News Release

Wesfarmers

26 August 2022

2022 Full-year results

Highlights

Year ended 30 June ($m)	2022	2021	Variance %
Results excluding significant items[a]			
Revenue	36,838	33,941	*8.5*
Revenue (excluding Health)	35,598	33,941	*4.9*
Earnings before interest and tax	3,633	3,776	*(3.8)*
Net profit after tax	2,352	2,421	*(2.9)*
Basic earnings per share (cps)	207.8	214.1	*(2.9)*
Results including significant items[a]			
Net profit after tax	2,352	2,380	*(1.2)*
Basic earnings per share (cps)	207.8	210.4	*(1.2)*
Operating cash flows	2,301	3,383	*(32.0)*
Full-year ordinary dividend (fully-franked, cps)	180	178	*1.1*
Sustainability highlights			
Scope 1 and 2 emissions, market-based (ktCO_2e)	1,225.7	1,308.9	*(6.4)*
Operational waste diverted from landfill[b] (% total waste)	70	68	*2 ppt*
Aboriginal and Torres Strait Islander team members[b] (#)	3,601	2,994	*20.3*
Total recordable injury frequency rate[b] (TRIFR)	9.2	9.6	*(4.2)*
Gender balance, board and leadership team (women % total)	48	40	*8 ppt*

[a] There were no significant items in 2022. Significant items in 2021 of $59 million pre-tax ($41 million post-tax) relate to Target store closure and conversion costs as part of the restructuring actions in Kmart Group.

[b] Excluding the Health division.

Wesfarmers Limited has reported a statutory net profit after tax (NPAT) of $2,352 million for the full-year ended 30 June 2022. Excluding significant items in the prior period, NPAT declined 2.9 per cent for the year, but increased 13.1 per cent in the second half.

Wesfarmers Managing Director Rob Scott said that it was pleasing to have delivered solid financial results for the 2022 financial year while continuing to invest in our businesses and renew the portfolio, despite the significant disruptions caused by COVID-19.

“The Group’s financial results for the year reflect the material impact of COVID-19 on trading conditions during the first half, which included weeks where almost half of the Group’s retail stores were either subject to trading restrictions or closed,” Mr Scott said. “In the second half of the year, Wesfarmers delivered strong NPAT growth of 13.1 per cent excluding significant items in the prior period, with trading conditions improving as restrictions were eased.

“As a result of the strong second-half result, Wesfarmers directors have determined to pay a final fully-franked dividend of $1.00 per share, bringing total fully-franked ordinary dividends for the year to $1.80 per share, an increase of 1.1 per cent on the prior year.

“During the year, Wesfarmers established new businesses and continued to invest in its existing operations, developing platforms to support long-term shareholder returns. Consistent with our objective, we have maintained a long-term focus, advancing our sustainability agenda and supporting team members, customers and the community, while managing what continued to be a significantly disrupted operating environment.

“The impact of the pandemic over the last two years has highlighted the importance of prioritising health and wellbeing, and the Group has maintained its focus on providing a safe environment for customers and team members. Throughout the year the Group provided a range of support measures, including additional paid leave and financial assistance, to team members impacted by COVID-19.

“Bunnings and Wesfarmers Chemicals, Energy & Fertilisers (WesCEF) delivered pleasing results for the year. Bunnings continued to demonstrate the resilience of its operating model and ability to deliver growth through a range of market conditions. Record earnings in WesCEF reflected elevated global commodity prices and continued strong operating performance. It was also pleasing to report continued improvement in the performance of Wesfarmers Industrial and Safety.

“Relative to the Group’s other divisions, Kmart Group was the most materially impacted by trading restrictions in the first half. Results for Kmart Group improved significantly in the second half, with Kmart and Target delivering strong second-half earnings growth of 19.4 per cent, benefiting from actions taken in recent years to optimise the store network. Lower earnings in Officeworks for the year reflected the impact of trading restrictions and the margin impact of sales mix changes, as well as increased investment in the supply chain, data and digital capabilities and to support the launch of new products.”

Divisional operating cash flows before interest, tax, and the repayment of lease liabilities declined 14.2 per cent compared to the prior year, excluding Health and OneDigital, with divisional cash generation of 78 per cent. Reported operating cash flows declined 32.0 per cent to $2,301 million.

Cash flow results reflected the continued normalisation of net working capital positions in the retail businesses following the abnormally low balances recorded during the 2020 and 2021 financial years, particularly in Bunnings. Operating cash flows were also impacted by increased tax payments on higher tax instalment rates, and significantly higher utilisation of employee leave provisions following periods of travel restriction.

The Group’s closing inventory position reflects stock acquired as part of the API and Beaumont Tiles transactions, normalisation of stock levels in Bunnings following extraordinary sales growth since the 2019 financial year, the impact of higher commodity prices for WesCEF and retail unit cost inflation. Kmart’s inventory position continues to reflect its strategy to hold additional stock of non-seasonal products to mitigate supply chain variability. Overall inventory positions are considered appropriate for current conditions, and the net working capital positions of retail businesses relative to sales are returning to pre-COVID levels.

The Group continued to invest in platforms for growth during the year. Wesfarmers established the Health division in March 2022 and continued to progress the development of a market-leading data and digital ecosystem, with the formation of Wesfarmers OneDigital in the second half. Good progress also continued on the construction of the Mt Holland lithium project.

The Group recognises the alignment between long-term shareholder value and performance on key sustainability metrics, and good progress was made on diversity, inclusion, emissions reduction, ethical sourcing and operational waste during the year.

At the end of the year, the Group employed 3,601 Aboriginal and Torres Strait Islander team members, with 3.3 per cent of Australian team members identifying as Indigenous. During the year Wesfarmers released its latest Reconciliation Action Plan, which for the first time received ‘Elevate’ status, the highest level of endorsement from Reconciliation Australia.

The Group’s Scope 1 and 2 emissions declined by 6.4 per cent under the Market-Based Emissions Standard, which captures renewable electricity. Excluding the impact from the scheduled ammonia plant shutdown and emissions attributable to the newly established Health division, emissions declined by approximately 5.0 per cent. Importantly, the Group’s hard to abate businesses continued to make progress on strategies to decarbonise their operations, providing confidence to support new net zero and interim Scope 1 and 2 emissions reduction targets, which are detailed on page 78 of the 2022 Annual Report.

Wesfarmers maintained significant balance sheet flexibility during the year to support continued investment across the Group while providing capacity to manage ongoing uncertainty. The Group recorded a net financial debt position of $4,296 million at 30 June 2022, reflecting the distribution of $2.3 billion of surplus capital by way of capital return in December 2021, and higher levels of capital expenditure and acquisition investment during the year.

Impact of COVID-19

While many of the Group’s operational responses to COVID-19 have become increasingly integrated into the Group’s normal processes, extended government-mandated store closures and elevated levels of community transmission made the 2022 financial year the most disrupted period since the onset of the pandemic.

The Group’s retail businesses experienced volatility in sales during the year, with trading between July and October 2021 significantly impacted by widespread COVID-19 lockdowns across New South Wales, Victoria, the Australian Capital Territory and New Zealand. Across the Group’s retail businesses there were around 34,000 store trading days impacted by trading restrictions in the first half, representing almost 10 per cent of total store trading days for the year.

Trading conditions through the middle of the 2022 financial year were impacted by rising cases of the COVID-19 Omicron variant, which led to reduced customer traffic to stores and elevated team member absenteeism. Absenteeism issues were particularly acute in distribution centres and other parts of the domestic supply chain, leading to higher costs and availability issues in some products and regions.

Constraints in global supply chains and domestic ports led to delays and additional costs, including higher container shipping and demurrage expenses during the year. Some additional fulfilment costs were incurred in stores and distribution centres to accommodate peak periods of online demand. The Group’s businesses maintained inventory management practices to mitigate the impact of supply chain disruptions on stock availability.

The Group continued to provide paid pandemic leave to team members and paid all permanent and many casual team members through periods of prolonged lockdown, even when there was no meaningful work for them, and when they were required to isolate. This investment, which totalled approximately $49 million over the year, provided certainty to team members and their families, and benefited the Group’s businesses as they sought to re-engage teams when restrictions eased.

Measures to protect the health and safety of customers and team members resulted in additional costs to the Group of approximately $65 million, primarily associated with additional cleaning, security, and protective equipment.

Further detail on the operational impact of COVID-19 is provided in the divisional results commentary.

Group results summary

Year ended 30 June ($m)	2022	2021	Variance %
Key financials			
Revenue	36,838	33,941	*8.5*
Revenue (excluding Health)	35,598	33,941	*4.9*
EBIT	3,633	3,717	*(2.3)*
EBIT (excluding significant items)[a]	3,633	3,776	*(3.8)*
EBIT (after interest on lease liabilities)	3,416	3,491	*(2.1)*
EBIT (after interest on lease liabilities) (excluding significant items)[a]	3,416	3,550	*(3.8)*
NPAT	2,352	2,380	*(1.2)*
NPAT (excluding significant items)[a]	2,352	2,421	*(2.9)*
Basic earnings per share (excluding significant items)[a] (cps)	207.8	214.1	*(2.9)*
Return on equity (excluding significant items)[a] (R12, %)	29.4	26.1	*3.3 ppt*
Significant items[a]			
Pre-tax significant items	-	(59)	*n.m.*
Post-tax significant items	-	(41)	*n.m.*
Cash flows			
Operating cash flows	2,301	3,383	*(32.0)*
Net capital expenditure	884	632	*39.9*
Free cash flows	1,110	2,741	*(59.5)*
Cash realisation ratio (excluding significant items)[a,b] (%)	59	86	*(27 ppt)*
Dividends and distributions			
Full-year ordinary dividend (fully-franked, cps)	180	178	*1.1*
Return of capital (cps)[c]	-	200	*n.m.*
Balance sheet and credit metrics			
Net financial debt / (cash)[d]	4,296	(109)	*n.m.*
Debt to EBITDA (excluding significant items)[a,e] (x)	2.2	1.3	*0.9 x*
Sustainability highlights			
Scope 1 and 2 emissions, market-based ($ktCO_2e$)	1,225.7	1,308.9	*(6.4)*
Operational waste diverted from landfill[f] (% total waste)	70	68	*2 ppt*
Aboriginal and Torres Strait Islander team members[f] (#)	3,601	2,994	*20.3*
Total recordable injury frequency rate[f] (TRIFR)	9.2	9.6	*(4.2)*
Gender balance, board and leadership team (women % total)	48	40	*8 ppt*

n.m. = not meaningful

[a] There were no significant items in 2022. Significant items in 2021 of $59 million pre-tax ($41 million post-tax) relate to Target store closure and conversion costs as part of the restructuring actions in Kmart Group.

