets				
Cash and cash equivalents	D1	179.7	179.7	-
Trade and other financial receivables	B1	20.7	20.7	-
Derivative financial instruments	E1	6.4	-	6.4
Total financial assets		206.8	200.4	6.4
Financial liabilities				
Trade and other financial payables ¹	B3	305.0	305.0	-
Borrowings	D3	60.1	60.1	-
Lease liabilities	C4	1,644.9	1,644.9	-
Derivative financial instruments	E1	1.4	-	1.4
Total financial liabilities		2,011.4	2,010.0	1.4

¹ Trade and other financial payables comprise trade payables, other financial payables and accruals.

(a) Market risk

(i) Foreign exchange risk

The Group is exposed to foreign exchange risk when there is mismatch between the currencies in which future commercial transactions and assets and liabilities recognised are denominated, and the respective functional currency of the Group companies.

The focus of the Group's foreign exchange risk management activities is on the transaction exposures that arise on the sourcing and purchasing of inventory, with these transactions primarily denominated in United States Dollar (USD). This risk is hedged with the objective of minimising the volatility of the Australian Dollar (AUD) cost of forecast inventory purchases.

The Group's financial risk management policy is to hedge forecast USD cash flows for inventory purchases, up to 18 months in advance. The amount of hedging required is dependent on the timing of the settlement of the forecast inventory purchases, with a higher percentage required to be hedged for inventory purchases with an earlier settlement.

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E1 Financial Risk Management (continued)

The Group uses forward foreign exchange contracts to hedge its exposure to foreign currency risk. The Group designates the forward rate of foreign currency forwards to hedge its currency risk. The Group's policy is for the critical terms of the forward foreign exchange contracts to align with the hedged item.

At the end of the reporting period, the Group is holding the following forward foreign exchange contracts:

	2024	2023
	\$m	\$m
Carrying amount - Derivative Financial Instruments (Asset)	4.6	6.4
Carrying amount - Derivative Financial Instruments (Liability)	0.3	1.4
Notional amount	249.2	273.5
Maturity date	Aug 2024 - Dec 2025	Aug 2023 - Dec 2024
Change in fair value of the hedging instrument used as the basis for recognising hedge ineffectiveness	(0.7)	0.1
Change in value of hedged item used to determine hedge effectiveness	0.7	(0.1)
Weighted average hedged rate (AUD/USD)	0.67	0.67

Exposure

At the end of the reporting period, the Group's exposure to foreign exchange risk, expressed in AUD, was as follows:

	2024		2023	
	USD \$m	Other \$m	USD \$m	Other \$m
Cash and cash equivalents	5.2	2.6	14.2	4.7
Trade payables	26.5	-	29.0	-
Forward exchange contracts	249.2	-	273.2	0.3

Sensitivity

As shown in the table above, the Group is primarily exposed to changes in USD/AUD exchange rates. The table below shows the impact of reasonably possible foreign exchange movements in the USD against the AUD and the effect this would have on the measurement of the financial instruments denominated in these currencies:

Currency	Sensitivity assumption	Impact directly on equity	
		2024 \$m	2023 \$m
United States Dollar	+10%	25.0	26.4
United States Dollar	-10%	(20.5)	(21.6)

(ii) Interest rate risk

The Group is exposed to interest rate risk from floating rate long-term borrowings. The Group's policy is to maintain an appropriate mix between fixed and floating rate borrowings through the use of interest rate swap contracts. This risk is managed through the forecasting of expected borrowings to determine the level of exposure to floating rates.

Exposure

At the end of the reporting period, the Group's exposure to interest rate risk was as follows:

	2024	2023
	\$m	\$m
Cash and cash equivalents	176.0	179.7
Floating rate borrowings	62.2	60.1

At the end of the reporting period the Group held no interest rate swap contracts as the interest rate risk associated with borrowings is managed against the interest rate earned on operating cash held.

Sensitivity

Applying a sensitivity of 100 basis points to the Group's period end floating interest rate results in an immaterial impact on post tax profit and equity. This assumes that the change in interest rates is effective from the beginning of the financial period and the net debt position and fixed/floating mix is constant over the period. However, interest rates and the debt profile of the Group are unlikely to remain constant and therefore the above sensitivity analysis will be subject to change.

(iii) Hedge ineffectiveness

Hedge ineffectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

For hedges of foreign currency purchases, the group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

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E1 Financial Risk Management (continued)

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. This arises primarily from the following assets: cash and cash equivalents, trade and other receivables and derivative financial instruments.

Group Treasury function manages credit risk from banks and financial institutions, in accordance with Board approved policy. The policy is to limit the Group's loss from default by any one counterparty by dealing only with banks and financial institution counterparties whose long-term credit rating is at or above an 'A' rating.

Trade and other receivables balances outstanding with third parties are primarily ad-hoc in nature and the credit quality of the third party is assessed by taking into account its financial position, past experience and other relevant factors.

Sales to retail customers are primarily required to be settled in cash or using major credit cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

Exposure

At the end of the reporting period, the maximum credit risk exposure is the carrying value of the financial assets below:

	2024	2023
	\$m	\$m
Cash and cash equivalents	176.0	179.7
Trade and other financial receivables	23.2	20.7
Derivative financial instruments - assets	4.6	6.4

Trade and other receivables

The Group applies the AASB 9 *Financial Instruments* simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade and other receivables.

To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit loss rates are based on historical observed default rates, adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of customers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group. Refer to note B1 for more information.

(c) Liquidity risk

The Group adopts a prudent liquidity risk management strategy by seeking to maintain sufficient cash and availability of funding through an adequate amount of committed credit facilities to meet financial obligations as and when they fall due. The Group's objective is to maintain flexibility in funding given the seasonal nature of the retail business.

The Group monitors forecast and actual cash flows and performs sensitivity analysis, to ensure at all times there is an appropriate minimum level of liquidity available through committed undrawn borrowing facilities and cash and cash equivalents.

Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	2024	2023
	\$m	\$m
Floating rate		
Expiring within one-year	-	-
Expiring beyond one-year ¹	33.9	35.3
	33.9	35.3

¹ The ABL maximum facility size is \$215 million and fluctuates in line with a borrowing base of nominated assets, including specified inventory and intangibles, less allowances and certain liabilities. The syndicated facility available at 27 July 2024 was \$129.6 million with \$33.9 million accessible, at which time the Company also had \$176.0 million cash on hand. Refer to note D3 for more information on the syndicated facility.

