MYER

MY STORE

6 March 2019

FIRST HALF 2019 RESULTS

NET PROFIT AFTER TAX* UP 3.1% TO $41.3 MILLION

Operating gross profit margin up 99 basis points to 38.5%
EBITDA* up 4.9% to $113.6 million

1H2019 Results (26 weeks to 26 January 2019) compared to last year:

- Total sales down 2.8% to $1,671.4 million; comparable store sales down 2.3%
- Online and omnichannel sales** up 18.6% to $151.2 million
- Improved operating gross profit margin and continued disciplined cost management more than offset higher depreciation and interest expense, resulting in NPAT* of $41.3 million
- Statutory NPAT of $38.4 million, compared to $476.2 million loss in 1H2018
- Operating cash flow increased by $8 million to $173 million with total net debt down $57 million

Customer First Plan Progress:

- Strengthened leadership team
- Improvements across stores: service levels, merchandise range and store ambience
- Improvements to myer.com.au website: merchandise range, user experience and delivery options
- Focus on getting basics right, actively pursuing solutions for excess space

Income statement	**1H2019 $m**	**1H2018 $m**	**CHANGE %**
Total Sales	**1,671.4**	1,719.7	(2.8%)
Operating Gross Profit	**643.8**	645.4	(0.2%)
Cost of Doing Business	**(530.2)**	(537.1)	(1.3%)
EBITDA*	**113.6**	108.3	+4.9%
EBIT*	**63.8**	62.0	+2.8%
NPAT*	**41.3**	40.1	+3.1%
Statutory NPAT	**38.4**	(476.2)	nm
Operating Gross Profit Margin (%)	***38.52***	*37.53*	*+99bps*
Cost of Doing Business Margin (%)	***31.72***	*31.23*	*+49bps*

* *Excluding implementation costs and individually significant items*
***Including Marcs and David Lawrence (MDL) and sass & bide online sales, Myer Market and $16.9 million via in-store iPads*

Myer Chief Executive Officer and Managing Director, John King, said: “This result demonstrates the positive customer response to a number of initiatives from our Customer First Plan, particularly during the all-important Christmas and Myer sale periods.

“There are a number of Customer First pilots underway across multiple stores to determine the customer response to new brands, preferred store layouts, brand adjacencies and marketing, which will enable us to roll out these improvements to further stores.

“The improved operating gross profit margin and continued disciplined cost management combined to more than offset higher depreciation and interest expense, resulting in an improved 1H2019 NPAT of $41.3 million.

“The debt refinancing was completed in November 2018 and provides a stable platform for the next two years, with substantial headroom in all of our covenants. We remain focused on deleveraging and net debt was reduced by $57 million.

Mr King highlighted that the continued strong growth in the online business, which represented the largest store during December, was particularly pleasing and reflected the significant potential for this business. For the next period, we will be continuing to improve the online experience, better matching the store range, including concessions, and making further improvements to fulfilment.

“There is a strong focus across the entire business on reducing costs that do not directly benefit the customer or enhance their experience in-store or online. We have put in place a more streamlined and accountable structure in the Support Office which is delivering positive results and we have identified numerous other cost saving opportunities acoss the business which may be material in future years,” Mr King said.

1H2019 Results

Total sales were down 2.8% to $1,671.4 million; comparable store sales down 2.3%. Sales during the second quarter were down 1.4% which represented an improvement on the 4.8% decline in the first quarter. The sales result reflects the continued strong growth in online, the enhanced execution of Christmas, more targeted and relevant marketing and improved service and store layouts. The improvement in service was in part due to the rollout of our workforce management tool and team member training.

Total online and omnichannel sales in 1H2019 grew by 18.6% to $151.2 million (including MDL and sass & bide online sales, Myer Market and $16.9 million via in-store iPads). Online and omnichannel sales in the second quarter increased by 28.8% to $97.7 million.

The higher operating gross profit margin was in part due to a renewed focus on Myer Exclusive Brands (MEBs) which grew by 3.7% during the half. Prior to Christmas we moved several MEBs in 23 stores to enhance visibility and we supported these brands with improved service levels, which delivered some encouraging results. Operating gross profit (OGP) also benefited from an improved change in sales mix online with an increase in apparel sales.

OGP was also impacted by the move to focus on profitability by emphasising higher margin brands both in-store and online and removing some less profitable brands.

Cost of doing business was well managed during the half reflecting the focus on improved efficiency and productivity both in stores and the Support Office and there remain further opportunities to reduce costs overall.

The increase in depreciation in part reflects the increased investment in the online business including the new website.

Interest increased as a result of the higher funding costs following the completion of the refinancing in November 2018, however this was in part offset by reduced debt levels during the period due to strong positive cash generation.