[b] Operating cash flows as a percentage of net profit after tax, before depreciation and amortisation.

[c] 2021 return of capital was paid in December 2021.

[d] Interest-bearing liabilities less cash at bank and on deposit, net of cross-currency interest rate swaps and interest rate swap contracts. Excludes lease liabilities.

[e] Total debt including lease liabilities, net of cash and cash equivalents, divided by EBITDA excluding significant items.

[f] Excluding the Health division.

Divisional earnings summary

Year ended 30 June ($m)	2022	2021	Variance %
Earnings before tax (EBT) excluding significant items[a]			
Bunnings	2,204	2,185	*0.9*
Kmart Group[b]	418	693	*(39.7)*
WesCEF	540	384	*40.6*
Officeworks	181	212	*(14.6)*
Industrial and Safety	92	70	*31.4*
Health[c]	(25)	n/a	*n.m.*
Divisional EBT (excluding significant items)[a]	**3,410**	**3,544**	***(3.8)***
Group NPAT (excluding significant items)[a]	**2,352**	**2,421**	***(2.9)***

Six months ended 30 June ($m)	2022	2021	Variance %
Earnings before tax (EBT) excluding significant items[a]			
Bunnings	945	911	*3.7*
Kmart Group[b]	240	206	*16.5*
WesCEF	322	224	*43.8*
Officeworks	99	112	*(11.6)*
Industrial and Safety	51	33	*54.5*
Health[c]	(25)	n/a	*n.m.*
Divisional EBT (excluding significant items)[a]	**1,632**	**1,486**	***9.8***
Group NPAT (excluding significant items)[a]	**1,139**	**1,007**	***13.1***

n.m. = not meaningful

[a] There were no significant items in 2022. Significant items in 2021 of $59 million pre-tax ($41 million post-tax) relate to Target store closure and conversion costs as part of the restructuring actions in Kmart Group. Significant items in the second half of 2021 were $25 million pre-tax ($17 million post-tax).

[b] Includes Catch.

[c] Includes API contributions from 31 March 2022 to 30 June 2022.

Divisional performance overview

Bunnings

Bunnings' revenue increased 5.2 per cent to $17,754 million for the year. Earnings increased 0.9 per cent to $2,204 million, including a favourable contribution from property disposals.

"The pleasing sales and earnings results delivered by Bunnings continue to demonstrate the resilience of its operating model and the execution of its strategic agenda," Mr Scott said. "Sales growth was supported by continued strong demand from commercial customers and consumer sales remained robust, despite cycling elevated demand in prior periods.

"Bunnings continued to accelerate investment in long-term growth initiatives while managing the ongoing operational disruptions associated with COVID-19. During the year, Bunnings delivered enhancements to the shopping experience for customers both instore and online, and continued to expand its range, store network and fulfilment capabilities.

"Good progress was also made on the 'Whole of Build' commercial strategy with the launch of new product ranges, enhanced capability of frame and truss and improvements to sales support. Progress continued on the development of Tool Kit Depot, which expanded into Western Australia with six new stores, and the acquisition of Beaumont Tiles completed in November 2021."

Kmart Group

Kmart Group's revenue decreased by 3.5 per cent for the year. Earnings excluding significant items were 39.7 per cent below the prior year, but with strong growth of 16.5 per cent recorded in the second half.

“Kmart and Target’s results for the year were materially impacted by COVID-related temporary store closures in the first half. As COVID-related disruptions eased, combined Kmart and Target trading results improved significantly, with strong combined earnings growth of 19.4 per cent in the second half,” Mr Scott said.

“Kmart’s instore stock availability improved as labour availability and congestion issues at domestic ports and distribution centres eased through the second half. Kmart continues to actively manage the mix and quantity of its inventory, and its overall inventory position remains appropriate for the trading environment and to manage ongoing supply chain variability.

“Catch’s gross transaction value increased 1.6 per cent to $989 million for the year, with growth in marketplace sales partially offset by weakness in the in-stock business. Catch’s earnings performance continued to reflect investment in team, technology, governance, marketing and capabilities, and the expansion of automation and fulfilment capacity to support long-term growth ambitions.”

Chemicals, Energy and Fertilisers

WesCEF’s revenue increased 41.7 per cent to $3,041 million, and earnings increased 40.6 per cent to $540 million for the year.

“WesCEF delivered record earnings for the year, reflecting continued strong operating performance and higher global commodity prices for LPG, fertilisers and other ammonia-related products. Pleasing progress continued on the construction of the Mt Holland lithium project, which provides a significant growth platform for WesCEF and continues to be supported by favourable underlying lithium market fundamentals,” Mr Scott said.

Officeworks

Officeworks’ revenue increased 4.6 per cent for the year to $3,169 million. Earnings of $181 million were 14.6 per cent lower than the prior year.

“Officeworks delivered strong growth in technology sales during the year, but this was partially offset by other categories where sales were more negatively affected by lockdowns and temporary store closures. High-margin categories such as ‘print and create’ and office supplies were the most materially impacted by disruptions,” Mr Scott said.

“Officeworks’ earnings result reflects continued investment in data and digital capabilities and the launch of new products and services during the year. Higher fulfilment costs associated with lockdowns and temporary inefficiencies during the transition to the new customer fulfilment centre in Victoria also impacted earnings for the year.”

Industrial and Safety

Industrial and Safety’s revenue increased 3.8 per cent to $1,925 million, and earnings of $92 million were 31.4 per cent above the prior year.

“It is pleasing to see continued improvement in performance and profitability across the Industrial and Safety division for the year. Earnings growth was supported by higher sales growth and additional operating efficiencies, as well as increased demand from Coregas’ industrial and healthcare customers,” Mr Scott said.

Health

For the three months ending 30 June 2022, Health recorded revenue of $1,240 million and a loss of $25 million. Excluding $36 million in acquisition-related and one-off expenses, earnings for the ownership period were $11 million.

“Sales results for the period of ownership of Health were supported by continued strong demand for cold and flu and COVID-related products. The Health team made pleasing progress on integration activities during the ownership period and has commenced work on transformation strategies to improve financial performance and strengthen the competitive position of API and its pharmacist partners,” Mr Scott said.

Group performance overview

Portfolio actions

Wesfarmers continued to renew and develop its portfolio during the year, investing in adjacent opportunities and establishing new businesses. The Group maintained strong financial discipline in evaluating potential opportunities and remained focused on investments that offer the potential to build scale in areas that will generate attractive shareholder returns over time.

On 31 March 2022 Wesfarmers completed the acquisition of API, which forms the foundation business for Wesfarmers' new Health division and provides opportunities for the Group to develop capabilities in the growing health, beauty and wellbeing sector. Emily Amos was appointed as Managing Director of the Health division and a member of the Wesfarmers Leadership Team.

Wesfarmers established OneDigital in April 2022, bringing together the Group's digitally native businesses, including the OnePass membership program and the Group shared data asset, OneData. OneDigital will support the Group's data and digital growth ambitions, deliver operational efficiencies and provide customers with a more seamless, rewarding and valuable omnichannel experience across the retail businesses. Nicole Sheffield was appointed to the Wesfarmers Leadership Team as Managing Director of OneDigital.

On 1 July 2022, Catch moved from Kmart Group into OneDigital, and will be led by Brendan Sweeney who joins as Managing Director of Catch in October 2022.

During the year, the Group's partnership with Flybuys was extended to include Bunnings and Officeworks customers. The customer response instore has been pleasing, with strong scan rates achieved by both businesses.

In November 2021, Bunnings completed the acquisition of Beaumont Tiles, which supports Bunnings' broader investment in expanding its commercial offer and specialist brands strategy.

Project development and construction activities continued for the integrated Mt Holland lithium project. The project continues to be supported by favourable market fundamentals and strong long-term demand for battery electric vehicles.

Other businesses

Other businesses and corporate overheads reported earnings of $6 million for the year, in line with the prior year. This result includes expenses associated with the new OneDigital division.

Earnings in this segment benefited from property revaluations in BWP Trust as well as higher earnings from the Group's interests in Wespine and Gresham. The Group also benefited from an increase in third-party dividends, the receipt of proceeds from an equity distribution as part of the value share mechanism agreed on the sale of Homebase in 2018, and a favourable Group insurance result. These benefits were partially offset by higher corporate overheads and accelerated investment in OneDigital.

Operating expenditure relating to OneDigital of $80 million was incurred for the year. These costs include expenses associated with OneData (formerly the Advanced Analytics Centre) and the development of the OnePass membership program.

Cash flow, balance sheet and financing

Divisional operating cash flows before interest, tax, and the repayment of lease liabilities declined 14.2 per cent compared to the prior year, excluding Health and OneDigital, with divisional cash generation of 78 per cent. Reported operating cash flows declined 32.0 per cent to $2,301 million.

Cash flow results reflected the continued normalisation of net working capital positions in the retail businesses following the abnormally low balances recorded during the 2020 and 2021 financial years, particularly in Bunnings. Operating cash flows were also impacted by increased tax payments on higher tax instalment rates, and significantly higher utilisation of employee leave provisions following periods of travel restriction.

The Group's closing inventory position reflects stock acquired as part of the API and Beaumont Tiles transactions, normalisation of stock levels in Bunnings following extraordinary sales growth since the 2019 financial year, the impact of higher commodity prices for WesCEF and retail unit cost inflation. Kmart's inventory position continues to reflect its strategy to hold additional stock of non-seasonal products to mitigate supply chain variability. Overall inventory positions are considered appropriate for current conditions, and the net working capital positions of retail businesses relative to sales are returning to pre-COVID levels.

