16 February 2022

The Manager
Company Announcements Office
Australia Securities Exchange

Dear Manager,

HALF-YEAR REPORT TO 31 DECEMBER 2021

In accordance with ASX Listing Rule 4.2A, attached is the 2022 Half-year Report (incorporating Appendix 4D).

It is recommended that the report be read in conjunction with the Annual Financial Report of Wesfarmers Limited for the period ended 30 June 2021, together with any public announcements made by Wesfarmers Limited in accordance with its continuous disclosure obligations arising under the Corporations Act 2001.

An analyst briefing will be held at 10:00am AWST / 1:00pm AEDT on Thursday 17 February 2022. This briefing will be webcast and is accessible via our website at www.wesfarmers.com.au.

Yours faithfully,

V. Robinson

Vicki Robinson
Executive General Manager
Company Secretariat

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

Half-year Report 2022

INCORPORATING APPENDIX 4D

For the six months ended 31 December 2021

It is recommended that the 2022 Half-year Report is read in conjunction with the annual financial report of Wesfarmers Limited as at 30 June 2021, together with any public announcements made by Wesfarmers Limited and its controlled entities during the half-year ended 31 December 2021 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001.*

Wesfarmers Limited ABN 28 008 984 049

Wesfarmers

The primary objective of Wesfarmers is to provide a satisfactory return to shareholders.

We believe it is only possible to achieve this over the long term by:

anticipating the needs of our customers and delivering competitive goods and services	looking after our team members and providing a safe, fulfilling work environment	engaging fairly with our suppliers, and sourcing ethically and sustainably
supporting the communities in which we operate	taking care of the environment	acting with integrity and honesty in all of our dealings

About Wesfarmers

From its origins in 1914 as a Western Australian farmers' cooperative, Wesfarmers has grown into one of Australia's largest listed companies. With headquarters in Perth, Wesfarmers' diverse business operations cover: home improvement, outdoor living and building materials; general merchandise and apparel; office and technology products; manufacturing and distribution of chemicals and fertilisers; industrial and safety product distribution; and gas processing and distribution. Wesfarmers is one of Australia's largest private sector employers with approximately 122,000 team members (including more than 3,750 Indigenous team members) and is owned by more than 494,000 shareholders.

About this report

This Half-year Report is a summary of Wesfarmers' and its subsidiary companies' operations and financial positions as at 31 December 2021 and performance for the half-year ended on that date.

In this report references to 'Wesfarmers', 'the company', 'the Group', 'we', 'us' and 'our' refer to Wesfarmers Limited (ABN 28 008 984 049) unless otherwise stated.

References in this report to 'the half' or 'half-year' are to the financial period 1 July 2021 to 31 December 2021 unless otherwise stated. The prior corresponding period (pcp) is the half-year ended 31 December 2020.

All dollar figures are expressed in Australian dollars (AUD) unless otherwise stated.

References to AASB refer to the Australian Accounting Standards Board and IFRS refers to the International Financial Reporting Standards. There are references to IFRS and non-IFRS financial information in this report. Non-IFRS financial measures are financial measures other than those defined or specified under any relevant accounting standard and may not be directly comparable with other companies' information. Non-IFRS financial measures are used to enhance the comparability of information between reporting periods. Non-IFRS financial information should be considered in addition to, and is not intended to be a substitute for, IFRS financial information and measures. Non-IFRS financial measures are not subject to audit or review.

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Appendix 4D

For the half-year ended 31 December 2021

Results for announcement to the market

Revenue from ordinary activities	down 0.1% to $17,758 million
Net profit for the period attributable to members	down 12.7% to $1,213 million
Interim dividend (fully-franked) per share	80 cents (2020: 88 cents)
Record date for determining entitlements to the interim dividend	5:00pm (AWST) 23 February 2022
Payment date for interim dividend	30 March 2022
Net tangible assets per ordinary share[1]	$3.35 (2020: $5.08)
Operating cash flow per share	$1.37 (2020: $1.96)

[1] The calculation of net tangible assets per ordinary share includes right-of-use assets and lease liabilities.

Dividend Investment Plan

The company operates a Dividend Investment Plan (the Plan) which allows eligible shareholders to elect to invest dividends in ordinary shares which rank equally with Wesfarmers ordinary shares. The allocation price for shares under the Plan will be calculated as the average of the daily volume weighted average price of Wesfarmers ordinary shares on each of the 15 consecutive trading days from and including the third trading day after the record date of 23 February 2022 for participation in the Plan, being 28 February 2022 to 18 March 2022.

The latest time date for receipt of applications to participate in or to cease or vary participation in the Plan is by 5:00pm (AWST) on 24 February 2022. The Directors have determined that no discount will apply to the allocation price and the Plan will not be underwritten. It is the Company's expectation that shares to be allocated under the Plan will be acquired on-market and transferred to participants on 30 March 2022. A broker will be engaged to assist in this process.

Further information

Further information to assist in the understanding of the above is provided throughout this Half-year Report.

Directors' Report

Half-year Report for the six months ended 31 December 2021

The directors of Wesfarmers Limited submit their report for the half-year ended 31 December 2021.

Directors

Except as otherwise stated below, the names of the directors in office during the half-year reporting period 1 July 2021 to 31 December 2021 and as at the date of this report are shown below.

M A Chaney AO	(Non-Executive Chairman)
R G Scott	(Group Managing Director)
W G Osborn	(Non-Executive Director – retired 21 October 2021)
V M Wallace	(Non-Executive Director)
J A Westacott AO	(Non-Executive Director)
S W English KNZM	(Non-Executive Director)
M Roche	(Non-Executive Director)
S L Warburton	(Non-Executive Director)
A Sabharwal	(Non-Executive Director)
A M Watkins AM	(Non-Executive Director – from 1 September 2021)
A J Cransberg	(Non-Executive Director – from 1 October 2021)

Highlights

Half-year ended 31 December ($m)	2021	2020	Variance %
Results excluding significant items[a]			
Revenue	17,758	17,774	*(0.1)*
Earnings before interest and tax	1,905	2,171	*(12.3)*
Net profit after tax	1,213	1,414	*(14.2)*
Basic earnings per share (cps)	107.3	125.0	*(14.2)*
Results including significant items[a]			
Net profit after tax	1,213	1,390	*(12.7)*
Basic earnings per share (cps)	107.3	122.9	*(12.7)*
Operating cash flows	1,556	2,216	*(29.8)*
Interim ordinary dividend (fully-franked, cps)	80	88	*(9.1)*
Sustainability highlights			
Total recordable injury frequency rate (TRIFR)	9.9	9.4	*5.3*
Aboriginal and Torres Strait Islander team members (#)	3,791	2,722	*39.3*
Gender balance, Board and leadership team (women % total)	45.4	42.1	*3.3 ppt*
Scope 1 and 2 emissions, Market-based (ktCO_2e)	574	669	*(14.3)*
Operational waste diverted from landfill (% total waste)	70	69	*1 ppt*

[a] There were no significant items in 2021. Significant items in 2020 of $34 million pre-tax ($24 million post-tax) relate to Target store closures and conversions in Kmart Group.

Wesfarmers Limited has reported a statutory net profit after tax (NPAT) of $1,213 million for the half-year ended 31 December 2021. Excluding significant items, NPAT declined 14.2 per cent for the half.

The solid financial result in such a disruptive environment highlights the strength of the Wesfarmers portfolio, and the capacity of divisional teams to adjust rapidly to meet customer demand.

The first half of the 2022 financial year was the most disrupted period for Wesfarmers' businesses since the onset of COVID-19, with extended government-mandated store closures and trading restrictions in Australia and New Zealand. The Group also made significant investments in the half to support team members, through payroll support and assistance programs, to help manage the significant personal impacts from extended lockdowns.

The Group's financial performance was supported by pleasing results from Bunnings and Wesfarmers Chemicals, Energy and Fertilisers (WesCEF). Bunnings continued to demonstrate the resilience of its operating model and ability to meet its customers' needs in a difficult operating environment, delivering sales growth for the half, despite significant disruptions, temporary store closures and the cycling of very strong demand in the prior corresponding period.

Strong earnings growth at WesCEF reflected a solid operating performance and higher commodity prices, particularly for LPG and ammonia. It was also pleasing to report continued improvement in the performance of Industrial and Safety.

Relative to the Group's other divisions, Kmart Group and Officeworks results were more significantly impacted by COVID-related disruptions during the half. Kmart Group in particular was affected by temporary store closures between July and October 2021.

Across the Group's retail businesses there were around 34,000 store trading days impacted by trading restrictions, representing almost 20 per cent of total store trading days for the half. This included more than 20,000 store days for which stores were completely closed to customers. In addition, operating costs and stock availability were impacted by ongoing supply chain disruptions and elevated team member absenteeism.

Wesfarmers accelerated its investment to develop a market-leading data and digital ecosystem during the half, and good progress was made to build the strong foundations necessary for this initiative to deliver great value, convenience and experiences to customers across the Group. This included investment in the shared data asset and scalable customer data architecture as well as the continued development of capabilities within the Advanced Analytics Centre, specialist technical expertise and robust data governance.

Nicole Sheffield was appointed to the Wesfarmers Leadership Team as Managing Director of a new data and digital division, responsible for capabilities and businesses that support the Group's data and digital ecosystem agenda. This includes the Advanced Analytics Centre, the Group data asset, and the development of a new subscription program, OnePass.

Earlier this month, the Club Catch subscription program was rebranded and repositioned as a new program named OnePass, at a reduced monthly fee of $4 or annual price of $40. Subscribers will continue to enjoy free delivery on eligible items purchased from Catch, exclusive deals and OnePass-only pricing. This program will form the basis of a broader subscription program with opportunities to provide even greater value and convenience to customers across the Group. Work is underway on a broader set of benefits that will be available to OnePass subscribers when shopping across Wesfarmers' retail businesses.

In December 2021, the Group's partnership with Flybuys was extended to include Bunnings and Officeworks customers, creating a platform with over eight million members and opportunities for points to be earned on over 120 million transactions each month. Flybuys' operating model was also updated to provide greater flexibility and value to Wesfarmers and Coles, and to provide more opportunities for Flybuys to deliver value for its members.

The Group also continued to invest in building platforms for future growth, delivering good progress on the construction of the Mt Holland lithium project, progressing the proposal to acquire Australian Pharmaceutical Industries Limited (API), and further developing Bunnings' commercial offer with the completion of the Beaumont Tiles acquisition and the expansion of Tool Kit Depot into Western Australia.

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

Wesfarmers continued to prioritise team member and customer safety, with increased mental health and wellbeing support to team members impacted by lockdowns and other restrictions. Wesfarmers' total recordable injury frequency rate (TRIFR) increased 5.3 per cent to 9.9 for the half year, in part driven by additional manual handling associated with elevated online sales, which is now an area of increased focus.

At the end of the half-year, the Group employed an additional 1,000 Aboriginal and Torres Strait Islander team members compared to a year earlier, with 3.4 per cent of Australian team members identifying as Indigenous, exceeding Wesfarmers' goal to reach employment parity of 3.0 per cent by 2022. The Group maintained gender balance within the Board, Leadership Team and overall workforce, and remains focused on attaining gender balance across senior management roles.

The Group's Scope 1 and 2 emissions declined by 14.3 per cent under the Market-Based Emissions Standard, which captures renewable electricity. This progress reflects the impact of strategies to further improve energy efficiency, increased utilisation of renewable electricity and re-investment in abatement catalysts at WesCEF, along with a one-off benefit from the scheduled ammonia plant shutdown during the period. Excluding the impact of the ammonia plant shutdown, the Group's Scope 1 and 2 emissions declined by 9.5 per cent. The Group also progressed its mapping of material Scope 3 emissions, expected to be completed during the 2022 financial year.

Wesfarmers maintained its longstanding focus on sourcing ethically and deepening the understanding and respect for human rights across the Group's domestic and international supply chains. Internationally, the Group's ethical sourcing programs benefit from significant in-country teams. Across the Group, work accelerated to develop and implement circular economy strategies, including efforts to reduce operational waste to landfill, diverting resources for re-use or recycling.

Wesfarmers continued to manage its balance sheet to maintain a high degree of flexibility during the half, and took opportunities to optimise the Group's debt maturity profile and cost of borrowing, including through the issue of a EUR600 million sustainability-linked bond with targets linked to the Group's decarbonisation strategies. Following the distribution of $2.3 billion of surplus capital by way of capital return in December 2021, the Group recorded a net financial debt position of $2,615 million at the end of the half.

The directors have determined to pay a fully-franked ordinary interim dividend of $0.80 per share, reflecting the solid NPAT result and Wesfarmers' dividend policy, which takes into account available franking credits, balance sheet position, credit metrics and cash flow generation and requirements while preserving the flexibility to manage continued uncertainty and to take advantage of value-accretive growth opportunities, if and when they arise.