Implementation costs and individually significant items (post-tax) totalled $2.9 million and as outlined in the September results announcement, included redundancies reflecting the simplification of the organisational structure in the Support Office.

Operating cash flow increased by $8 million during the period. Capex was $27 million lower than last year as material projects completed. The Company finished the period in a net cash position of $37 million and net debt was $57 million below last year reflecting the continued focus to deleverage. The dividend continues to be suspended.

Customer First Plan Update

1. Transform Customer Experience

Several Customer First pilots have been conducted to improve service, layouts, ranging, and the appearance of stores, with better store communications and product knowledge supporting these initiatives.

Since September last year, we have focused on being more operationally efficient. We have worked with brand partners and team members to improve customer service and enhance the overall in-store experience. We have also made significant changes to the way we communicate with team members in stores, introducing an App that provides up to date operational information, product knowledge and customer feedback.

The Customer First pilots will enable us to refine the customer experience prior to rolling out the new initiatives to all stores.

2. Only at Myer Brands

Myer has a fantastic stable of exclusive brands and our customers expect constant newness, and we respond by constantly refreshing our offer.

This season we have over twenty new brands arriving. The majority of these are international brands including Selected Femme, Selected Homme, Twisted Tailor from London, Acqua di Parma from Italy, Girls on Film (Little Mistress from the UK) and Jack London; with many more to come. In addition, we have expanded the range of a number of brands including Vero Moda and some of our most popular MEBs.

3. Enhance myer.com.au

The strong growth in the online business was in part driven by the launch of the new website in September 2018. The new website significantly enhanced the user experience, in particular on mobile devices, with improved and faster search capability, clearer filtering and navigation, better presentation of merchandise and clearer, more engaging brand and editorial journeys.

The online business delivered significant growth during the Black Friday period with online orders up 151%, traffic up 98%, and over $10 million of sales during the four days. Traffic to the Myer website continued to grow and reached a record on Boxing Day 1H2019 with over 1.2 million visits to the site, representing 62% growth compared to Boxing Day 1H2018.

Importantly, the OGP margin of the online business also improved with increased sales of apparel and other higher margin products. Customer take up of Click & Collect continued to grow during the period with 20.2% of orders being collected in store during 1H2019 compared to 19.0% in 1H2018.

Separately, there was a strong customer response to changes and improvements across our delivery services. In December 2018, the ‘free delivery’ threshold was lowered from $100 to $49 and charges for same day and next day delivery were also lowered. On top of the very popular Click & Collect and delivery to parcel lockers, Myer now has a leading cost of delivery proposition.

4. Efficiency levers

During 1H2019, the online business experienced several unprecedented trading peaks and work is now underway to refine fulfilment for both stores and online, and will result in a more centralised model. Further details will be provided in due course.

There are numerous other areas of potential efficiencies including occupancy costs, store efficiencies, shrinkage, supply chain and other central costs. A review of shrinkage management has been completed and the recommendations will be implemented during 2H2019.

Outlook

During 2H2019, the business will continue to focus on the execution of our Customer First Plan including an ongoing focus on costs, profitability and cash management.

Sales are expected to be impacted by the exit of a number of brands and the introduction of several new brands, and there will be additional costs associated with these initiatives.

There will also be continued investment in two key areas:

1. Merchandise - to establish the new brands and to improve and expand our MEBs; and
2. Online business - to further improve both the customer experience and the efficiency of order fulfilment.

In 2H2019, we also anticipate higher interest and depreciation costs to continue.

A number of macro challenges exist that may impact discretionary spend, for example uncertainty in the lead up to the Federal election and concerns around the housing market.

Mr King concluded: "Our focus, since we launched our Customer First Plan, has been on profitable sales, a disciplined management of costs and cash, and deleveraging the business.

"There is no doubt that we are on the right path with the right plan, and the right people in place to execute it, including a strong relationship with all of our business partners; however there remains a lot of work to be done," he said.

-ends-

Investor and Analyst briefing

A teleconference will be held for investors and analysts today at 9.30am (Melbourne time).

Telephone number: +61 2 8373 3610 Conference ID: 3558039

Attendees will need to have the attached slides available for the call. In addition, attendees will need to register their name, email and company to access the teleconference. An archive of the briefing will be available afterwards at: www.myer.com.au/investor

For further information please contact:

Investors

Davina Gunn, Investor Relations, +61 3 8667 7879 or +61 (0) 400 896 809

Media

Martin Barr, Corporate Affairs & Communications, +61 (0) 418 101 127

Myer shares are traded on the Australian Securities Exchange (MYR). Myer has a Sponsored Level I American Depository Receipt program which trades in the United States on OTC Markets (MYRSY).

The financial information provided includes non-IFRS information which have not been audited or reviewed in accordance with Australian Accounting Standards but are based on the Half-Year Financial Report (Appendix 4D).