Gross capital expenditure of $1,144 million was 27.7 per cent higher than the prior year, largely due to $304 million of capital expenditure and $34 million of capitalised interest relating to the ongoing development of the Mt Holland lithium project. Proceeds from the sale of property, plant and equipment of $260 million were $4 million below the prior year. The resulting net capital expenditure of $884 million was $252 million, or 39.9 per cent, higher than the prior year.

Free cash flows of $1,110 million were 59.5 per cent lower than the prior year, reflecting lower operating cash flows, payment of cash consideration for the acquisitions of API and Beaumont Tiles and increased net capital expenditure. These were partially offset by proceeds from the partial sale of the Group's investment in Coles.

The Group recorded a net financial debt position of $4,296 million as at 30 June 2022, comprising interest-bearing liabilities, excluding lease liabilities, and net of cross-currency swap assets and cash at bank and on deposit. This compares to a net financial cash position of $109 million as at 30 June 2021. The increase in net financial debt was largely driven by the distribution of $2.3 billion of surplus cash by way of capital return to shareholders in December 2021 as part of the Group's repositioning of its balance sheet, the payment of $1.9 billion of fully-franked dividends, and higher levels of capital expenditure and acquisition investment during the year.

Dividends

A key component of total shareholder return is the dividends paid to shareholders.

The Group's dividend policy considers available franking credits, current earnings and cash flows, future cash flow requirements and targeted credit metrics. The Board has determined to pay a fully-franked ordinary final dividend of 100 cents per share, taking the full-year ordinary dividend to 180 cents per share. The final dividend will be paid on 6 October 2022.

Given the preference of many shareholders to receive dividends in the form of equity, the directors have decided to continue the operation of the Dividend Investment Plan (the 'Plan'). The allocation price for shares issued under the Plan will be calculated as the average of the daily volume-weighted average price of Wesfarmers shares on each of the 15 consecutive trading days from and including the third trading day after the record date.

The last date for receipt of applications to participate in, or to cease or vary participation in, the Plan, is 2 September 2022. No discount will apply to the allocation price and the Plan will not be underwritten. Shares to be allocated under the Plan will be transferred to participants on 6 October 2022. Given the Group's strong credit metrics, it is intended that any shares to be issued under the Plan will be acquired on-market and transferred to participants.

Outlook

Wesfarmers maintains its focus on long-term value creation and continues to invest to strengthen its existing businesses, renew the portfolio and develop new platforms for growth. These actions, together with a strong balance sheet and portfolio of cash-generative businesses with market-leading positions, make Wesfarmers well positioned to deliver satisfactory returns to shareholders over the long term.

The Group's strong balance sheet and financial discipline support ongoing investment in existing operations and provide the capacity to pursue value-accretive opportunities that may arise.

Wesfarmers maintains the flexibility to respond to potential risks and opportunities under a range of economic scenarios. Wesfarmers' businesses are largely engaged in the provision of essential and everyday products to retail and commercial customers, and are well placed to adjust to changes in demand.

The Australian economy is starting from a strong base with low unemployment and high levels of household savings, but the effects of inflation and higher living costs are placing pressure on parts of the economy, including household budgets. The Group continues to actively manage inflation, leveraging its scale and sourcing capabilities to mitigate the impact of cost increases. While general inflation remains elevated, prices for some inputs such as cotton, timber and plastic resins have moderated in recent months.

The Group's retail businesses are well positioned as cost of living pressures impact household budgets and value once again becomes increasingly important to customers. The retail businesses will maintain their focus on meeting the changing needs of customers and delivering even greater value, quality and convenience. This will be supported by continued investment in divisional data and digital capabilities, as well as the additional growth and efficiency benefits provided through OneDigital.

Retail trading conditions have remained robust through the first seven weeks of the 2023 financial year. Sales growth has been particularly strong in Kmart Group, with sales significantly higher on both a one year and two year basis. Bunnings also continues to see positive sales growth, on a one year and two year basis. Sales in Officeworks were in line with the prior year.

The performance of the Group's industrial businesses remain subject to international commodity prices, foreign exchange rates, competitive factors and seasonal outcomes. WesCEF is expected to continue to benefit from elevated commodity prices and will continue to evaluate capacity expansion opportunities for its existing operations, and progress the development of the Mt Holland lithium project.

Wesfarmers will continue to invest in its existing operations and in the development of platforms for long-term growth. The Group expects net capital expenditure of between $1,000 million and $1,250 million for the 2023 financial year.

Wesfarmers will continue to manage its businesses with deep carbon awareness, actively considering climate risks when making key business decisions and managing the portfolio. The Group remains focused on delivering progress against its net zero and renewable electricity targets detailed on page 78 of the 2022 Annual Report, and will make disciplined investments to strengthen the climate resilience of its businesses.

The Group will continue to develop and enhance its portfolio, building on its unique capabilities and platforms to take advantage of growth opportunities within existing businesses and to pursue investments that create value for shareholders over the long term.

For further information:
More detailed information regarding Wesfarmers' 2022 full-year results can be found in the Wesfarmers 2022 Annual Report (including appendix 4E) for the year ended 30 June 2022.

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This announcement was authorised to be given to the ASX by the Wesfarmers Limited Board.

Bunnings

Year ended 30 June ($m)	2022	2021	Variance %
Revenue	**17,754**	**16,871**	***5.2***
EBITDA	3,057	2,993	*2.1*
Depreciation and amortisation	(740)	(692)	*(6.9)*
EBIT	**2,317**	**2,301**	***0.7***
Interest on lease liabilities	(113)	(116)	*2.6*
EBT	**2,204**	**2,185**	**0.9**
Net property contribution	52	(10)	*n.m.*
EBT (excluding net property contribution)	**2,152**	**2,195**	***(2.0)***
EBT margin excluding property (%)	12.1	13.0	
ROC (R12, %)	77.2	82.4	
Total store sales growth[a] (%)	4.2	12.4	
Store-on-store sales growth[a,b] (%)	4.8	11.9	
Online penetration (%)	3.0	2.3	
Safety (R12, TRIFR)	11.3	11.3	
Scope 1 and 2 emissions, market-based (ktCO_2e)	104.9	110.3	

n.m. = not meaningful

[a] See Additional Disclosures on page 25 for relevant retail calendars and definitions.

[b] Store-on-store sales growth excludes stores in months that were impacted by extended periods of temporary closure in New South Wales, Australian Capital Territory, Victoria and New Zealand.

Performance review

Revenue for Bunnings increased 5.2 per cent to $17,754 million for the year, with earnings increasing 0.9 per cent to $2,204 million.

Bunnings' strong financial results follow two years of extraordinary growth, with revenue increasing $4,588 million or 34.8 per cent and earnings excluding net property contribution increasing $611 million or 39.6 per cent between the 2019 and 2022 financial years. On an annualised basis, sales and earnings have increased more than 10 per cent per annum through the last three years.

Despite the continued impact of COVID-related interruptions and supply chain challenges during the year, the Bunnings team maintained its focus on delivering more value for customers, investing in future growth initiatives, and keeping team members and customers safe.

Total store sales increased 4.2 per cent for the year, with store-on-store sales increasing 4.8 per cent. Sales growth was recorded across all major trading regions, supported by strong growth from commercial customers and solid consumer demand, while cycling elevated levels of DIY activity in the prior year. In the second half, total store sales increased 7.8 per cent.

COVID-19 continued to present operational complexity and create increased trading variability during the year. Ongoing supply chain disruptions led to some additional freight, demurrage, and storage costs, and while stock availability was impacted in some categories, overall stock positions continued to be well managed.

To ensure a safe environment, approximately $71 million of costs were incurred associated with cleaning, security and protective equipment, as well as additional paid leave for vaccinations and team members impacted by COVID-19.

During the year, Bunnings continued to invest to improve the customer experience instore and through digital channels. Productivity initiatives, new instore technology and layout changes made Bunnings stores easier to shop and enabled team members to spend more time helping customers, while a new web platform and enhanced search function provided improvements for customers shopping online. There was also strong uptake of Flybuys by Bunnings customers, allowing more tailored offers and delivering additional value.

Strong progress was made on the commercial ‘Whole of Build’ strategy, with new product ranges, enhanced capability of frame and truss, and improved sales support. Bunnings also launched a new fully-transactable e-commerce platform for commercial customers, and made further improvements to the PowerPass app with increasing usage by commercial customers to support ease of shop.

Tool Kit Depot expanded into Western Australia with six stores catering to local demand for professional tools, and national expansion plans continue to advance. The acquisition of Beaumont Tiles completed in November 2021, with Bunnings’ commercial customers now benefiting from easy access to Beaumont Tiles’ specialist design knowledge and extensive hard surfaces range.

Bunnings continues to invest in the expansion and renewal of its store network. During the year, Bunnings expanded seven stores to improve the local offer and opened one net new store and two trade centres, with some new build and refurbishment works delayed due to COVID-related disruptions. At the end of the year there were 282 warehouses, 67 smaller format stores and 32 trade centres in the Bunnings network, and 11 Tool Kit Depot stores and 115 Beaumont Tiles stores.

Return on capital of 77.2 per cent reflected earnings growth and disciplined capital management. The higher net property contribution for the year of $52 million reflected favourable property divestment activity compared with the prior year.

Safety and community engagement initiatives remained a key focus for Bunnings during the year. TRIFR remained in line with the prior year at 11.3 with the result continuing to reflect increased manual handling tasks due to stock flow variability and COVID-related changes in the store operating environment, particularly during periods of lockdown.

Outlook

Bunnings continues to be well positioned for a range of market conditions, and will benefit from the diversity of its business, focus on necessity products and strength of its offer across consumer DIY and commercial markets. The demand outlook across consumer and commercial is supported by a solid pipeline of renovation and building activity, as well as incremental DIY growth opportunities as customers continue to focus on maintaining and improving their homes.

