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21 February 2022

APPENDIX 4D AND INTERIM FINANCIAL REPORT

Super Retail Group Limited (ASX: SUL) provides the following documents for release to the market for the 26 week period ended 25 December 2021:-

- Appendix 4D Interim Report; and
- Directors' Report.

The enclosed documents provide the information required by ASX Listing Rule 4.2A and should be read in conjunction with SUL's Annual Financial Report for the financial year ended 26 June 2021 and any public disclosures made by SUL in accordance with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act, 2001.

For further information contact:

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The release of this announcement has been authorised by the Board of Super Retail Group Limited.

Super Retail Group | Inspiring you to live your passion

SUPER RETAIL GROUP LIMITED (SUL)
INTERIM REPORT

FOR THE 26 WEEK PERIOD ENDED 25 DECEMBER 2021

	Section
Appendix 4D	A
Interim Financial Report	B

SECTION A

APPENDIX 4D
INTERIM REPORT

SUPER RETAIL GROUP LIMITED (SUL)

ABN 81 108 676 204

Statutory Results

Current Reporting Period:	From 27 June 2021 to 25 December 2021 (26 weeks)
Previous Reporting Period:	From 28 June 2020 to 26 December 2020 (26 weeks)

Results for Announcement to the Market

	Statutory Results $m	Comparison to December 2020 $m
Revenue from ordinary activities	1,705.1	Down 4.0% from 1,776.3
Profit from ordinary activities after tax attributable to members	110.8	Down 35.9% from 172.8
Net profit for the period attributable to members	110.8	Down 35.9% from 172.8

Dividends – Ordinary Shares

	Amount per share	Franked amount per share
2021 Final dividend	55.0¢	55.0¢
2022 Interim dividend [1]	27.0¢	27.0¢
Record date for determining entitlements to the interim dividend	8 March 2022	

[1]Determined 21 February 2022, payable 14 April 2022.

Brief explanation of figures reported above to enable the figures to be understood

This report is based on the consolidated interim financial statements which have been reviewed by the auditor. The review report, which was unqualified, is included within the Company's Interim Financial Report for the 26 weeks ending 25 December 2021 which accompanies this Appendix 4D.

For a brief explanation of the figures above please refer to the Results Announcement for the period ended 25 December 2021 and the Directors' Report, which forms part of the Interim Financial Report. It is also recommended that the interim financial report be read in conjunction with the annual financial report for the period ended 26 June 2021.

Net Tangible Assets per Security

	December 2021	June 2021
Net tangible assets per security[1]	$1.86	$1.93

[1] Net tangible assets per security (NTA) as at 25 December 2021 includes the right-of-use assets in respect of property, plant and equipment leases of $913.1 million (26 June 2021: $894.3 million), and the lease liabilities recognised under AASB 16 *Leases* of $1,012.4 million (26 June 2021: $989.6 million). If the right-of-use assets and associated deferred tax liability were excluded as at 25 December 2021, the NTA would have been negative $0.98 per security (26 June 2021: negative $0.86).

Dividends or distribution reinvestment plans

The Dividend Reinvestment Plan (DRP) enables shareholders to reinvest all or part of their dividends into Super Retail Group shares at a price determined as the average daily volume weighted average price of the Super Retail Group Limited Shares on the ASX, excluding trades which are not considered to reflect normal supply and demand, on each of the 10 consecutive trading days during the period from 11 March 2022 to 24 March 2022. Shares issued through the DRP are fully paid and rank equally with existing fully paid ordinary shares.

The last date for election under the Dividend Reinvestment Plan will be 9 March 2022.

SECTION A

APPENDIX 4D
INTERIM REPORT

SUPER RETAIL GROUP LIMITED (SUL)

ABN 81 108 676 204

Details of associates and joint venture entities

Name of entity	Ownership percentage
Autoguru Australia Pty Ltd - associate	38.3%
Autocrew Australia Pty Ltd – joint venture	50.0%

Foreign Entities

Foreign entities have been accounted for in accordance with Australian Accounting Standards.

Control gained or lost over entities during the period

(a) Names of entities where control was gained in the period
There were no entities over which control was gained during the period.

(b) Names of entities where control was lost in the period
There were no entities over which control was lost during the period.

SECTION B

SUPER RETAIL GROUP LIMITED

INTERIM FINANCIAL REPORT

FOR THE 26 WEEK PERIOD ENDED 25 DECEMBER 2021

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DIRECTORS' REPORT

The Directors of Super Retail Group Limited present the Interim Financial Report for the 26 week period ended 25 December 2021.

Directors

The Directors of the Company at any time during or since the end of the period, up to the date of this report are:

Directors:
Sally Pitkin
(Independent Non-Executive Chair)
Anthony Heraghty
(Group Managing Director and Chief Executive Officer)
Reginald Rowe
(Non-Executive Director)
Howard Mowlem
(Independent Non-Executive)
Peter Everingham
(Independent Non-Executive)
Annabelle Chaplain
(Independent Non-Executive)
Judith Swales
(Independent Non-Executive) *(appointed 1 November 2021)*

Former:
Gary Dunne
(Independent Non-Executive) (*retired 31 December 2021*)

Financial and Operational Review

An analysis of the Group's interim period's financial and operating performance from continuing operations is outlined below.

(a) Group Results

The Group delivered a strong sales result despite the challenges of COVID-19 and supply chain disruption. Sales for the period were $1,705.1 million (2020: $1,776.3 million), a decrease of 4.0 per cent. The Group sales decline of 4.0 per cent in the period was largely as a result of government mandated store closures during COVID-19 lockdowns. The Group was cycling a record sales performance in the prior comparative period. Each of the divisions experienced strong sales rebound in the second quarter post the COVID-19 lockdowns. Online sales were at record levels with digital sales up 64 per cent on the prior comparative period reflecting successful omni-retail execution during store lockdowns. Click & Collect sales were up 109 per cent on the prior comparative period and represented 58 per cent of online sales.

The reported Net Profit After Tax for the period attributable to Owners of Super Retail Group Limited was $110.8 million (2020: $172.8 million), a decrease of 35.9 per cent.