This information is presented to assist readers in making appropriate comparisons with prior periods and to assess the performance of Myer. The non-IFRS financial information includes total sales, sales per square metre, OGP margin, CODB, EBITDA, total funds employed, Net debt, working capital, operating cash flow and free cash flow. These are measures frequently quoted in the industry and forms the basis upon which many investors, financiers and analysts are briefed.

The information provided is general only and does not purport to be complete. It should be read in conjunction with Myer's other periodic and continuous disclosure announcements. You should not rely on the information provided as advice for investment purposes, as it does not take into account your objectives, financial situation and needs. You should make your own assessment and take independent professional advice in relation to the information and any action taken on the basis of the information. The information may contain "forward-looking statements". Forward-looking statements can generally be identified by the use of words such as "may", "will", "expect", "intend", "plan", "estimate", "project", "should", "could", "would", "target", "aim", "assume", "forecast", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or their negative forms or other variations or similar expressions. Indications of plans, strategies, objectives, sales and financial performance including indications of and guidance on future earnings and financial position and performance are also forward-looking statements. Forward-looking statements are not guarantees of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are outside Myer's control. Actual results or performance may differ materially from those expressed, anticipated or implied in this material. Do not place undue reliance on any forward-looking statements, which are current only as at the date of this release. Further information on important factors that could cause actual results to differ materially from those projected in such statements is contained in Myer's most recent Financial Report. Subject to law, Myer assumes no obligation to update, review or revise any information contained in this material.

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

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Appendix 1: Income Statement for the 26 weeks to 26 January 2019

	1H2019 $m	1H2018 $m	CHANGE $m	CHANGE %
Total Sales	**1,671.4**	1,719.7	(48.3)	(2.8%)
Concessions	**339.5**	360.1	(20.6)	(5.7%)
Myer Exclusive Brands	**292.2**	281.7	10.5	+3.7%
National Brands and other	**1,039.7**	1,077.9	(38.2)	(3.5%)
Operating Gross Profit	**643.8**	645.4	(1.6)	(0.2%)
Operating Gross Profit Margin (%)	***38.52***	*37.53*		*+99bps*
Cost of Doing Business	**(530.2)**	(537.1)	(6.9)	(1.3%)
Cost of Doing Business Margin (%)	***31.72***	*31.23*		*+49bps*
EBITDA*	**113.6**	108.3	5.3	+4.9%
*EBITDA Margin**	***6.80%***	*6.30%*		*+50bps*
Depreciation	**(49.8)**	(46.3)	3.5	+7.7%
EBIT*	**63.8**	62.0	1.8	+2.8%
Net Finance Costs	**(5.2)**	(4.7)	0.5	+9.5%
Tax*	**(17.3)**	(17.2)	0.1	+0.4%
NPAT*	**41.3**	40.1	1.2	+3.1%
Basic EPS (cents)**	**5.0**	4.9	0.1	+3.1%
Implementation costs and individually significant items (post-tax)	**(2.9)**	(516.3)	513.4	nm
Statutory NPAT	**38.4**	(476.2)	514.6	nm
Basic EPS (cents)	**4.7**	(58.0)	62.7	nm

** Excluding implementation costs and individually significant items*

*** Calculated on weighted average number of shares of 821.3 million (1H2018: 821.3 million) and based on NPAT pre-implementation costs and individually significant items*

Appendix 2: Debt Covenants

Covenant	Covenant	January FY19	July FY18	January FY18
Net Leverage Ratio	=<2.25 x	(0.21 x)	0.72 x	0.13 x
Fixed Charge Cover Ratio	=>1.40 x	1.61 x	1.59 x	1.65 x
Minimum Shareholders' Funds	=>$400m	$618m	$584m	$580m

*Net Leverage Ratio = (Gross Debt (excluding capitalised borrowing costs) less Cash)/EBITDA**
Fixed Charge Cover (FCC) Ratio = (EBITDA + Rent) / (Interest + Rent)*
Minimum Shareholders' Funds = Total Shareholders' Funds as reported on the Balance Sheet

* *Excluding implementation costs and individually significant items*

MARCH 6, 2019

MYER FIRST HALF 2019 RESULTS TO 26 JANUARY 2019

JOHN KING
CHIEF EXECUTIVE OFFICER

NIGEL CHADWICK
CHIEF FINANCIAL OFFICER

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Introduction

1H2019 Results

Customer First Plan

Conclusion

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1H2019 Results Summary

Trading	• Total sales down 2.8% to $1,671.4m; comparable store sales down 2.3% • Operating Gross Profit (OGP) down 0.2%; OGP margin up 99bps to 38.52% • Cost of Doing Business (CODB) down 1.3%
Earnings	• EBITDA* up 4.9% to $113.6m • NPAT* up 3.1% to $41.3m, Earnings per share* 5.0 cents • The dividend continues to be suspended
Balance Sheet	• Net debt down $57m; net cash position of $37m • Inventory down 3.2% • All banking covenants have substantial headroom
Cash flow	• Operating cash flow up $8m to $173m • Capex lower by $27m as material projects completed