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities; and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

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E1 Financial Risk Management (continued)

The amounts disclosed in the table are the contractual undiscounted cash flows and therefore may not equal their carrying amount. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Less than 6 months \$m	6 - 12 months \$m	Between 1 and 2 years \$m	Between 2 and 5 years \$m	Over 5 years \$m	Total contractual cash flows \$m	Carrying amount (assets)/liabilities \$m
2024							
Non-derivatives							
Trade and other payables	324.7	-	-	-	-	324.7	324.7
Borrowings	4.6	4.6	68.3	-	-	77.5	65.0
Lease liabilities	114.4	115.1	229.3	665.1	875.0	1,998.9	1,567.1
Total non-derivatives	443.7	119.7	297.6	665.1	875.0	2,401.1	1,956.8
Derivatives							
Gross settled							
- (inflow)	(125.8)	(91.2)	(36.5)	-	-	(253.5)	(4.6)
- outflow	123.5	90.0	35.7	-	-	249.2	0.3
Total derivatives	(2.3)	(1.2)	(0.8)	-	-	(4.3)	(4.3)
2023							
Non-derivatives							
Trade and other payables	305.0	-	-	-	-	305.0	305.0
Borrowings	4.5	4.5	8.9	68.1	-	86.0	65.0
Lease liabilities	116.2	115.1	223.7	652.4	999.2	2,106.6	1,644.9
Total non-derivatives	425.7	119.6	232.6	720.5	999.2	2,497.6	2,014.9
Derivatives							
Gross settled							
- (inflow)	(153.2)	(83.7)	(41.6)	-	-	(278.5)	(6.4)
- outflow	150.1	82.2	41.2	-	-	273.5	1.4
Total derivatives	(3.1)	(1.5)	(0.4)	-	-	(5.0)	(5.0)

The amount disclosed for variable rate instruments is determined by reference to the interest rate at the last re-pricing date.

(d) Fair value measurements

The Group has the following derivative financial instruments:

	2024 \$m	2023 \$m
Current assets		
Forward foreign exchange contracts	3.8	6.0
Total current derivative financial instrument assets	3.8	6.0
Non-current assets		
Forward foreign exchange contracts	0.8	0.4
Total non-current derivative financial instrument assets	0.8	0.4
Current liabilities		
Forward foreign exchange contracts	0.3	1.4
Total current derivative financial instrument liabilities	0.3	1.4

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liabilities either directly (as prices) or indirectly derived from prices; and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All of the Group's financial instruments were valued using the Level 2 technique, with no transfers between levels during the period.

The fair value of forward foreign exchange contracts is determined using the present value of future cash flows based on the forward exchange rates at the end of the reporting period. The fair value of interest rate swaps is determined using the present value of the estimated future cash flows based on observable yield curves.

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E1 Financial Risk Management (continued)

Accounting policy - Financial assets and liabilities

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Initial recognition and measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

(i) Financial assets at amortised cost (debt instruments)

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are recognised in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under AASB 15 Revenue from Contracts with Customers.

(ii) Financial assets at fair value through OCI (debt instruments)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are recognised in profit or loss.

(iii) Financial assets at fair value through profit or loss (debt instruments)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

(iv) Financial assets designated at fair value through OCI (equity instruments)

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in profit or loss, as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by AASB 9 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Refer to note E1(b) for more information.

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E1 Financial Risk Management (continued)

Accounting policy – Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges); or
- hedges of the cash flows or recognised assets or liabilities and highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessments, both at hedge inception and on an ongoing basis, of whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months. It is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in profit or loss within finance costs, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in profit or loss.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity using a recalculated effective interest rate.

(ii) Cash flow hedge

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational and financing activities.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

When forward contracts are used to hedge forecast transactions, the Group designates the full change in fair value of the forward contract (including forward points) as the hedging instrument. Gains or losses relating to the effective portion of the change in the fair value of the entire forward contracts are recognised in the cash flow hedge reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. When the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets) the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in profit or loss as cost of goods sold in the case of inventory, or as depreciation in the case of fixed assets.

The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance costs at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

(iii) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss.

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for the period ended 27 July 2024

F. Equity

This section provides additional information regarding lines in the financial statements that are most relevant to explaining the equity position of the Group at the end of the period, including the dividends declared and/or paid during the period.

F1 Contributed Equity

	2024	2023	2024	2023
	Number of shares	Number of shares	\$m	\$m
Ordinary shares - fully paid				
Opening balance	821,278,815	821,278,815	780.0	780.0
Shares issued to Myer Equity Plans Trust at market value	10,547,466	-	6.2	-
Closing balance	831,826,281	821,278,815	786.2	780.0
Treasury shares				
Opening balance	(2,113,515)	(1,147,053)	(46.0)	(42.9)
Shares issued to Myer Equity Plans Trust at market value	(10,547,466)	-	(6.2)	-
Shares issued for performance rights granted	10,547,466	-	-	-
Shares acquired by Myer Equity Plans Trust on market at \$0.58	-	(3,260,930)	-	(1.9)
Share issued under transformation incentive plan	1,147,055	2,742,226	-	-
Shares issued under short-term incentive plan	209,934	-	-	-
Shares issued on exercise of options at \$0.55	304,724	901,045	-	-
Shares acquired by Myer Equity Plans Trust on market at \$0.88	-	(1,348,803)	-	(1.2)
Closing balance of treasury shares	(451,802)	(2,113,515)	(52.2)	(46.0)
Closing balance	831,374,479	819,165,300	734.0	734.0

Ordinary shares

The ordinary shares issued are fully paid. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands, every holder of ordinary shares present at a meeting in person, or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Treasury shares

Treasury shares are shares in Myer Holdings Limited that are held by the Myer Equity Plans Trust for the purposes of issuing shares under the Equity Incentive Plans. Refer to note H4 for more information.

Employee share schemes

Information relating to the employee share-based payment schemes, including details of shares issued under the schemes, is set out in note H4.