Bunnings continues to manage operating complexities from COVID-19 and supply chain disruptions, as well as navigate inflationary pressures, with a clear focus on cost discipline, driving productivity improvements and delivering market-leading value for customers.

Bunnings remains focused on driving long-term growth by building more connected experiences across all channels, deepening its relationship with commercial customers, and evolving its supply chain to support the continued growth of the business.

Kmart Group

Year ended 30 June[a] ($m)	2022	2021	Variance %
Revenue	9,635	9,982	*(3.5)*
EBIT[a]	506	787	*(35.7)*
EBT[a]	418	693	*(39.7)*
EBT including significant items	418	634	*(34.1)*
EBT margin[a] (%)	4.3	6.9	
ROC (R12, %)	22.9	52.1	
Safety (R12, TRIFR)	8.3	9.2	
Scope 1 and 2 emissions, market-based (ktCO_2e)	253.8	262.5	

[a] 2021 excludes pre-tax significant items of $59 million relating to Target store closure and conversion costs as part of the restructuring actions in Kmart Group.

Performance review

Kmart Group's revenue decreased by 3.5 per cent to $9,635 million for the 2022 financial year. Earnings of $418 million were 39.7 per cent below the prior year, excluding significant items related to Target store closures and conversions in the prior year.

Kmart and Target

Year ended 30 June[a] ($m)	2022	2021	Variance %
Revenue	**9,129**	**9,456**	***(3.5)***
EBITDA[b]	1,088	1,349	*(19.3)*
Depreciation and amortisation	(496)	(517)	*(4.1)*
EBIT[b]	**592**	**832**	***(28.8)***
Interest on lease liabilities	(87)	(93)	*(6.5)*
EBT[b]	**505**	**739**	***(31.7)***
Significant items	-	(59)	*n.m.*
EBT including significant items	**505**	**680**	***(25.7)***
EBT margin[b] (%)	5.5	7.8	
ROC (R12, %)	32.2	67.5	
Safety (R12, TRIFR)	8.5	9.3	
Scope 1 and 2 emissions, market-based (ktCO_2e)	250.9	260.0	
Kmart			
Total sales growth[c] (%)	0.5	12.0	
Comparable sales growth[c,d] (%)	(1.0)	7.8	
Online penetration (%)	10.9	7.8	
Target			
Total sales growth[c] (%)	(15.8)	(3.7)	
Comparable sales growth[c,d] (%)	8.6	13.3	
Online penetration (%)	22.0	15.1	

n.m. = not meaningful

[a] Includes intercompany transactions with Catch.

[b] 2021 excludes pre-tax significant items of $59 million relating to Target store closure and conversion costs as part of the restructuring actions in Kmart Group.

[c] See Additional Disclosures on page 25 for relevant retail calendars and definitions.

[d] Comparable growth calculation excludes stores that were temporarily closed as a result of COVID-19 restrictions for the duration of the closure period, where the closure period was longer than two weeks.

Revenue for Kmart and Target decreased by 3.5 per cent for the year. Excluding significant items in the prior year, earnings declined by 31.7 per cent to $505 million, with strong earnings growth of 19.4 per cent for the second half more than offset by the negative impact of COVID-19 restrictions in the first half.

As previously reported, Kmart and Target trading performance in the first half was significantly impacted by COVID-19 restrictions, with almost 25 per cent of store trading days lost due to government-mandated store closures. Trading conditions improved over the second half of the financial year as COVID-related disruptions subsided, resulting in improved customer traffic to stores, reduced team member absenteeism and improved stock availability.

Kmart's total sales increased 0.5 per cent for the year, with comparable sales decreasing 1.0 per cent. In the second half, total sales increased by 6.6 per cent, and comparable sales increased 4.1 per cent, reflecting growth across all categories and additional sales from Target store conversions. The performance of the Target store conversions, when adjusted to exclude the impact of lockdowns, has been in line with the original business case, delivering improved performance with higher profit contribution.

Target's total sales decreased 15.8 per cent for the year, largely reflecting the closure or conversion of 69 Target stores and 87 Target Country stores across the 2021 and 2022 financial years. Comparable sales for Target increased 8.6 per cent for the year and 11.6 per cent in the second half, driven by continued improvements in the product offer and higher levels of promotional activity.

Online demand remained strong during the year, driven by temporary store closures in the first half along with ongoing investments to improve the online customer experience, including the re-platforming of the Kmart website.

Kmart and Target earnings for the first half of the financial year were significantly impacted by COVID-related disruptions, including the costs associated with commitments made to pay team members when no meaningful work was available during lockdowns, additional support to team members required to isolate, rising international freight costs and costs associated with elevated domestic stock holdings.

Earnings growth in the second half reflected strong sales growth and a focus on productivity and cost control, including the benefits of the successful execution of the Target restructuring program and conversion of select Target stores to Kmart. Kmart continued to invest in key strategic initiatives to enhance and personalise its customer offer, digitise its operating model, and develop its data and digital assets, including through the new partnership with OnePass.

Good progress was made during the second half to manage the mix and quantity of inventory, with overall balances reducing over the period. Kmart's inventory position is appropriate for the trading environment and, consistent with the strategy to manage ongoing supply chain variability, holdings of non-seasonal products remain higher relative to pre-COVID levels.

Kmart opened three new stores, including one large store conversion, and closed three stores during the year. One additional K hub store was converted during the year. Target opened one replacement store and closed 10 stores in addition to the two conversions. There were 452 stores across Kmart and Target as at 30 June 2022.

Catch

Year ended 30 June[a,b] ($m)	2022	2021	Variance %
Gross transaction value	989	973	*1.6*
Revenue	510	528	*(3.4)*
EBITDA	(58)	(24)	*n.m.*
EBT[a]	(88)	(46)	*n.m.*

n.m. = not meaningful

[a] Includes an amortisation expense of $11 million in both 2022 and 2021, relating to assets recognised as part of the acquisition.

[b] Includes intercompany transactions with Target.

Gross transaction value (GTV) for Catch increased 1.6 per cent to $989 million for the year, driven by growth in the marketplace offering and partially offset by a moderation in the in-stock business. Active customers increased by 0.2 million during the year, with 3.1 million active customers as at 30 June 2022.

Catch's earnings performance for the year reflected continued investment in team, technology, governance marketing and capabilities to support long-term growth, as well as investment in automation technology and fulfilment capacity. Good progress was made in a number of areas but the performance of the in-stock business resulted in higher levels of inventory clearance compared to the prior year.

The new Catch fulfilment centre in New South Wales was completed on time and within budget, with fulfilment of customer orders beginning in May 2022. The facility will improve customer delivery speeds, particularly in New South Wales and Queensland, and represents an important milestone in the development of Catch's automated fulfilment capabilities and ability to offer a compelling "Fulfilled By Catch" proposition.

Outlook

Kmart is uniquely positioned in an inflationary environment to extend its low-price leadership and profitably grow its share of customer wallet. This will be supported by the delivery of strategic initiatives, including leveraging leading product development capabilities to launch new categories and expand existing categories, accelerating the growth of online, digitising sourcing and supply chain, continuing the rollout of RFID infrastructure to support the digitisation of the store operating model, and better engaging with customers through the use of data and personalisation.

Volatility in global supply chain conditions remains elevated and cost pressures are expected to persist across some raw materials, domestic and international freight, and operating expenses. The business will focus on productivity initiatives and will maintain higher levels of inventory in non-seasonal categories to mitigate these risks.

Target will focus on continuing to improve the product offer, particularly in the priority categories of apparel and soft home, growing online and driving productivity initiatives to maintain its reduced cost base and profitability.

Catch transitioned to the new OneDigital division on 1 July 2022. Investment to support long-term growth will continue, with a focus on acquiring and retaining customers, and building strategic capabilities in fulfilment, technology, and data, while leveraging Wesfarmers' Group assets, including the OnePass membership program.

Chemicals, Energy and Fertilisers

Year ended 30 June ($m)	2022	2021	Variance %
Revenue[a]			
Chemicals	1,397	1,018	*37.2*
Energy	491	406	*20.9*
Fertilisers	1,153	722	*59.7*
Total	**3,041**	**2,146**	***41.7***
EBITDA	634	473	*34.0*
Depreciation and amortisation	(93)	(88)	*(5.7)*
EBIT	**541**	**385**	***40.5***
Interest on lease liabilities	(1)	(1)	-
EBT	**540**	**384**	***40.6***
External sales volumes[b] ('000 tonnes)			
Chemicals	1,113	1,099	*1.3*
LPG & LNG	210	220	*(4.5)*
Fertilisers	1,221	1,324	*(7.8)*
ROC (R12, %)	21.6	17.7	
ROC (R12, %) (excluding ALM)	36.3	28.6	
Safety (R12, TRIFR)	4.2	3.0	
Scope 1 and 2 emissions, market-based[c] ($ktCO_2e$)	795.4	873.9	

[a] Excludes intra-division sales.

[b] External sales exclude AN volumes transferred between Chemicals and Fertilisers business segments.

[c] 2022 Scope 1 and 2 market-based emissions includes the impact of the scheduled ammonia plant shutdown, which accounted for approximately one-third of the emissions reduction between 2021 and 2022.

Performance review

Revenue of $3,041 million was up 41.7 per cent on the prior year, and earnings increased 40.6 per cent to $540 million. Strong sales and earnings growth during the period reflected higher global commodity prices for LPG, fertilisers and other ammonia-related products.

The total recordable injury frequency rate increased to 4.2 following higher levels of planned maintenance activity during the year. WesCEF continued its heightened focus on safety performance, with ongoing evaluation of high potential incidents and the implementation of a new divisional safety campaign tailored to promote a focus on being present and alert in the workplace.

Scope 1 and 2 emissions decreased on the prior year, driven by continued benefit of abatement catalysts and a temporary reduction from the planned ammonia plant maintenance shutdown in the first half.