Impact of COVID-19

While many practices to manage the ongoing disruptions associated with COVID-19 have become increasingly integrated into the Group's normal operating processes, extended government-mandated store closures and trading restrictions in Australia and New Zealand meant that the first half of the 2022 financial year was the most disrupted period since the onset of the pandemic.

The Group continued to provide paid pandemic leave to team members and continued to pay all permanent and many casual team members through periods of prolonged lockdown, even where there was no meaningful work for them, and when they were required to isolate. This investment, which totalled approximately $37 million during the half, provided much needed certainty to team members and their families, and benefited the Group's businesses as they sought to re-engage teams when restrictions eased.

The Group also maintained the important measures implemented to protect the health and safety of customers and team members, incurring additional costs of approximately $43 million during the half associated with additional cleaning, security and protective equipment.

The Group's retail businesses experienced volatility in sales during the half as a result of COVID-19. Retail sales between July and October 2021 were significantly affected by widespread lockdowns across New South Wales, Victoria, the Australian Capital Territory and New Zealand, with around 34,000 store trading days impacted and periods where almost half of the Group's retail stores were either restricted or closed.

Sales momentum improved as lockdowns and other restrictions were eased before deteriorating towards the end of the half, as cases of the COVID-19 Omicron variant began to rise.

Ongoing constraints in global supply chains led to delays and additional costs, including higher container shipping expenses during the half. Domestic supply chains were also impacted by labour availability pressures as a result of isolation requirements and elevated absenteeism, leading to additional costs and impacting stock availability in some areas.

The Group's investment in digital capabilities over recent years supported increased online penetration across the retail businesses, although online sales growth moderated in the second quarter as customers returned to stores and the businesses cycled periods of strong online demand in the prior year.

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

Group results summary

Half-year ended 31 December ($m)	2021	2020	Variance %
Key financials			
Revenue	17,758	17,774	*(0.1)*
EBIT	1,905	2,137	*(10.9)*
EBIT (after interest on lease liabilities)	1,796	2,023	*(11.2)*
EBIT (after interest on lease liabilities) (excluding significant items)[a]	1,796	2,057	*(12.7)*
NPAT	1,213	1,390	*(12.7)*
NPAT (excluding significant items)[a]	1,213	1,414	*(14.2)*
Basic earnings per share (excluding significant items)[a] (cps)	107.3	125.0	*(14.2)*
Return on equity (excluding significant items)[a] (R12, %)	24.8	24.7	*0.1 ppt*
Significant items[a]			
Pre-tax significant items	-	(34)	*n.m.*
Post-tax significant items	-	(24)	*n.m.*
Cash flows and dividends			
Operating cash flows	1,556	2,216	*(29.8)*
Net capital expenditure	405	243	*66.7*
Free cash flows	949	1,964	*(51.7)*
Cash realisation ratio (excluding significant items)[a,b] (%)	79	102	*(23 ppt)*
Interim ordinary dividend (fully-franked, cps)	80	88	*(9.1)*
Balance sheet			
Net financial debt / (cash)[c]	2,615	(871)	*n.m.*
Debt to EBITDA (excluding significant items)[a,d] (x)	2.0	1.3	*0.7 x*

n.m. = not meaningful

[a] There were no significant items in 2021. Significant items in 2020 of $34 million pre-tax ($24 million post-tax) relate to Target store closures and conversions 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] Total debt including lease liabilities, net of cash and cash equivalents, divided by EBITDA excluding significant items.

Divisional earnings summary

Half-year ended 31 December ($m)	2021	2020	Variance %
Earnings before tax (EBT) excluding significant items[a]			
Bunnings	1,259	1,274	*(1.2)*
Kmart Group	178	487	*(63.4)*
Officeworks	82	100	*(18.0)*
WesCEF	218	160	*36.3*
Industrial and Safety	41	37	*10.8*
Divisional EBT (excluding significant items)[a]	**1,778**	**2,058**	***(13.6)***

[a] There were no significant items in 2021. Significant items in 2020 of $34 million pre-tax ($24 million post-tax) relate to Target store closures and conversions in Kmart Group.

Divisional performance overview

Bunnings

Revenue for Bunnings increased 1.7 per cent to $9,209 million for the half, while earnings declined 1.2 per cent to $1,259 million.

Bunnings delivered pleasing sales and earnings results in the context of the significant disruptions to trading conditions during the half and the very strong growth in the prior corresponding period. Bunnings' performance for the half reflected its ability to meet customers' needs through a range of operating conditions and further highlighted the resilience and flexibility of its model. Bunnings continued to incur additional costs to ensure a safe environment for team members and customers, as well as to manage COVID-related supply chain disruptions.

Bunnings continued to accelerate the development of its digital offer during the half, with improved search performance and greater personalisation for DIY customers, as well as the launch of a new e-commerce platform for commercial customers.

Good progress continued on the growth of Bunnings' commercial offer, including through the further development of its specialist brands, with the expansion of Tool Kit Depot into Western Australia and the completion of the Beaumont Tiles acquisition during the period.

Kmart Group

Kmart Group's revenue declined 9.6 per cent to $4,917 million for the half, with earnings before significant items declining 63.4 per cent to $178 million.

Combined Kmart and Target earnings declined 55.8 per cent to $222 million for the half, reflecting the significant impact of government-mandated store closures, which led to the loss of almost 25 per cent of store trading days during the half, as well as higher costs and lower stock availability as a result of domestic supply chain disruptions. The Group's commitment to pay team members where there was no meaningful work during lockdowns and when they were required to isolate also led to additional costs during the half.

The planned changes to the Target store network were completed during the half and the performance of Kmart stores that have been converted from Target stores continues to be pleasing and in line with the initial business case, after adjusting for the impact of lockdowns.

Kmart and Target continued to invest in data and digital capabilities, and strong growth in online sales for the half of over 44 per cent reflected ongoing improvements to the digital experience for customers, as well as elevated online demand during lockdowns.

Gross transaction value for Catch increased 1.0 per cent for the half, and 97.5 per cent on a two-year basis. Lower earnings in Catch reflected the continued investment in team, technology, marketing and capabilities to support long-term growth, as well as higher levels of inventory clearance compared to the prior year.

Officeworks

Revenue for Officeworks increased 3.7 per cent for the half to $1,580 million, while earnings declined 18.0 per cent to $82 million.

Sales growth was supported by continued strong demand in technology and furniture, which was partially offset by declining sales in higher-margin office supplies and print & copy categories, which continued to be adversely impacted by COVID-related restrictions, including government-mandated temporary store closures.

Officeworks' earnings were impacted by higher costs of doing business as a result of elevated volumes of online orders needing to be picked and packed from stores during lockdowns, inefficiencies associated with the transition to a new customer fulfilment centre (CFC) in Victoria, and additional costs associated with managing COVID-related disruptions, as well as accelerated investment in data, digital and e-commerce capabilities.

Officeworks' long-running investment in its every-channel capabilities supported an increased online penetration to 46.0 per cent for the half.

Chemicals, Energy and Fertilisers

WesCEF's revenue increased 29.8 per cent to $1,077 million for the half and earnings increased 36.3 per cent to $218 million.

WesCEF delivered a solid operating performance for the half, and strong sales and earnings growth was supported by higher global commodity prices, particularly for LPG, ammonia and ammonia-related products.

WesCEF continued to evaluate potential capacity expansion opportunities and progressed the development of the Mt Holland lithium project, with construction activity ramping-up during the half and the project continuing to track the announced schedule.

Industrial and Safety

Industrial and Safety's revenue increased 5.1 per cent to $944 million and earnings increased 10.8 per cent to $41 million for the half.

The solid performance of Industrial and Safety was supported by higher sales and increased operating efficiencies at Blackwoods, as well as continued growth in demand from Coregas' industrial and healthcare customers.

Group performance overview

Portfolio actions

Wesfarmers continued to progress its proposal to acquire API, working closely with API management. On 11 February 2022, the Australian Competition and Consumer Commission (ACCC) advised that it will not oppose the proposed acquisition. Subject to satisfaction of remaining conditions, including approval by API shareholders, the transaction is expected to complete around the end of the first quarter of the 2022 calendar year.

Subsequent to the end of the half, Emily Amos was appointed to the Wesfarmers Leadership Team in a senior executive role responsible for the Group's health-related opportunities. Emily brings over 25 years of health, retail, strategy and digital leadership experience and will commence in late April 2022, working closely with the API CEO and management team.

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

Data and digital

Wesfarmers accelerated its investment to develop a market-leading data and digital ecosystem during the half, and good progress was made to build the strong foundations necessary for this initiative to deliver great value, convenience and experiences to customers across the Group. This included investment in the shared data asset and scalable customer data architecture as well as the continued development of capabilities within the Advanced Analytics Centre, specialist technical expertise and robust data governance.

Nicole Sheffield was appointed to the Wesfarmers Leadership Team as Managing Director of a new data and digital division, responsible for various capabilities and businesses that support the Group's data and digital ecosystem agenda. This includes the Advanced Analytics Centre, the Group data asset, and the development of a new subscription program, OnePass.

Earlier this month, the Club Catch subscription program was rebranded and repositioned as a new program named OnePass, at a reduced monthly fee of $4 or annual price of $40. Subscribers will continue to enjoy free delivery on eligible items purchased from Catch and exclusive deals. This program will form the basis of a broader subscription program with opportunities to provide even greater value and convenience to customers across the Group. Work is underway on a broader set of benefits that will be available to OnePass subscribers when shopping across Wesfarmers' retail businesses.

In December 2021, the Group's partnership with Flybuys was extended to include Bunnings and Officeworks customers, creating a platform with over eight million members and opportunities for points to be earned on over 120 million transactions each month. The customer response to Flybuys in Bunnings and Officeworks has been pleasing, with strong scan rates achieved by both businesses.

Flybuys' operating model was also updated to provide greater flexibility and value to Wesfarmers and Coles, and to provide more opportunities for Flybuys to deliver value for its members. 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, personalised customer experiences.

Operating expenditure relating to the data and digital division of $44 million was incurred for the half, compared with costs of $5 million in the prior period. These costs include expenses associated with the Advanced Analytics Centre, the development of OnePass and the establishment costs as part of the expansion of the partnership with Flybuys.

More details on the data and digital ecosystem, including the OnePass program, will be provided at the Strategy Day in June 2022. Financial results for the new division will continue to be disclosed separately as part of the Group's Other businesses segment for the 2022 financial year.

Other businesses

Other businesses and corporate overheads reported earnings of $18 million for the half, compared to a loss of $1 million in the prior corresponding period. This result includes expenses associated with the new data and digital division.

Earnings in this segment benefited from a significant contribution from property revaluations in BWP Trust as well as higher earnings from the Group's interests in Wespine and Gresham. The result also benefited from a favourable Group insurance result, an increase in dividends received from Coles and API, and the receipt of proceeds from an equity distribution as part of the value share mechanism agreed on the sale of Homebase in 2018.

These benefits were partially offset by higher corporate overheads and the accelerated investment in the data and digital ecosystem.

Cash flows, financing and dividends

Operating cash flows of $1,556 million were 29.8 per cent below the prior corresponding period, driven by lower earnings for the half, lower cash flows from working capital movements, the payment of team member incentives relating to the 2021 financial year, a reduction in employee benefit provisions as employees took more leave following the easing of COVID-related restrictions, and higher tax instalments. Divisional operating cash flows before interest, tax, and the repayment of lease liabilities declined 16.1 per cent compared to the prior corresponding period. The Group's cash realisation ratio was 79 per cent for the half.

The Group's working capital position was impacted by higher ending inventory, particularly in Kmart as a result of additional purchasing decisions to prioritise availability while COVID-related disruptions persist, combined with the impact of lockdowns and significant domestic supply chain constraints. As such, the Group's cashflow result for the period was lower than would normally be expected during the first half. Despite this, the Group maintains its focus on disciplined working capital management, and Kmart's inventory position, which is concentrated in non-seasonal lines, is expected to normalise as COVID-related disruptions ease. The closing inventory position for WesCEF was also elevated, driven by higher commodity prices impacting the value of fertiliser stock being accumulated for the 2022 growing season.

Gross capital expenditure of $583 million was 42.2 per cent above the prior corresponding period, largely driven by investment of $139 million in the development of the Mt Holland lithium project, partially offset by lower spend associated with the timing of property and new store projects at Bunnings. Property disposals of $178 million were $11 million above the prior corresponding period, reflecting higher property divestment activity in Bunnings during the half. The resulting net capital expenditure of $405 million was $162 million, or 66.7 per cent, higher than the prior corresponding period.

Free cash flows of $949 million were 51.7 per cent below the prior corresponding period, as a result of lower operating cash flows during the half, higher net capital expenditure, as well as the purchase of a 19.3 per cent stake in API during October 2021 for $131 million and completion of the Beaumont Tiles acquisition in November 2021.