Capital risk management

The Group's key objective when managing capital is to minimise its weighted average cost of capital while maintaining appropriate financing facilities. This provides the opportunity to pursue growth and capital management initiatives. In managing its capital structure, the Group also seeks to safeguard its ability to continue as a going concern in order to provide appropriate returns to shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of various balance sheet ratios including the gearing ratio. This ratio is calculated as net debt/(cash) divided by total capital. Net debt/(cash) is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity as shown in the balance sheet plus net debt/(cash).

The gearing ratios at 27 July 2024 and 29 July 2023 were as follows:

	2024	2023
	\$m	\$m
Borrowings (note D3)	62.2	60.1
Less: cash and cash equivalents (note D1)	(176.0)	(179.7)
Net cash at end of period (excluding lease liabilities)	(113.8)	(119.6)
Plus: lease liabilities	1,567.1	1,644.9
Net debt at end of period	1,453.3	1,525.3
Total equity	255.0	240.5
Total capital (excluding lease liabilities)	141.2	120.9
Total capital	1,708.3	1,765.8
Gearing ratio (excluding lease liabilities)	-80.6%	-98.9%
Gearing ratio	85.1%	86.4%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 27 July 2024

F1 Contributed Equity (continued)

Accounting policy

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity instruments; for example, as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of Myer Holdings Limited as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of Myer Holdings Limited.

F2 Accumulated Losses and Reserves

	2024	2023
	\$m	\$m
(a) Accumulated losses		
Movements in Accumulated losses were as follows:		
Balance at beginning of period	(503.1)	(477.3)
Profit for the period	43.5	60.4
Dividends paid	(33.2)	(86.2)
Balance at end of period	(492.8)	(503.1)
(b) Reserves		
Share-based payments ¹	39.3	34.9
Cash flow hedges ²	4.0	4.0
Other reserve ³	(25.6)	(25.6)
Foreign currency translation ⁴	(3.9)	(3.7)
	13.8	9.6
Movements in reserves were as follows:		
<i>Share-based payments</i>		
Balance at beginning of period	34.9	32.0
Share-based payments expense recognised (note H4)	2.3	4.3
Income tax	2.1	(1.4)
Balance at end of period	39.3	34.9
<i>Cash flow hedges</i>		
Balance at beginning of period	4.0	4.0
Net (loss)/gain on revaluation	0.7	(0.1)
Transfer to net profit	(0.7)	0.1
Balance at end of period	4.0	4.0
<i>Foreign currency translation</i>		
Balance at beginning of period	(3.7)	(2.8)
Exchange differences on translation of foreign operations during the period	(0.2)	(0.9)
Balance at end of period	(3.9)	(3.7)

¹ Share-based payments

The share-based payments reserve is used to recognise the fair value of options and rights granted to employees under the employee share plans. Further information on share-based payments is set out in note H4.

² Cash flow hedges

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity, as described in note E1. Amounts are recognised in the profit or loss when the associated hedged transaction affects profit or loss.

³ Other reserve

The Group acquired 65% of the sass & bide business in 2011, and the non-controlling shareholders held a put option over the remaining 35%. This resulted in the Group recognising a financial liability for the put option and a corresponding amount in other reserve. In 2014, upon acquisition of the remaining 35% of sass & bide, the cash payment of \$33.4m was recorded against the financial liability and non-controlling interests balances were recorded against other reserve.

⁴ Foreign currency translation

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to the profit or loss when the net investment is disposed of.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 27 July 2024

F2 Accumulated Losses and Reserves (continued)

Accounting policy

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Myer Holdings Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at end of period exchange rates of monetary assets and liabilities denominated in foreign currencies are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of comprehensive income are translated at the rates prevailing on the transaction dates; and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, when a foreign operation is sold, the associated exchange difference is reclassified to profit or loss, as part of the gain or loss on sale.

F3 Dividends

	2024	2023
	\$m	\$m
(a) Ordinary shares		
Final fully franked dividend for the period ended 29 July 2023 of 1.0 cent (2022: 2.5 cents) per fully paid ordinary share, paid 16 November 2023.	8.2	20.5
Interim fully franked dividend for the period ended 27 July 2024 of 3.0 cents (2023: 4.0 cents) per fully paid ordinary share, paid 16 May 2024.	25.0	32.9
Special fully franked dividend for the period ended 27 July 2024 of nil (2023: 4.0 cents) per fully paid ordinary share.	-	32.9
Total dividends paid	33.2	86.2
(b) Dividends not recognised at the end of the reporting period		
The directors have determined the payment of a final dividend of 0.5 cent (2023: 1.0 cent) per fully paid ordinary share fully franked based on tax paid at 30%, payable on 21 November 2024. The aggregate amount of the proposed dividend expected to be paid after period end, but not recognised as a liability at period end, is:	4.2	8.2
(c) Franked dividends		
The franked portions of final dividends recommended after 27 July 2024 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the period ending 26 July 2025:		
Franking credits available for subsequent reporting periods based on a tax rate of 30% (2023: 30%)	101.3	88.6

The above amounts are calculated from the balance of the franking account as at the end of the reporting period, adjusted for franking credits and debits that will arise from the settlement of liabilities or receivables for income tax and dividends after the end of the reporting period.

The consolidated amounts include franking credits that would be available to the parent entity if distributable profits of subsidiaries were paid as dividends.

Accounting policy

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial period but not distributed at balance date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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G. Group Structure

This section summarises how the Group structure affects the financial position and performance of the Group as a whole.