Normalised Net Profit After Tax for the period was $112.8 million (2020: $175.6 million), a decrease of 35.8 per cent. The decrease in profit was a reflection of the return to a more normal promotional environment and a more typical operating cost structure compared to the prior period.

In response to increased consumer demand in the prior period, the Group reduced promotional activity which drove higher gross margins. In the current period gross margin was impacted by supply chain cost increases, higher costs associated with growth in home delivery and some normalisation of promotional activity.

Cost of doing business increased as the Group lifted its investments to support future growth and unwound previously implemented cost containment measures. The Group has also incurred additional costs associated with the pandemic, including higher wages (relating to the cost of retaining team members during lockdowns and the impact of the pandemic on team member availability) and increased digital costs.

In the current financial year, Boxing Day falls in the second half compared to the first half in the prior comparative period. If Boxing Day was included in the current period, the net effect is that sales would increase by approximately $27 million and Profit Before Tax would increase by $7 million.

The division results commentary below includes comparisons to two years ago as this was a period not impacted by COVID-19.

Financial and Operational Review (continued)

(a) Group Results (continued)

An analysis of the interim period's financial performance is:

Financial Performance	25 December 2021 $m	26 December 2020 $m
Statutory profit for the period after tax	**110.8**	**172.8**
Execution costs to complete the remediation after tax	2.0	2.7
Autoguru net loss from associate accounted for using the equity method	0.2	0.1
Reversals of previous provisions after tax	(0.2)	-
Normalised net profit after tax	**112.8**	**175.6**

Store Movements

	Stores 27 June 2021	Opened	Closed	Stores 25 December 2021
Supercheap Auto	327	3	(1)	329
rebel	153	2	(1)	154
BCF	142	3	-	145
Macpac	76	7	(1)	82
Group	**698**	**15**	**(3)**	**710**

(b) Division Results

	Sales		Segment EBIT		Segment PBT	
	2021 $m	2020 $m	2021 $m	2020 $m	2021 $m	2020 $m
Supercheap Auto	**616.1**	661.9	**82.9**	109.0	**75.9**	102.8
rebel	**605.6**	623.7	**74.8**	104.0	**68.3**	97.4
BCF	**418.5**	427.7	**35.6**	67.6	**31.2**	63.3
Macpac	**65.5**	63.0	**(0.8)**	4.5	**(1.5)**	3.6
Unallocated	**(0.6)**	-	**(9.7)**	(13.2)	**(12.9)**	(16.3)
	1,705.1	1,776.3	**182.8**	271.9	**161.0**	250.8

Supercheap Auto

Total divisional sales declined by 6.9 per cent to $616.1 million on the prior comparative period (pcp) but increased by 11.9 per cent compared to two years ago. Like for like sales also declined by 7.7 per cent on the pcp, however were up 10.1 per cent compared to two years ago. There was a strong rebound in sales in quarter two following the end of COVID-19 lockdowns with like for like sales growth of 0.5 per cent (or 4.1 per cent adjusted for Boxing Day) in the final ten weeks cycling a record prior comparative period.

Segment PBT declined by 26.2 per cent to $75.9 million compared to the pcp, however increased 38.8 per cent compared to two years ago.

Online sales grew by 98 per cent to $107.3 million and represented 17 per cent of total sales.

Total active Club Plus members grew to 2.8 million in the period and represented 57 per cent of total Supercheap Auto sales.

rebel

Rebel divisional sales declined by 2.9 per cent to $605.6 million compared to the pcp, however grew by 11.6 per cent compared to two years ago. Like for like sales also declined by 5.9 per cent on the pcp but grew 10.0 per cent compared to two years ago. There was a strong rebound in sales in quarter two following the end of COVID-19 lockdowns with like for like sales decline of 1.2 per cent (or 0.3 per cent adjusted for Boxing Day) in the final ten weeks cycling a record prior comparative period.

Peak Christmas trading for rebel was impacted by a reduction in footfall in CBD locations and large shopping centres. Shipment delays also impacted the availability of new season stock from key global brands.

Segment PBT declined by 29.9 per cent to $68.3 million compared to the pcp, however increased 32.1 per cent compared to two years ago.

Online sales grew by 56 per cent to $187.4 million and represented 31 per cent of total sales.

Active club membership grew to 3.3 million in the period and represented 70 per cent of total rebel sales.

Financial and Operational Review (continued)

(b) Division Results (continued)

BCF

Total divisional sales declined by 2.2 per cent to $418.5 million compared to the pcp but grew 47.6 per cent compared to two years ago. Like for like sales declined 3.7 per cent on the pcp but increased 40.6 per cent compared to two years ago. There was a strong rebound in sales in quarter two following the end of COVID-19 lockdowns with like for like sales growth of 4.7 per cent (or 7.2 per cent adjusted for Boxing Day) in the final ten weeks cycling a record prior comparative period.

Segment PBT fell by 50.7 per cent to $31.2 million compared to the pcp but grew 164.4 per cent compared to two years ago.

Online sales grew by 51 per cent to $76.0 million and represented 18 per cent of total sales.

Total active Club Plus members grew to 2.1 million in the period and represented 86 per cent of total BCF sales.

Macpac

Macpac divisional sales increased by 4.0 per cent to $65.5 million due to positive like for like sales in Australia and new store openings. Compared to two years ago sales declined 1.5 per cent. Like for like sales in Australia grew by 6.1 per cent while in New Zealand like for like sales fell 9.7 per cent due to the impact of COVID-related lockdowns and reduced tourism and travel. There was a strong rebound in sales in quarter two following the end of COVID-19 lockdowns with like for like sales growth of 11.9 per cent (or 13.7 per cent adjusted for Boxing Day) in the final ten weeks.

Segment PBT was a loss of $1.5 million, a decline of 141.7 per cent compared to the pcp and a decline of 207.1 per cent compared to two years ago. This result reflects the impact of COVID-19 lockdowns on sales and incremental costs associated with new store openings. Over 30 per cent of store trading weeks were impacted by store closures due to COVID-19, with New Zealand, Victoria and NSW worst affected.

Online sales grew by 45 per cent to $18.7 million and represented 29 per cent of total sales.

Active club membership grew to 0.5 million in the period and represented 69 per cent of total Macpac sales.

