

2018 Half-year Results Supplementary Information

Wednesday, 21 February 2018

(to be read in conjunction with the 2018 Half-year Results Briefing Presentation)



Presentation outline

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Group Balance Sheet & Cash Flow



Group management balance sheet – overview

(\$m) ¹	1H18	FY17	1H17	Commentary (versus FY17)
Inventories	6,979	6,530	6,852	Detailed working capital discussion provided on slide 5
Receivables & prepayments	2,096	1,936	2,083	
Trade & other payables	(7,890)	(6,616)	(7,624)	
Other	805	410	580	
Net working capital	1,990	2,260	1,891	
Property, plant & equipment	9,275	9,440	9,436	• Decrease partly due to sale of properties by Coles & BANZ
Intangibles	17,945	18,936	18,998	• Decrease due to impairment of BUKI & Target goodwill & brand names
Other assets	744	622	797	• Increase mainly due to favourable foreign exchange hedge movements & property revaluations in BWP Trust
Provisions & other liabilities	(3,891)	(3,676)	(3,665)	• Increase mainly due to BUKI store closure provision & growth in gift card sales
Total capital employed	26,063	27,582	27,457	
Net debt exc. financial services debt ²	(3,864)	(4,321)	(4,492)	• Decrease due to higher cash on hand
Net tax balances	630	680	802	• Decrease due to write-off of BUKI deferred tax asset
Total net assets	22,829	23,941	23,767	

1. The above balances reflect the management balance sheet, which is based on different classifications & groupings than the balance sheet in the 2018 Half-year Report.

2. Net debt including cross currency swap assets / liabilities & for 2016, excluding financing of credit book relating to the Coles credit card.

Balance sheet – working capital

(\$m) ¹	1H18	FY17	1H17	Commentary (versus 1H17)
Inventories	6,979	6,530	6,852	<ul style="list-style-type: none"> Increase reflects sales & store network growth, partly offset by lower inventory in Target & BUKI
Receivables & prepayments	2,096	1,936	2,083	
Trade & other payables	(7,890)	(6,616)	(7,624)	<ul style="list-style-type: none"> Increase reflects higher payables due to higher inventory purchases, particularly BANZ & Kmart
Other	805	410	580	<ul style="list-style-type: none"> Higher cash in transit
Net working capital	1,990	2,260	1,891	

- FY17 to 1H18 movements primarily reflect seasonal stockbuild for Christmas trading

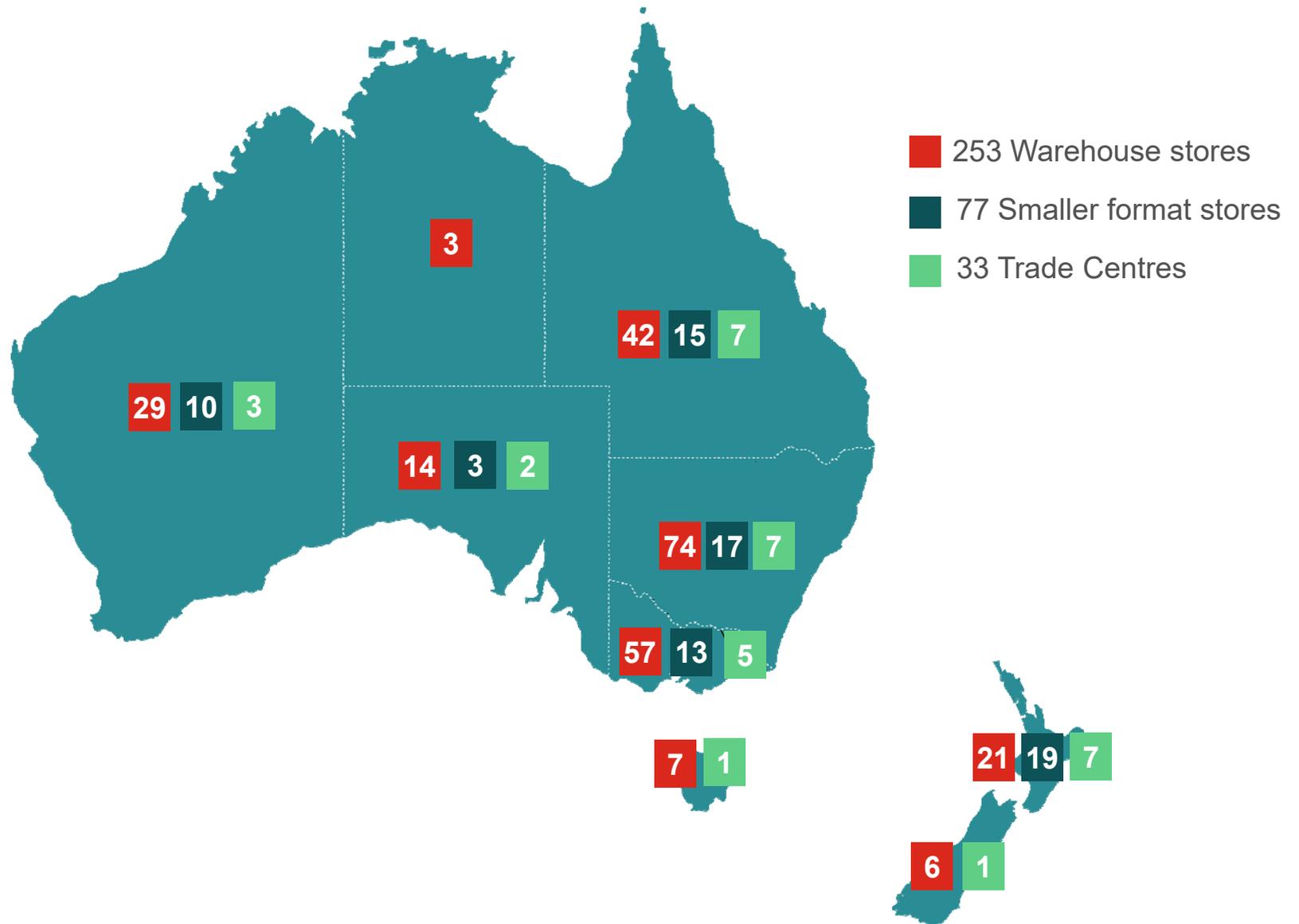
1. The above table refers to balance sheet movements only. Working capital movements as shown on slide 13 of the 2018 Half-year Briefing Presentation exclude non-cash movements which are included in the table above.