G1 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described below:

Name of entity	Notes	Country of incorporation	Class of shares	Equity holdings ⁽⁴⁾	Equity holdings ⁽⁴⁾
				2024	2023
				%	%
NB Elizabeth Pty Ltd	(1), (3)	Australia	Ordinary	100	100
NB Russell Pty Ltd	(2), (3)	Australia	Ordinary	100	100
NB Lonsdale Pty Ltd	(2), (3)	Australia	Ordinary	100	100
NB Collins Pty Ltd	(1), (3)	Australia	Ordinary	100	100
Warehouse Solutions Pty Ltd	(2), (3)	Australia	Ordinary	100	100
Myer Group Pty Ltd	(1), (3)	Australia	Ordinary	100	100
Myer Pty Ltd	(1), (3)	Australia	Ordinary	100	100
Myer Group Finance Limited	(1), (3)	Australia	Ordinary	100	100
The Myer Emporium Pty Ltd	(2), (3)	Australia	Ordinary	100	100
ACT Employment Services Pty Ltd	(2)	Australia	Ordinary	100	100
Myer Employee Share Plan Pty Ltd	(2)	Australia	Ordinary	100	100
Myer Travel Pty Ltd	(2), (5)	Australia	Ordinary	-	100
Myer Sourcing Asia Ltd		Hong Kong	Ordinary	100	100
Shanghai Myer Service Company Ltd		China	Ordinary	100	100
Boogie & Boogie Pty Ltd	(2), (3)	Australia	Ordinary	100	100
sass & bide Pty Ltd	(2), (3)	Australia	Ordinary	100	100
sass & bide Retail Pty Ltd	(2), (3)	Australia	Ordinary	100	100
sass & bide Retail (NZ) Pty Ltd	(2), (3)	Australia	Ordinary	100	100
sass & bide USA inc.		USA	Ordinary	100	100
sass & bide inc.		USA	Ordinary	100	100
Marcus David Lawrence Pty Ltd	(1), (3)	Australia	Ordinary	100	100

(1) Each of these entities have been granted relief from the necessity to prepare financial statements in accordance with *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*.

(2) Each of these entities is classified as small proprietary and therefore relieved from the requirement to prepare and lodge financial reports with ASIC.

(3) Each of these entities is party to a deed of cross guarantee, refer to note G2.

(4) The proportion of ownership interest is equal to the proportion of voting power held.

(5) Myer Travel Pty Ltd was deregistered on 30 March 2024.

Accounting policy

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Myer Holdings Limited ('Company' or 'parent entity') as at 27 July 2024 and the results of all subsidiaries for the period then ended.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of comprehensive income, balance sheet and statement of changes in equity respectively.

Employee Share Trust

The Group has the Myer Equity Plans Trust to administer the Group's employee share scheme. This trust is consolidated, as the substance of the relationship is that the trust is controlled by the Group. Shares in Myer Holdings Limited held by the trust are disclosed as treasury shares and deducted from contributed equity.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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G2 Deed of Cross Guarantee

The following entities are parties to a deed of cross guarantee under which each company guarantees the debts of the others:

- Myer Holdings Limited
- NB Elizabeth Pty Ltd
- NB Russell Pty Ltd
- Myer Group Pty Ltd
- NB Lonsdale Pty Ltd
- NB Collins Pty Ltd
- Warehouse Solutions Pty Ltd
- Myer Pty Ltd
- Myer Group Finance Limited
- The Myer Emporium Pty Ltd
- Boogie & Boogie Pty Ltd
- sass & bide Pty Ltd
- sass & bide Retail Pty Ltd
- sass & bide Retail (NZ) Pty Ltd
- Marcs David Lawrence Pty Ltd

By entering into the deed, the wholly-owned entities within note reference 1 in note G1 have been relieved from the requirements to prepare a financial report and directors' report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.

The above companies represent a 'closed group' for the purposes of the ASIC Legislative Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Myer Holdings Limited, they also represent the 'extended closed group'.

(a) Consolidated statement of comprehensive income

Set out below is a consolidated statement of comprehensive income for the closed group for the period ended 27 July 2024:

	2024	2023
	52 weeks	52 weeks
	\$m	\$m
Total sales	3,266.1	3,362.9
Concession sales	(780.3)	(748.3)
Sale of goods	2,485.8	2,614.6
Sales revenue deferred under customer loyalty program	(47.7)	(48.8)
Revenue from sale of goods	2,438.1	2,565.8
Other operating revenue	206.3	194.7
Cost of goods sold	(1,451.2)	(1,536.9)
Operating gross profit	1,193.2	1,223.6
Other income	1.7	-
Selling expenses	(749.1)	(751.1)
Administration expenses	(284.3)	(277.3)
Restructuring, space exit costs, impairments and other significant items	(12.2)	(15.4)
Earnings before interest and tax	149.3	179.8
Finance revenue	5.5	4.7
Finance costs	(92.8)	(96.2)
Net finance costs	(87.3)	(91.5)
Profit before income tax	62.0	88.3
Income tax expense	(19.5)	(28.6)
Profit for the period attributable to Deed of Cross Guarantee group	42.5	59.7
Other comprehensive income		
<i>Items that may be reclassified to profit or loss:</i>		
Cash flow hedges	-	-
Exchange differences on translation of foreign operations	(0.3)	(0.9)
Other comprehensive loss for the period, net of tax	(0.3)	(0.9)
Total comprehensive income for the period	42.2	58.8

(b) Summary of movements in consolidated accumulated losses

Set out below is a summary of movements in consolidated accumulated losses for the closed group for the period ended 27 July 2024:

	2024	2023
	52 weeks	52 weeks
	\$m	\$m
Balance at beginning of period	(500.2)	(473.7)
Profit for the period	42.5	59.7
Dividends paid	(33.2)	(86.2)
Balance at end of period	(490.9)	(500.2)

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for the period ended 27 July 2024

G2 Deed of Cross Guarantee (continued)

(c) Consolidated balance sheet

Set out below is a consolidated balance sheet as at 27 July 2024 of the closed group:

	2024	2023
	\$m	\$m
Assets		
Current assets		
Cash and cash equivalents	173.3	175.5
Trade and other receivables and prepayments	39.9	37.1
Inventories	367.8	370.8
Derivative financial instruments	3.8	6.0
Current tax assets	3.2	-
Total current assets	588.0	589.4
Non-current assets		
Property, plant and equipment	317.4	321.6
Right-of-use assets	1,038.0	1,100.6
Intangible assets	305.8	305.2
Deferred tax assets	127.4	122.0
Derivative financial instruments	0.8	0.4
Other non-current assets	2.9	2.5
Total non-current assets	1,792.3	1,852.3
Total assets	2,380.3	2,441.7
Liabilities		
Current liabilities		
Trade and other payables	418.1	404.7
Lease liabilities	161.6	151.0
Provisions	66.1	73.3
Derivative financial instruments	0.3	1.4
Current tax liabilities	-	9.8
Other liabilities	-	0.1
Total current liabilities	646.1	640.3
Non-current liabilities		
Borrowings	62.2	60.1
Lease liabilities	1,404.9	1,490.0
Provisions	6.8	4.9
Total non-current liabilities	1,473.9	1,555.0
Total liabilities	2,120.0	2,195.3
Net assets	260.3	246.4
Equity		
Contributed equity	734.0	734.0
Accumulated losses	(490.9)	(500.2)
Reserves	17.2	12.6
Total equity	260.3	246.4