Group and Unallocated

Group costs at $9.7 million were $3.5 million lower than the prior comparative period. Group costs include corporate costs not allocated to segments and digital and omni-retail development costs. The prior period included the return of $1.7 million of JobKeeper funds.

(c) Segment results prior to AASB 16 *Leases*

The segment results below show results by division excluding the impact of AASB16 *Leases*. The segment results on a post AASB16 *Leases* basis are in Note 3 Segment Information.

For the period ended 25 December 2021	SCA $m	rebel $m	BCF $m	Macpac $m	Total continuing operations $m	Inter-segment eliminations/ unallocated $m	Consolidated $m
Segment Revenue and Other Income							
External segment revenue	**616.1**	**605.6**	**418.5**	**64.9**	**1,705.1**	**-**	**1,705.1**
Inter segment sales	**-**	**-**	**-**	**0.6**	**0.6**	**(0.6)**	**-**
Other income	**-**	**-**	**-**	**0.1**	**0.1**	**-**	**0.1**
Total segment revenue and other income	**616.1**	**605.6**	**418.5**	**65.6**	**1,705.8**	**(0.6)**	**1,705.2**
Segment EBITDA	**97.8**	**84.8**	**42.1**	**0.9**	**225.6**	**(9.6)**	**216.0**
Segment depreciation and amortisation	**(19.6)**	**(16.6)**	**(9.8)**	**(1.8)**	**(47.8)**	**(0.1)**	**(47.9)**
Segment EBIT result	**78.2**	**68.2**	**32.3**	**(0.9)**	**177.8**	**(9.7)**	**168.1**
Net finance costs							**(3.2)**
Total segment NPBT							**164.9**
Segment income tax expense							**(49.4)**
Normalised NPAT							**115.5**
AASB16 adjustment							**(2.7)**
Other items not included in the total segment NPAT							**(2.0)**
Profit for the period							**110.8**

Financial and Operational Review (continued)

(c) Segment results prior to AASB 16 *Leases* (continued)

For the period ended 26 December 2020	SCA $m	rebel $m	BCF $m	Macpac $m	Total continuing operations $m	Inter-segment eliminations/ unallocated $m	Consolidated $m
Segment Revenue and Other Income							
External segment revenue	**661.9**	**623.7**	**427.7**	**63.0**	**1,776.3**	**-**	**1,776.3**
Other income	**-**	**0.1**	**-**	**0.2**	**0.3**	**0.1**	**0.4**
Total segment revenue and other income	**661.9**	**623.8**	**427.7**	**63.2**	**1,776.6**	**0.1**	**1,776.7**
Segment EBITDA	**127.7**	**119.0**	**72.7**	**5.2**	**324.6**	**(13.2)**	**311.4**
Segment depreciation and amortisation	**(23.6)**	**(19.4)**	**(10.7)**	**(1.7)**	**(55.4)**	**-**	**(55.4)**
Segment EBIT result	**104.1**	**99.6**	**62.0**	**3.5**	**269.2**	**(13.2)**	**256.0**
Net finance costs							**(3.1)**
Total segment NPBT							**252.9**
Segment income tax expense							**(75.8)**
Normalised NPAT							**177.1**
AASB16 adjustment							**(1.5)**
Other items not included in the total segment NPAT							**(2.8)**
Profit for the period							**172.8**

(d) Cash Flow and Net Debt

The Group has delivered operating cash flow of $157.0 million, a decline of $370.2 million on the prior comparative period. This has been the result of investment in inventory to ensure stock availability and the unwinding of temporary adjusted trading terms with trade partners, increasing working capital requirements. The Group also made a $67 million tax payment during the period as a result of strong financial performance in the prior financial year. Bank debt remains nil as at the end of the period. Capital investment was $63.3 million, an increase of $33.9 million on the prior comparative period due to an increase in investment in new stores and refurbishments up $21.5 million. Capital investment in omni-retail and other IT projects increased $12.4 million.

The Group Strategy and Material Business Risks remain consistent with those disclosed in the 2021 Annual Report and the Group continues to monitor the impacts of COVID-19.

Dividends

On 21 February 2022, the Directors determined to pay a dividend of 27.0 cents fully franked. The dividend will be paid on 14 April 2022.

Rounding of Amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report and consolidated interim financial statements. Amounts rounded are rounded off to the nearest hundred thousand dollars.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is included at page 8 of this report.

Signed in accordance with a resolution of Directors made pursuant to Section 306(3) of the *Corporations Act 2001*.

On behalf of the Directors:

Sally Pitkin
Chair

Anthony Heraghty
Group Managing Director and Chief Executive Officer

Brisbane
21 February 2022

Auditor's Independence Declaration

As lead auditor for the review of Super Retail Group Limited for the period from 27 June 2021 to 25 December 2021, 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 review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Super Retail Group Limited and the entities it controlled during the period.

P.J. Carney

Paddy Carney
Partner
PricewaterhouseCoopers

Brisbane
21 February 2022

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 26 weeks ended 25 December 2021

	Notes	25 December 2021 $m	26 December 2020 $m
Revenue from continuing operations		**1,705.1**	1,776.3
Other income from continuing operations		**0.1**	0.4
Total revenues and other income		**1,705.2**	1,776.7
Expenses			
Cost of sales of goods		**(910.6)**	(929.6)
Other expenses from ordinary activities			
- selling and distribution		**(220.3)**	(214.8)
- marketing		**(58.5)**	(56.0)
- occupancy		**(112.4)**	(103.7)
- administration		**(223.1)**	(204.6)
Net finance costs	4	**(21.8)**	(21.1)
Share of net loss of associates and joint ventures	4	**(0.2)**	(0.1)
Total expenses		**(1,546.9)**	(1,529.9)
Profit before income tax		**158.3**	246.8
Income tax expense	5	**(47.5)**	(74.0)
Profit for the period		**110.8**	172.8
Profit for the period is attributable to:			
Owners of Super Retail Group Limited		**110.8**	172.8
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified to profit or loss			
Gains / (losses) on cash flow hedges		**1.2**	(6.4)
Hedging (gains) / losses reclassified to profit or loss		**(1.1)**	0.7
Exchange differences on translation of foreign operations		**1.1**	-
Other comprehensive income for the period, net of tax		**1.2**	(5.7)
Total comprehensive income for the period is attributable to:			
Owners of Super Retail Group Limited		**112.0**	167.1
Earnings per share for profit attributable to the ordinary equity holders of		**Cents**	**Cents**
Basic earnings per share		**49.1**	76.7
Diluted earnings per share		**48.6**	76.3