Chemicals

Chemicals delivered strong earnings growth on the prior year. Ammonia earnings improved, driven by a favourable global ammonia price, which was partially offset by increased import costs, the pricing lag from the pass-through mechanism in customer contracts and costs associated with the planned ammonia plant shutdown. Ammonium Nitrate (AN) earnings also benefited from elevated global ammonia prices as well as strong demand from Western Australian (WA) mining and agricultural customers.

Earnings in the Sodium Cyanide business benefited from higher export sales volumes as demand from international gold mining customers began to normalise following COVID-related disruptions.

Energy

Kleenheat's earnings increased significantly on the prior year, driven by the higher Saudi Contract Price (Saudi CP), the international benchmark indicator for LPG price, and the continued benefit from a shift in sales volume mix towards the domestic LPG market, following the closure of BP's Kwinana Refinery in February 2021. This was partially offset by higher WA domestic gas costs.

The natural gas retailing business continued to grow its residential customer base in WA, which resulted in higher sales volumes for the year.

Fertilisers

Fertilisers' earnings increased on the prior year, supported by stronger global commodity prices and partially offset by lower volumes following a record 2021 seasonal offtake, as well as increased competition and demand changes due to the high input price environment for growers. The business managed its working capital position well during the year, delivering solid results in a volatile price environment.

The Fertilisers business benefited from investment in additional despatch capacity, improvements to infrastructure across all regional locations and the launch of a full-service nitrogen nutritional offer which leverages agronomic, data science and technology capabilities to better service customers.

Lithium

The WesCEF result includes its 50 per cent interest in the Mt Holland lithium project. Progress continues at the Mt Holland lithium mine, with construction of the village and aerodrome completed. Pre-strip mining and construction of the concentrator and Kwinana refinery continue to advance.

WesCEF's share of capital expenditure, excluding capitalised interest, for the development of the project was $304 million during the year.

Outlook

The Chemicals business is expected to continue benefiting from strong global commodity prices. Robust demand for AN from the WA mining sector is anticipated to continue, and demand for sodium cyanide is expected to benefit from an elevated gold price given global economic uncertainty.

The Chemicals business will continue to progress engineering studies evaluating production capacity expansions, with a final investment decision on the sodium cyanide expansion project likely to occur in the first half of the 2023 financial year.

Kleenheat's earnings are expected to continue benefiting from the strong Saudi CP but are likely to be partially offset by higher WA natural gas costs and lower LPG content. The natural gas retailing business remains focused on customer retention and providing market-leading customer service.

In the Fertilisers business, good 2022 seasonal conditions are reflected in positive grower sentiment, albeit high fertiliser input prices may moderate application rates in 2023. The business continues to focus on working capital management and delivering its strategic agenda, including investment in data and digital initiatives and manufacturing, storage and despatch infrastructure to deliver the best reliability, experience and advice for customers.

Construction activity at the Mt Holland lithium mine and concentrator and Kwinana refinery continues, and Covalent remains focused on actively managing labour constraints in the WA construction industry, and COVID-19 impacts on its workforce and supply chains. Lithium market fundamentals remain favourable, underpinned by the growing demand for battery electric vehicles, and negotiations to supply lithium hydroxide to key counterparties are underway.

Across all businesses, WesCEF expects continued cost pressures associated with international supply chain disruptions and inflation in some input costs.

Overall, earnings for WesCEF will be subject to international commodity prices, exchange rates, competitive factors and seasonal outcomes.

Officeworks

Year ended 30 June ($m)	2022	2021	Variance %
Revenue	**3,169**	**3,029**	***4.6***
EBITDA	303	328	*(7.6)*
Depreciation and amortisation	(113)	(106)	*(6.6)*
EBIT	**190**	**222**	***(14.4)***
Interest on lease liabilities	(9)	(10)	*10.0*
EBT	**181**	**212**	***(14.6)***
EBT margin (%)	5.7	7.0	
ROC (R12, %)	17.8	22.3	
Total sales growth[a] (%)	4.6	8.6	
Online penetration (%)	40.0	35.2	
Safety (R12, TRIFR)	5.8	6.1	
Scope 1 and 2 emissions, market-based (ktCO_2e)	30.8	34.4	

[a] See Additional Disclosures on page 25 for relevant retail calendars and definitions.

Performance review

Officeworks' revenue increased 4.6 per cent for the year to $3,169 million. Earnings of $181 million were 14.6 per cent lower than the prior year.

The safety, health and wellbeing of team members and customers remains a priority for Officeworks, and continued investment in team member safety supported an improvement in TRIFR to 5.8 for the year.

Sales and margin mix for the year was impacted by COVID-related temporary store closures in the first half. Strong growth continued in technology and furniture as customers continued to work and learn from home throughout the year, while lower foot traffic to stores as a result of COVID-19 affected sales in higher-margin categories such as office supplies and 'print and create'.

As COVID-related disruptions eased, trading conditions improved in the second half, with sales growth of 5.5 per cent supported by continued demand growth across technology and furniture categories. This was partially offset by a weaker Back-to-School trading period, which coincided with elevated levels of COVID-19 transmission in the community.

Online penetration, including click and collect, remained elevated during the year, driven by strong online sales during periods of lockdown.

Officeworks' margin and earnings were impacted by changing sales mix during the year and increased price investment to maintain Officeworks' everyday low price credentials. The earnings result also reflected higher costs of doing business associated with managing COVID-related disruptions, as well as continued investment in data and digital initiatives, including the launch of Flybuys, which enabled Officeworks to double its number of known and marketable customers.

Consistent with its focus on sustainable long-term growth, Officeworks continued to invest to modernise its supply chain, completing the transition to a new Victorian customer fulfilment centre (CFC), and progressing the development of a Western Australian CFC and Victorian international distribution centre.

In addition, Officeworks upgraded 75 stores, opened two new stores and relocated three stores. As at 30 June 2022 there were 168 Officeworks stores across Australia.

Outlook

Officeworks' everyday low prices, wide range, great service, and well established every-channel offer make it well positioned to support retail and business customers in a range of economic scenarios.

Officeworks maintains its focus on productivity and efficiency programs across stores, the support centre and in the supply chain to mitigate the impact of cost inflation and COVID-related disruptions.

Officeworks will continue to evolve its core offer and expand its presence in the education, business-to-business and work from home segments. Improvements to the every-channel customer experience will continue, supported by recent investments to better leverage data and digital capabilities and modernise the supply chain.

Industrial and Safety

Year ended 30 June ($m)	2022	2021	Variance %
Revenue	**1,925**	**1,855**	***3.8***
EBITDA	171	148	*15.5*
Depreciation and amortisation	(75)	(74)	*(1.4)*
EBIT	**96**	**74**	***29.7***
Interest on lease liabilities	(4)	(4)	-
EBT	**92**	**70**	***31.4***
EBT margin (%)	4.8	3.8	
ROC (R12, %)	7.9	6.2	
Safety (R12, TRIFR)	3.5	4.3	
Scope 1 and 2 emissions, Market-Based (ktCO_2e)	26.4	27.4	

Performance review

Industrial and Safety revenue of $1,925 million was 3.8 per cent above the prior year. Earnings of $92 million were 31.4 per cent above the prior year.

Blackwoods' revenue increased on the prior year, underpinned by continued growth from strategic customers, particularly from customers in the mining and manufacturing sectors and in Western Australia and Queensland, as well as solid demand in New Zealand. This was partially offset by weakness in demand in New South Wales and Victoria, as well as the impact of elevated demand for critical products (respiratory, cleaning and hygiene products) in the prior year.

Blackwoods' earnings growth was driven by higher sales and partially offset by the continued investment in customer service and digital capabilities, and the impact of COVID-related disruptions.

Workwear Group's revenue reflected the divestment of the UK business in the second half of the prior year, while earnings increased with stronger sales from the industrial workwear brands, including KingGee and Hard Yakka, and the benefit of improved operating efficiencies, including the simplification of the uniforms business that was implemented in the prior year.

Coregas' revenues and earnings increased due to higher demand from industrial and healthcare customers. The business also benefited from the acquisition of a gas and welding products business in July 2021.

Safety and injury management remains a core focus and the total recordable injury frequency rate improved to 3.5 for the year.

Outlook

The Industrial and Safety businesses are focused on driving improvements in performance and profitability, strengthening the customer value proposition and executing new growth opportunities.

The businesses continue to actively manage ongoing disruptions relating to global supply chains, labour availability challenges in some states and territories, and the inflationary environment.

Blackwoods will continue to focus on improvements to its core operational capabilities, including across systems and in data and digital.

Workwear Group remains focused on driving growth in its industrial brands and uniforms business, improving operational excellence and strengthening its digital offer.

Coregas is expected to benefit from continued strong demand in the healthcare and industrial segments, despite ongoing competitive pressure and rising input and distribution costs.

On 1 August 2022, the Industrial and Safety division completed the sale of the Greencap consulting business to WSP Global Inc., a global professional services firm. The earnings impact of the sale is expected to be minor and will be recognised in the 2023 financial year. Industrial and Safety has retained Greencap's digital contractor management solutions business, Cm3.

Health

Three months ended 30 June ($m)	2022
Revenue	**1,240**
EBITDA	(2)
Depreciation and amortisation	(22)
EBIT[a]	**(24)**
Interest on lease liabilities	(1)
EBT[a]	**(25)**

[a] Includes non-cash expenses of $11 million relating to assets recognised as part of Wesfarmers' acquisition of API, impairments of $21 million relating to Priceline company owned stores, and other non-recurring expenses of $4 million relating to the exit from the Consumer Brands manufacturing operations in New Zealand.

Performance review

Health revenue was $1,240 million for the period 31 March 2022 to 30 June 2022.

Excluding non-cash expenses relating to assets recognised as part of the acquisition of API, impairments, and one-off expenses associated with the exit of the Consumer Brands manufacturing operations in New Zealand, earnings were $11 million for the period.

The Pharmacy Distribution business delivered a solid sales result for the ownership period, supported by continued demand for COVID-19 treatments and rapid antigen tests, as well as strong customer acquisition.