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 27 July 2024

G3 Parent Entity Financial Information

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2024	2023
	\$m	\$m
Balance sheet		
Current assets	172.2	207.1
Total assets	365.5	407.0
Current liabilities	13.9	26.4
Total liabilities	76.1	86.5
Shareholders' equity		
Issued capital	734.0	734.0
Reserves		
Other reserves	(2.7)	(2.7)
Share-based payments	34.4	32.1
Accumulated losses reserve - 2018	(406.7)	(406.7)
Accumulated losses reserve - 2020	(170.6)	(170.6)
Retained profits reserve - 2022	27.5	60.6
Retained profits reserve - 2023	73.7	73.7
Accumulated losses reserve - 2024	(0.1)	-
Profit/(loss) for the period	(0.1)	73.7
Total comprehensive income for the period	(0.1)	73.7

(b) Guarantees entered into by the parent entity

Carrying amount included in current liabilities

-

The parent entity is the borrowing entity under the Group's financing facilities. Under these facilities, the parent entity is party to a cross-guarantee with various other Group entities, who guarantee the repayment of the facilities in the event that the parent entity is in default.

The parent entity is also party to the deed of cross guarantee. The details of the deed of cross guarantee are set out in note G2. At the end of the reporting period, no liability has been recognised in relation to these guarantees on the basis that the potential exposure is not considered material.

(c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 27 July 2024 or 29 July 2023.

(d) Contractual commitments for the acquisition of property, plant or equipment

The parent entity did not have any contractual commitments for the acquisition of property, plant or equipment as at 27 July 2024 or 29 July 2023.

(e) Event subsequent to balance date

Refer to note H6 for additional events which have occurred after the financial reporting date.

Accounting policy

The financial information that is disclosed for the parent entity, Myer Holdings Limited, has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of Myer Holdings Limited.

(ii) Tax consolidation legislation

Myer Holdings Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, Myer Holdings Limited, and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Myer Holdings Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Myer Holdings Limited for any current tax payable assumed and are compensated by Myer Holdings Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Myer Holdings Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The funding amounts are recognised as current intercompany receivables or payables.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 27 July 2024

H. Other Financial Information

This section of the notes includes other financial information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements. This section also provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria.

H1 Contingencies

Contingent liabilities

The Group had contingent liabilities at 27 July 2024 in respect of:

Guarantees

The Group has issued bank guarantees amounting to \$30.7 million (2023: \$32.0 million), of which \$16.3 million (2023: \$14.3 million) represents guarantees supporting workers' compensation self-insurance licences in various jurisdictions. For information about other guarantees given by entities within the Group, including the parent entity, refer to notes G2 and G3.

There can be legal claims and exposures which arise from the ordinary course of business. There is significant uncertainty as to whether a future liability will arise in respect of these items, or the amount of any such liability.

H2 Commitments

Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	2024	2023
	\$m	\$m
<i>Property, plant, equipment and software</i>		
Payable:		
Within one-year	21.2	21.8
Later than one-year but not later than five years	-	-
Later than five years	-	-
	21.2	21.8

H3 Related Party Transactions

(a) Parent entities

The parent entity within the Group is Myer Holdings Limited, a listed public company, incorporated in Australia.

(b) Subsidiaries

Interests in subsidiaries are set out in note G1.

(c) Key Management Personnel

(i) Compensation

Key Management Personnel compensation for the period ended 27 July 2024 is set out below. The Key Management Personnel of the Group are persons having the authority for planning, directing and controlling the Company's activities directly or indirectly, including the directors of Myer Holdings Limited.

	2024	2023
	\$	\$
Short-term employee benefits	4,733,324	4,467,067
Post employment benefits	139,570	119,884
Long-term benefits	(32,048)	92,862
Termination and other payments	100,680	-
Share-based payments	1,357,978	2,343,555
	6,299,504	7,023,368

Detailed remuneration disclosures are provided in the Remuneration Report.

(ii) Loans

In 2024 and 2023 there were no loans made to directors of Myer Holdings Limited and other Key Management Personnel of the Group, including their related parties.

(iii) Other transactions

The transactions with Key Management Personnel or entities related to them are as disclosed in the Remuneration Report.

(d) Transactions with other related parties

There were no material transactions with other related parties during the current period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 27 July 2024

H4 Share-Based Payments

(a) Long Term Incentive Plan

The Myer Long Term Incentive Plan (LTI plan) is an incentive that is intended to promote alignment between executive and shareholder interests over the longer term. Under the LTI plan, performance rights and options may be offered annually to the Executive Chair and nominated executives. The employees invited to participate in the plan include executives who are considered to play a leading role in achieving the Group's long-term strategic and operational objectives.

Each right and option offered is an entitlement to one fully paid ordinary share in the Company, subject to adjustment for capital actions, on terms and hurdles determined by the Board, including hurdles linked to Company performance and service. Performance options vest and are automatically exercised on a net settlement basis.

The LTI plan is delivered via a grant of performance rights or options. The number of performance rights or options that vest is not determined until after the end of the performance period. The performance right or option will therefore not provide any value to the holder between the date the performance right or option is granted and after the end of the vesting period, if the performance hurdles and service conditions are satisfied. Performance rights and options do not carry entitlements to ordinary dividends or other shareholder rights until the end of the vesting period.

Set out below is a summary of performance rights and options granted under the plan:

	Balance 29 July 2023	Granted	Exercised	Expired and lapsed	Balance 27 July 2024
2024					
Performance rights	27,237,962	5,935,578	(10,547,466)	(1,100,474)	21,525,600
Performance options	2,799,378	-	(2,799,378)	-	-
Total	30,037,340	5,935,578	(13,346,844)	(1,100,474)	21,525,600
Weighted average exercise price	\$0.05	\$0.00	\$0.12	\$0.00	\$0.00
	Balance 30 July 2022	Granted	Exercised	Expired and lapsed	Balance 29 July 2023
2023					
Performance rights	20,655,386	7,361,928	-	(779,352)	27,237,962
Performance options	24,257,291	-	(9,329,267)	(12,128,646)	2,799,378
Total	44,912,677	7,361,928	(9,329,267)	(12,907,998)	30,037,340
Weighted average exercise price	\$0.30	\$0.00	\$0.55	\$0.52	\$0.05

The weighted average remaining contractual life of share rights and options outstanding at the end of the period was 1.0 year (2023: 1.0 year).