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

CONSOLIDATED BALANCE SHEET

As at 25 December 2021

	Notes	25 December 2021 $m	26 June 2021 $m
ASSETS			
Current assets			
Cash and cash equivalents		**94.1**	242.3
Trade and other receivables	6	**66.8**	38.4
Inventories		**909.2**	696.4
Derivative financial instruments		**3.7**	3.6
Total current assets		**1,073.8**	980.7
Non-current assets			
Property, plant and equipment	7	**224.4**	219.9
Intangible assets	8	**868.2**	866.9
Right-of-use assets	9	**913.1**	894.3
Deferred tax assets		**4.7**	4.7
Other financial assets		**5.9**	6.1
Total non-current assets		**2,016.3**	1,991.9
Total assets		**3,090.1**	2,972.6
LIABILITIES			
Current liabilities			
Trade and other payables	10	**733.4**	563.4
Lease liabilities	9	**191.2**	193.9
Current tax liabilities		**17.1**	69.5
Provisions	12	**84.2**	97.0
Total current liabilities		**1,025.9**	923.8
Non-current liabilities			
Borrowings	11	**-**	-
Lease liabilities	9	**821.2**	795.7
Provisions	12	**29.2**	26.6
Total non-current liabilities		**850.4**	822.3
Total liabilities		**1,876.3**	1,746.1
NET ASSETS		**1,213.8**	1,226.5
EQUITY			
Contributed equity	13	**740.7**	740.7
Reserves		**18.4**	17.6
Retained earnings		**454.7**	468.2
TOTAL EQUITY		**1,213.8**	1,226.5

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 26 weeks ended 25 December 2021

	Notes	Contributed Equity $m	Reserves $m	Retained Earnings $m	Total $m	Non-Controlling Interests $m	Total Equity $m
Balance at 27 June 2020		698.1	7.5	285.7	991.3	-	991.3
Profit for the period		-	-	172.8	172.8	-	172.8
Other comprehensive income for the period		-	(5.7)	-	(5.7)	-	(5.7)
Total comprehensive income for the period		-	(5.7)	172.8	167.1	-	167.1
Transactions with owners in their capacity as owners							
Contributions of equity, net of transaction costs		42.6	-	-	42.6	-	42.6
Dividends provided for or paid		-	-	(44.0)	(44.0)	-	(44.0)
Employee performance rights		-	2.7	-	2.7	-	2.7
		42.6	2.7	(44.0)	1.3	-	1.3
Balance at 26 December 2020		740.7	4.5	414.5	1,159.7	-	1,159.7
Balance at 26 June 2021		**740.7**	**17.6**	**468.2**	**1,226.5**	**-**	**1,226.5**
Profit for the period		**-**	**-**	**110.8**	**110.8**	**-**	**110.8**
Other comprehensive income for the period		**-**	**1.2**	**-**	**1.2**	**-**	**1.2**
Total comprehensive income for the period		**-**	**1.2**	**110.8**	**112.0**	**-**	**112.0**
Transactions with owners in their capacity as owners							
Dividends provided for or paid		**-**	**-**	**(124.3)**	**(124.3)**	**-**	**(124.3)**
Employee performance rights		**-**	**(0.4)**	**-**	**(0.4)**	**-**	**(0.4)**
		-	**(0.4)**	**(124.3)**	**(124.7)**	**-**	**(124.7)**
Balance at 25 December 2021		**740.7**	**18.4**	**454.7**	**1,213.8**	**-**	**1,213.8**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the 26 weeks ended 25 December 2021

	25 December 2021 $m	26 December 2020 $m
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	**1,845.2**	1,932.0
Payments to suppliers and employees (inclusive of goods and services tax)	**(1,564.6)**	(1,341.0)
Rental payments	**(22.4)**	(24.4)
Income taxes paid	**(101.2)**	(39.4)
Net cash inflow from operating activities	**157.0**	527.2
Cash flows from investing activities		
Payments for property, plant and equipment and software	**(63.3)**	(29.4)
Net cash (outflow) from investing activities	**(63.3)**	(29.4)
Cash flows from financing activities		
Proceeds from borrowings	**318.0**	-
Repayment of borrowings	**(318.0)**	(250.0)
Lease principal payments	**(97.2)**	(91.0)
Interest paid	**(21.1)**	(22.6)
Proceeds from issue of shares, net of transaction costs	**-**	41.4
Dividend paid to Company's shareholders	**(124.3)**	(44.0)
Net cash (outflow) from financing activities	**(242.6)**	(366.2)
Net (decrease) / increase in cash and cash equivalents	**(148.9)**	131.6
Cash and cash equivalents at the beginning of the period	**242.3**	285.1
Effects of exchange rate changes on cash and cash equivalents	**0.7**	0.1
Cash and cash equivalents at the end of the interim period	**94.1**	416.8

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the 26 weeks ended 25 December 2021

1. Reporting entity

Super Retail Group Limited (the Company) is a company domiciled in Australia. The address of the Company's registered office and principal place of business is 6 Coulthards Avenue, Strathpine, Queensland.

The condensed consolidated interim financial report of the Company as at and for the period ended 25 December 2021 comprises: the Company and its subsidiaries (together referred to as the Group, and individually as Group entities).

The Group is a for-profit entity and is primarily involved in the retail industry. Principal activities of the Group consist of:

- retailing of auto parts and accessories, tools and equipment;
- retailing of boating, camping, outdoor equipment, fishing equipment and apparel; and
- retailing of sporting equipment and apparel.

2. Basis of preparation of interim financial report

This condensed consolidated interim financial report for the 26 week period ended 25 December 2021 has been prepared in accordance with the requirements of the *Corporations Act 2001* and Accounting Standard *AASB 134: Interim Financial Reporting.*

The condensed consolidated interim financial report does not include full disclosures of the type normally included in an annual financial report. Accordingly, it is recommended that this interim financial report be read in conjunction with the annual financial report for the period ended 26 June 2021 and any public announcements made by Super Retail Group Limited and its controlled entities during the interim reporting period in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period unless otherwise stated below. Where applicable, various comparative balances have been reclassified to align with current period presentation. These amendments have no material impact on the consolidated financial statements.