The Group recorded a net financial debt position of $2,615 million as at 31 December 2021, 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 $871 million as at 31 December 2020, and a net financial cash position of $109 million as at 30 June 2021. The increase in net financial debt during the half was largely driven by the distribution of $2.3 billion of surplus capital by way of capital return to shareholders in December 2021 as part of the Group's repositioning of its balance sheet.

The directors have determined to pay a fully-franked ordinary interim dividend of $0.80 per share, reflecting Wesfarmers' dividend policy, which takes into account available franking credits, balance sheet position, credit metrics and cash flow generation and requirements. The Group has maintained balance sheet flexibility to respond to the high levels of uncertainty associated with COVID-19, and to take advantage of value-accretive growth opportunities, if and when they arise.

Outlook

Since the onset of COVID-19, Wesfarmers and its businesses have focused on supporting team members, and building deeper customer relationships and community trust, while continuing to invest for the long term. Strong progress in these areas, combined 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.

Overall economic conditions in Australia remain favourable, supported by strong employment and high levels of accumulated household savings. The Group continues to actively manage increasing inflationary pressure and will leverage its scale to mitigate the impact of rising costs. The Group's retail businesses will increase their focus on price leadership and are well positioned to continue to provide customers with great value on everyday products as rising cost-of-living pressures impact household budgets.

Wesfarmers will continue to focus on providing safe and inclusive environments for team members and customers, and will further expand the broad health and wellbeing support provided to team members. The Group has maintained its commitment to pay team members impacted by isolation requirements and continues to recognise the strong alignment between team member engagement, community and customer trust, and sustainable long-term value creation.

Retail trading conditions were subdued in January due to rising cases of the COVID-19 Omicron variant impacting both customer traffic and labour availability, but trading momentum has improved in recent weeks.

The Group has continued to incur additional costs and experience stock availability impacts as a result of ongoing global supply chain disruptions, elevated team member absenteeism and delays with third party logistics providers. Supply chain disruptions, elevated transport costs and constraints in domestic labour markets are expected to continue in the second half.

As a result of progress in recent years to develop deeper customer relationships, stronger digital engagement and expanded ranges of everyday products, the Group's retail businesses are well positioned to manage the transition as COVID-related restrictions are eased.

The Group's retail businesses will maintain their focus on meeting changing customer needs and delivering even greater value, quality and convenience for customers. Investment in divisional digital capabilities will continue and is expected to support enhancements to customer value propositions, expansion of addressable markets and delivery of operating efficiencies.

The performance of the Group's industrial businesses will continue to be subject to international commodity prices, foreign exchange rates, competitive factors and seasonal outcomes. WesCEF is expected to continue to benefit from elevated global commodity prices and will continue to progress the development of the Mt Holland lithium project. Industrial and Safety will maintain its focus on delivering improvements in performance and profitability.

Despite recent and ongoing disruptions as a result of COVID-19, Wesfarmers remains committed to investing in strategic initiatives that will support long-term growth.

Progress will continue to accelerate on the development of strong foundations to support the Group's data and digital ecosystem, which will provide customers a more seamless and personalised digital experience across the Wesfarmers retail businesses. This includes the progressive extension of the OnePass subscription program to provide greater value to customers across the Group's retail businesses. In line with previous guidance, operating expenditure associated with the Group's data and digital ecosystem of approximately $100 million is expected during the 2022 financial year.

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

Wesfarmers will maintain an appropriately strong balance sheet to preserve flexibility to invest in long-term growth initiatives across the Group and manage the ongoing uncertainty associated with COVID-19. The Group expects net capital expenditure of between $900 million and $1,100 million for the 2022 financial year.

The proposed acquisition of API is expected to complete around the end of the first quarter of the 2022 calendar year, subject to remaining conditions, including approval by API shareholders.

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 and transactions that create value for shareholders over the long term.

Bunnings

Half-year ended 31 December ($m)	2021	2020	Variance %
Revenue	**9,209**	**9,054**	***1.7***
EBITDA	1,677	1,669	*0.5*
Depreciation and amortisation	(362)	(337)	*(7.4)*
EBIT	**1,315**	**1,332**	***(1.3)***
Interest on lease liabilities	(56)	(58)	*3.4*
EBT	**1,259**	**1,274**	***(1.2)***
Net property contribution	41	1	*n.m.*
EBT (excluding net property contribution)	**1,218**	**1,273**	***(4.3)***
EBT margin excluding property (%)	13.2	14.1	
ROC[a] (R12, %)	79.0	76.6	
Total store sales growth[b] (%)	1.0	24.8	
Store-on-store sales growth[b,c] (%)	1.5	27.7	
Online penetration (%)	4.3	3.1	
Safety (R12, TRIFR)	12.5	10.0	
Scope 1 and 2 emissions, Market-Based ($ktCO_2e$)	54	54	

n.m. = not meaningful

[a] ROC is calculated as EBT / capital employed, where capital employed excludes right-of-use assets and lease liabilities.

[b] See Additional Disclosures (page 48) for relevant retail calendars and definitions.

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

Performance review

Revenue for Bunnings increased 1.7 per cent to $9,209 million for the half, with earnings declining 1.2 per cent to $1,259 million as the business cycled extraordinary revenue and earnings growth in the prior corresponding period. Excluding the net contribution from property, earnings declined 4.3 per cent for the half.

Total store sales increased 1.0 per cent and store-on-store sales increased 1.5 per cent for the half. Sales growth results for the half reflected the significant impact of COVID-related restrictions and temporary store closures between July and October 2021, with a decline in sales for these months more than offset by strong sales over the Christmas trading period and strong demand from commercial customers. Sales growth remained strong on a two-year basis, with total store sales increasing 26.1 per cent, supported by growth across all major trading regions and categories.

Online penetration increased to 4.3 per cent for the half, largely driven by the shift to online channels during lockdowns in Victoria, New South Wales, the Australian Capital Territory and New Zealand.

Supply chain constraints led to some additional freight and storage costs during the half, and while product availability was impacted in some categories, overall stock positions were well managed and supported the strong trading results over the Christmas period. To ensure a COVID-safe environment, approximately $40 million of additional costs were incurred associated with cleaning, security and protective equipment as well as the provision of paid leave for team members who were required to isolate during the half.

Return on capital increased to 79.0 per cent due to higher earnings on a rolling 12-month basis and continued disciplined capital management. The higher net property contribution for the half of $41 million reflected increased property divestment activity compared with the prior corresponding period and the gain on sale of surplus land associated with previous development projects.

Safety and community engagement initiatives remained a key focus for Bunnings during the period. The total recordable injury frequency rate increased to 12.5, impacted by an increase in manual handling tasks due to changes in the store operating environment in response to COVID-19, and this is now an area of increased focus.

Bunnings continued to accelerate the development of its digital offer during the half, building on its new e-commerce platform by further improving search performance and increasing personalisation. Digital engagement grew, with transactions made through Bunnings' online store 41.0 per cent higher than the prior corresponding period. Bunnings also launched a new e-commerce platform for commercial customers and the new mobile-friendly website is making it easier to shop Bunnings' full range online with PowerPass pricing.

In December 2021, Bunnings launched Flybuys for retail customers across its Australian store network. Combined with Bunnings' new data and analytics capabilities, the program will allow Bunnings to better understand its customers and deliver more value.

Bunnings continued to strengthen its relationships with commercial customers through investment in service, range and the development of its specialist brand strategy. During the half, Bunnings announced that the professional tools business, Adelaide Tools, would be rebranded to Tool Kit Depot and commenced its expansion with the rollout of four stores in Western Australia.

The acquisition of Beaumont Tiles was completed in November 2021 and will enhance Bunnings' ability to meet the needs of builders and trades with access to specialist design knowledge and an extensive hard surfaces range.

During the half Bunnings opened three warehouses, including one replacement warehouse, and opened four Tool Kit Depots. In addition, there was one small format store closure. At the end of the period there were 280 warehouses, 69 smaller format stores and 30 trade centres in the Bunnings network, as well as nine Tool Kit Depot/Adelaide Tools stores and 114 Beaumont Tiles stores. An additional two Bunnings warehouses, two smaller format stores, three trade centres and three Tool Kit Depot formats are due to be completed in the second half.

Outlook

While Bunnings remains well positioned for continued long-term growth, the near-term trading environment remains uncertain, with elevated cases of the COVID-19 Omicron variant in some states impacting operations and customer demand. Trading in the second half is expected to benefit from customers continuing to spend more time at home and the current pipeline of residential building activity.

COVID-related team member absenteeism, ongoing supply chain constraints and price inflation in some categories continue to create operational complexity and disruption for Bunnings, resulting in higher costs.

Despite the uncertain outlook, Bunnings remains committed to investing for long-term success, with a focus on strengthening the commercial and consumer offer and continuing to expand its data, digital and technology capabilities.

Directors' Report

Divisional performance overview

Kmart Group

Half-year ended 31 December ($m)	2021	2020	Variance %
Revenue	**4,917**	**5,441**	***(9.6)***
EBITDA[a]	483	818	*(41.0)*
Depreciation and amortisation	(260)	(283)	*8.1*
EBIT[a]	**223**	**535**	***(58.3)***
Interest on lease liabilities	(45)	(48)	*6.3*
EBT[a]	**178**	**487**	***(63.4)***
Significant items	-	(34)	*n.m.*
EBT including significant items	**178**	**453**	***(60.7)***
EBT margin[a] (%)	3.6	9.0	
ROC[b] (R12, %)	24.5	35.5	
Safety (R12, TRIFR)	8.6	10.6	
Scope 1 and 2 emissions, Market-Based (ktCO$_2$e)	121	132	
Kmart			
Total sales growth[c] (%)	(4.7)	7.1	
Comparable store sales growth[c,d] (%)	(6.4)	9.1	
Online penetration (%)	14.3	8.7	
Target			
Total sales growth[c] (%)	(23.6)	2.3	
Comparable store sales growth[c,d] (%)	6.0	13.0	
Online penetration (%)	26.9	15.9	
Catch			
Gross transaction value growth[c,] (%)	1.0	95.6	

n.m. = not meaningful

[a] 2020 excludes $34 million of pre-tax significant items.

[b] ROC is calculated as EBT / capital employed, where capital employed excludes right-of-use assets and lease liabilities. Earnings excludes significant items.

[c] See Additional Disclosures (page 48) 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.

Performance review

Kmart Group's revenue decreased by 9.6 per cent to $4,917 million for the first half of the 2022 financial year. Earnings of $178 million were 63.4 per cent below the prior corresponding period, excluding significant items related to Target store closures and conversions in the prior comparable period.

Return on capital decreased to 24.5 per cent, reflecting the decline in earnings and higher average inventory balances, driven by COVID-related disruptions in the first half of the 2022 financial year.

Total online sales across Kmart Group, including the Catch marketplace, increased 22 per cent to $1.4 billion for the half year.

Kmart and Target

Half-year ended 31 December ($m)[a]	2021	2020	Variance %
Revenue	4,602	5,112	*(10.0)*
EBITDA[b]	513	822	*(37.6)*
EBT[b]	222	502	*(55.8)*

[a] Includes inter-company eliminations.
[b] 2020 excludes $34 million of pre-tax significant items.

Kmart and Target revenue decreased by 10.0 per cent for the half, while earnings decreased 55.8 per cent to $222 million, excluding significant items in the prior comparable period.

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 as restrictions eased during the second quarter of the 2022 financial year, but customer traffic to stores was impacted by rising community transmission of COVID-19 in some states, particularly during the Christmas trading period. Ongoing global supply chain disruptions were well managed during the period as a result of investments made to hold additional inventory domestically, but high levels of COVID-related absenteeism across the New South Wales and Victorian distribution centres impacted the ability to deliver stock to stores in line with customer demand.

Kmart's total sales declined 4.7 per cent for the half, with comparable sales decreasing 6.4 per cent. The performance of the Target store conversions, when adjusted to exclude the impact of lockdowns, has been pleasing and in line with the business case.

Target's total sales decreased 23.6 per cent for the half, which included the closure or conversion of 63 Target stores and 87 Target Country stores, largely executed during the 2021 financial year. Comparable sales increased 6.0 per cent, reflecting continued improvements in the product offer.

Online penetration for Kmart and Target was 14.3 per cent and 26.9 per cent respectively. Strong online sales growth was supported by ongoing improvements to the digital experience, including through the re-platforming of the Kmart website, and strong customer uptake of click and collect which accounted for approximately 40 per cent of total online sales during the period.

Kmart and Target earnings for the half were impacted by costs associated with commitments made to pay team members when no meaningful work was available during lockdowns, additional support to team members when required to isolate, rising international freight costs and costs associated with elevated domestic stock holdings. In addition, the rapid temporary shift to online channels during lockdowns, combined with reduced team member availability, also impacted productivity and profitability during the period. Kmart continued to invest in key strategic initiatives to enhance its customer offer, develop its data and digital assets, and build resilience and flexibility in the supply chain.

The inventory position at the end of the half was elevated due to investments made to mitigate the impact of global supply chain disruptions, as well as higher levels of stock at ports and in distribution centres as a result of domestic supply chain disruptions. Stock holdings are concentrated in non-seasonal products and overall inventory levels continue to be actively managed.