Fair value of performance rights granted

The assessed fair value at grant date of rights granted during the period is noted below. Fair value varies depending on the period to vesting date. The fair values at grant dates were independently determined using a Monte Carlo simulation pricing model that takes into account the exercise price, the term of the rights, the impact of dilution, the fair value of shares in the Company at grant date and expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the right. The fair values and model inputs for performance rights granted during the period included:

	2024 LTI Plan Rights (TSR)	2024 LTI Plan Rights (EPS)
(a) Fair value of performance rights granted	\$0.22	\$0.26
(b) Grant date	22-Nov-23	22-Nov-23
(c) Expiry date	22-Nov-27	22-Nov-27
(d) Share price at grant date	\$0.52	\$0.52
(e) Expected price volatility of the Group's shares	54.28%	54.28%
(f) Expected dividend yield	8.33%	8.33%
(g) Risk-free interest rate	4.14%	4.14%

The expected price volatility is based on the historic volatility (based on the remaining life of the performance options), adjusted for any expected changes to future volatility due to publicly available information.

Where rights are issued to employees of subsidiaries within the Group, the subsidiaries compensate the Company for the amount recognised as an expense in relation to these rights.

(b) Transformation Incentive Plan

The Transformation Incentive (TI) plan was introduced to replace the normal STI plan for a period of two years, starting in FY21. Under the TI plan, the Chief Executive Officer and nominated executives received 50% of the annual TI achieved in cash and 50% in equity.

FY21 TI Plan

The FY21 TI plan delivered the equity component via deferred rights, 50% subject to a one-year deferral period and 50% subject to a two-year deferral period. There was no entitlement to receive dividends nor any voting rights in relation to the deferred rights during the vesting period.

During the period, the remaining 50% of the total rights awarded that were subject to a two-year deferral period automatically converted into ordinary shares on a one for one basis at an exercise price of nil, and were issued to executives.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 27 July 2024

H4 Share-Based Payments (continued)

(c) Short Term Incentive Plan

Under the Group's FY23 Short Term Incentive (STI) plan, the Chief Executive Officer and nominated executives received 75% of the award achieved in cash and 25% in the form of rights to deferred shares. During the period deferred shares totalling 209,934 were allocated to executives, determined by dividing the dollar value of the award by the volume weighted average price of the Company's shares over the five trading days following the release to the market of the Company's full year FY23 results. The deferred shares are subject to a one year disposal restriction period, carry rights to dividends and voting rights and rank equally in all respects with other ordinary shares already on issue on the date of allocation, except for entitlements which had a record date before the date of allocation.

Under the Group's FY24 Short Term Incentive (STI) plan, nominated executives receive 75% of the award achieved in cash and 25% in the form of rights to deferred shares. The number of deferred shares allocated will be determined by dividing the dollar value of the deferred shares component of the STI plan award by the volume weighted average price of the Company's shares over a period of trading days determined by the Board following the release to the market of the Company's full year FY24 results. The deferred shares are subject to a one-year disposal restriction from the date of allocation.

(d) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	2024	2023
	\$m	\$m
Rights and options issued under the LTI Plan	2.3	3.9
Rights issued under the TI and STI Plan	0.2	0.4

Share-based payment transaction expenses represent the amount recognised in the period in relation to share-based remuneration plans. Where expectations of the number of rights or options expected to vest changes, the life to date expense is adjusted, which can result in a negative expense for the period due to the reversal of amounts recognised in prior periods.

Accounting policy

Share-based compensation benefits are provided to employees through the Myer Long Term Incentive Plan (LTI plan), Transformation Incentive Plan (TI plan) and Short Term Incentive Plan (STI plan).

The fair value of rights and options granted under a plan are recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the rights and options granted, which includes any market performance conditions but excludes the impact of any services and non-market performance vesting conditions and the impact of any non-vesting conditions.

Non-market vesting conditions are included in assumptions about the number of rights and options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of rights or options that are expected to vest based on the non-market vesting conditions. It recognises the impact of revisions to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The LTI, TI and STI plans are administered by the Myer Equity Plan Trust (refer to note G1). When rights or options are vested, the trust transfers the appropriate number of shares to the employee. The proceeds received net of any directly attributable transaction costs are credited directly to equity.

H5 Remuneration of Auditors

During the period, the following fees were paid or payable for services provided by the auditor of the Group, and its related practices:

	2024	2023
	\$	\$
(a) PwC Australia		
(i) Assurance services		
<i>Audit services:</i>		
Audit and review of financial statements	537,814	553,481
<i>Other assurance services:</i>		
Rent certificates assurance services	41,553	37,211
Total remuneration for audit and other assurance services	579,367	590,692
(ii) Taxation services		
Tax compliance services	6,000	3,500
(iii) Other services		
Consulting services	-	22,440
Total remuneration of PwC Australia	585,367	616,632
(b) Overseas practices of PwC		
(i) Assurance services		
<i>Audit services:</i>		
Audit and review of financial statements	75,851	73,026
Total remuneration for overseas practices of PwC	75,851	73,026

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 27 July 2024

H6 Events Occurring After the Reporting Period

Dividends on the Company's ordinary shares

The directors have determined to pay a final dividend of 0.5 cent per share, fully franked at the 30% corporate income tax rate, payable on 21 November 2024 for the period ended 27 July 2024.

I. Other Accounting Policies

This section provides a list of other accounting policies adopted in the preparation of these consolidated financial statements. Specific accounting policies are disclosed in their respective notes to the financial statements. This section also provides information on the impacts of new accounting standards, amendments and interpretations, and whether they are effective in the current or future reporting periods.

The principal accounting policies adopted in the preparation of these consolidated financial statements ('financial statements' or 'financial report') are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Myer Holdings Limited and its subsidiaries ('Group').