(a) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

Change in accounting estimate
During the reporting period, the IFRS Interpretation Committee (the Committee) considered whether an entity includes all costs necessary to make a sale when determining the net realisable value (NRV) of inventories or only those costs that are incremental to the sale. In considering this issue, the Committee concluded that, while the standard does not specify which costs to consider, an entity cannot limit the costs it includes to those that are only incremental. As such the Group has made a change to how it estimates the costs necessary to make a sale in its NRV calculations. This change in accounting estimate has not had a material impact on the Group in the current reporting period nor is it expected to have a material impact in the foreseeable future.

3. Segment information

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the Group Managing Director and Chief Executive Officer that are used to make strategic decisions. No operating segments have been aggregated to form the below reportable operating segments. This results in the following business segments:

- Supercheap Auto (SCA): retailing of auto parts and accessories, tools and equipment;
- rebel: retailing of sporting equipment and apparel;
- BCF: retailing of boating, camping, outdoor equipment, fishing equipment and apparel; and
- Macpac: retailing of apparel, camping and outdoor equipment.

(b) Segment information provided to the Group Managing Director and Chief Executive Officer

Detailed below is the information provided to the Group Managing Director and Chief Executive Officer for reportable segments. Items not included in Normalised Net Profit After Tax (Normalised NPAT) and excluded from the calculation of Segment EBITDA and Segment EBIT, are one-off charges relating to business restructuring, non-continuing operations and other costs not considered part of normal operations.

3. Segment information (continued)

(b) Segment information provided to the Group Managing Director and Chief Executive Officer (continued)

Other items not included in total segment NPAT are determined by management based on those items' nature and size. They are items of income or expense which are, either individually or in aggregate, material to the Group or to the relevant business segment but are not in the ordinary course of business (for example reorganisations), or are part of the ordinary activities of the business but are unusual due to their size and nature (for example professional fees in relation to remediation activities).

For the period ended 25 December 2021	SCA $m	rebel $m	BCF $m	Macpac $m	Total continuing operations $m	Inter-segment eliminations/ unallocated $m	Consolidated $m
Segment Revenue and Other Income							
External segment revenue	**616.1**	**605.6**	**418.5**	**64.9**	**1,705.1**	**-**	**1,705.1**
Inter segment sales	**-**	**-**	**-**	**0.6**	**0.6**	**(0.6)**	**-**
Other income	**-**	**-**	**-**	**0.1**	**0.1**	**-**	**0.1**
Total segment revenue and other income	**616.1**	**605.6**	**418.5**	**65.6**	**1,705.8**	**(0.6)**	**1,705.2**
Segment EBITDA[1]	**136.8**	**125.7**	**66.8**	**9.7**	**339.0**	**(9.6)**	**329.4**
Segment depreciation and amortisation	**(53.9)**	**(50.9)**	**(31.2)**	**(10.5)**	**(146.5)**	**(0.1)**	**(146.6)**
Segment EBIT result	**82.9**	**74.8**	**35.6**	**(0.8)**	**192.5**	**(9.7)**	**182.8**
Net finance costs*	**(7.0)**	**(6.5)**	**(4.4)**	**(0.7)**	**(18.6)**	**(3.2)**	**(21.8)**
Total segment NPBT	**75.9**	**68.3**	**31.2**	**(1.5)**	**173.9**	**(12.9)**	**161.0**
Segment income tax expense[2]							**(48.2)**
Normalised NPAT							**112.8**
Other items not included in the total segment NPAT[3]							**(2.0)**
Profit for the period							**110.8**
Segment Assets and Liabilities							
Inventory	**358.6**	**222.6**	**279.2**	**49.2**	**909.6**	**(0.4)**	**909.2**
Trade payables	**(216.2)**	**(139.1)**	**(143.2)**	**(7.6)**	**(506.1)**	**(42.3)**	**(548.4)**
Net inventory investment	**142.4**	**83.5**	**136.0**	**41.6**	**403.5**	**(42.7)**	**360.8**

* Net finance costs for the business segments represents interest on lease liabilities.

Footnote item	(1) Segment EBITDA adjusted for $m	(2) Segment income tax adjusted for $m	(3) Other items not included in total segment NPAT $m
Execution costs for team member remediation	2.8	0.8	2.0
Equity accounted losses – Autoguru	0.2	-	0.2
Reversals of previous provisions	(0.3)	(0.1)	(0.2)
	2.7	**0.7**	**2.0**

3. Segment information (continued)

(b) Segment information provided to the Group Managing Director and Chief Executive Officer (continued)

For the period ended 26 December 2020	SCA $m	rebel $m	BCF $m	Macpac $m	Total continuing operations $m	Inter-segment eliminations/ unallocated $m	Consolidated $m
Segment Revenue and Other Income							
External segment revenue	661.9	623.7	427.7	63.0	1,776.3	-	1,776.3
Other income	-	0.1	-	0.2	0.3	0.1	0.4
Total segment revenue and other income	661.9	623.8	427.7	63.2	1,776.6	0.1	1,776.7
Segment EBITDA(1)	164.5	156.8	96.7	13.3	431.3	(13.2)	418.1
Segment depreciation and amortisation	(55.5)	(52.8)	(29.1)	(8.8)	(146.2)	-	(146.2)
Segment EBIT result	109.0	104.0	67.6	4.5	285.1	(13.2)	271.9
Net finance costs*	(6.2)	(6.6)	(4.3)	(0.9)	(18.0)	(3.1)	(21.1)
Total segment NPBT	102.8	97.4	63.3	3.6	267.1	(16.3)	250.8
Segment income tax expense(2)							(75.2)
Normalised NPAT							175.6
Other items not included in the total segment NPAT(3)							(2.8)
Profit for the period							172.8
Segment Assets and Liabilities							
Inventory	249.7	171.5	171.4	47.9	640.5	-	640.5
Trade payables	(255.8)	(156.5)	(146.7)	(8.0)	(567.0)	(36.0)	(603.0)
Net inventory investment	(6.1)	15.0	24.7	39.9	73.5	(36.0)	37.5

* Net finance costs for the business segments represents interest on lease liabilities.