Kmart opened three new stores, including one large store conversion and closed one store during the half. There was also one K hub conversion during the half. Target opened one replacement store and closed four stores in addition to the two conversions. There were 460 stores across Kmart and Target as at 31 December 2021.

Catch

Half-year ended 31 December ($m)	2021	2020	Variance %
Gross transaction value	616	610	*1.0*
Revenue	315	329	*(4.3)*
EBITDA	(30)	(4)	*n.m.*
EBT[a]	(44)	(15)	*n.m.*

[a] Includes an amortisation expense of $5 million in both 2021 and 2020, relating to assets recognised as part of the acquisition.

Gross transaction value (GTV) for Catch increased 1.0 per cent to $616 million for the first half, with elevated GTV growth during periods of lockdown offset by a decline in GTV, particularly within the in-stock business, as restrictions eased. Growth on a two-year basis was 97.5 per cent for the half. Active customers increased by 0.1 million during the half, with 3.0 million active customers as at 31 December 2021. Pleasingly, the number of OnePass (formerly Club Catch) subscribers also increased during the half.

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

Construction of the new Catch fulfilment centre in New South Wales progressed well and commissioning is planned for the second half of the 2022 financial year. The facility is expected to improve customer delivery speeds and continue to develop Catch's automated fulfilment capabilities.

Outlook

The near-term trading environment is expected to remain uncertain and volatile, as a result of elevated cases of the COVID-19 Omicron variant in some states.

Team member absenteeism associated with COVID-19 continues to place additional pressure on distribution centres and stores in some states, impacting supply chain productivity and stock availability. These issues are expected to persist while COVID-19 cases and the number of team members requiring to isolate remain elevated.

Current global supply chain disruptions and cost pressures are also expected to persist, and the business will continue incurring additional freight and raw material costs while maintaining higher levels of inventory to mitigate availability risks.

Once COVID-related disruptions subside, Kmart is well positioned to deliver long-term growth, and remains focused on leveraging its scale and product development capabilities. This will be supported by the delivery of strategic initiatives, including migrating all online transactions to the new website, improving delivery capabilities, building a flexible and resilient supply chain, continuing the rollout of RFID infrastructure to Australian stores and better engaging with customers through the use of data and personalisation.

Following the successful completion of the restructuring of Target and changes to its store network, the business will continue to improve the product offer in the destination categories of apparel and soft home through ongoing improvements in style and quality, and will accelerate online growth. Following the completion of the store closure and conversion program, Target is expected to be a smaller but profitable business.

Catch will focus on improving the performance of its in-stock range while continuing to expand the marketplace. 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.

Officeworks

Half-year ended 31 December ($m)	2021	2020	Variance %
Revenue	**1,580**	**1,523**	***3.7***
EBITDA	142	156	*(9.0)*
Depreciation and amortisation	(55)	(51)	*(7.8)*
EBIT	**87**	**105**	***(17.1)***
Interest on lease liabilities	(5)	(5)	-
EBT	**82**	**100**	***(18.0)***
EBT margin (%)	5.2	6.6	
ROC[a] (R12, %)	19.6	23.4	
Total sales growth[b] (%)	3.7	23.6	
Online penetration (%)	46.0	37.1	
Safety (R12, TRIFR)	5.5	7.3	
Scope 1 and 2 emissions, Market-Based (ktCO_2e)	15	17	

[a] ROC is calculated as EBT / capital employed, where capital employed excludes right-of-use assets and lease liabilities.

[b] See Additional Disclosures (page 48) for relevant retail calendars.

Performance review

Officeworks' revenue increased 3.7 per cent for the half to $1,580 million. Earnings of $82 million were 18.0 per cent lower than the prior corresponding period.

Sales growth of 3.7 per cent was driven by ongoing strong demand for technology and furniture products, partially offset by lower sales in higher-margin office supplies and print & create categories, which continued to be affected by COVID-related restrictions. Officeworks sales results also reflect the significant impact of government-mandated temporary store closures, which led to the loss of approximately 18 per cent of store trading days in the half. Two-year sales growth for the period was 28.1 per cent.

Online sales penetration, including click and collect, increased to 46.0 per cent for the half, reflecting the temporary shift to online channels during periods of lockdown.

Officeworks' earnings declined for the half as a result of temporary costs associated with managing disruptions associated with COVID-19 as well as ongoing investment to support long-term growth.

Supply chain and fulfilment costs increased due to elevated online sales during lockdowns requiring higher rates of fulfilment from stores, and temporary inefficiencies associated with the transition to a new CFC in Victoria, as well as continued shipping and transport disruptions and global supply shortages in some categories.

Higher costs of doing business during the half were also driven by accelerated investment in data, digital and e-commerce capabilities, including the launch of a partnership with Flybuys, merchandise reflow activities across the store network and the recruitment of additional team members into digital roles.

Additional costs were also incurred to ensure a COVID-19 safe operating environment for team members and customers.

Return on capital declined to 19.6 per cent for the half as a result of the decline in earnings.

During the half, Officeworks continued to execute its strategy to deliver long-term growth with the successful launch of the Flybuys partnership, commencement of the rollout of a refreshed brand and the transition to the new CFC. Officeworks also progressed the development of a new flexible work platform, which will address hybrid working opportunities and provide solutions for a new business-to-business customer market.

Officeworks completed three store relocations during the half and had a total of 167 stores across Australia as at 31 December 2021.

Outlook

The near-term operating environment is expected to remain challenging with continued impacts of COVID-19 on customer demand and team member availability, as well as ongoing global supply shortages of some products and shipping and transport disruptions. Officeworks expects to continue incurring higher costs while these conditions persist, impacting sales and earnings growth during the second half of the 2022 financial year.

While the near-term outlook remains uncertain, Officeworks is well positioned to deliver long-term growth by executing its strategic agenda, continuing to invest in the every-channel customer experience, building data and digital capability and enhancing supply chain capacity and capability in order to meet the evolving needs of new and existing customers.

Chemicals, Energy and Fertilisers

Half-year ended 31 December ($m)	2021	2020	Variance %
Revenue[a]			
Chemicals	642	489	*31.3*
Energy	252	206	*22.3*
Fertilisers	183	135	*35.6*
Total	**1,077**	**830**	***29.8***
EBITDA	262	202	*29.7*
Depreciation and amortisation	(43)	(42)	*(2.4)*
EBIT	**219**	**160**	***36.9***
Interest on lease liabilities	(1)	-	*n.m.*
EBT	**218**	**160**	***36.3***
External sales volumes[b] ('000 tonnes)			
Chemicals	565	550	*2.7*
LPG & LNG	109	115	*(5.2)*
Fertilisers	286	274	*4.4*
ROC[c] (R12, %)	19.6	18.1	
ROC[c] (R12, %) (excluding ALM)	32.2	29.0	
Safety (R12, TRIFR)	4.2	3.2	
Scope 1 and 2 emissions, Market-Based (ktCO_2e)	370	454	

n.m.= not meaningful

[a] Excludes intra-division sales.

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

[c] ROC is calculated as EBT / capital employed, where capital employed excludes right-of-use assets and lease liabilities.

Performance review

Revenue for WesCEF increased 29.8 per cent to $1,077 million for the half and earnings increased 36.3 per cent to $218 million. Strong sales and earnings growth during the period reflected higher global commodity prices, particularly for LPG, ammonia, and ammonia-related products.

The total recordable injury frequency rate increased to 4.2, impacted by elevated planned maintenance activity during the period. WesCEF maintained its focus on safety during the period, with particular attention on the investigation of high potential incidents and the introduction of new initiatives to improve safety performance.

Scope 1 and 2 emissions decreased for the half, driven by continued benefit of abatement catalysts and a temporary reduction from the planned ammonia plant shutdown.

Chemicals

Chemicals delivered a solid earnings growth result for the half, supported by higher global commodity prices and robust demand from mining and agricultural customers.

Ammonium nitrate (AN) earnings benefited from higher pricing during the period and continued strong demand from Western Australian mining customers. Ammonia earnings were impacted by a successful, planned five-yearly, maintenance shutdown of the ammonia plant as well as continued timing differences between import costs and sales price due to a lag in the pass-through mechanism in customer contracts.

Earnings in the Sodium Cyanide business increased on the prior corresponding period, driven by higher sales volumes as well as stronger pricing in domestic markets.

Energy

Kleenheat earnings increased significantly on the prior corresponding period, primarily due to the higher Saudi Contract Price (Saudi CP), the international benchmark indicator for LPG price. Kleenheat also benefited from a continued 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 Western Australian contracted domestic gas costs.

The natural gas retailing business continued to grow its residential customer base in Western Australia and benefited from increased sales volumes for the half.

Fertilisers

While not as material as the second half due to seasonality, Fertilisers earnings increased marginally for the half, with higher global commodity prices leading to both higher sales revenue and higher input costs. Favourable conditions towards the end of calendar 2021 resulted in increased sales volumes.

The Fertilisers business continued to benefit from the reliability of supply provided to customers, supported by investment in liquid storage capacity in Kwinana and utilisation of local manufacturing and distribution facilities across all key growing regions. The business has also continued to invest in data and digital capabilities, which provide further improvements in reliability, experience and advice for customers.

Lithium

The WesCEF result includes its 50 per cent investment in the Mt Holland Lithium project. Construction of the refinery in Kwinana, and the mine, concentrator and supporting infrastructure at Mt Holland commenced during the half. WesCEF's share of capital expenditure for the development of the project was $139 million during the half.

Outlook

The Chemicals business is expected to benefit from strong global commodity prices and the recommencement of production from the ammonia plant in December 2021, following successful completion of the planned shutdown. Demand for AN from the Western Australian mining sector is expected to remain robust and demand for sodium cyanide will benefit as international gold mines recover from COVID-related disruptions.

The Chemicals business will continue to progress engineering studies evaluating the possibility for production capacity expansions.

Kleenheat earnings are expected to continue benefiting from the elevated Saudi CP, partially offset by higher Western Australian contracted gas input costs. The natural gas retailing business remains focused on customer retention and continuing its market-leading customer service.

In the Fertilisers business, Western Australian growers experienced a record 2021 harvest, which is expected to support positive grower sentiment for the 2022 season. The business continues to closely manage inventory given high commodity input prices. Demand will remain contingent on grower cost pressures in a high commodity priced environment.

Construction activity at the Mt Holland lithium mine and concentrator and the Kwinana refinery will continue to ramp-up during the second half of the 2022 financial year, and the business continues to actively monitor construction input costs, and labour availability constraints in Western Australia. The project continues to track to the original schedule and lithium market fundamentals remain favourable, underpinned by continued strong demand for battery electric vehicles.

Across all businesses WesCEF expects continued cost pressures associated with international supply chain disruptions as well as inflation pressure in areas such as labour markets.

WesCEF is currently finalising its roadmap to achieve net zero emissions by 2050 and will continue investigating emissions reduction initiatives and evaluating low-carbon growth opportunities.

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

Divisional performance overview

Industrial and Safety

Half-year ended 31 December ($m)	2021	2020	Variance %
Revenue	**944**	**898**	***5.1***
EBITDA	80	76	*5.3*
Depreciation and amortisation	(37)	(37)	-
EBIT	**43**	**39**	***10.3***
Interest on lease liabilities	(2)	(2)	-
EBT	**41**	**37**	***10.8***
EBT margin (%)	4.3	4.1	
ROC[a] (R12, %)	6.5	5.4	
Safety (R12, TRIFR)	3.1	4.5	
Scope 1 and 2 emissions, Market-Based (ktCO_2e)	14	12	

[a] ROC is calculated as EBT / capital employed, where capital employed excludes right-of-use assets and lease liabilities.

Performance review

Industrial and Safety revenue of $944 million was 5.1 per cent above the prior corresponding period. Earnings of $41 million were 10.8 per cent above the prior corresponding period.

Blackwoods' revenue increased on the prior corresponding period, underpinned by continued growth from strategic customers as well as solid demand in New Zealand and from customers in the mining and manufacturing sectors. This was partially offset by weakness in demand from the retail, construction and government sectors, particularly in New South Wales and Victoria due to COVID-related lockdowns and restrictions. Sales growth also reflected the impact of elevated demand for critical respiratory, cleaning and hygiene products in the prior corresponding period.

Blackwoods earnings were in line with the prior corresponding period, with higher sales offset by continued investment in customer service and digital capabilities, including the enterprise resource planning (ERP) system, and the impact of COVID-related disruptions. The business continued to progress the implementation of the ERP system during the half and has now completed deployment in three of the four Blackwoods operating regions.

Workwear Group earnings increased on the prior corresponding period with higher revenues from uniforms and the industrial workwear brands, including KingGee and Hard Yakka. The business benefited from operating efficiencies, including the simplification of the uniforms business. Revenue and earnings growth relative to the prior corresponding period was partially offset by the divestment of the UK business in the second half of the 2021 financial year.