Bunnings Australia & New Zealand



Bunnings Australia & NZ: store network

As at 31 December 2017



Bunnings Australia & New Zealand: store network locations

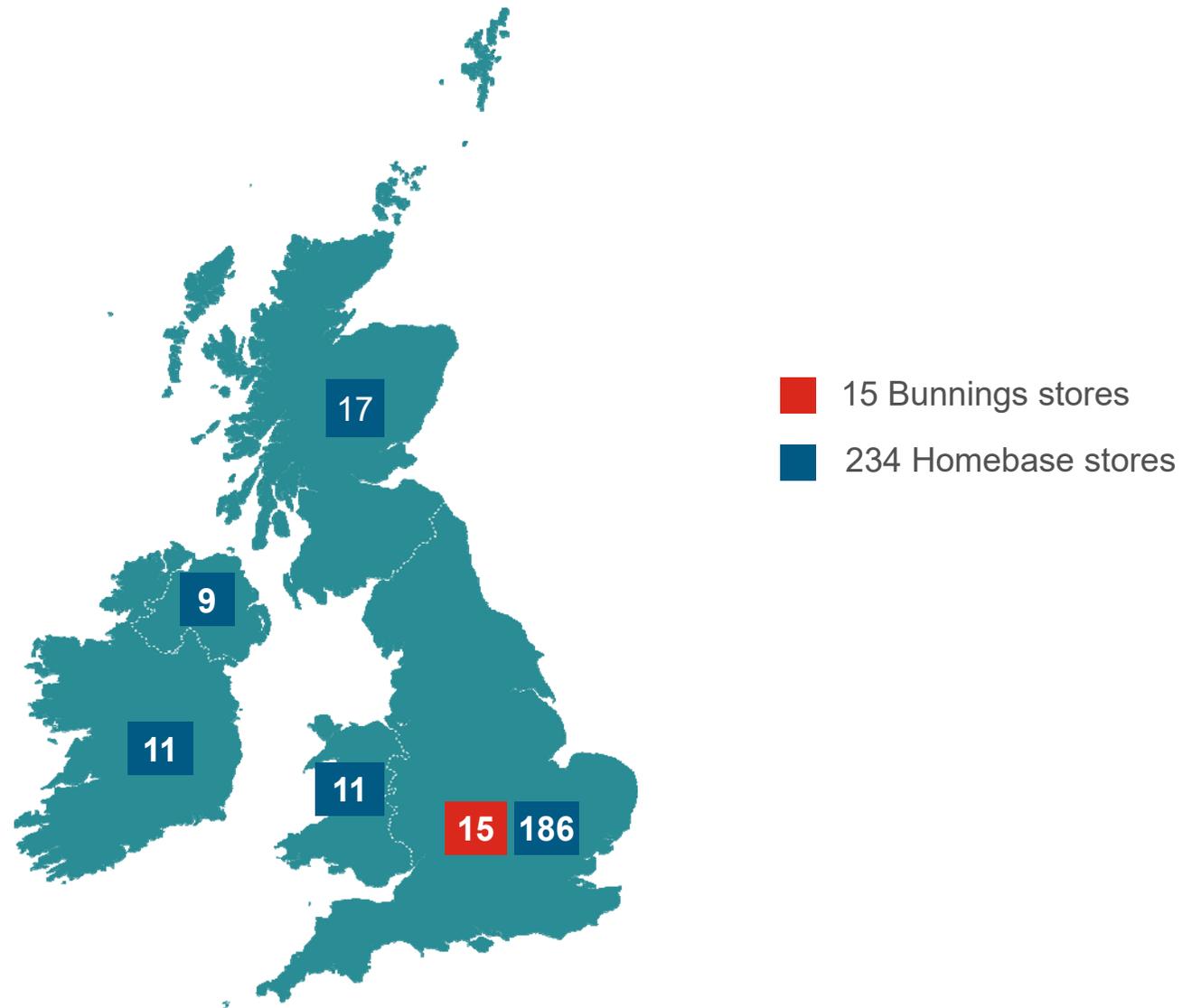
	Open at 31 July 2017	Opened	Closed	Open at 31 Dec 2017	Expanded	Under construction 31 Dec 2017
Bunnings Warehouse	249	8	(4)	253	4	17
Bunnings smaller formats	77	2	(2)	77	-	2
Bunnings Trade Centres	33	1	(1)	33	-	1