Footnote item	(1) Segment EBITDA adjusted for $m	(2) Segment income tax adjusted for $m	(3) Other items not included in total segment NPAT $m
Execution costs for team member remediation	3.9	1.2	2.7
Equity accounted losses – Autoguru	0.1	-	0.1
	4.0	1.2	2.8

4. Expenses from continuing operations

Profit before income tax includes the following specific gains and expenses:

	25 December 2021 $m	26 December 2020 $m
Expenses		
Share of net loss from associates and joint ventures accounted for using the equity method	**0.2**	0.1
Depreciation		
Right-of-use assets	**99.3**	92.9
Plant and equipment	**23.6**	21.6
Computer equipment	**8.1**	11.4
Total depreciation	**131.0**	125.9
Amortisation and impairment charge		
Computer software	**15.6**	20.3
Right-of-use-asset impairment	**3.1**	-
Total amortisation and impairment charge	**18.7**	20.3
Net finance costs		
Interest and finance charges on bank facilities	**3.2**	3.1
Interest on lease liabilities	**18.6**	18.0
Net finance costs	**21.8**	21.1
Employee benefits expense		
Superannuation	**23.7**	20.6
Salaries and wages(1)	**316.7**	300.8
Total employee benefits expense	**340.4**	321.4

(1) Excludes impact of government grant received, disclosed below.

	25 December 2021 $m	26 December 2020 $m
Government grant received		
New Zealand wage subsidy for Super Cheap Auto (New Zealand) Pty Limited and Macpac New Zealand Limited	**1.2**	-
Australian JobKeeper for Macpac Retail Pty Ltd	**-**	1.7
Total government grant revenue(2)	**1.2**	1.7

(2) Government grant revenue is offset against expenses where applicable. Government grant revenue received in respect of JobKeeper in the prior period was recognised as a liability as at 26 December 2020 and subsequently repaid to the government.

	25 December 2021 $m	26 December 2020 $m
Rental expense relating to operating leases		
Lease expenses	**19.3**	19.5
Equipment hire	**1.8**	1.7
Total rental expense relating to operating leases(3)	**21.1**	21.2

(3) The impact of applying AASB 16 *Leases* was a decrease of $113.3 million in rental expense to 25 December 2021 (2020: $106.3 million).

	25 December 2021 $m	26 December 2020 $m
Foreign exchange gains and losses		
Net foreign exchange (gain)/loss	**5.1**	(7.0)

5. Income tax

	25 December 2021 $m	26 December 2020 $m
Income tax expense		
Current tax expense	**47.5**	76.1
Deferred tax (revenue)/expense	**-**	(2.1)
Total income tax expense	**47.5**	74.0
Deferred income tax (revenue)/expense included in income tax expense comprises:		
(Increase) / decrease in deferred tax assets	**(4.0)**	18.7
Increase / (decrease) in deferred tax liabilities	**4.0**	(20.8)
	-	(2.1)

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the six months ended 25 December 2021 is 30.0%, compared to 30.0% for the six months ended 26 December 2020.

6. Trade and other receivables

	25 December 2021 $m	26 June 2021 $m
Current		
Trade receivables	**21.4**	15.0
Loss allowance	**(0.4)**	(0.4)
Net trade receivables	**21.0**	14.6
Other receivables	**27.5**	9.9
Prepayments	**18.3**	13.9
Net current trade and other receivables	**66.8**	38.4

7. Property, plant and equipment

	25 December 2021 $m	26 June 2021 $m
Plant and equipment, at cost	**458.0**	444.4
Less accumulated depreciation	**(267.9)**	(257.0)
Net plant and equipment	**190.1**	187.4
Computer equipment, at cost	**91.0**	87.4
Less accumulated depreciation	**(56.7)**	(54.9)
Net computer equipment	**34.3**	32.5
Total net property, plant and equipment	**224.4**	219.9

8. Intangible assets

	25 December 2021 $m	26 June 2021 $m
Goodwill, at cost	**528.7**	528.7
Less accumulated impairment charge	**(2.1)**	(2.1)
Net goodwill	**526.6**	526.6
Computer software, at cost	**226.4**	221.4
Less accumulated amortisation	**(138.1)**	(134.4)
Net computer software	**88.3**	87.0
Brand names, at cost	**311.8**	311.8
Less accumulated amortisation and impairment charge	**(58.5)**	(58.5)
Net brand names	**253.3**	253.3
Total net intangible assets	**868.2**	866.9

(a) Impairment tests for goodwill

Goodwill is allocated to the Group's cash generating units (CGUs) identified according to the group of assets at the time of acquisition. Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Key assumptions used in impairment testing are as detailed in note 10 of the Group's 2021 Annual Report.

Since the end of the financial year, there have been no indicators of impairment for any of the CGUs and management have not updated any of the impairment calculations.

Macpac
While not impaired in prior years, Macpac has been the most sensitive to reasonably possible changes in key assumptions for impairment testing. While Goodwill should be tested for impairment at least annually, it should also be tested for impairment where an indicator of impairment exists. An analysis of internal and external factors has been performed as at December 2021 to assess if there is an indicator of impairment for Macpac.

Macpac trading results were negatively impacted in the first quarter due to government-mandated store closures in key markets of Victoria, New South Wales and New Zealand. This resulted in a decline against budget for that quarter. The second quarter since lockdowns have lifted, Macpac has traded in-line with or above budget. This decline in the first quarter is considered one-off in nature and has been partially recovered. As such management have determined that no indicator of impairment exists for Macpac.

(b) Impairment tests for the useful life for brands

The carrying value of brand names represents purchased brand names for rebel and Macpac.

No amortisation is provided against the carrying value of the purchased brand names on the basis that they are considered to have indefinite useful lives.

Key factors taken into account in assessing the useful life of brands were:
- the strong recognition of brands; and
- the absence of any legal, technical or commercial factors indicating that the life should be considered limited.