Priceline revenue was supported by strong sales in all major health categories due to elevated cold, flu and COVID-19 cases during the period. Strong sales across health products were partially offset by weakness in beauty categories.

Pharmacy Distribution and Priceline earnings were impacted by costs associated with the ongoing transition to the new Marsden Park distribution centre (DC), which commenced in February 2022. The new DC is highly automated and supported by modern pick and pack technology.

Results for Clear Skincare were affected by elevated cases of COVID-19 in the community, which led to reduced customer traffic to clinics and impacted clinician availability as a result of elevated absenteeism and isolation requirements.

As at 30 June 2022, the Health division included 89 Priceline stores, 376 Priceline pharmacy franchise stores and 95 Clear Skincare Clinics.

Outlook

The Health division is well positioned to deliver long-term growth and will continue to focus on integration activities and pursuing opportunities to strengthen the competitive position of API and its pharmacist partners.

Investment to accelerate the transformation of the business and support long-term growth will be focused on improving underlying performance in the core business, strengthening e-commerce capabilities, expanding DC capacity and optimising the Priceline and Clear Skincare networks.

The new Marsden Park DC is on track to be operating at full capacity by the end of the 2022 calendar year. While efficiency benefits from the new automated facility are expected from the second half of the 2023 financial year, some additional transition costs will be incurred while the existing and new DCs are operating in parallel.

As part of integration activities, Wesfarmers has commenced a review of payroll practices across API's businesses, with initial work indicating some potential historical payment errors. API has commenced work to confirm any payment errors and identify affected team members in order to implement a remediation program as soon as possible. The cost of remediation is not expected to impact reported earnings for the Health division.

The Health division will recognise approximately $13 million per annum in non-cash amortisation expenses over the next three years relating to assets recognised as part of Wesfarmers' acquisition of API, followed by declining annual acquisition-related amortisation expenses until the 2033 financial year.

Other

Year ended 30 June ($m)[a]	Holding %	2022	2021	Variance %
BWP Trust	24.8	121	65	*86.2*
Other associates and joint ventures[b]	Various	36	23	*56.5*
Share of profit from associates and joint ventures		**157**	**88**	***78.4***
OneDigital		(80)	(11)	*n.m.*
Group overheads		(134)	(122)	*(9.8)*
Other[c]		64	52	*23.1*
Total Other EBIT		**7**	**7**	-
Interest on lease liabilities		(1)	(1)	-
Total Other EBT		**6**	**6**	-

n.m. = not meaningful

[a] Table restated from FY21 Annual Results to allow for reporting of costs associated with OneDigital.

[b] Includes investments in Gresham, Flybuys, Wespine and BPI.

[c] 2022 includes $45 million in dividends received from the Group's interest in Coles and 19.3 per cent ownership of API prior to completion of acquisition on 31 March 2022. 2021 includes $40 million of dividends received from the Group's interest in Coles.

Performance review

Other businesses and corporate overheads recorded earnings of $6 million, in line with the prior year.

The Group's share of profit from associates and joint ventures increased by $69 million to $157 million, primarily due to the positive contribution from property revaluations in BWP Trust, as well as higher earnings from the Group's interests in Wespine and Gresham.

Other corporate earnings of $64 million have been restated to allow for the separate reporting of costs associated with OneDigital, and were $12 million above the prior year. The increase includes dividends received from API, the receipt of proceeds as part of the value share mechanism agreed on the sale of Homebase in 2018, and a favourable Group insurance result. These benefits were partially offset by higher corporate overheads and accelerated investment in the data and digital ecosystem.

Group overheads increased by $12 million to $134 million for the year, driven by increased directors' and officers' liability insurance premiums, team member salaries and wages, and incentive expenses.

OneDigital – performance review

Wesfarmers accelerated its investment to develop a market-leading data and digital ecosystem with the formation of OneDigital in April 2022. OneDigital brings together the Group's digitally native businesses, including the OnePass membership program, the OneData Group data asset (formerly the Advanced Analytics Centre) and the Catch Marketplace from 1 July 2022.

Good progress has been made to build the strong foundations necessary for this initiative to deliver great value, convenience and experiences to customers across the Group.

During the 2022 financial year, the Club Catch program was rebranded and repositioned as a new and improved membership program named OnePass. Kmart, Target and Catch are currently part of the OnePass program, and work is underway to provide greater value and convenience and develop a broader set of benefits for OnePass members when shopping across Wesfarmers' retail brands.

Operating expenditure relating to OneDigital of $80 million was incurred over the year. This included investment in the development of the OnePass membership program, the shared data asset and scalable customer data architecture within OneData, specialist technical expertise, and robust data governance.

In December 2021, the Group's partnership with Flybuys was extended to include Bunnings and Officeworks customers. The customer response instore has been pleasing, with strong scan rates achieved by both businesses. The Group's partnership with Flybuys continues to complement the development of Wesfarmers' broader data and digital ecosystem, providing insights that enable the retail businesses to offer more relevant and personalised customer experiences.

OneDigital – Outlook

Progress will continue to accelerate on the development of OneDigital with a focus on delivering growth and operational efficiencies for the Group's retail businesses.

The OnePass membership program will continue to be extended to provide greater value to customers across the Group's retail businesses, and partnerships with Bunnings and Officeworks will be established during the 2023 financial year.

In line with previous guidance, an operating loss for OneDigital (excluding Catch) of approximately $100 million is expected during the 2023 financial year.

Catch joined OneDigital on 1 July 2022, and remains focused on building the capabilities to support a large-scale, broad-based marketplace. Catch continues to expand its marketplace offer and is progressing its 'Fulfilled by Catch' proposition, with a trial underway with Kmart. Subsequent to the end of the year, Brendan Sweeney was appointed as Managing Director for Catch and will commence in the role in late October 2022.

Cash flow, financing and dividends

Year ended 30 June ($m)	2022	2021	Variance %
Cash flows			
Operating cash flows	2,301	3,383	*(32.0)*
Gross capital expenditure	1,144	896	*27.7*
Net capital expenditure	884	632	*39.9*
Free cash flows	1,110	2,741	*(59.5)*
Cash realisation ratio (excluding significant items)[a,b] (%)	59	86	*(27 ppt)*
Balance sheet			
Net financial debt / (cash)[c]	4,296	(109)	*n.m.*
Other finance costs	96	118	*(18.6)*
Weighted average cost of debt[d] (%)	3.11	4.74	*(1.63 ppt)*
Debt to EBITDA (excluding significant items)[a,e] (x)	2.2	1.3	*0.9 x*
Dividends per share			
Full-year ordinary dividend (fully-franked, cps)	180	178	*1.1*
Return of capital (cps)[f]	-	200	*n.m.*

[a] There were no significant items in 2022. Significant items in 2021 of $59 million pre-tax ($41 million post-tax) relate to Target store closure and conversion costs as part of the restructuring actions in Kmart Group.

[b] Operating cash flows as a percentage of net profit after tax, before depreciation and amortisation.

[c] Interest-bearing liabilities less cash at bank and on deposit, net of cross-currency interest rate swaps and interest rate swap contracts. Excludes lease liabilities.

[d] Weighted average cost of debt based on total gross debt before hedging costs, undrawn facility fees and amortisation of debt establishment costs. Excludes interest on lease liabilities and the balance of lease liabilities.

[e] Total debt including lease liabilities, net of cash and cash equivalents, divided by EBITDA excluding significant items.

[f] 2021 return of capital was paid in December 2021.

Cash flow

Divisional operating cash flows before interest, tax, and the repayment of lease liabilities declined 14.2 per cent compared to the prior year, excluding Health and OneDigital, with divisional cash generation of 78 per cent. Reported operating cash flows declined 32.0 per cent to $2,301 million.

Cash flow results reflected the continued normalisation of net working capital positions in the retail businesses following the abnormally low balances recorded during the 2020 and 2021 financial years, particularly in Bunnings. Operating cash flows were also impacted by increased tax payments on higher tax instalment rates, and significantly higher utilisation of employee leave provisions following periods of travel restriction.

The Group’s closing inventory position reflects stock acquired as part of the API and Beaumont Tiles transactions, normalisation of stock levels in Bunnings following extraordinary sales growth since the 2019 financial year, the impact of higher commodity prices for WesCEF and retail unit cost inflation. Kmart’s inventory position continues to reflect its strategy to hold additional stock of non-seasonal products to mitigate supply chain variability. Overall inventory positions are considered appropriate for current conditions, and the net working capital positions of retail businesses relative to sales are returning to pre-COVID levels.

Gross capital expenditure of $1,144 million was 27.7 per cent higher than the prior year, largely due to $304 million of capital expenditure and $34 million of capitalised interest relating to the ongoing development of the Mt Holland lithium project. Proceeds from the sale of property, plant and equipment of $260 million were $4 million below the prior year. The resulting net capital expenditure of $884 million was $252 million, or 39.9 per cent, higher than the prior year.

Free cash flows of $1,110 million were 59.5 per cent lower than the prior year, reflecting lower operating cash flows, payment of cash consideration for the acquisitions of API and Beaumont Tiles and increased net capital expenditure. These were partially offset by proceeds from the partial sale of the Group’s investment in Coles.

Financing

The Group recorded a net financial debt position of $4,296 million as at 30 June 2022, comprising interest bearing liabilities, excluding lease liabilities, net of cross currency swap assets and cash at bank and on deposit. This compares to a net financial cash position of $109 million as at 30 June 2021. The increase in net financial debt was largely driven by the distribution of $2.3 billion of surplus cash by way of capital return to shareholders in December 2021 as part of the Group's repositioning of its balance sheet, the payment of $1.9 billion of fully-franked dividends, and higher levels of capital expenditure and acquisition investment during the year.

In October 2021, a EUR600 million (A$866 million) Euro bond matured and was replaced with the issuance of the Group's first Euro denominated sustainability-linked bond, with interest rates linked to achievement of the Group's decarbonisations strategies.

Other finance costs decreased 18.6 per cent to $96 million for the year, reflecting lower average cost of borrowing and higher capitalised interest for the year. On a combined basis, other finance costs including the component of interest that was capitalised increased 10.2 per cent to $130 million.