Bunnings United Kingdom & Ireland



Bunnings UK & Ireland: store network

As at 31 December 2017



Bunnings United Kingdom & Ireland: store network locations

	Open at 31 July 2017	Opened	Closed	Open at 31 Dec 2017	Expanded	Under construction 31 Dec 2017
Bunnings	4	11	-	15	-	4
Homebase	251	-	(17)	234	-	-

Coles



coles

[coles.com.au](https://www.coles.com.au)

coles
express

VINTAGE CELLARS

first CHOICE liquor

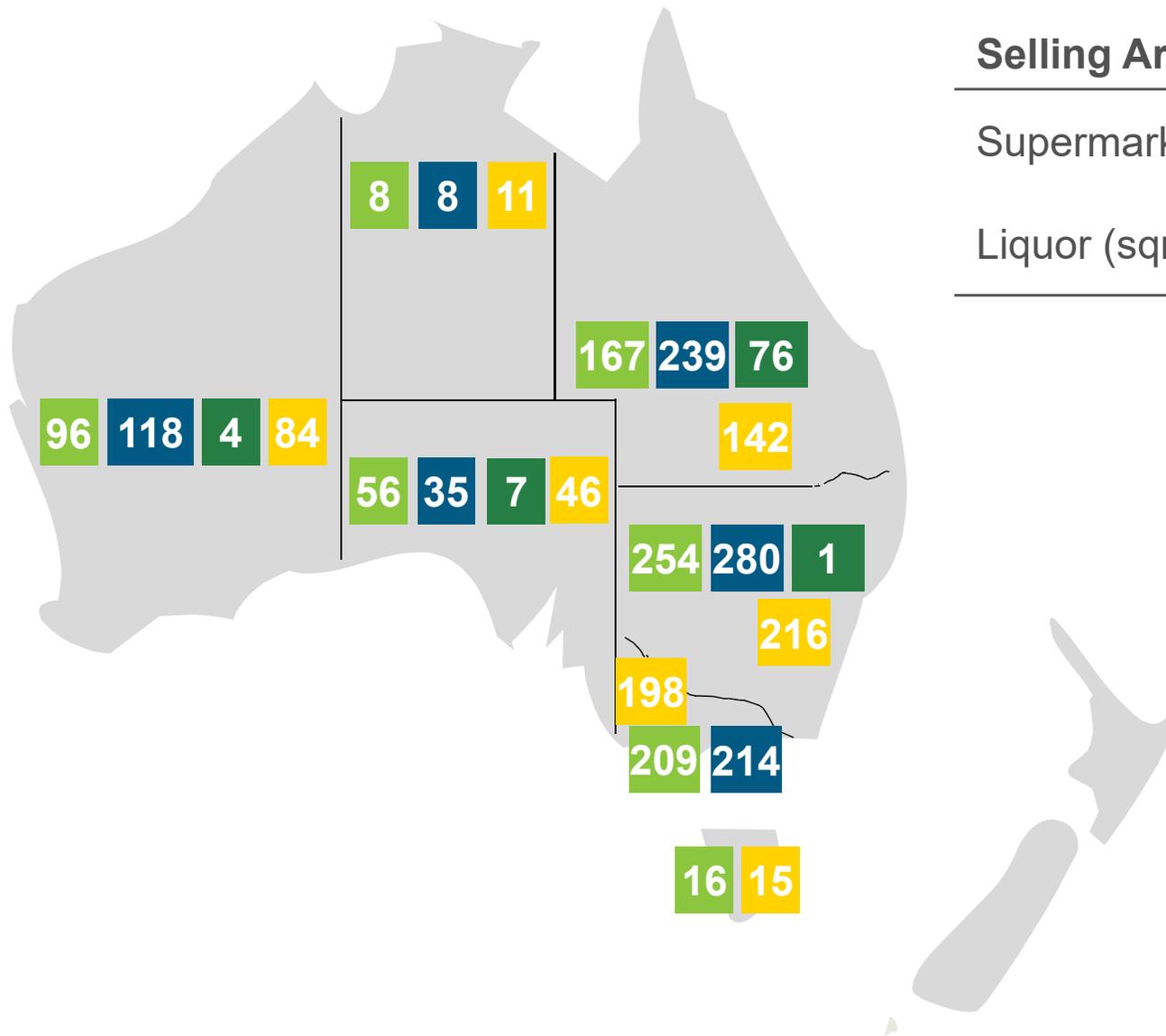
LIQUORLAND

spirit
HOTELS

coles Financial Services

Coles network

as at 31 December 2017



Selling Area

Supermarkets (sqm) 1,857,314

Liquor (sqm) – ex hotels 212,971

- 806 Supermarkets
- 894 Liquor stores
- 88 Hotels
- 712 Convenience

Store network movements

	Open at 1 July 2017	Opened	Closed	Re-branded	Open at 31 Dec 2017
Supermarkets					
Coles	800	14	(8)	-	806
Bi-Lo	1	-	(1)	-	-
Total Supermarkets	801	14	(9)	-	806
Liquor					
First Choice	99	-	(1)	-	98
Vintage Cellars	82	2	-	-	84
Liquorland	702	21	(11)	-	712
Hotels	89	-	(1)	-	88
Total Liquor	972	23	(13)	-	982
Convenience	702	12	(2)	-	712