Coregas' revenues and earnings increased on the prior corresponding period due to higher demand from industrial and healthcare customers. The business also benefited from the acquisition of a gas and welding products business during the period.

Safety and injury management remains a core focus, with the total recordable injury frequency rate improving to 3.1.

Outlook

Market conditions are expected to remain uncertain and challenging for the remainder of the 2022 financial year as the Industrial and Safety businesses continue to manage the COVID-related disruptions to global supply chain and labour availability in some states.

Blackwoods will continue to focus on improvements to its customer value proposition and core operational capabilities, including in data and digital, as well as completing the remaining implementation of the ERP system.

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

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.

Other

Half-year ended 31 December ($m)	Holding %	2021	2020	Variance %
Share of profit of associates and joint ventures				
BWP Trust	24.8	86	36	*138.9*
Other associates and joint ventures[a]	Various	9	5	*80.0*
Sub-total share of profit of associates and joint ventures		**95**	**41**	*131.7*
Data and digital		(44)	(5)	*n.m.*
Group overheads (excl. Data and digital)		(75)	(58)	*(29.3)*
Other[b]		42	22	*n.m.*
Total Other EBIT		**18**	**-**	*n.m.*
Interest on lease liabilities		-	**(1)**	*n.m.*
Total Other EBT		**18**	**(1)**	*n.m.*

n.m. = not meaningful

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

[b] 2021 includes $20 million of dividends received from the Group's 4.9 per cent interest in Coles and 19.3 per cent interest in API. 2020 includes $18 million of dividends received from the Group's 4.9 per cent interest in Coles.

Performance review

Other business and corporate overheads reported earnings of $18 million for the half, compared to a loss of $1 million in the prior corresponding period.

Earnings from the Group's associates and joint ventures increased by $54 million, due to a significant contribution from property revaluations in BWP Trust, as well as higher earnings from other associates including Wespine and Gresham.

Other corporate earnings of $42 million benefited from a favourable Group insurance result, an increase in dividends received from Coles and API, as well as the receipt of an equity distribution under the value share mechanism included as part of the Group's sale of Homebase in 2018.

Excluding data and digital, Group overheads increased by $17 million to $75 million, driven by increased directors' and officers' liability insurance premiums, team member salaries and wages, and incentive expenses.

Data and digital

Wesfarmers accelerated its investment to develop a market-leading data and digital ecosystem during the half, and good progress was made to build the strong foundations necessary for this initiative to deliver great value, convenience and experiences to customers across the Group. This included investment in the shared data asset and scalable customer data architecture as well as the continued development of capabilities within the Advanced Analytics Centre, specialist technical expertise and robust data governance.

Nicole Sheffield was appointed to the Wesfarmers Leadership Team as Managing Director of a new data and digital division, responsible for various capabilities and businesses that support the Group's data and digital ecosystem agenda. This includes the Advanced Analytics Centre, the Group data asset, and the development of a new subscription program, OnePass.

Operating expenditure relating to the data and digital division of $44 million was incurred for the half, compared with costs of $5 million in the prior period.

Earlier this month, the Club Catch subscription program was rebranded and repositioned as a new and improved program named OnePass, at a reduced monthly fee of $4 or annual price of $40. Subscribers will continue to enjoy free delivery on eligible items purchased from Catch and exclusive deals. This program will form the basis of a broader subscription program with opportunities to provide even greater value and convenience to customers across the Group. Work is underway on a broader set of benefits that will be available to OnePass subscribers when shopping across Wesfarmers' retail businesses.

In December 2021, the Group's partnership with Flybuys was extended to include Bunnings and Officeworks customers, creating a platform with over eight million members and opportunities for points to be earned on over 120 million transactions each month. The customer response to Flybuys in Bunnings and Officeworks has been pleasing, with strong scan rates achieved by both businesses.

Flybuys' operating model was also updated to provide greater flexibility and value to Wesfarmers and Coles, and to provide more opportunities for Flybuys to deliver value for its members. 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, personalised customer experiences.

More details on the data and digital ecosystem, including the OnePass program, will be provided at the Strategy Day in June 2022. Financial results for the new division will continue to be disclosed separately as part of the Group's Other businesses segment for the 2022 financial year.

Cash flows, financing and dividends

Half-year ended 31 December ($m)	2021	2020	Variance %
Cash flows			
Operating cash flows	1,556	2,216	*(29.8)*
Gross capital expenditure	583	410	*42.2*
Net capital expenditure	405	243	*66.7*
Free cash flows	949	1,964	*(51.7)*
Cash realisation ratio (excluding significant items)[a] (%)	79	102	*(23 ppt)*
Balance sheet			
Net financial debt / (cash)[b]	2,615	(871)	*n.m.*
Other finance costs	48	60	*(20.0)*
Weighted average cost of debt[c] (%)	3.70	4.38	*(0.68 ppt)*
Dividends per share			
Interim ordinary dividend (fully-franked, cps)	80	88	*(9.1)*

n.m. = not meaningful

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

[b] 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.

[c] 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.

Cash flows

Operating cash flows of $1,556 million were 29.8 per cent below the prior corresponding period, driven by lower earnings for the half, lower cash flows from working capital movements, the payment of team member incentives relating to the 2021 financial year, a reduction in employee benefit provisions as employees took more leave following the easing of COVID-related restrictions, and higher tax instalments. Divisional operating cash flows before interest, tax and the repayment of lease liabilities declined 16.1 per cent compared to the prior corresponding period. The Group's cash realisation ratio was 79 per cent for the half.

The Group's working capital position was impacted by higher ending inventory, particularly in Kmart as a result of additional purchasing decisions to prioritise availability while COVID-related disruptions persist, combined with the impact of lockdowns and significant domestic supply chain constraints. As such, the Group's cashflow result for the period was lower than would normally be expected during the first half. Despite this, the Group maintains its focus on disciplined working capital management, and Kmart's inventory position, which is concentrated in non-seasonal lines, is expected to normalise as COVID-related disruptions ease. The closing inventory position for WesCEF was also elevated, driven by higher commodity prices impacting the value of fertiliser stock being accumulated for the 2022 growing season.

Gross capital expenditure of $583 million was 42.2 per cent above the prior corresponding period, largely driven by investment of $139 million in the development of the Mt Holland lithium project, partially offset by lower spend associated with the timing of property and new store projects at Bunnings. Property disposals of $178 million were $11 million above the prior corresponding period, reflecting higher property divestment activity in Bunnings during the half. The resulting net capital expenditure of $405 million was $162 million, or 66.7 per cent, higher than the prior corresponding period.

Free cash flows of $949 million were 51.7 per cent below the prior corresponding period, as a result of lower operating cash flows during the half, higher net capital expenditure, as well as the purchase of a 19.3 per cent stake in API during October 2021 for $131 million and the completion of the Beaumont Tiles acquisition in November 2021.

Financing

The Group recorded a net financial debt position of $2,615 million as at 31 December 2021, 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 $871 million as at 31 December 2020, and a net financial cash position of $109 million as at 30 June 2021. The increase in net financial debt during the half was largely driven by the distribution of $2.3 billion of surplus capital by way of capital return in December 2021 as part of the Group's repositioning of its balance sheet.

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 targets linked to the Group's decarbonisation strategies. The EUR600 million (A$938 million) issuance is comprised of a twelve-year unsecured fixed-rate bond maturing in October 2033, and interest rates are linked to the achievement of agreed targets in relation to the use of renewable electricity in the Group's retail divisions and the emissions intensity of AN production in WesCEF.

Other finance costs decreased 20.0 per cent to $48 million for the half, reflecting a lower average cost of borrowing and higher capitalised interest for the half.

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

Dividends

The directors have determined to pay a fully-franked ordinary interim dividend of $0.80 per share, reflecting the solid NPAT result and Wesfarmers' dividend policy, which takes into account available franking credits, balance sheet position, credit metrics and cash flow generation while preserving the flexibility to manage continued uncertainty associated with COVID-19, and to take advantage of value-accretive growth opportunities, if and when they arise.

The interim dividend will be paid on 30 March 2022 to shareholders on the company's register on 23 February 2022, the record date for the interim dividend. For unquoted shares issued under the Key Executive Equity Performance Plan (KEEPP) the dividend payment date will be deferred until quotation of the shares.

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 ordinary shares on each of the 15 consecutive trading days from and including the third trading day after the record date, being 28 February 2022 to 18 March 2022.

The latest time for receipt of applications to participate in or to cease or vary participation in the Plan is by 5.00pm (AWST) on 24 February 2022. The Directors have determined that no discount will apply to the allocation price and the Plan will not be underwritten. It is the Company's expectation that shares to be allocated under the Plan will be acquired on-market and transferred to participants on 30 March 2022. A broker will be engaged to assist in this process.

The auditor's independence declaration, as required under section 307C of the *Corporations Act 2001*, is provided below and forms part of this report.

Building a better working world

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Auditor's independence declaration to the directors of Wesfarmers Limited

As lead auditor for the review of the half-year financial report of Wesfarmers Limited for the half-year ended 31 December 2021, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Wesfarmers Limited and the entities it controlled during the financial period.

Ernst + Young

Ernst & Young

T S Hammond
Partner
16 February 2022

Rounding

The amounts contained in this report and in the financial statements have been rounded to the nearest million dollars unless otherwise stated (where rounding is applicable) under the option available to the company under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. The company is an entity to which the instrument applies.

Signed in accordance with a resolution of the directors.

M A Chaney AO
Chairman
Perth, 16 February 2022

Financial statements

For the half-year ended 31 December 2021

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Income statement

For the half-year ended 31 December 2021

	Note	Consolidated December 2021 $m	December 2020 $m
Revenue	5	**17,758**	17,774
Expenses			
Raw materials and inventory		**(11,087)**	(10,978)
Employee benefits expense	6	**(2,886)**	(2,749)
Freight and other related expenses		**(340)**	(284)
Occupancy-related expenses	6	**(222)**	(223)
Depreciation and amortisation	6	**(761)**	(755)
Impairment expenses	6	**(10)**	(49)
Other expenses	6	**(745)**	(685)
Total expenses		**(16,051)**	(15,723)
Other income	5	**98**	38
Share of net profits of associates and joint ventures		**100**	48
		198	86
Earnings before finance costs and income tax expense		**1,905**	2,137
Interest on lease liabilities	9	**(109)**	(114)
Other finance costs	6	**(48)**	(60)
Profit before income tax expense		**1,748**	1,963
Income tax expense	7	**(535)**	(573)
Profit attributable to members of the parent		**1,213**	1,390
Earnings per share attributable to ordinary equity holders of the parent	12	**cents**	cents
Basic earnings per share		**107.3**	122.9
Diluted earnings per share		**107.2**	122.8

Statement of comprehensive income

For the half-year ended 31 December 2021

	Note	Consolidated December 2021 $m	December 2020 $m
Profit attributable to members of the parent		**1,213**	1,390
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Foreign currency translation reserve			
Exchange differences on translation of foreign operations		**5**	(5)
Cash flow hedge reserve	14		
Unrealised gain/(losses) on cash flow hedges		**122**	(230)
Realised losses transferred to net profit		**-**	-
Realised (gains)/losses transferred to non-financial assets		**(84)**	126
Share of associates and joint ventures reserves		**4**	2
Tax effect		**(13)**	30
Items that will not be reclassified to profit or loss:			
Financial assets reserve			
Changes in the fair value of financial assets designated at fair value through other comprehensive income		**92**	65
Tax effect		**(28)**	(19)
Retained earnings			
Remeasurement loss on defined benefit plan		**-**	-
Tax effect		**-**	-
Other comprehensive profit/(loss) for the year, net of tax		**98**	(31)
Total comprehensive income for the year, net of tax, attributable to members of the parent		**1,311**	1,359

Balance sheet

As at 31 December 2021

		Consolidated		
		December 2021	June 2021	December 2020
	Note	**$m**	$m	$m
ASSETS				
Current assets				
Cash and cash equivalents	8	**623**	3,023	2,680
Receivables - trade and other		**1,088**	1,247	894
Inventories		**5,605**	4,502	4,516
Derivatives		**364**	152	81
Other		**165**	172	129
Total current assets		**7,845**	9,096	8,300
Non-current assets				
Investments in associates and joint ventures		**880**	775	731
Other financial assets		**1,348**	1,124	1,189
Deferred tax assets		**485**	613	651
Property, plant and equipment		**3,521**	3,496	3,478
Goodwill and intangible assets		**3,958**	3,902	3,867
Mineral rights		**4**	1	829
Mine properties		**1,011**	865	-
Right-of-use assets	9	**6,145**	6,035	6,192
Derivatives		**11**	282	264
Other		**23**	25	17
Total non-current assets		**17,386**	17,118	17,218
Total assets		**25,231**	26,214	25,518
LIABILITIES				
Current liabilities				
Trade and other payables		**5,204**	4,234	4,520
Interest-bearing loans and borrowings	10	**1,015**	950	959
Lease liabilities	9	**1,015**	969	942
Income tax payable		**4**	349	275
Provisions		**968**	1,152	1,000
Derivatives		**13**	43	238
Other		**320**	218	264
Total current liabilities		**8,539**	7,915	8,198
Non-current liabilities				
Interest-bearing loans and borrowings	10	**2,338**	2,072	1,032
Lease liabilities	9	**6,223**	6,136	6,318
Provisions		**387**	374	346
Derivatives		**1**	2	13
Total non-current liabilities		**8,949**	8,584	7,709
Total liabilities		**17,488**	16,499	15,907
Net assets		**7,743**	9,715	9,611
EQUITY				
Equity attributable to equity holders of the parent				
Issued capital	11	**13,578**	15,826	15,818
Reserved shares	11	**(102)**	(102)	(102)
Retained earnings		**253**	60	68
Reserves		**(5,986)**	(6,069)	(6,173)
Total equity		**7,743**	9,715	9,611