The Group's strong credit ratings remained unchanged during the year, with a rating from Moody's Investors Services of A3 (stable) and a rating of A- (stable) from Standard & Poor's.

Dividends

The Group's dividend policy considers available franking credits, current earnings and cash flows, future cash flow requirements and targeted credit metrics. The Board has determined to pay a fully-franked ordinary final dividend of 100 cents per share, taking the full-year ordinary dividend to 180 cents per share. The final dividend will be paid on 6 October 2022.

Given the preference of many shareholders to receive dividends in the form of equity, the directors have decided to continue the operation of the Dividend Investment Plan (the 'Plan'). The allocation price for shares issued under the Plan will be calculated as the average of the daily volume-weighted average price of Wesfarmers shares on each of the 15 consecutive trading days from and including the third trading day after the record dates.

The last date for receipt of applications to participate in, or to cease or vary participation in, the Plan, is 2 September 2022. No discount will apply to the allocation price and the Plan will not be underwritten. Shares to be allocated under the Plan will be transferred to participants on 6 October 2022. Given the Group's strong credit metrics, it is intended that any shares to be issued under the Plan will be acquired on-market and transferred to participants.

2022 Full-year and second-half retail sales results

Headline retail sales results

Full-year sales[1] ($m)	2022	2021	Variance, %
Bunnings[2]	**17,739**	**16,861**	***5.2***
Kmart	6,832	6,795	*0.5*
Target	2,182	2,592	*(15.8)*
Total Kmart and Target[3]	**9,014**	**9,387**	***(4.0)***
Catch (GTV)	**989**	**973**	***1.6***
Officeworks	**3,153**	**3,014**	***4.6***

Second-half sales[1] ($m)	2022	2021	Variance, %
Bunnings[2]	**8,535**	**7,815**	***9.2***
Kmart	3,345	3,137	*6.6*
Target	1,015	1,065	*(4.7)*
Total Kmart and Target[3]	**4,360**	**4,202**	***3.8***
Catch (GTV)	**373**	**363**	***2.8***
Officeworks	**1,582**	**1,499**	***5.5***

[1] See Additional Disclosures (page 25) for relevant retail calendars.
[2] Excludes Property and Other Revenue.
[3] Excludes Catch and includes intercompany transactions with Catch.

Key metrics

Key metrics[1] (%)	**First half 2022**	**Second half 2022**	**Full year 2022**
Bunnings			
Total store sales growth[2]	1.0	7.8	4.2
Store-on-store sales growth[2]	1.5	7.9	4.8
Online penetration	4.3	1.7	3.0
Kmart Group			
Kmart			
Comparable sales growth[3]	(6.4)	4.1	(1.0)
Online penetration	14.3	7.3	10.9
Target			
Comparable sales growth[3]	6.0	11.6	8.6
Online penetration	26.9	16.5	22.0
Catch			
Gross transaction value growth	1.0	2.8	1.6
Officeworks			
Total sales growth	3.7	5.5	4.6
Online penetration	46.0	33.9	40.0

[1] See retail calendars below for relevant dates.

[2] Includes cash, trade and online sales, excludes property income and sales related to Trade Centres, 'Frame and Truss', Tool Kit Depot and Beaumont Tiles.

[3] Comparable store sales include layby sales. Layby sales are excluded from total sales under Australian Accounting Standards.

Retail calendars – full-year periods

Business	**Retail sales period**
Bunnings, Officeworks and Catch	
2022	1 Jul 2021 to 30 Jun 2022 (12 months)
2021	1 Jul 2020 to 30 Jun 2021 (12 months)
2020	1 Jul 2019 to 30 Jun 2020 (12 months)
Kmart	
2022	28 Jun 2021 to 26 Jun 2022 (52 weeks)
2021	29 Jun 2020 to 27 Jun 2021 (52 weeks)
2020	1 Jul 2019 to 28 Jun 2020 (52 weeks)
Target	
2022	27 Jun 2021 to 25 Jun 2022 (52 weeks)
2021	28 Jun 2020 to 26 Jun 2021 (52 weeks)
2020	30 Jun 2019 to 27 Jun 2020 (52 weeks)

Retail operations – store network

	Open at 1 Jul 2021	Opened	Closed	Re-branded	Open at 30 Jun 2022
BUNNINGS					
Bunnings Warehouse	**278**	5	(1)	-	**282**
Bunnings smaller formats	**70**	1	(4)	-	**67**
Bunnings Trade Centres	**30**	3	(1)	-	**32**
Tool Kit Depot	**5**	6	-	-	**11**
Beaumont Tiles[1]	**-**	115	-	-	**115**
Total Bunnings	**383**	**130**	**(6)**	**-**	**507**
KMART GROUP					
Kmart	268	2	(3)	1	268
K hub	55	-	-	1	56
Target	139	1	(10)	(2)	128
Total Kmart Group	**462**	**3**	**(13)**	**-**	**452**
OFFICEWORKS					
Officeworks	167	5	(4)	-	168

[1] Includes both company owned and franchise stores.

Retail operations – store network history

Open at 30 June	2022	2021	2020	2019	2018
BUNNINGS					
Bunnings Warehouse	282	278	274	267	259
Bunnings smaller formats	67	70	68	75	78
Bunnings Trade Centres	32	30	30	32	32
Tool Kit Depot	11	5	6	-	-
Beaumont Tiles[1]	115	-	-	-	-
Total Bunnings	**507**	**383**	**378**	**374**	**369**
KMART GROUP					
Kmart	268	268	239	231	228
K hub	56	55	-	-	-
Kmart Tyre and Auto	-	-	-	-	256
Total Kmart	**324**	**323**	**239**	**231**	**484**
Target Large	128	139	182	183	187
Target Small	-	-	101	106	116
Total Target	**128**	**139**	**283**	**289**	**303**
OFFICEWORKS					
Officeworks	168	167	167	167	165
HEALTH					
Priceline / Priceline Pharmacy[1]	465	-	-	-	-
Soul Pattinson Chemist[1]	44	-	-	-	-
Pharmacist Advice	48	-	-	-	-
Clear Skincare[1]	95	-	-	-	-
Total Health	**652**	-	-	-	-

[1] Includes both company owned and franchise stores.

Five-year history – financial performance and key metrics

Group financial performance

	Post-AASB 16			*Pre-AASB 16*		
Year ended 30 June ($m)	**2022**	**2021**	**2020**	**2020**	**2019**	**2018**
Summarised income statement						
Revenue	**36,838**	33,941	30,846	30,846	44,684	69,878
EBIT (after interest on lease liabilities)	**3,416**	3,491	2,507	2,529	6,818	2,796
Other finance costs	**(96)**	(118)	(133)	(133)	(175)	(221)
Income tax expense	**(968)**	(993)	(677)	(683)	(1,133)	(1,378)
Profit after tax from discontinued operations	**-**	-	75	75	3,570	(212)
NPAT (including discontinued operations)	**2,352**	2,380	1,697	1,713	5,510	1,197
Summarised balance sheet						
Total assets	**27,271**	26,214	25,425	19,068	18,333	36,933
Total liabilities	**19,290**	16,499	16,081	9,191	8,362	14,179
Net assets	**7,981**	9,715	9,344	9,877	9,971	22,754
Net debt / (cash)[1]	**4,491**	227	(85)	(85)	2,500	3,933
Summarised cash flow statement						
Operating cash flows	**2,301**	3,383	4,546	3,597	2,718	4,080
Add/(less): Net capital expenditure	**(884)**	(632)	(568)	(568)	(827)	(1,209)
Add/(less): Other investing cash flows	**(307)**	(10)	1,210	1,210	1,072	551
Add/(less): Total investing cash flows	**(1,191)**	(642)	642	642	245	(658)
Free cash flows	**1,110**	2,741	5,188	4,239	2,963	3,422
Add/(less): Financing cash flows	**(3,428)**	(2,631)	(3,070)	(2,121)	(2,851)	(3,752)
Net increase/(decrease) in cash	**(2,318)**	110	2,118	2,118	112	(330)
Distributions to shareholders (cents per share)						
Interim ordinary dividend	**80**	88	75	75	100	103
Final ordinary dividend	**100**	90	77	77	78	120
Full-year ordinary dividend	**180**	178	152	152	178	223
Special dividend[2]	**-**	-	18	18	100	-
Return of capital	**-**	200	-	-	-	-
Key performance metrics						
Earnings per share (cents per share)	**207.8**	210.4	150.0	151.5	487.2	105.8
Earnings per share from continuing operations excluding sig. items (cents per share)	**207.8**	214.1	184.2	185.6	171.5	256.8
Operating cash flow per share (cents per share)	**203.3**	299.1	401.9	318.0	240.3	360.7
Cash realisation ratio (excluding sig. items)[3] (%)	**59**	86	126	135	86	101
Return on equity (R12, %)	**29.4**	25.8	17.8	17.1	38.7	5.2
Return on equity (R12, %) (excluding sig. items)	**29.4**	26.1	22.1	21.1	19.2	11.7
Net tangible asset backing per share ($ per share)	**2.94**	5.14	4.89	5.36	5.21	4.33

1 Total interest-bearing loans and borrowings less cash. Excludes cash in transit and lease liabilities.
2 The 2020 special dividend relates to the distribution of the after-tax profit on the sale of the Group's 10.1 per cent interest in Coles.
3 Operating cash flows as a percentage of net profit after tax, before depreciation and amortisation.