Excluding implementation costs and individually significant items

Customer First Plan - progress

Strengthened Executive Team	• Four appointments to Executive Team; strengthened leadership team now in place • Executive incentives aligned to long-term performance
Stable platform to execute plan	• Refinanced debt facilities in November 2018 • Focus on cash flow management and deleveraging
Customer First	• Improvements across stores: service levels, merchandise range and store ambience • Improvements to myer.com.au website: merchandise range, user experience and delivery options
Focus on growing profitable sales	• Greater emphasis on 'Only at Myer' and other high margin products • Reducing promotional activity, more targeted offers, improved buying and full price sell through
Opportunities for more cost efficiencies	• Focus on getting the basics right, actively pursuing solutions for excess space • Further opportunities exist in 2H2019 and beyond

Introduction

1H2019 Results

Customer First Plan

Conclusion

Income statement

$ MILLIONS	1H2019	1H2018	CHANGE
Total Sales	1,671.4	1,719.7	(2.8%)
Operating Gross Profit	643.8	645.4	(0.2%)
Cost of Doing Business	(530.2)	(537.1)	(1.3%)
EBITDA*	113.6	108.3	4.9%
EBIT*	63.8	62.0	2.8%
NPAT*	41.3	40.1	3.1%
Statutory NPAT	38.4	(476.2)	nm**
Operating Gross Profit Margin (%)	38.52	37.53	+99bps
Cost of Doing Business Margin (%)	31.72	31.23	+49bps

- Sales decline stabilised in Q2, in part due to growth in online
- OGP margin improved by 99bps; reversing recent trend
- Continued reduction in CODB
- NPAT growth achieved despite higher depreciation and interest
- NPAT up 3.1% to $41.3 million (pre implementation costs and individually significant items)

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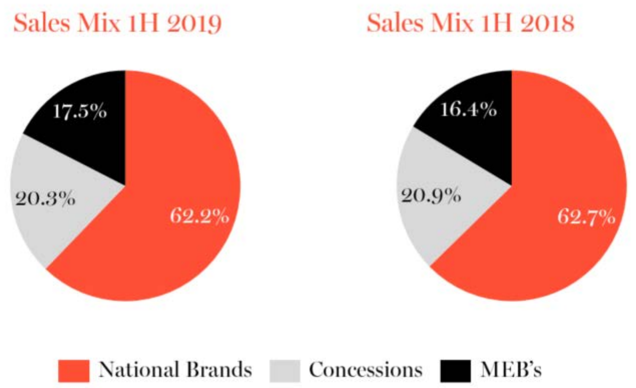
*Excluding implementation costs and individually significant items
** Not meaningful

Q2 results showed some improvements

	Q2 2019	Q1 2019	1H 2019
Total sales movement (YOY)	(1.4%)	(4.8%)	(2.8%)
Comparable store sales (YOY)	(0.9%)	(4.3%)	(2.3%)
Online and omnichannel sales* (YOY)	28.8%	3.6%	18.6%
Online sales (excluding in-store iPads) (YOY)	31.6%	2.6%	19.8%
Selling Leasable Area (m^2)	762,866	770,251	