Revenue reconciliation

Half-year ended 31 December (\$m)	2017			2016		
	Food & Liquor	Conv.	Total	Food & Liquor	Conv.	Total
Segment revenue (Gregorian)¹	17,056	2,922	19,978	16,878	3,178	20,056
Less: Other revenue	(126)	(8)	(134)	(226)	(6)	(232)
Headline sales (Gregorian)	16,930	2,914	19,844	16,652	3,172	19,824
Plus: Gregorian adjustment ²	415	82	497	368	85	453
Headline sales revenue (Retail)³	17,345	2,996	20,341	17,020	3,257	20,277

1. Segment revenue for Food & Liquor includes property revenue for 2017 of \$7m and 2016 of \$10m.

2. Adjustment to headline sales revenue to reflect retail period end.

3. 2017 reflects the 52 week period 26 June 2017 to 31 December 2017 & 2016 reflects the 27 week period 27 June 2016 to 1 January 2017.

Department Stores



Store network movements

	Open at 1 July 2017	Opened	Closed	Open at 31 Dec 2017
Kmart	220	5	(1)	224
Kmart Tyre & Auto	251	4	(1)	254
Total Kmart	471	9	(2)	478
Target Large	184	5	-	189
Target Small	119	1	(2)	118
Total Target	303	6	(2)	307
Total Department Stores	774	15	(4)	785

Revenue reconciliation

Half-year ended 31 December (\$m)	2017	2016
Segment revenue (Gregorian)	4,769	4,619
Less: Non sales revenue	(3)	(2)
Headline sales (Gregorian)	4,766	4,617
Add: Gregorian adjustment ¹	106	96
Headline sales revenue (Retail)²	4,872	4,713

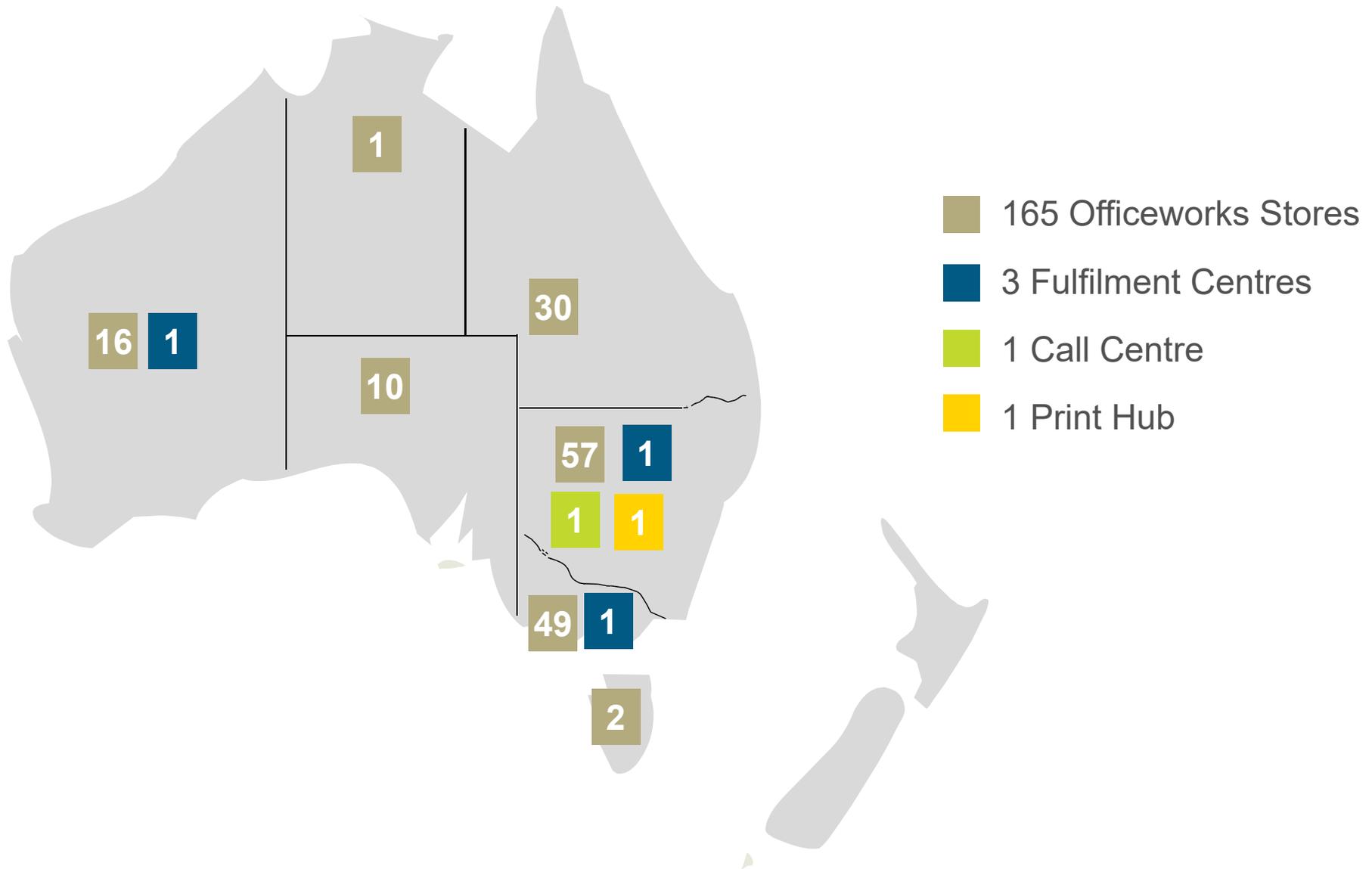
1. Adjustment to headline sales revenue to reflect retail period end.