Divisional key performance metrics

	Post-AASB 16			*Pre-AASB 16*		
Year ended 30 June ($m)	**2022**	**2021**	**2020**	**2020**	**2019**	**2018**
Bunnings						
Revenue	**17,754**	16,871	14,999	14,999	13,166	12,544
EBITDA[1]	**3,057**	2,993	2,601	2,053	1,818	1,683
Depreciation and amortisation	**(740)**	(692)	(658)	(201)	(192)	(179)
Interest on lease liabilities	**(113)**	(116)	(117)	-	-	-
EBT[1]	**2,204**	2,185	1,826	1,852	1,626	1,504
EBT margin[1] (%)	**12.4**	13.0	12.2	12.3	12.3	12.0
ROC[1] (R12, %)	**77.2**	82.4	58.0	61.8	50.5	49.4
Capital expenditure (cash basis)	**349**	445	511	511	470	497
Total sales growth (%)	**5.2**	12.4	13.9	13.9	5.1	8.8
Total store sales growth[2] (%)	**4.2**	12.4	14.7	14.7	5.2	8.9
Store-on-store sales growth[2] (%)	**4.8**	11.9	14.7	14.7	3.9	7.8
Online penetration (%)	**3.0**	2.3	0.9	0.9	n.r.	n.r.
Safety (R12, TRIFR)	**11.3**	11.3	10.3	10.3	11.2	11.6
Scope 1 and 2 emissions, market-based (kt)	**104.9**	110.3	n.r.	n.r.	n.r.	n.r.
Scope 1 and 2 emissions, location-based (kt)	**220.5**	234.5	262.6	262.6	269.5	259.7
Kmart Group						
Revenue[3]	**9,635**	9,982	9,217	9,217	8,713	8,837
EBITDA[3,4]	**1,029**	1,326	1,113	630	745	862
Depreciation and amortisation[3]	**(523)**	(539)	(601)	(216)	(195)	(202)
Interest on lease liabilities	**(88)**	(94)	(102)	(1)	-	-
EBT[3,4]	**418**	693	410	413	550	660
EBT margin[3,4] (%)	**4.3**	6.9	4.4	4.4	6.3	7.5
ROC[3,4,5] (R12, %)	**22.9**	52.1	20.4	20.9	29.4	32.8
Capital expenditure[3] (cash basis)	**150**	185	142	142	207	293
Safety (R12, TRIFR)	**8.3**	9.2	12.8	12.8	19.4	19.1
Scope 1 and 2 emissions, market-based (kt)	**253.8**	262.5	n.r.	n.r.	n.r.	n.r.
Scope 1 and 2 emissions, location-based (kt)	**281.1**	292.6	303.7	303.7	318.6	330.8
Kmart (excludes KTAS from 2018)						
- Total sales growth[6] (%)	**0.5**	12.0	5.4	5.4	1.5	8.0
- Comparable sales growth[6] (%)	**(1.0)**	7.8	4.3	4.3	0.0	5.4
- Online penetration (%)	**10.9**	7.8	5.0	5.0	n.r.	n.r.
Target						
- Total sales growth[6] (%)	**(15.8)**	(3.7)	(2.6)	(2.6)	(1.5)	(4.7)
- Comparable sales growth[6] (%)	**8.6**	13.3	(0.8)	(0.8)	(0.8)	(5.1)
- Online penetration (%)	**22.0**	15.1	8.9	8.9	n.r.	n.r.
Catch						
- Gross transaction value growth (%)	**1.6**	41.0	49.2	49.2	n.r.	n.r.

n.r. = not reported

1 Includes net property contribution for 2022 of $52 million; 2021 of ($10) million; 2020 of $16 million post-AASB 16 ($36 million pre-AASB 16); 2019 of $85 million; 2018 of $33 million.

2 Includes cash, trade and online sales, excludes property income and sales related to Trade Centres, 'Frame and Truss', Adelaide Tools and Beaumont Tiles.

3 2018 and 2019 includes KTAS.

4 Earnings excludes pre-tax non-cash impairments relating to Target in 2020 ($525 million) and 2018 ($306 million), and pre-tax restructuring costs and provisions in 2021 ($59 million) and 2020 ($110 million).

5 ROC includes the impact of lower capital employed as a result of pre-tax non-cash impairments relating to Target in 2020 ($525 million) and 2018 ($306 million).

6 Based on retail periods (rather than Gregorian reporting).

Divisional key performance metrics (continued)

	Post-AASB 16			*Pre-AASB 16*		
Year ended 30 June ($m)	**2022**	**2021**	**2020**	**2020**	**2019**	**2018**
Chemicals, Energy and Fertilisers						
Chemicals revenue	**1,397**	1,017	1,022	1,022	1,000	932
Energy revenue[1]	**491**	406	424	424	468	423
Fertilisers revenue	**1,153**	722	639	639	610	475
Total revenue	**3,041**	2,146	2,085	2,085	2,078	1,830
EBITDA[2,3]	**634**	473	481	474	518	469
Depreciation and amortisation	**(93)**	(88)	(86)	(81)	(80)	(79)
Interest on lease liabilities	**(1)**	(1)	(1)	-	-	-
EBT[2,3]	**540**	384	394	393	438	390
ROC[2,3] (R12, %)	**21.6**	17.7	20.3	20.2	32.6	27.7
ROC[2,3] (R12, %) (excluding ALM)	**36.3**	28.6	30.5	30.4	32.6	27.7
Capital expenditure (cash basis)[4]	**455**	137	110	110	58	60
Safety (R12, TRIFR)	**4.2**	3.0	3.3	3.3	4.2	5.4
Scope 1 and 2 emissions, market-based[5] (kt)	**795.4**	873.9	n.r.	n.r.	n.r.	n.r.
Scope 1 and 2 emissions, location-based[5] (kt)	**804.3**	880.5	983.3	983.3	897.3	769.8
Sales volumes[6] ('000 tonnes)						
Chemicals	**1,113**	1,099	1,152	1,152	1,098	1,056
LPG & LNG	**210**	220	215	215	221	181
Fertilisers	**1,221**	1,324	1,202	1,202	1,125	988
Officeworks						
Revenue	**3,169**	3,029	2,787	2,787	2,314	2,142
EBITDA	**303**	328	307	221	195	181
Depreciation and amortisation	**(113)**	(106)	(99)	(31)	(28)	(25)
Interest on lease liabilities	**(9)**	(10)	(11)	-	-	-
EBT	**181**	212	197	190	167	156
EBT margin (%)	**5.7**	7.0	7.1	6.8	7.2	7.3
ROC (R12, %)	**17.8**	22.3	20.2	19.6	17.0	16.6
Capital expenditure (cash basis)	**68**	65	40	40	42	45
Total sales growth (%)	**4.6**	8.6	20.4	20.4	7.6	9.1
Online penetration (%)	**40.0**	35.2	29.9	29.9	n.r.	n.r.
Safety (R12, TRIFR)	**5.8**	6.1	7.9	7.9	8.5	10.2
Scope 1 and 2 emissions, Mkt-Based (kt)	**30.8**	34.4	n.r.	n.r.	n.r.	n.r.
Scope 1 and 2 emissions, Location-Based (kt)	**37.2**	40.1	43.2	43.2	45.8	49.1

n.r. = not reported

1 Includes interest revenue from Quadrant Energy loan notes and excludes intra-division sales.

2 2018 and 2019 includes Quadrant Energy.

3 2020 and 2019 includes $18 million and $30 million of insurance proceeds respectively, relating to the five-month ammonia plant production disruption that commenced in February 2018. 2019 includes a $19 million provision for the removal of redundant equipment.

4 Includes capex associated with Mt Holland of $304 million in 2022 and $52 million in 2021, and capitalised interest of $34 million in 2022.

5 2022 Scope 1 and 2 emissions includes the impact of the scheduled ammonia plant shutdown, which accounted for approximately one-third of the emissions reduction between 2021 and 2022.

6 External sales exclude AN volumes transferred between Chemicals and Fertilisers business segments.

Divisional key performance metrics (continued)

	Post-AASB 16			*Pre-AASB 16*		
Year ended 30 June ($m)	**2022**	**2021**	**2020**	**2020**	**2019**	**2018**
Industrial and Safety						
Revenue	**1,925**	1,855	1,745	1,745	1,752	1,750
EBITDA[1]	**171**	148	121	78	124	159
Depreciation and amortisation	**(75)**	(74)	(77)	(38)	(38)	(41)
Interest on lease liabilities	**(4)**	(4)	(5)	-	-	-
EBT[1]	**92**	70	39	40	86	118
EBT margin[1] (%)	**4.8**	3.8	2.2	2.3	4.9	6.7
ROC[1] (R12, %)	**7.9**	6.2	2.7	2.8	5.8	8.4
Capital expenditure (cash basis)	**64**	62	59	59	83	50
Safety (R12, TRIFR)	**3.5**	4.3	4.8	4.8	6.9	6.6
Scope 1 and 2 emissions, market-based (kt)	**26.4**	27.4	n.r.	n.r.	n.r.	n.r.
Scope 1 and 2 emissions, location-based (kt)	**26.4**	27.4	27.1	27.1	25.9	26.0

[1] 2020 earnings excludes a $310 million pre-tax non-cash impairment and includes $15 million of payroll remediation costs.

Glossary of terms

Acronym	Term/definition
AASB	Australian Accounting Standards Board
ALM	Australian Light Minerals
AN	Ammonium nitrate
API	Australian Pharmaceutical Industries Ltd
B2B	Business-to-business
CFC	Customer fulfilment centre
cps	Cents per share
EBIT	Earnings before finance costs and tax
EBITDA	Earnings before finance costs, taxes, depreciation and amortisation
EBT	Earnings before tax
GTV	Gross transaction value. GTV includes both first-party (in-stock) sales as well as sale of third-party products via a marketplace
IDC	International distribution centre
kt	Kiloton
ktCO$_2$e	Kilotons of carbon dioxide equivalent
KTAS	Kmart Tyre and Auto Service
LNG	Liquefied natural gas
LPG	Liquefied petroleum gas
m	Million
n.m.	Not meaningful
n.r.	Not reported
NPAT	Net profit after tax
Plan	Dividend Investment Plan
ppt	Percentage point
R12	Rolling 12 month
RFID	Radio frequency identification
ROC (R12)	Return on capital. ROC is calculated as EBT / rolling 12 months' capital employed, where capital employed excludes right-of-use assets and liabilities
Saudi CP	Saudi contract price, the international benchmark indicator for LPG price
TRIFR	Total recordable injury frequency rate
WesCEF	Wesfarmers Chemicals, Energy & Fertilisers