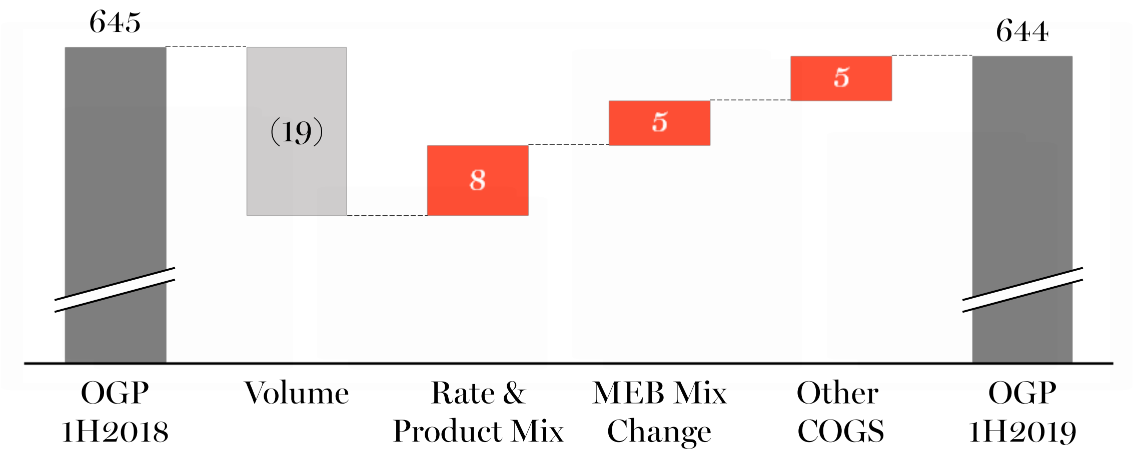


- Q2 comparable store sales decline stabilised at (0.9%); improved execution of Christmas
- Return to strong growth in online business post launch of new website and exit of unprofitable sales
- Online and omnichannel sales $151.2m, including $16.9m via in-store iPads
- Maroochydore and Castle Hill refurbished
- Colonnades closed March 2018 and Logan closed Jan 2019
- MEBs sales +3.7% to $292.2m in 1H2019

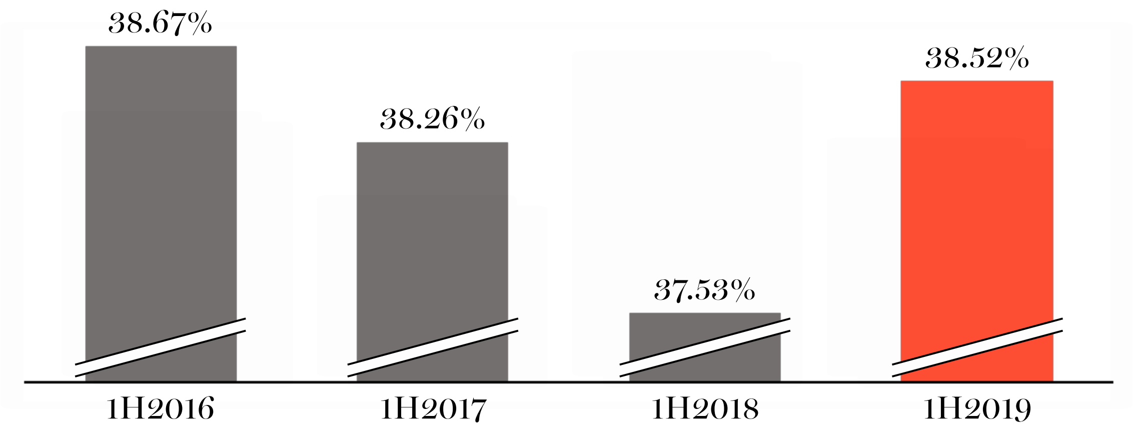
Including Marcs and David Lawrence (MDL) and sass & bide online sales, Myer Market and $16.9 million via in-store iPads n 1H2019

Operating gross profit reflects margin improvement

Operating Gross Profit ($m)



Operating Gross Profit Margin (%) – 1H2016 to 1H2019



- OGP impacted by lower sales volumes
- Positively offset by:
  - Focus on profitable sales across all channels:
    - Reduced sales in lower margin categories and brands
    - Online apparel mix improved
  - Stable supplier contributions
  - Increased MEB mix
  - Improved sass & bide OGP margin as recovery continues
  - Favourable other costs of sales (partly due to lower volumes)

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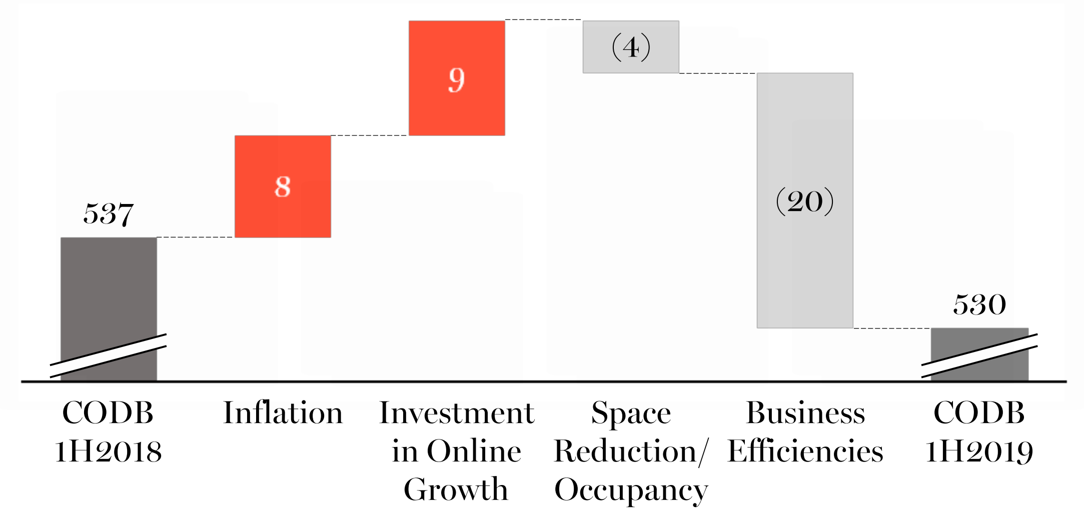
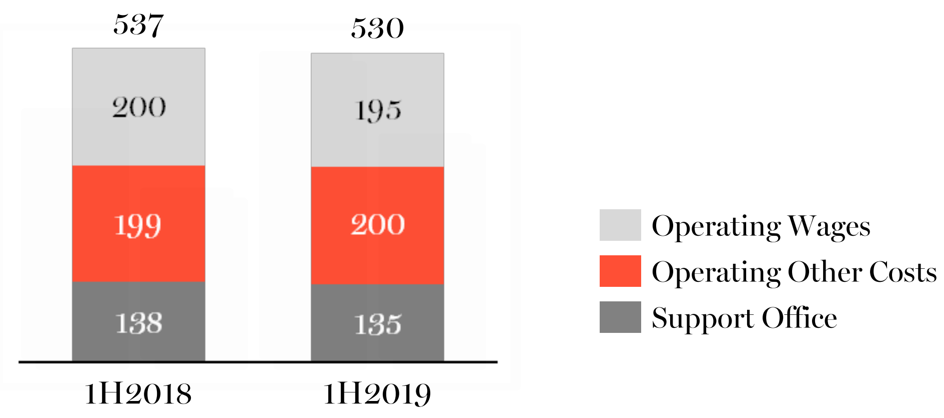
Continuing focus on costs and efficiencies