2. 2017 for Kmart reflects the 27 week period 26 June 2016 to 31 December 2017 & 2016 reflects the 27 week period 27 June 2016 to 1 January 2017;
2017 for Target reflects the 27 week period 25 June 2017 to 30 December 2017 & 2016 reflects the 27 week period 26 June 2016 to 31 December 2016.

Officeworks



Officeworks network



Store network movements

	Open at 1 July 2017	Opened	Closed	Open at 31 Dec 2017
Officeworks	164	3	(2)	165

Industrials




Wesfarmers Chemicals,
Energy & Fertilisers




Australian Vero




Wesfarmers
Industrial and Safety

Blackwoods

NZ Safety Blackwoods

WORKWEAR
GROUP



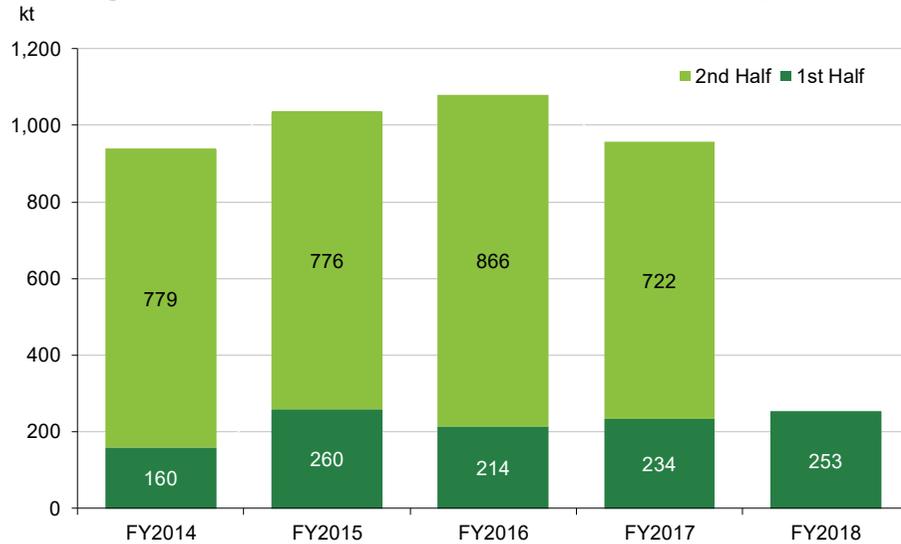
GREENCAP


Wesfarmers Resources

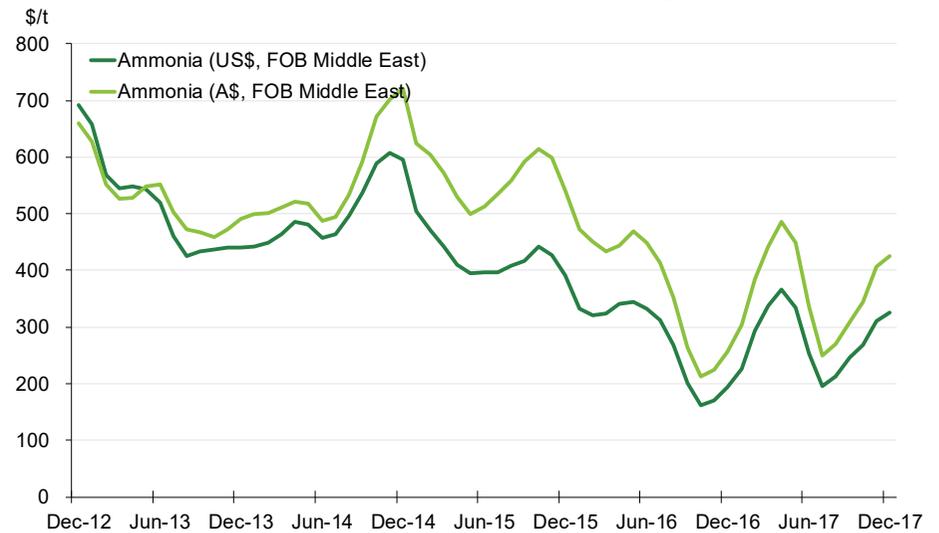


Chemicals, Energy & Fertilisers - Sales, pricing & production

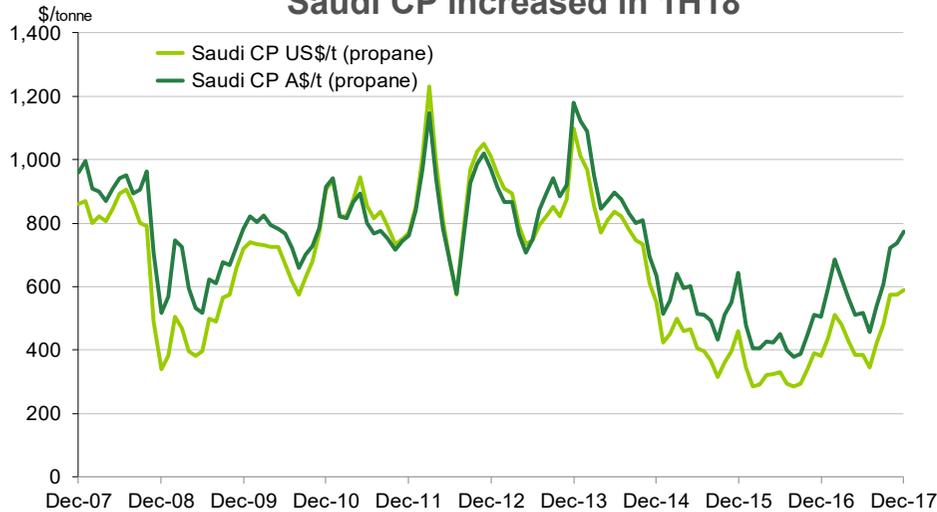
Higher 1H18 volumes due to late season application