Cash flow statement

For the half-year ended 31 December 2021

	Note	Consolidated December 2021 $m	December 2020 $m
Cash flows from operating activities			
Receipts from customers		**19,806**	19,800
Payments to suppliers and employees		**(17,351)**	(16,816)
Dividends received from other investments		**20**	18
Dividends and distributions received from associates		**26**	35
Interest received		**3**	8
Borrowing costs		**(157)**	(170)
Income tax paid		**(791)**	(659)
Net cash flows from operating activities	8	**1,556**	2,216
Cash flows from investing activities			
Payments for property, plant and equipment and intangibles	8	**(425)**	(395)
Payments for mineral exploration	8	**(3)**	(15)
Payments for mine properties and development	8	**(155)**	-
Proceeds from sale of property, plant and equipment and intangibles	8	**178**	167
Net proceeds from disposals of interests in associates and other investments		**3**	-
Net investments in associates and joint ventures		**(24)**	(5)
Acquisition of subsidiaries, net of cash acquired		**(46)**	(2)
Purchase of other financial assets	3	**(135)**	(2)
Net cash flows used in investing activities		**(607)**	(252)
Cash flows from financing activities			
Proceeds from borrowings		**938**	-
Repayment of borrowings		**(866)**	(500)
Net proceeds from/(repayment of) revolving facilities		**360**	(120)
Payment of principal component of lease liabilities		**(494)**	(501)
Equity dividends paid		**(1,020)**	(1,076)
Capital return paid		**(2,267)**	-
Net cash flows used in financing activities		**(3,349)**	(2,197)
Net decrease in cash and cash equivalents		**(2,400)**	(233)
Cash and cash equivalents at beginning of period		**3,023**	2,913
Cash and cash equivalents at end of period	8	**623**	2,680

Statement of changes in equity

For the half-year ended 31 December 2021

		Attributable to equity holders of the parent				
		Issued capital	Reserved shares	Retained earnings	Reserves	Total equity
Consolidated	Note	$m	$m	$m	$m	$m
Balance at 1 July 2021		**15,826**	**(102)**	**60**	**(6,069)**	**9,715**
Net profit for the period		**-**	**-**	**1,213**	**-**	**1,213**
Other comprehensive income						
Exchange differences on translation of foreign operations		**-**	**-**	**-**	**5**	**5**
Changes in the fair value of cash flow hedges, net of tax	14	**-**	**-**	**-**	**29**	**29**
Changes in the fair value of financial assets designated at fair value through other comprehensive income, net of tax		**-**	**-**	**-**	**64**	**64**
Remeasurement loss on defined benefit plan, net of tax		**-**	**-**	**-**	**-**	**-**
Total other comprehensive income for the period, net of tax		**-**	**-**	**-**	**98**	**98**
Total comprehensive income for the period, net of tax		**-**	**-**	**1,213**	**98**	**1,311**
Share-based payment transactions		**20**	**-**	**-**	**(15)**	**5**
Equity dividends	13	**-**	**-**	**(1,020)**	**-**	**(1,020)**
Capital return	11,13	**(2,268)**	**-**	**-**	**-**	**(2,268)**
		(2,248)	**-**	**(1,020)**	**(15)**	**(3,283)**
Balance at 31 December 2021		**13,578**	**(102)**	**253**	**(5,986)**	**7,743**
Balance at 1 July 2020		15,818	(89)	(245)	(6,140)	9,344
Net profit for the period		-	-	1,390	-	1,390
Other comprehensive income						
Exchange differences on translation of foreign operations		-	-	-	(5)	(5)
Changes in the fair value of cash flow hedges, net of tax	14	-	-	-	(72)	(72)
Changes in the fair value of financial assets designated at fair value through other comprehensive income, net of tax		-	-	-	46	46
Remeasurement loss on defined benefit plan, net of tax		-	-	-	-	-
Total other comprehensive income for the period, net of tax		-	-	-	(31)	(31)
Total comprehensive income for the period, net of tax		-	-	1,390	(31)	1,359
Share-based payment transactions		-	-	-	(2)	(2)
Acquisition of shares on-market for Wesfarmers Long Term Incentive Plan (WLTIP) and Key Executive Equity Performance Plan (KEEPP)	11	-	(10)	-	-	(10)
Acquisition of shares on-market for Performance Shares	11	-	(3)	-	-	(3)
Equity dividends	13	-	-	(1,077)	-	(1,077)
		-	(13)	(1,077)	(2)	(1,092)
Balance at 31 December 2020		15,818	(102)	68	(6,173)	9,611

Notes to the financial statements: About this report

For the half-year ended 31 December 2021

1. CORPORATE INFORMATION

The financial report of Wesfarmers Limited (referred to as 'Wesfarmers' or 'the Company') and its subsidiaries (referred to as 'the Group') for the half-year ended 31 December 2021 (HY2021) was authorised for issue in accordance with a resolution of the directors on 16 February 2022. Wesfarmers is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX).

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

a) Basis of preparation

This general purpose condensed financial report for the half-year ended 31 December 2021 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the annual financial report.

It is recommended that the half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2021 and considered with any public announcements made by the Company during the half-year ended 31 December 2021 in accordance with the continuous disclosure obligations of the ASX Listing Rules.

The half-year financial report is presented in Australian dollars and all values are rounded to the nearest million dollars unless otherwise stated, in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which the class order applies.

Key judgements, estimates and assumptions

The preparation of the financial report requires judgement and the use of estimates and assumptions in applying the Group's accounting policies, which affect amounts reported for assets, liabilities, income and expenses. Actual results may differ from the judgements, estimates and assumptions.

The judgements, estimates and assumptions applied in the half-year financial report, including the key sources of estimation uncertainty are the same as those applied in the most recent annual financial report.

b) Significant accounting policies

The same accounting policies and methods of computation have been applied by each entity in the consolidated Group and are consistent with those adopted and disclosed in the most recent annual financial report.

New and revised Accounting Standards and Interpretations adopted as at 1 July 2021

A number of new and amended accounting standards and interpretations apply for the first time in this half-year reporting period, but do not have a material impact on the financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

3. SIGNIFICANT ITEMS IN THE CURRENT REPORTING PERIOD

Proposed acquisition of Australian Pharmaceutical Industries Limited

On 8 November 2021, Wesfarmers announced that it had entered into a Scheme Implementation Deed (SID or Scheme) with Australian Pharmaceutical Industries Limited (API, ASX:API) to acquire 100 per cent of its outstanding shares for cash consideration of $1.55 per share. The SID allows for the payment of fully-franked dividends up to a maximum of five cents per API share, including the two cents per share final dividend declared by API for its financial year ended 31 August 2021, with the cash consideration of $1.55 per share to be reduced by the cash component of any such dividends.

The Scheme is subject to customary conditions, including API shareholder approval, court approval, Australian Competition and Consumer Commission (ACCC) approval, no material adverse conditions and no prescribed occurrences. On 11 February 2022, the ACCC advised that it would not oppose the proposed acquisition.

The API Board has unanimously recommended that API shareholders vote in favour of the Scheme, and each API director intends to vote their API shares in favour of the Scheme, in the absence of a superior proposal and subject to an independent expert concluding that the Scheme is in the best interests of API shareholders.

Prior to the above, Wesfarmers acquired a 19.3 per cent interest in API for total cash consideration of $131 million ($1.38 per share), pursuant to the Undertaking Agreement entered into on 9 July 2021 with Washington H. Soul Pattinson and Company Limited (WHSP, ASX:SOL). The carrying value of the Group's interest in API at 31 December 2021 was $164 million by reference to the closing share price of API on that date. The share price of API has reduced following the withdrawal of a non-binding proposal from Woolworths Limited (Woolworths, ASX:WOW) subsequent to 31 December 2021. Wesfarmers has and will continue to remeasure the financial asset at fair value through other comprehensive income. Refer to note 18 for further details.

Capital management

Issue of sustainability-linked bond

In October 2021, the Group issued EUR600 million (A$938 million) of 12-year sustainability-linked bonds, maturing in October 2033 with the interest payable on the bond linked to the progress against specific renewable electricity and emissions performance targets. Refer to note 10 for further information.

Capital return

On 2 December 2021, a capital return of 200 cents per share was paid to shareholders. The total amount of the distribution was $2,268 million and was subject to shareholder approval which was granted at the 2021 Annual General Meeting on 21 October 2021.

The form of the distribution was entirely capital in nature, and was dependent on a final ruling by the ATO, which was received on 8 December 2021. Refer to note 13 for further information.

Impact of COVID-19

The Group's retail businesses, particularly Kmart Group, have been impacted by COVID-19 related disruptions, with a significant loss of store trading days due to government-mandated store closures between July and October 2021. COVID-19 restrictions eased throughout November and December 2021, but customer traffic to stores continued to be impacted by rising community transmission of COVID-19. The Group has incurred higher costs in HY2021 associated with paying team members when no meaningful work was available during lockdowns, providing additional support to team members when required to isolate, rising international freight costs and managing ongoing global supply chain disruptions. In addition, the rapid temporary shift to online channels, combined with team member availability, also impacted productivity and profitability during the period.

4. SEGMENT INFORMATION

The operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and operates in different industries and markets. The Board and executive management team (the chief operating decision-makers) monitor the operating results of business units separately for the purpose of making decisions about resource allocation and performance assessment. The types of products and services from which each reportable segment derives its revenues is disclosed in the Wesfarmers 30 June 2021 financial report. Segment performance is evaluated based on operating profit or loss, which in certain respects, as explained in the table below, is presented differently from operating profit or loss in the consolidated financial statements.

Revenue and earnings of retail divisions, particularly the Kmart Group, are typically greater in the December half of the financial year due to the impact of the Christmas holiday trading period.

Transfer prices between business segments are on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expense and segment result include transfers between business segments. Those transfers are eliminated on consolidation and are not considered material.

	BUNNINGS[1]		KMART GROUP		OFFICEWORKS		WesCEF		INDUSTRIAL AND SAFETY		OTHER[2]		CONSOLIDATED	
	2021 $m	2020 $m	**2021 $m**	2020 $m	**2021 $m**	2020 $m	**2021 $m**	2020 $m	**2021 $m**	2020 $m	**2021 $m**	2020 $m	**2021 $m**	2020 $m
Revenue from contracts with customers	**9,205**	9,046	**4,873**	5,406	**1,571**	1,515	**1,075**	829	**944**	898	**8**	3	**17,676**	17,697
Other revenue	**4**	8	**44**	35	**9**	8	**2**	1	**-**	-	**23**	25	**82**	77
Segment revenue	**9,209**	9,054	**4,917**	5,441	**1,580**	1,523	**1,077**	830	**944**	898	**31**	28	**17,758**	17,774
EBITDA	**1,677**	1,669	**483**	818	**142**	156	**262**	202	**80**	76	**22**	5	**2,666**	2,926
Depreciation and amortisation	**(362)**	(337)	**(260)**	(283)	**(55)**	(51)	**(43)**	(42)	**(37)**	(37)	**(4)**	(5)	**(761)**	(755)
Interest on lease liabilities	**(56)**	(58)	**(45)**	(48)	**(5)**	(5)	**(1)**	-	**(2)**	(2)	**-**	(1)	**(109)**	(114)
Segment result	**1,259**	1,274	**178**	487	**82**	100	**218**	160	**41**	37	**18**	(1)	**1,796**	2,057
Items not included in segment result[3]	**-**	-	**-**	(34)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	(34)
Other finance costs													**(48)**	(60)
Profit before income tax expense													**1,748**	1,963
Income tax expense													**(535)**	(573)
Profit attributable to members of the parent													**1,213**	1,390
Capital expenditure[4]	**211**	219	**71**	84	**28**	26	**238**	53	**26**	30	**24**	2	**598**	414
Share of net profits of associates and joint ventures included in segment result[5]	**-**	-	**-**	-	**-**	-	**5**	7	**-**	-	**95**	41	**100**	48

1 The Bunnings HY2021 segment result includes a net property contribution of $41 million (HY2020: $1 million).
2 The Other result includes dividends received from Wesfarmers' 19.3 per cent interest in API and 4.9 per cent interest in Coles Group Limited.
3 The HY2020 Kmart Group segment result excludes restructuring costs of $34 million (post-tax $24 million).
4 Capital expenditure, inclusive of property, plant and equipment, intangibles, mineral exploration and mine properties, includes accruals for costs incurred during the period. The amount excluding movement in accruals is $583 million (HY2020: $410 million).
5 The share of net profits of associates and joint ventures in the Other segment includes $86 million from Wesfarmers' 24.8 per cent share of the BWP Trust's net profit for HY2021, which is predominantly comprised of gains from property revaluations.