Cost of Doing Business ($m)



- Investment in online includes variable costs associated with sales growth
- Efficiency improvements from workforce management, procurement savings, marketing and IT cost reductions
- Streamlined structure in Support Office

Myer Group Cost Structure ($m)



- Costs continue to be well managed, with inflationary pressures mitigated
- Scale of online business requires fulfilment efficiencies
- Further opportunities exist for cost savings and improved operational efficiencies

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Improving operating cash flow

$ MILLIONS	1H2019	1H2018
EBITDA*	109.5	95.7
Working capital movement	77.1	84.1
Operating cash flow (before interest & tax)	**186.6**	**179.8**
Conversion	170.4%	187.8%
Tax paid	(9.6)	(10.4)
Interest paid	(4.3)	(4.9)
Operating cash flow	**172.6**	**164.4**
Capex paid**	(27.1)	(54.5)
Other	0.2	0.2
Free cash flow before dividends	**145.8**	**110.1**
Dividends	-	(16.4)
Other	(0.3)	(0.3)
Net cash flow	**145.5**	**93.3**

- Disciplined capital management continued
- Seasonal working capital movement is lower due to timing of payment runs
- Operating cash flow increased by $8m to $173m
- Capex $27 million lower as material projects completed
- No final dividend paid during 1H2019
- Focus continues to be to deleverage

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** EBITDA includes implementation costs and individually significant items with the exception of non-cash asset impairments*
***Net of landlord contributions*

Balance Sheet

$ MILLIONS	1H2019	FY2018	1H2018
Inventory	360.1	366.8	372.0
Creditors	(466.1)	(381.2)	(471.6)
Other Assets	41.5	35.1	42.6
Other Liabilities	(242.7)	(238.7)	(263.7)
Property	22.9	23.2	23.4
Fixed Assets	387.9	400.9	429.1
Intangibles (Brands)	371.6	371.6	371.6
Intangibles Software	104.9	113.5	96.4
Total Funds Employed	**580.1**	**691.4**	**599.9**
Debt	(95.4)	(149.2)	(98.8)
Less cash	132.9	41.8	78.9
Net (Debt)/Cash	**37.5**	**(107.4)**	**(19.9)**
Equity	**617.6**	**584.0**	**580.1**

- Inventory down 3.2%, despite bringing forward stock for Winter19 season launch
- Other liabilities reduced as provisions for historical individually significant items have been utilised, including restructuring costs
- Net cash position of $37m
- Net debt reduced by $57m
- AASB16 to bring leases on balance sheet to be effective from 28 July 2019 (FY2020); impact to be finalised