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. Myer Holdings Limited is a for-profit entity for the purpose of preparing the financial statements.

Compliance with IFRS

The consolidated financial statements of Myer Holdings Limited group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

These financial statements have been prepared under the historical cost convention, except for financial assets and liabilities (including derivative instruments), which have been measured at fair value through profit or loss.

Working capital position

As at 27 July 2024, the Group has a net current liability position of \$61.9 million, which includes cash and cash equivalents of \$176.0 million. The net current liability includes the recognition of current lease liabilities of \$161.9 million from the adoption of AASB 16 *Leases*. The Group has available borrowing facility of \$33.9 million, which when combined with the orderly realisation of inventory above cost will enable the Group to pay its debts as and when they become due and payable.

(b) Rounding of amounts

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and, except where otherwise stated, amounts in the consolidated financial statements have been rounded off to the nearest hundred thousand dollars.

(c) New accounting standards and interpretations

New and amended standards adopted by the Group

The Group note that none of the new standards or amendments to existing standards that are mandatory for the first time for the 27 July 2024 reporting period materially affect any of the amounts recognised in the current period or prior period, and are not likely to significantly affect future periods.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

for the period ended 27 July 2024

Details of each subsidiary within the consolidated entity, including the tax residency of each of those entities during the financial period, are set out in the table below:

Name of entity	Type of entity	% of share capital	Place of business / country of incorporation	Australian resident or foreign resident	Foreign jurisdiction of foreign residents
Myer Holdings Limited	Body corporate	n/a	Australia	Australian	n/a
NB Elizabeth Pty Ltd	Body corporate	100	Australia	Australian	n/a
NB Russell Pty Ltd	Body corporate	100	Australia	Australian	n/a
NB Lonsdale Pty Ltd	Body corporate	100	Australia	Australian	n/a
NB Collins Pty Ltd	Body corporate	100	Australia	Australian	n/a
Warehouse Solutions Pty Ltd	Body corporate	100	Australia	Australian	n/a
Myer Group Pty Ltd	Body corporate	100	Australia	Australian	n/a
Myer Pty Ltd	Body corporate	100	Australia	Australian	n/a
Myer Group Finance Limited	Body corporate	100	Australia	Australian	n/a
The Myer Emporium Pty Ltd	Body corporate	100	Australia	Australian	n/a
ACT Employment Services Pty Ltd	Body corporate	100	Australia	Australian	n/a
Myer Employee Share Plan Pty Ltd	Body corporate	100	Australia	Australian	n/a
Myer Equity Plans Trust	Trust	n/a	Australia	Australian	n/a
Myer Equity Plans No 2 Trust	Trust	n/a	Australia	Australian	n/a
Myer Travel Pty Ltd ²	Body corporate	-	Australia	Australian	n/a
Myer Sourcing Asia Ltd	Body corporate	100	Hong Kong	Foreign	Hong Kong
Shanghai Myer Service Company Ltd	Body corporate	100	China	Foreign	China
Boogie & Boogie Pty Ltd	Body corporate	100	Australia	Australian	n/a
sass & bide Pty Ltd	Body corporate	100	Australia	Australian	n/a
sass & bide Retail Pty Ltd	Body corporate	100	Australia	Australian	n/a
sass & bide Retail (NZ) Pty Ltd	Body corporate	100	Australia	Australian	n/a ¹
sass & bide USA inc.	Body corporate	100	USA	Foreign	USA
sass & bide inc.	Body corporate	100	USA	Foreign	USA
Marcus David Lawrence Pty Ltd	Body corporate	100	Australia	Australian	n/a

¹ sass & bide Retail (NZ) Pty Ltd has a branch in NZ which is subject to tax in NZ.

² Myer Travel Pty Ltd was deregistered on 30 March 2024.

Basis of preparation

This consolidated entity disclosure statement (CEDs) has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the consolidated entity as at the end of the financial period in accordance with AASB 10 *Consolidated Financial Statements*.

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DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the financial statements and notes thereto are in accordance with the *Corporations Act 2001* (Cth), including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 27 July 2024 and of its performance for the financial period ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (c) the consolidated entity disclosure statement is true and correct; and
- (d) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note G2.

Note I. (a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Executive Chair and the Chief Financial Officer required by section 295A of the *Corporations Act 2001* (Cth).

This declaration is made in accordance with a resolution of the Directors.



Olivia Wirth
Executive Chair

Melbourne, 19 September 2024



Independent auditor's report

To the members of Myer Holdings Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Myer Holdings Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 27 July 2024 and of its financial performance for the period 29 July 2023 to 27 July 2024
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated balance sheet as at 27 July 2024
- the consolidated statement of comprehensive income for the period then ended
- the consolidated statement of changes in equity for the period then ended
- the consolidated statement of cash flows for the period then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 27 July 2024
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

Key audit matter	How our audit addressed the key audit matter
<p>Carrying value of the Myer Brand name (Refer to note C2)</p> <p>The Group holds an indefinite life brand name for Myer of \$232.8 million as at 27 July 2024. The brand is allocated to the Myer Cash Generating Unit (CGU).</p> <p>The Group performed an impairment assessment for the CGU, by preparing a financial model to determine if the carrying value of the assets is supported by forecast future cash flows, discounted to present value (the “model”).</p> <p>We considered the carrying value of the Myer brand name to be a key audit matter due to the size of the balances and the significant judgements applied by the Group in estimating future cash flows.</p>	<p>Our audit procedures included the following, amongst others:</p> <ul style="list-style-type: none"> Assessing whether the allocation of the Group’s assets into CGUs was consistent with our knowledge of the Group’s operations and internal Group reporting. Assessing the appropriateness of the Group’s method for developing the estimate of the recoverable amount. Compared the Group’s forecast cash flows to Board approved budget. Assessed the appropriateness of significant assumptions used in the model, including forecast EBITDA margins, discount rates and terminal growth rates.