5. REVENUE AND OTHER INCOME

	Consolidated	
	December 2021 $m	December 2020 $m
Revenue from contracts with customers		
Sale of retail goods in store	**13,406**	14,234
Sale of retail goods online	**2,185**	1,673
Sale of fertilisers, chemicals, speciality gases, LPG and LNG	**1,074**	827
Sale of industrial products	**922**	876
Services revenue	**89**	87
	17,676	17,697
Other revenue		
Interest revenue	**3**	8
Dividend revenue	**20**	18
Other	**59**	51
	82	77
Total revenue	**17,758**	17,774
Other income		
Gains on disposal of property, plant and equipment and other assets	**46**	1
Other	**52**	37
Total other income	**98**	38

	Consolidated	
	December 2021 $m	December 2020 $m
Revenue from contracts with customers by geography		
Australia	**16,383**	16,385
New Zealand	**1,286**	1,294
United Kingdom	**-**	14
Other	**7**	4
	17,676	17,697

Revenue from contracts with customers by segment for HY2021

	$m	%
Bunnings	9,205	52.1
Kmart Group	4,873	27.6
Officeworks	1,571	8.9
WesCEF	1,075	6.1
Industrial and Safety	944	5.3
Other	8	0.0

6. EXPENSES

	Consolidated	
	December 2021 $m	December 2020 $m
Remuneration, bonuses and on-costs	**2,631**	2,513
Superannuation expense	**194**	177
Share-based payments expense	**61**	59
Employee benefits expense	**2,886**	2,749
Short-term and low-value lease payments	**13**	13
Contingent rental payments	**16**	17
Outgoings and other	**193**	193
Occupancy-related expenses	**222**	223
Depreciation	**191**	200
Depreciation of right-of-use assets	**497**	484
Amortisation of intangibles	**37**	36
Amortisation of leasehold improvements	**36**	35
Depreciation and amortisation	**761**	755
Impairment of plant, equipment and other assets	**3**	18
Impairment of right-of-use assets	**2**	22
Impairment of trade and other receivables	**5**	9
Impairment expenses	**10**	49
Repairs and maintenance	**132**	116
Utilities and office expenses	**259**	259
Insurance expenses	**21**	27
Merchant fees	**77**	63
Other	**256**	220
Other expenses	**745**	685
Interest on interest-bearing loans and borrowings, net of capitalisation	**34**	46
Discount rate adjustment	**1**	1
Amortisation of debt establishment costs	**3**	3
Other finance-related costs	**10**	10
Other finance costs	**48**	60

Capitalisation of borrowing costs

To determine the amount of borrowing costs to be capitalised as part of the costs of major construction projects, the Group uses the weighted average interest rate applicable to its outstanding borrowings, including lease liabilities, during the period. For HY2021, the weighted average interest rate applicable was 3.26 per cent and $16 million of interest was capitalised to mine properties for the Mt Holland lithium project.

7. TAX EXPENSE

	Consolidated	
	December 2021 $m	December 2020 $m
A reconciliation between tax expense and the product of accounting profit before tax multiplied by the Group's applicable income tax rate is as follows:		
Profit before tax	**1,748**	1,963
Income tax at the statutory rate of 30%	**524**	589
Adjustments relating to prior years	**13**	(7)
Non-deductible items	**2**	4
Share of results of associates and joint ventures	**(1)**	(2)
Non-assessable dividends	**(7)**	(5)
Other	**4**	(6)
Income tax on profit before tax	**535**	573

8. CASH AND CASH EQUIVALENTS

	Consolidated	
	December 2021 $m	June 2021 $m
For the purposes of the cash flow statement, cash and cash equivalents comprise the following:		
Cash held in joint operation	**105**	50
Cash on hand and in transit	**133**	228
Cash at bank and on deposit	**385**	2,745
	623	3,023

Cash capital expenditure by segment for HY2021

	$m	%
Bunnings	196	33.6
Kmart Group	81	13.9
Officeworks	28	4.8
WesCEF	238	40.8
Industrial and Safety	25	4.3
Other	15	2.6

8. CASH AND CASH EQUIVALENTS (CONTINUED)

	Consolidated	
	December 2021 $m	December 2020 $m
Reconciliation of net profit after tax to net cash flows from operations		
Net profit	**1,213**	1,390
Adjusted for		
Depreciation and amortisation	**761**	755
Impairment and writedowns of assets	**10**	49
Net (gain)/loss on disposal of non-current assets including investments and associates	**(43)**	7
Share of net profits of associates and joint ventures	**(100)**	(48)
Dividends and distributions received from associates	**26**	35
Discount adjustment in borrowing costs	**1**	1
Other	**11**	(9)
(Increase)/decrease in assets		
Receivables - trade and other	**174**	135
Inventories	**(1,071)**	(671)
Prepayments	**15**	41
Deferred tax assets	**93**	30
Other assets	**(7)**	-
Increase/(decrease) in liabilities		
Trade and other payables	**910**	604
Current tax payable	**(349)**	(117)
Provisions	**(180)**	(63)
Other liabilities	**92**	77
Net cash flows from operating activities	**1,556**	2,216

	December 2021 $m	December 2020 $m
Cash capital expenditure		
Payment for property	**43**	102
Payment for plant and equipment	**309**	214
Payment for intangibles	**73**	79
Payments for mineral exploration	**3**	15
Payments for mine properties	**155**	-
	583	410
Proceeds from sale of property, plant, equipment and intangibles	**(178)**	(167)
Net cash capital expenditure	**405**	243

Notes to the financial statements: Group performance and balance sheet

For the half-year ended 31 December 2021

9. LEASES

Consolidated	Right-of-use assets Land $m	Buildings $m	Vehicles $m	Total $m
Half-year ended 31 December 2021				
Gross carrying amount - at cost	**86**	**8,440**	**50**	**8,576**
Accumulated depreciation and impairment	**(11)**	**(2,408)**	**(12)**	**(2,431)**
Net carrying amount	**75**	**6,032**	**38**	**6,145**
Movement				
At 1 July 2021	**48**	**5,949**	**38**	**6,035**
Net additions[1]	**30**	**532**	**3**	**565**
Acquisition of controlled entities	**-**	**38**	**-**	**38**
Impairment	**-**	**(2)**	**-**	**(2)**
Depreciation expense	**(3)**	**(491)**	**(3)**	**(497)**
Other including foreign exchange movements	**-**	**6**	**-**	**6**
Net carrying amount at 31 December 2021	**75**	**6,032**	**38**	**6,145**
Half-year ended 31 December 2020				
Gross carrying amount - at cost	55	7,676	44	7,775
Accumulated depreciation and impairment	(7)	(1,569)	(7)	(1,583)
Net carrying amount	48	6,107	37	6,192
Movement				
At 1 July 2020	42	6,147	23	6,212
Net additions[1]	8	459	18	485
Impairment	-	(22)	-	(22)
Depreciation expense	(2)	(478)	(4)	(484)
Other including foreign exchange movements	-	1	-	1
Net carrying amount at 31 December 2020	48	6,107	37	6,192

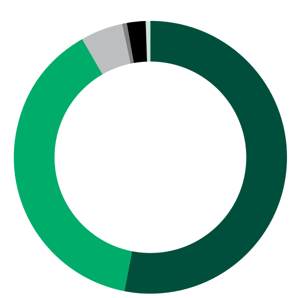
[1] Includes new leases, reassessments and remeasurements, net of terminated leases.

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

	Consolidated December 2021 $m	December 2020 $m
Current	**1,015**	942
Non-current	**6,223**	6,318
Total lease liabilities	**7,238**	7,260
Movement		
Net carrying amount at the beginning of the period	**7,105**	7,242
Net additions[1]	**582**	513
Acquisition of controlled entities	**38**	-
Accretion of interest	**109**	114
Lease payments	**(603)**	(615)
Other including foreign exchange movements	**7**	6
Net carrying amount at 31 December	**7,238**	7,260

[1] Includes new leases, reassessments and remeasurements, net of terminated leases.

Lease liabilities by segment as at 31 December 2021



	$m	%
Bunnings	3,854	53.3
Kmart Group	2,794	38.6
Officeworks	354	4.9
WesCEF	50	0.7
Industrial and Safety	155	2.1
Other	31	0.4

Notes to the financial statements: Capital

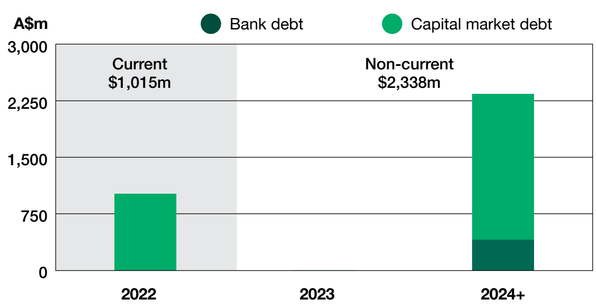
For the half-year ended 31 December 2021

10. INTEREST-BEARING LOANS AND BORROWINGS

	Consolidated	
	December 2021 $m	June 2021 $m
Current		
Unsecured		
Bank debt	**-**	-
Capital market debt	**1,015**	950
	1,015	950
Non-current		
Unsecured		
Bank debt	**410**	48
Capital market debt	**1,928**	2,024
	2,338	2,072
Total interest-bearing loans and borrowings	**3,353**	3,022

The illustration below provides details, including the principal repayment obligations, of all loans and borrowings on issue at 31 December 2021:

Outstanding loans and borrowings



Funding activities

The Group continues its strategy of maintaining diversity of funding sources, pre-funding upcoming maturities (if required) and seeking to maintain a presence in key financing markets.

In October 2021, EUR600 million (A$866 million) of Wesfarmers' bonds matured and were repaid from available cash balances.

Additionally, the Group issued EUR600 million (A$938 million) of 12-year sustainability-linked bonds in October 2021. The bonds were swapped to Australian dollars at a fixed interest rate of approximately 3.0 per cent per annum. The bonds have two sustainable performance targets (SPTs):

- SPT1: Wesfarmers' retail businesses (Bunnings, Kmart Group and Officeworks) to source 100 per cent of their electricity requirements from renewable sources by 31 December 2025;
- SPT2: WesCEF Nitric Acid Ammonium Nitrate production facility (NAAN Facility) to limit the average emission intensity to 0.25 tonne CO_2e per tonne of ammonium nitrate produced, or lower, during the SPT Measurement Period, which captures the emissions intensity for the 24 months to 31 December 2025.

If the SPTs are not met, there will be a maximum coupon step-up of 25 basis points (12.5 basis points per SPT), effective from the first interest payment date after the occurrence of the relevant trigger event until the maturity of the bond. The SPTs will be measured and reported annually. The SPTs and coupon step-ups are consistent with the Australian dollar sustainability-linked bonds that were issued in June 2021.

Throughout the period, a number of bilateral bank agreements have been extended for a period of three to five years. The Group had unused bank financing facilities available at 31 December 2021 of $4,727 million (30 June 2021: $5,094 million).

11. EQUITY

Movement in shares on issue	Ordinary shares '000	Ordinary shares $m	Reserved shares '000	Reserved shares $m
At 1 July 2020	1,133,840	15,818	(2,535)	(89)
Acquisition of shares on-market for KEEPP	-	-	(215)	(10)
Acquisition of shares on-market for Performance Shares	-	-	(61)	(3)
At 31 December 2020	**1,133,840**	**15,818**	**(2,811)**	**(102)**
Exercise of in-substance options	-	-	120	-
Transfer from other reserves	-	8	-	-
KEEPP and WLTIP vested during the year	-	-	208	-
At 30 June 2021 and 1 July 2021	**1,133,840**	**15,826**	**(2,483)**	**(102)**
Exercise of in-substance options	**-**	**-**	**43**	**-**
Issue of unquoted fully-paid ordinary shares for the purposes of KEEPP	**304**	**-**	**(304)**	**-**
Transfer from other reserves	**-**	**20**	**-**	**-**
KEEPP vested during the year	**-**	**-**	**345**	**-**
Capital return	**-**	**(2,268)**	**-**	**-**
At 31 December 2021	**1,134,144**	**13,578**	**(2,399)**	**(102)**

Notes to the financial statements: Capital

For the half-year ended 31 December 2021

12. EARNINGS PER SHARE

	Consolidated	
	December 2021	December 2020
Profit attributable to ordinary equity holders of the parent ($m)	**1,213**	1,390
WANOS[1] used in the calculation of basic EPS (shares, million)[2]	**1,131**	1,131
WANOS used in the calculation of diluted EPS (shares, million)[2]	**1,132**	1,132
- Basic EPS (cents per share)	**107.3**	122.9
- Diluted EPS (cents per share)	**107.2**	122.8

1 Weighted average number of ordinary shares (WANOS).

2 The variance in the WANOS used in the calculation of basic EPS and diluted EPS is attributable to in-substance options and restricted shares.