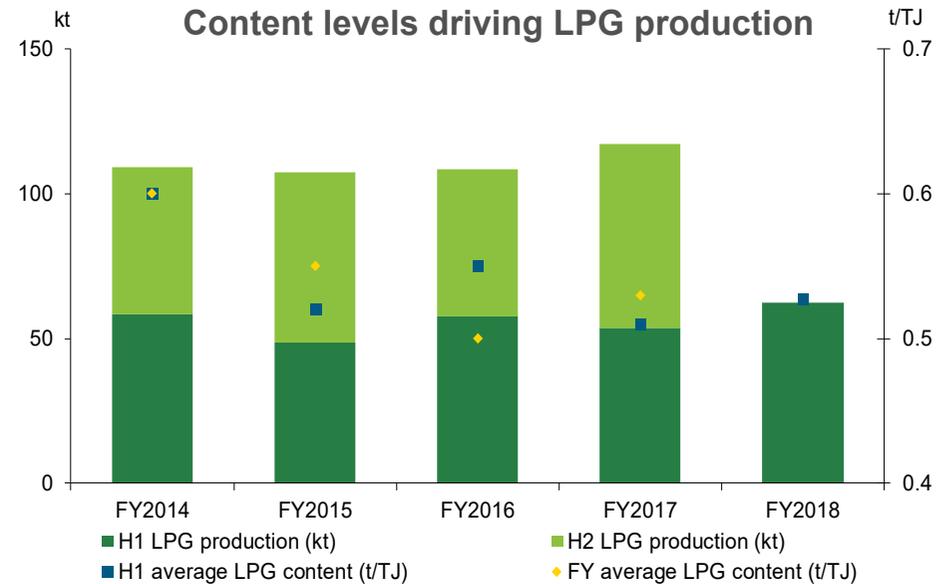
Volatility in global ammonia pricing



Saudi CP increased in 1H18



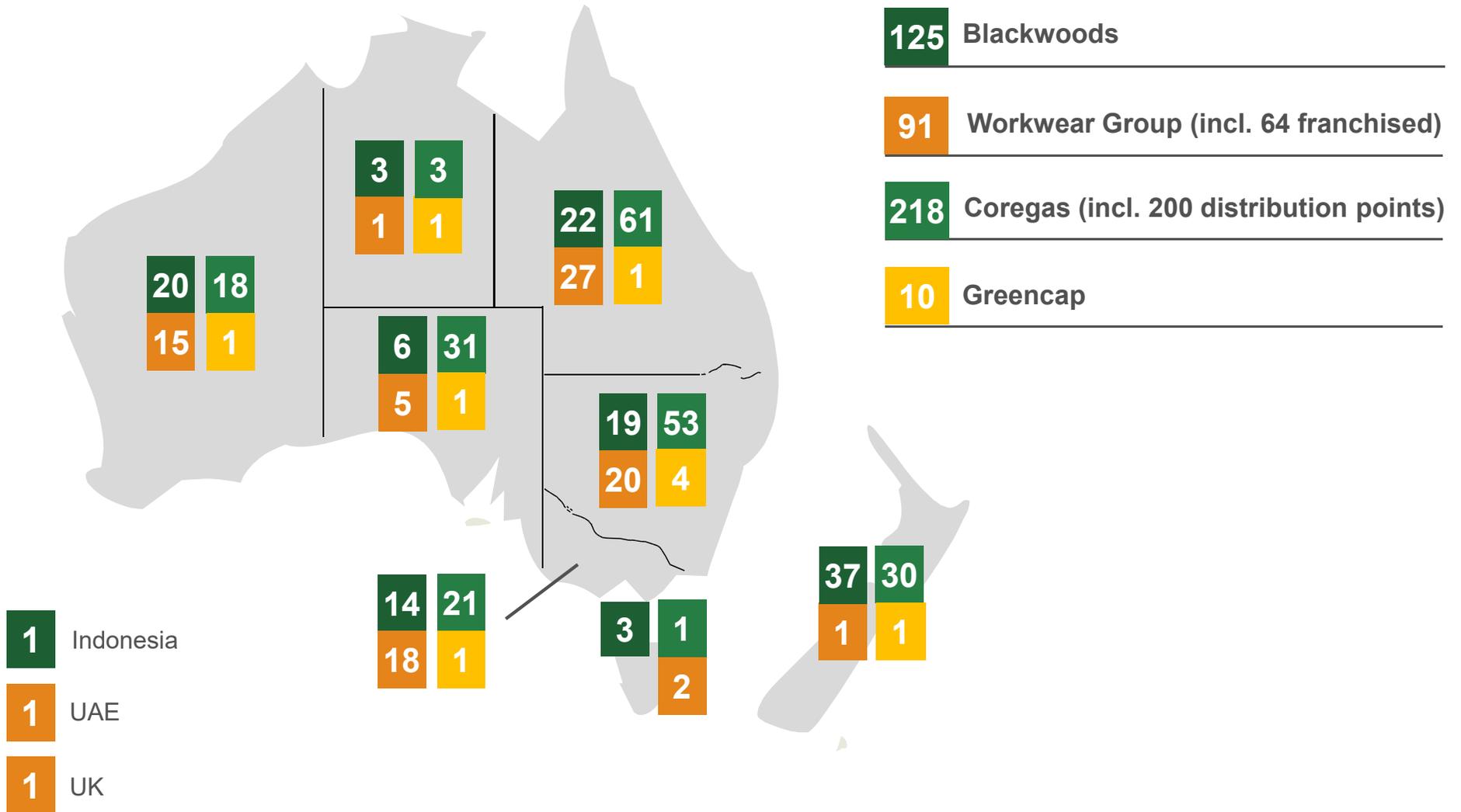
Content levels driving LPG production



Industrial & Safety - Distribution network

as at 31 December 2017