Critical accounting estimates and assumptions

Estimated impairment of indefinite useful life non-financial assets
The Group tests annually whether indefinite useful life non-financial assets have suffered any impairment, or more frequently if events or changes in circumstances indicate that they might be impaired, in accordance with the accounting policy as described in the annual financial report. The recoverable amounts of cash-generating units are determined based on value-in-use calculations. These calculations require the use of assumptions. Refer to the Group's annual financial report for the period ended 26 June 2021 for details of these assumptions.

9. Leases

	25 December 2021 $m	26 June 2021 $m
Right-of-Use assets		
Properties	**912.7**	893.8
Computer equipment	**0.4**	0.5
Total right-of-use assets	**913.1**	894.3
Lease liabilities		
Current	**191.2**	193.9
Non-current	**821.2**	795.7
Total lease liabilities	**1,012.4**	989.6

Additions to the right-of-use assets during the period were $127.8 million (2020: $70.5 million).

At 25 December 2021, the Group had committed to leases that had not yet commenced. The Group has estimated that the potential future lease payments would result in an increase in undiscounted lease liabilities of $104.2 million (26 June 2021: $80.5 million).

	25 December 2021 $m	26 December 2020 $m
Depreciation charge on right-of-use assets		
Properties	**99.2**	91.3
Computer equipment	**0.1**	1.6
Total depreciation charge on right-of-use assets	**99.3**	92.9
Interest expenses (included in Net finance costs)	**18.6**	18.0
Expense relating to short-term leases (included in Occupancy expenses)	**4.7**	6.7
Expense relating to leases of low-value assets (included in Cost of Goods Sold and Administrative expenses)	**1.8**	1.7
Expense relating to variable lease payments not included in lease liabilities (included in Occupancy expenses)	**15.2**	14.3

The total cash outflow for leases during the period were $115.8 million (2020: $109.1 million).

Impact of COVID-19

The Group has adopted the practical expedient in paragraph 46A of AASB 16 *Leases* and elected not to account for any rent concessions granted as a result of the COVID-19 pandemic as a lease modification. The amount recognised in profit or loss due to changes in lease payments arising from such concessions was $0.3 million during the period (2020: nil).

Critical accounting estimates and assumptions

Extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are included in the lease term only if the lease is reasonably certain to be extended (or not terminated).

Given the uncertainties that exist within the retail market, management considers leases with more than three years to expiry as not reasonably certain to be extended. A strategic store network review approved by the Board, was performed during the year ended 26 June 2021, delivering higher confidence over network plans covering the next three years. Of the Group's lease portfolio 52% (2020: 63%) of leases contain option renewals. The lease liability currently includes extension options in the calculation of lease term for 20% (2020: 10%) of leases with those options.

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and is within the control of the lessee.

10. Trade and other payables

	25 December 2021 $m	26 June 2021 $m
Current		
Trade payables	**548.4**	448.9
Gift card deferred revenue	**74.7**	42.5
Other payables	**110.3**	72.0
Total current trade and other payables[1]	**733.4**	563.4

[1] Current trade and other payables at 26 December 2020 was $775.6 million. Compared to the 26 June 2021 balance the trade payables balance is impacted by the increase in inventory purchases required for the peak November and December sales.

Significant accounting policies

Supply chain finance

The Group participates in a supply chain finance program (SCF) under which its suppliers may elect to receive early payment of their invoice from a bank by factoring their receivable from the Group. Under the arrangement, a bank agrees to pay amounts to a participating supplier in respect of invoices owed by the Group and receives settlement from the Group at a later date. The supplier engages directly with the bank. The principal purpose of this programme is to facilitate efficient payment processing and enable willing suppliers to sell their receivables due from the Group to a bank before their due date. The Group does not control which suppliers elect to enter into the arrangement, as this is at the sole discretion of the supplier.

The Group has not derecognised the original liabilities to which the arrangement applies because neither a legal release was obtained, nor was the original liability substantially modified on entering into the arrangement. From the Group's perspective, the arrangement does not significantly extend payment terms beyond the normal terms agreed with other suppliers that are not participating. The Group does not incur any additional interest towards the bank on the amounts due to the suppliers. The Group therefore discloses the amounts factored by suppliers within trade payables because the nature and function of the financial liability remain the same as those of other trade payables. The payments to the bank are included within operating cash flows.

11. Borrowings

	25 December 2021 $m	26 June 2021 $m
Non-current		
Bank debt funding facility - unsecured[1]	**-**	-
Total non-current borrowings	**-**	-

[1] Capitalised borrowing costs of $1.3 million as at 25 December 2021 are presented in Trade and other receivables as a Prepayment ($2.0 million as at 26 June 2021) (refer note 6).

(a) Reconciliation of liabilities arising from financing activities

	26 June 2021 $m	Reclassed from Trade and Other Receivables $m	Cash flows $m	Non-cash – Amortisation and additions $m	Reclassed to Trade and Other Receivables $m	25 December 2021 $m
Bank debt funding facility	-	-	-	-	-	-
Capitalised borrowing costs	-	(2.0)	-	0.7	1.3	-
Total	-	(2.0)	-	0.7	1.3	-

11. Borrowings (continued)

(b) Reconciliation of liabilities arising from financing activities (continued)

	27 June 2020 $m	Cash flows $m	Non-cash – Amortisation and additions $m	Reclassed to Trade and Other Receivables $m	26 December 2020 $m
Bank debt funding facility	250.0	(250.0)	-	-	-
Capitalised borrowing costs	(2.2)	-	0.7	1.5	-
Total	247.8	(250.0)	0.7	1.5	-

12. Provisions

	25 December 2021 $m	26 June 2021 $m
Current		
Employee benefits[a]	**75.4**	88.6
Onerous contracts	**-**	0.3
Make good provision	**5.9**	4.5
Other provisions	**2.9**	3.6
Total current provisions	**84.2**	97.0
Non-current		
Employee benefits[a]	**10.3**	9.9
Make good provision	**18.9**	16.7
Total non-current provisions	**29.2**	26.6

(a) Employee Benefits

Provisions for employee benefits includes accrued annual leave, long service leave and accrued bonuses.

A remediation program in relation to payments owed to team members as first identified in the 2018 financial period continues, with substantial payments made during the previous financial period. As at 25 December 2021 there is a provision to recognise payments for additional overtime and allowances to current and former team members and associated taxes of $5.8 million (26 June 2021: $6.9 million).