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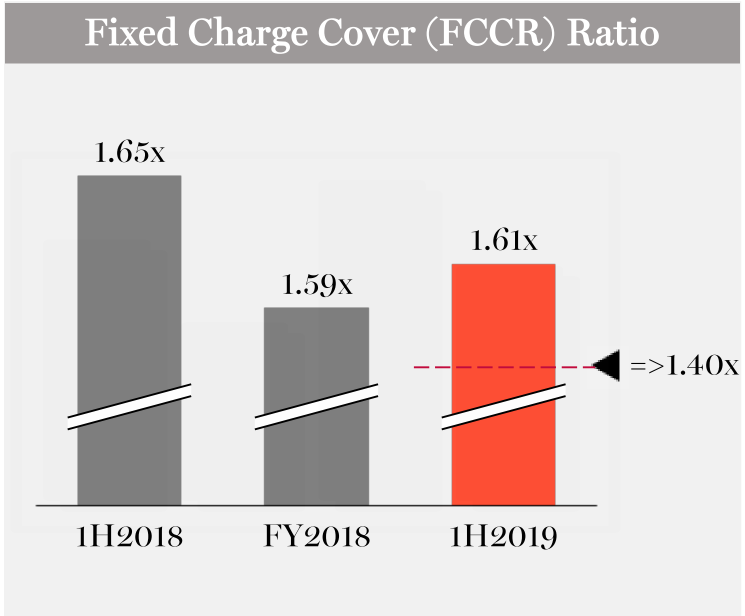
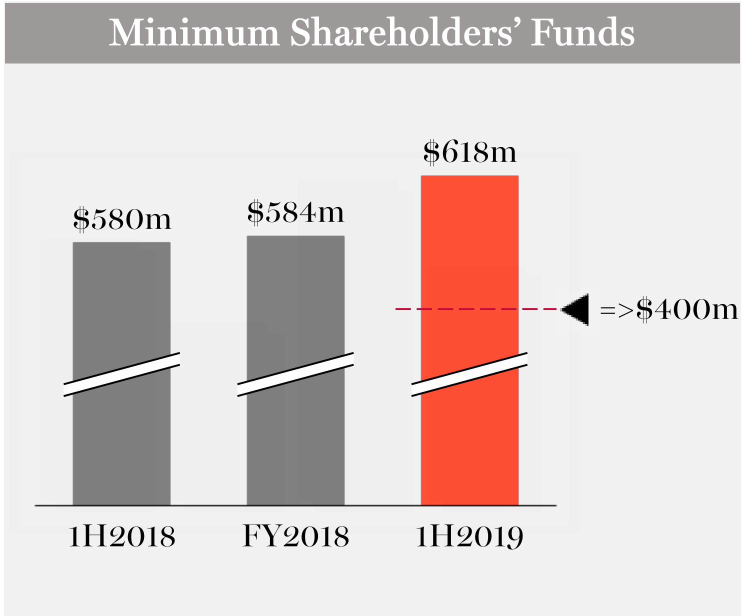
Net Debt Reduction and Covenant Headroom

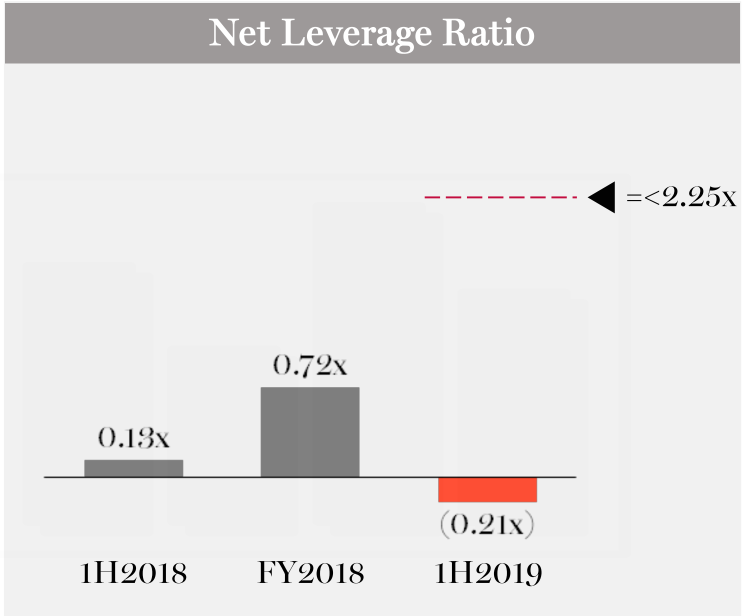
$ MILLIONS	1H2019	1H2018
Opening Net Debt	(107.4)	(112.8)
Closing Net (Debt) / Cash	37.5	(19.9)

- Net cash position of $37m, which is $57m higher than same time last year
- Headroom in all covenants at 1H2019
- FCCR stabilised and improved compared to FY2018

Debt Covenants







Covenant

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In Summary

- Improvements delivered in 1H2019:
  - Improved OGP margin
  - Disciplined management of costs
  - NPAT* +3.1% on lower sales, increased depreciation and interest
  - Operating cash flow up $8m to $173m, total net debt reduced by $57m

- 2H2019:
  - Disruption associated with brand exits, offset by introduction of several new and exclusive brands
  - Removal of Clearance Floors (by December 2019)
  - Continued investment in MEBs to improve range
  - Investment in online business to improve customer experience
  - Continued higher interest and depreciation