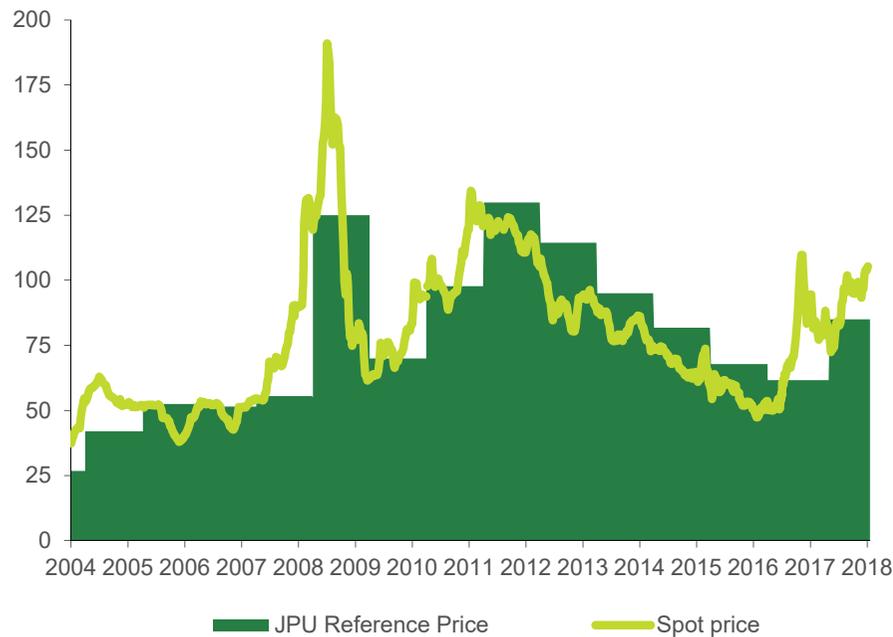
444 locations with 180 branches, 200 gas distribution points & 64 Workwear franchises



Australian coal market prices

Australian steaming coal prices

US\$/tonne (nominal) FOB Australia (annual versus spot)