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<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<p>Net realisable value of inventory <i>(Refer to note B2)</i></p> <p>The Group held inventory of \$368.5 million at 27 July 2024. Inventories are valued at the lower of cost and net realisable value.</p> <p>The Group recognises a provision where it expects the net realisable value of inventory to fall below its cost price.</p> <p>We considered this a key audit matter because the Group applies significant judgements and assumptions in forecasting future selling prices to estimate the value of inventory likely to sell below cost in the future.</p>	<ul style="list-style-type: none">• Assessed the Group's historical ability to forecast cash flows by comparing the forecast cash flows to actual results for the past three years.• Together with PwC valuation experts, evaluated the appropriateness of the discount rates used in the model by comparing them to external market data.• Evaluating the reasonableness of disclosures in the financial report in light of the requirements of Australian Accounting Standards.
	<p>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none">• Assessed the Group's inventory provisioning policy by considering the levels of aged inventory and the Group's inventory clearance strategy.• Testing the mathematical accuracy of key data included in the calculation of the Group's inventory provision.• Comparing the selling price (net realisable value) subsequent to period end to the recorded cost, for a sample of inventory items.• Evaluating the reasonableness of disclosures in the financial report in light of the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the period ended 27 July 2024, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the Preliminary final report, directors' report. We expect the remaining other information to be made available to us after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.



A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the period ended 27 July 2024.

In our opinion, the remuneration report of Myer Holdings Limited for the period ended 27 July 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers' in a cursive script.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'Alison Tait Milner' in a cursive script.

Alison Tait Milner
Partner

Melbourne
19 September 2024

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Shareholder information

As at 23 September 2024.

Myer has one class of shares on issue (being ordinary shares). All the Company's shares are listed on the Australian Securities Exchange.

Focus Area	Number
Issued Capital	837,557,023
Number of Shareholders	38,974
Minimum Parcel Price	\$0.845
Holders with less than a marketable parcel	13,764

Distribution of shareholders and shareholdings

Range	Units	%	Holders	%
100,001 and Over	688,061,726	82.15	368	0.94
10,001 to 100,000	94,143,729	11.24	3,095	7.94
5,001 to 10,000	18,469,224	2.21	2,315	5.94
1,001 to 5,000	26,908,148	3.21	12,328	31.63
1 to 1,000	9,974,196	1.19	20,868	53.54
Total	821,278,815	100.00	40,457	100.00

Unmarketable parcels

Range	Minimum Parcel Size	Holders	Units
Minimum \$500.00 parcel at \$0.845 per unit	592	13,764	4,475,591

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Twenty largest shareholders

Rank	Name	Units	% of Units
1	METALGROVE PTY LTD	260,972,158	31.16
2	CITICORP NOMINEES PTY LIMITED	109,154,987	13.03
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	80,386,838	9.60
4	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	45,721,956	5.46
5	PACIFIC CUSTODIANS PTY LIMITED	14,876,547	1.78
6	UBS NOMINEES PTY LTD	9,328,687	1.11
7	SPROUT GROUP PTY LTD	9,085,031	1.08
8	AM GLORY PTY LTD	6,626,698	0.79
9	GLADIATOR SECURITIES PTY LTD	5,870,000	0.70
10	ACE PROPERTY HOLDINGS PTY LTD	4,900,000	0.59
11	MR JOHN ANTHONY KING	4,497,612	0.54
12	SRH SUPER PTY LTD	3,900,000	0.47
13	WARBONT NOMINEES PTY LTD	3,868,652	0.46
14	RIADIS HOLDINGS PTY LTD	3,600,000	0.43
15	MR PAT O'NEILL	3,478,649	0.42
16	BOND STREET CUSTODIANS LIMITED	3,377,287	0.40
17	MR YOUSSEF ELBAYEH	3,327,602	0.40
18	NETWEALTH INVESTMENTS LIMITED	3,275,057	0.39
19	MR RAJESH PARSOTAM HARIDAS	2,800,000	0.33
20	DR PETER MALCOLM HEYWORTH	2,603,300	0.31
Total		581,651,061	69.45
Balance of register		255,905,962	30.55
Grand total		837,557,023	100.00

Substantial shareholders

As at 23 September 2024, there are two substantial shareholders that Myer is aware of:

	Date of last notice	Number of securities in last notice	%
Premier Investments	18 April 2024	260,972,1583	31.16
Dimensional Fund Advisors	3 August 2023	49,251,659	5.88
Total			37.04

The above table sets out the number and percentage of securities held by substantial shareholders in Myer as disclosed in their last substantial shareholder's notice. Note that those shareholders may have acquired or disposed of securities in Myer since the date of that notice. A substantial shareholder is only required to disclose acquisitions or disposals where there has been a movement of at least 1% in their shareholding.

Voting rights

Shareholders may vote at a meeting of shareholders in person, directly or by proxy, attorney or representative, depending on whether the shareholder is an individual or a company. Subject to any rights or restrictions attaching to shares, on a show of hands each shareholder present in person or by proxy, attorney or representative has one vote and, on a poll, has one vote for each fully paid share held.

Presently, Myer has only one class of fully paid ordinary shares and these do not have any voting restrictions. If shares are not fully paid, on a poll the number of votes attaching to the shares is pro-rated accordingly. Options and performance rights do not carry any voting rights.

Performance options and rights

Myer has unlisted performance rights on issue. As at 23 September 2024, there were 19 holders of performance rights.

Corporate directory

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Registered office

Myer Holdings Limited
Level 7, 1000 La Trobe Street
Docklands VIC 3008

Myer postal address

Myer Holdings Limited
PO Box 869J
Melbourne VIC 3001

Company secretary

Paul Morris
General Counsel and Company Secretary

Shareholder enquiries: Share registry

Link Market Services Limited
Attn: Myer Holdings Limited
Locked Bag A14
Sydney South NSW 1235

Myer shareholder information line

Australian Telephone: 1300 820 260
International Telephone: +61 1300 820 260
Facsimile: +61 2 9287 0309
www.linkmarketservices.com.au

Investor relations and media enquiries

Email: myer.corporate.affairs@myer.com.au

Sustainability

Email: sustainability@myer.com.au

Myer customer service centre

PO Box 869J
Melbourne VIC 3001
Phone: 13 69 37 (within Australia)

Auditor

PricewaterhouseCoopers
2 Riverside Quay
Southbank VIC 3006

Securities exchange listing

Myer Holdings Limited (MYR) shares are listed on the Australian Securities Exchange (ASX)

Websites

myer.com.au
myerone.com.au
myer.com.au/investor

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