13. Contributed equity

(a) Share Capital

	25 December 2021 $m	26 June 2021 $m
Ordinary shares fully paid (225,826,500 ordinary shares as at 25 December 2021)	**740.7**	740.7

(b) Movement in ordinary share capital

	Number of Shares	Issue Price	$m
Balance 26 June 2021	225,826,500		740.7
Movement in the period	-	-	-
Closing balance 25 December 2021	**225,826,500**		**740.7**

14. Dividends

	25 December 2021 $m	26 December 2020 $m
Ordinary Shares		
Dividends paid by Super Retail Group Limited during the interim period	**124.3**	44.0
Dividends not recognised at the end of the interim period		
Subsequent to the end of the interim period, the Directors have determined the payment of an interim dividend of 27.0 cents (2020: 33.0 cents determined but subsequently cancelled) per ordinary share fully franked based on tax paid at 30%.		
The aggregate amount of the interim dividend expected to be paid on 14 April 2022 (2020: 1 April 2021), out of retained profits at 25 December 2021, but not recognised as a liability at the end of the interim period is	**61.0**	74.5

15. Financial assets and financial liabilities

(a) Financial instruments

The Group holds the following financial instruments:

25 December 2021	Notes	Derivatives used for hedging $m	Financial assets and liabilities at amortised cost $m	Total $m
Financial assets				
Cash and cash equivalents		-	**94.1**	**94.1**
Trade and other receivables	6	-	**66.8**	**66.8**
Derivative financial instruments		**3.7**	-	**3.7**
Total		**3.7**	**160.9**	**164.6**
Financial liabilities				
Trade and other payables	10	-	**733.4**	**733.4**
Borrowings	11	-	-	-
Lease liabilities	9	-	**1,012.4**	**1,012.4**
Derivative financial instruments		-	-	-
Total		-	**1,745.8**	**1,745.8**

26 June 2021	Notes	Derivatives used for hedging $m	Financial assets and liabilities at amortised cost $m	Total $m
Financial assets				
Cash and cash equivalents		-	242.3	242.3
Trade and other receivables	6	-	38.4	38.4
Derivative financial instruments		3.6	-	3.6
Total		3.6	280.7	284.3
Financial liabilities				
Trade and other payables	10	-	563.4	563.4
Borrowings	11	-	-	-
Lease liabilities	9	-	989.6	989.6
Derivative financial instruments		-	-	-
Total		-	1,553.0	1,553.0

The Group's exposure to various risks associated with the financial instruments is discussed in note 16 of the Group's 2021 Annual Report. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

15. Financial assets and financial liabilities (continued)

(b) Recognised fair value measurements

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level is outlined below.

The Group recognises and measures derivatives used for hedging at their fair values classified as a level 2 financial instrument. At 25 December 2021 the Group had derivative financial assets totalling $3.7 million (26 June 2021: $3.6 million) and financial liabilities of nil (26 June 2021: nil).

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

There were no transfers between any levels for recurring fair value measurements during the year. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:
- the use of quoted market prices or dealer quotes for similar instruments;
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date;
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

16. Investments in subsidiaries and other entities

(a) Subsidiaries

The Group's subsidiaries at 25 December 2021 are as detailed in note 27 of the Group's 2021 Annual Report. There has been no change to the Group's ownership interests in these entities during the current reporting period.

(b) Associates and joint ventures

The Group's investments in associates and joint ventures are as disclosed in note 24(b) of the Group's 2021 Annual Report. There has been no change to the Group's ownership interests in these entities during the current reporting period.

17. Contingencies

Guarantees	25 December 2021 $m	26 June 2021 $m
Guarantees issued by the bankers of the Group in support of various rental and inventory arrangements.		
The maximum future rental payments guaranteed amount to:	**4.8**	4.7
The maximum future inventory payments guaranteed amount to:	**6.8**	2.6

Other contingencies

The Group continues to work with the Fair Work Ombudsman in relation to the underpayment of team members. This may result in undertakings required by the regulator, or the commencement of legal proceedings. Further amounts may become payable at the direction of the regulator or as a result of legal proceedings. Future professional advisory fees will be incurred to finalise remediation outcomes.

From time to time the Group is subject to legal claims as a result of its operations. A contingent liability may exist for any exposure over and above current provisioning levels.

18. Commitments

Commitments payable for the acquisition of plant and equipment and computer software, contracted for at the reporting date but not recognised as liabilities payable, total $19.8 million as at 25 December 2021 (26 June 2021: $5.4 million).

19. Related party transactions

The nature of related party transactions is consistent with those in the previous financial year. The Group's transactions with related parties are disclosed in note 23 of the Group's 2021 Annual Report. Transactions with related parties are at arm's length unless otherwise stated. Store lease payments made to related parties for the period ended 25 December 2021 are $4,830,959 (26 December 2020: $5,145,285).

20. Events occurring after reporting date

No matter or circumstance has arisen since 25 December 2021 that has significantly affected, or may significantly affect:

(a) the Group's operations in future financial years; or
(b) the results of those operations in future financial years; or
(c) the Group's state of affairs in future financial years.

DIRECTORS' DECLARATION

In the Directors' opinion:

(a) the consolidated interim financial statements and notes set out on pages 3 to 24, are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of Group's financial position as at 25 December 2021 and of its performance, for the period ended on that date;

(ii) complying with Accounting Standard *AASB 134 Interim Financial Reporting*, the *Corporations Regulations 2001*; and

(b) there are reasonable grounds to believe that Super Retail Group Limited will be able to pay its debts as and when they become due and payable.

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

Sally Pitkin
Chair

Anthony Heraghty
Group Managing Director and Chief Executive Officer

Brisbane
21 February 2022

Independent auditor's review report to the members of Super Retail Group Limited

Report on the interim financial report

Conclusion

We have reviewed the interim financial report of Super Retail Group Limited (the Company) and the entities it controlled during the period from 27 June 2021 to 25 December 2021 (the half-year) (together the Group), which comprises the consolidated balance sheet as at 25 December 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Super Retail Group Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 25 December 2021 and of its performance for the half-year ended on that date

2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

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 the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

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Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 25 December 2021 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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PricewaterhouseCoopers

P.J. Carney

Paddy Carney
Partner

Brisbane
21 February 2022