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Excluding implementation costs and individually significant items

Introduction

1H2019 Results

Customer First Plan

Conclusion

Our Customer First Plan – Ensuring Myer is Australia's Favourite Department Store

Providing friendly helpful service, high quality and exclusive brands, and offering compelling value

Our Values

Customers Come First	Own Our Future	Do What's Right	One Inclusive Team

Our Priorities

Focus areas	1 Transform customer experience in store	2 'Only at Myer' brands and categories; value for money	3 Continue enhancing myer.com.au
4 Efficiency levers	Simplified business processes *'Work smarter'*	Efficient from factory to customer *'Move product at lowest total cost'*	Accelerated cost reduction *'Spend prudently'*

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Customer First Plan

1 Transform Customer Experience in Store

1H2019 Highlights

- Improved store layouts, brand adjacencies in 23 stores
- Merchandise refined for localisation, more personalisation
- Improved Christmas execution
- Refurbishments at Maroochydore (Qld), Castle Hill (NSW)
- Customer satisfaction metrics improved

Current Focus Areas

- 'Test & Learn' pilots: store layout, brand adjacencies
- MYER one review
- Rollout of M-comms in stores – up to date customer feedback and product knowledge

2 'Only at Myer' brands and categories

1H2019 Highlights

- Return of Myer My Store, award winning Christmas campaign
- Focus on profitable sales and products saw improved OGP margin
- Enhanced MEB offering (17.5% of mix vs. 16.4% in 1H2018)
- Strong performance of key brands eg Aesop (department store exclusive)
- Improved sales for sass & bide, Marcs & David Lawrence

Current Focus Areas

- Over 20 new brands being launched, focus on 'Only at Myer'
- Additional new brands to be launched during 2H2019
- Continued range extensions in MEBs

Customer First Plan

3 Continue enhancing myer.com.au

1H2019 Highlights

- New website significantly enhanced user experience
- Strong online and omnichannel sales* growth in Q2 +28.8%,
- Click & Collect 20.2% of 1H2019 orders
- Improved delivery options, 'free delivery' threshold now $49
- 14.8% increase in products displayed online (SKU's)
- Changing mix of online sales supported improved profitability

Current Focus Areas

- Add new brands, concessions and expand current ranges
- Improve conversion including upgrading checkout
- Grow Click & Collect

4 Efficiency Levers

1H2019 Highlights

- Strengthened Executive Team, supported by more streamlined, accountable Support Office
- Logan (Qld) closed in January 2019
- Realising benefits of Workforce Management investment; improving staff alignment to peak trading periods
- Delivered 1.3% reduction in CODB; IT and Marketing savings

Current Focus Areas

- Improve online fulfilment and store replenishment
- Focus on costs that don't directly benefit the customer
- Continue to work with landlords to reduce excess space
- Focus on shrinkage

* *Including sass & bide and Marcs and David Lawrence (MDL) online sales, Myer Market and $10.0 million via in-store iPads in Q2*

Introduction

1H2019 Results

Customer First Plan

Conclusion

We are on the right path but with a lot of work to do

- 1H2019 Highlights
  - Strengthened leadership team
  - NPAT* +3.1% despite lower sales, increased depreciation and interest
  - Disciplined cash management with operating cash flow up $8 million and total net debt down $57m
- Focused on delivery of results through our Customer First Plan
  - Emphasis on improved customer experiences in stores and online
  - Focus on profitable sales
- Opportunities for more cost efficiencies
  - Actively pursuing solutions for excess space
  - Further opportunities exist in 2H2019 and beyond
- Macro headwinds may impact discretionary spending in 2H2019

Strategic decisions will be driven by long-term value creation

MYER
MY STORE

**Excluding implementation costs and individually significant items*

MARCH 6, 2019

MYER FIRST HALF 2019 RESULTS TO 26 JANUARY 2019

JOHN KING
CHIEF EXECUTIVE OFFICER

NIGEL CHADWICK
CHIEF FINANCIAL OFFICER

MYER

MY STORE

Appendix 1: Reconciliation with statutory accounts

$ MILLIONS	EBIT	INTEREST	TAX	NPAT
Statutory reported result	**59.7**	**(5.2)**	**(16.1)**	**38.4**
Add back: Implementation costs and individually significant items				
Restructuring and redundancy costs	4.1	-	(1.2)	2.9
Underlying result	**63.8**	**(5.2)**	**(17.3)**	**41.3**

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Appendix 2: Other Metrics and Financial Ratios

	1H2019	1H2018
Return on Total Funds Employed*	9.7%	8.4%**
Gearing	(6.5%)	3.3%

** Calculated on a rolling 12 months basis*
***6.5% if goodwill and brand impairment is excluded from Total Funds Employed*