Australian hard coking coal prices

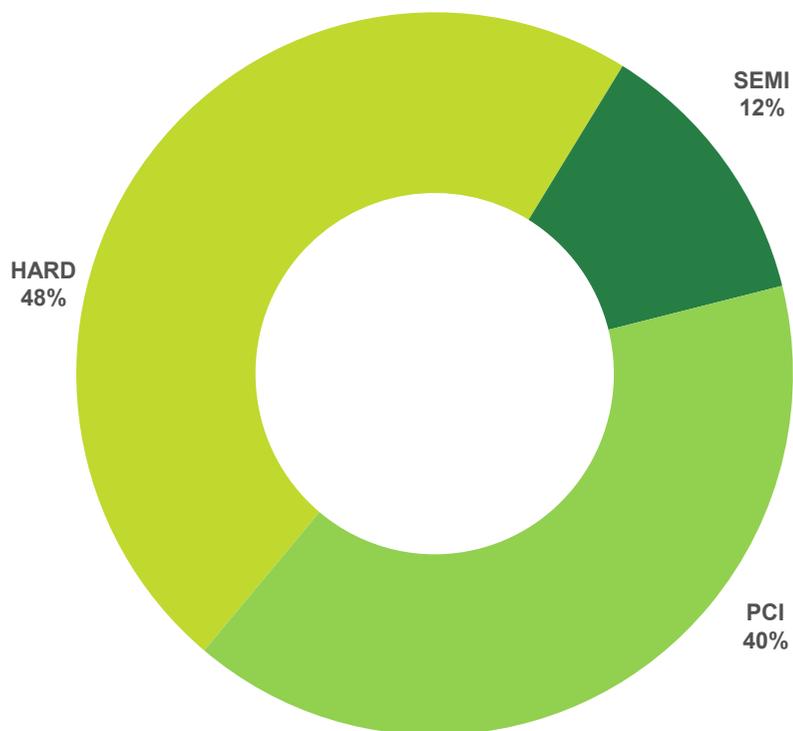
US\$/tonne (nominal) FOB Australia (annual versus spot)



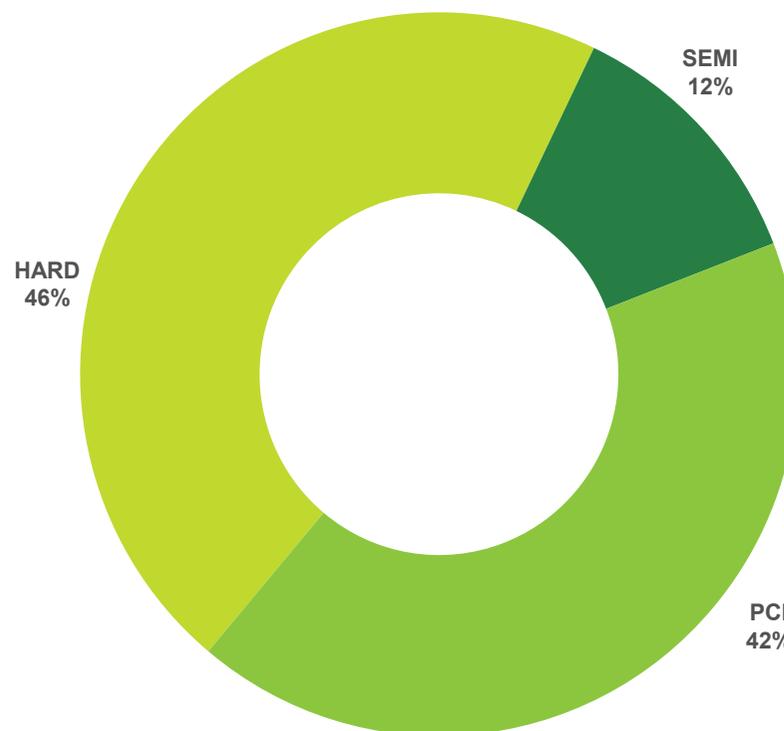
Source: Energy Publishing, Tex Report, Macquarie Research, CRU

Curragh export metallurgical sales product mix

1H18 Actual
4.5 million tonnes



FY18 Forecast
8.5 – 8.8 million tonnes



Resources – coal production and sales volumes

Production			Half-year ended ('000 tonnes)	
Mine	Ownership	Coal Type	December 2017	December 2016
Curragh, QLD	100%	Metallurgical	4,106	3,919
		Steaming	1,873	1,899
Bengalla, NSW ¹	40%	Steaming	1,880	1,714
Total			7,859	7,532

Sales			Half-year ended ('000 tonnes)	
Mine	Ownership	Coal Type	December 2017	December 2016
Curragh, QLD ²	100%	Metallurgical	4,468	4,127
		Steaming	1,923	1,888
Bengalla, NSW ³	40%	Steaming	1,822	1,725
Total			8,213	7,740

1. Wesfarmers attributable production.

2. Curragh metallurgical coal sales excludes traded coal.

3. Wesfarmers attributable sales.

Resources – financial summary

Half-year ended 31 December ¹ (\$m)	2017	2016	Commentary
Export revenue			
Produced – Realised	1,003	699	<ul style="list-style-type: none"> Higher coal prices, increased sales volumes & reduced hedge book losses, partly offset by a higher Australian dollar
– Hedge book gains / (losses)	(17)	(45)	
Total	986	654	
Export mining & other costs ²	(470)	(383)	<ul style="list-style-type: none"> Higher Curragh mine cash costs per tonne due to greater contractor overburden removal to support increased production
Traded earnings	3	(1)	
Export contribution to earnings	518	270	
Stanwell Corporation obligations			
Domestic coal supply	(57)	(44)	<ul style="list-style-type: none"> Higher coal prices resulted in a significant increase to Stanwell export rebate obligations
Export rebate	(123)	(30)	
Total	(180)	(74)	
Stanwell litigation provision release	-	35	
State government royalties	(97)	(60)	
EBITDA	242	171	
Depreciation & amortisation	(33)	(33)	
EBIT	209	138	<ul style="list-style-type: none"> Increase of \$71m or 51%

1. Bengalla reported at 40% share.

2. Simple unit cost averages will be impacted by tonnage & cost structure variances between mines.



Wesfarmers