There have been no transactions involving ordinary shares between the reporting date and the date of completion of these financial statements, apart from the normal conversion of employee reserved shares (treated as in-substance options) to unrestricted ordinary shares.

Calculation of earnings per share

Basic earnings per share

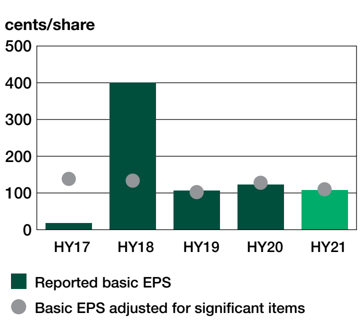
Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share

Diluted earnings per share is calculated as basic earnings per share with an adjustment for the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares. Dilution arises as a result of the employee reserved shares issued under the employee share plan being accounted for as in-substance options and unvested restricted shares.

Half-year basic EPS from total operations

107.3 cents



	Reported basic EPS	Adjusted basic EPS
HY21	**107.3**	**107.3**
HY20[1]	122.9	125.0
HY19[2]	106.9	99.6
HY18[3]	401.2	130.8
HY17[4]	18.7	135.6

1 HY2020 EPS of 122.9 cents per share includes costs relating to the restructure of the Kmart Group ($24 million post-tax). Excluding these costs, basic EPS is 125.0 cents per share.

2 HY2019 EPS of 106.9 cents per share includes significant items relating to the finalisation of tax positions on prior year disposals and the Coles demerger. Excluding these items, basic EPS is 99.6 cents per share.

3 HY2018 EPS of 401.2 cents per share includes significant items relating to the gains on disposal of Bengalla, KTAS and Quadrant Energy, the gain on demerger of Coles and the provision for Coles' supply chain automation. Excluding these items, basic EPS is 130.8 cents per share, which includes the operating results of Bengalla, KTAS, Quadrant Energy and Coles to the date of disposal or demerger.

4 HY2017 EPS of 18.7 cents per share includes significant items relating to non-cash impairments and write-offs and store closure provisions at BUKI and Target's non-cash impairment. Excluding these items, basic EPS is 135.6 cents per share

13. DIVIDENDS AND DISTRIBUTIONS

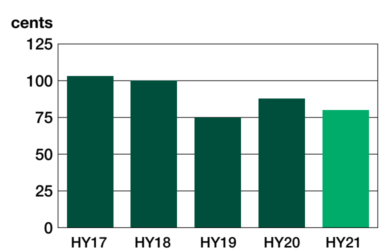
	Consolidated	
	December 2021 $m	December 2020 $m
Determined and paid during the period (dividends fully-franked at 30 per cent)		
Final dividend for 2021: $0.90 (2020: $0.77)	**1,020**	873
Special dividend for 2021: nil (2020: $0.18)[1]	**-**	204
Capital return for 2021: $2.00 (2020: nil)[2]	**2,268**	-
	3,288	1,077
Proposed and unrecognised as a liability (fully-franked at 30 per cent)		
Interim dividend for 2022: $0.80 (2021: $0.88)	**907**	998

1 The fully-franked special dividend reflects the distribution of profits on the sale of the Group's 10.1 per cent interest in Coles during FY2020.

2 On 2 December 2021, a capital return to shareholders of 200 cents per share was paid to shareholders.

Interim distributions

80 cents



HY21	**80**
HY20	88
HY19	75
HY18	100
HY17	103

14. CASH FLOW HEDGE RESERVE

The change in cash flow hedge reserve for the half-year ended 31 December 2021 includes the after-tax net movement in the market value of cash flow hedges from 30 June 2021 and comprised: $22 million (2020: $(77) million) of foreign exchange rate contracts, $(2) million (2020: $2 million) of commodity swaps, $7 million (2020: $3 million) of interest rate swaps and $2 million (2020: nil) movement in associates and joint ventures reserves.

Notes to the financial statements: Risk

For the half-year ended 31 December 2021

15. FINANCIAL INSTRUMENTS

Valuation methodology of financial instruments

For all fair value measurements and disclosures, the Group uses the following to categorise the method used:

- Level 1: fair value is calculated using quoted prices in active markets;
- Level 2: fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: fair value is estimated using inputs for the asset or liability that are not based on observable market data.

All of the Group's financial instruments carried at fair value were valued using market observable inputs (Level 2) with the exception of financial assets measured at fair value through other comprehensive income (FVOCI) (Level 1) and shares in unlisted companies at fair value (Level 3).

For financial instruments that are carried at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no transfers between Level 1 and Level 2 during the period. There were no material Level 3 fair value movements during the period.

Fair values

The carrying amounts and estimated fair values of all the Group's financial instruments recognised at amortised cost in the financial statements are materially the same, with the exception of the following:

Consolidated	**December 2021 $m**	June 2021 $m	December 2020 $m
Capital market debt: carrying amount	**2,943**	2,974	1,991
Capital market debt: fair value	**2,948**	2,987	2,043

The methods and assumptions used to estimate the fair value of financial instruments are as follows:

Cash

The carrying amount is fair value due to the asset's liquid nature.

Receivables/payables

Due to the short-term nature of these financial rights and obligations, carrying amounts are estimated to represent fair values.

Other financial assets/liabilities

The fair values of corporate bonds (capital market debt) held at fair value have been calculated by discounting the expected future cash flows at prevailing interest rates using market observable inputs. The fair values of other financial assets have been calculated using market interest rates. The fair values of listed investments, classified as financial assets held at FVOCI, have been calculated using quoted share prices.

Derivatives

The fair values are calculated at the present value of estimated future cash flows using a market based yield curve sourced from available market data quoted for all major currencies.

The fair values of foreign exchange contracts are calculated by reference to forward exchange market rates at reporting date for contracts with similar maturity profiles. As market rates are observable they are classified as Level 2.

15. FINANCIAL INSTRUMENTS (CONTINUED)

Interest-bearing loans and borrowings

Quoted market prices or dealer quotes for similar instruments are used to value long-term debt instruments, except capital market debt.

Financial risk factors

The Group's activities expose its financial instruments to a variety of market risks, including foreign currency, commodity price and interest rate risk. The half-year financial report does not include all financial risk management information and disclosures required in the annual financial report and as such, should be read in conjunction with the Group's annual financial report as at 30 June 2021. There have been no significant changes in risk management policies since 30 June 2021.

16. IMPAIRMENT OF NON-FINANCIAL ASSETS

Wesfarmers is required to review, at the end of each reporting period, whether there is any indication that an asset may be impaired, in accordance with Australian Accounting Standards. Wesfarmers has reviewed each cash generating unit (CGU) for indications of impairment using both external and internal sources of information. This review included an assessment of performance against expectations and changes in market values or discount rates.

Detailed impairment testing is completed for non-current assets when the existence of an indication of impairment is identified. No indications of impairment were identified and no material impairment has been recognised in HY2021. The trading performance of Wesfarmers' retail businesses for HY2021 was significantly impacted by COVID-19 restrictions. Given that a significant portion of the recoverable value of the impacted CGUs is derived from the long-term financial performance of the CGU, the short-term impacts of COVID-19, including government mandated store closures impacting the current half-year period, were not considered to be an indicator of impairment.

Consistent with prior periods, Wesfarmers will perform detailed impairment testing prior to the end of the financial year using cash flow projections based on Wesfarmers' five-year corporate plans, long-term business forecasts and market-based valuation assumptions. Where there are significant changes in the corporate plan, long-term business forecasts or market-based valuation assumptions from those used in impairment testing in previous periods, this may cause the carrying values of non-current assets to exceed their recoverable amounts.

17. CONTINGENT LIABILITIES

Certain companies within the Group are party to various legal actions that have arisen in the normal course of business. It is expected that any liabilities arising from such legal action would not have a material effect on the Group's financial performance.

18. EVENTS AFTER THE REPORTING PERIOD

Dividends

A fully-franked interim dividend of 80 cents per share resulting in a dividend payment of $907 million was determined for a payment date of 30 March 2022. This dividend has not been provided for in the 31 December 2021 half-year financial report.

Proposed acquisition of Australian Pharmaceutical Industries Limited

Update on proposal to acquire API

Subsequent to period end, Woolworths withdrew its non-binding proposal to acquire 100 per cent of the shares outstanding in API. Refer to note 3 for further details.

On 11 February 2022, the ACCC advised that it will not oppose the proposed acquisition. As at the date of this report, the Wesfarmers Scheme still remains subject to customary conditions, including API shareholder approval, court approval, no material adverse conditions and no prescribed occurrences.

In the event that the Scheme becomes effective at cash consideration of $1.55 per share, by satisfying the conditions detailed above, a further amount of $14 million will be payable to WHSP pursuant to the Undertaking Agreement. This has not been provided for as at 31 December 2021.

Fair value of the Group’s interest in API

Subsequent to period end and following Woolworths withdrawing its non-binding proposal, API’s share price reduced from a closing price of $1.73 per share at 31 December 2021 to trading between $1.50 to $1.53 per share. This resulted in a reduction in the fair value of the Group’s 19.3 per cent interest in API of $19 million through other comprehensive income. The balance as at 31 December 2021 has not been adjusted for this event.

Directors' declaration

Wesfarmers Limited and its controlled entities

1. In accordance with a resolution of the directors of Wesfarmers Limited, I note that in the opinion of the directors:

   (a) The financial statements and notes of Wesfarmers Limited for the half-year ended 31 December 2021 are in accordance with the *Corporations Act 2001*, including:

      (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and

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

   (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declaration made to the directors for the half-year ended 31 December 2021 in accordance with the fourth edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

On behalf of the Board

MAChaney

M A Chaney AO
Chairman
Perth, 16 February 2022

Independent auditor's review report to the members of Wesfarmers Limited

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

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Fax: +61 8 9429 2436
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Independent auditor's review report to the members of Wesfarmers Limited

Conclusion

We have reviewed the accompanying half-year financial report of Wesfarmers Limited (the Company) and its subsidiaries (collectively the Group), which comprises the balance sheet as at 31 December 2021, the income statement and statement of comprehensive income, statement of changes in equity and cash flow statement for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and of its consolidated financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (*including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

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

Building a better working world

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

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Ernst + Young

Ernst & Young

T S Hammond
Partner
Perth
16 February 2022

J K Newton
Partner

Additional disclosures

2022 Half-year retail sales results

Headline retail sales results

Half-year sales ($m)[1]	Half-year 2022	Half-year 2021	Half-year 2020	1-year growth Variance vs 2021, %	2-year growth Variance vs 2020, %
Bunnings[2]	**9,204**	**9,046**	**7,275**	***1.7***	***26.5***
Kmart	3,487	3,658	3,417	*(4.7)*	*2.0*
Target	1,167	1,527	1,492	*(23.6)*	*(21.8)*
Total Kmart and Target[3]	**4,652**	**5,185**	**4,909**	***(10.3)***	***(5.2)***
Catch (GTV)[4]	**616**	**610**	**255**	***1.0***	***97.5***
Officeworks	**1,571**	**1,515**	**1,226**	***3.7***	***28.1***

[1] See Additional Disclosures (page 48) for relevant retail calendars.

[2] Excludes Property and Other Revenue.

[3] Excludes Catch and includes inter-company eliminations.

[4] Half-year 2020 GTV reflects the period 12 August 2019 to 31 December 2019. One-year GTV growth reflects the period 1 July 2021 to 31 December 2021 and 1 July 2020 to 31 December 2020. Two-year GTV growth reflects the period 1 July 2021 to 31 December 2021 and 1 July 2019 to 31 December 2019.

Key metrics

Key metrics (%)[1]	Half-year 2022	Half-year 2021	Half-year 2020
Bunnings			
Total store sales growth[2]	1.0	24.8	5.8
Store-on-store sales growth[2]	1.5	27.7	4.7
Online penetration	4.3	3.1	0.4
Kmart Group[3]			
Kmart			
Comparable sales growth	(6.4)	9.1	5.5
Online penetration	14.3	8.7	3.7
Target			
Comparable sales growth	6.0	13.0	(2.3)
Online penetration	26.9	15.9	6.9
Catch			
Gross transaction value growth	1.0	95.6	21.4
Officeworks			
Total sales growth	3.7	23.6	11.5
Online penetration	46.0	37.1	29.7

[1] See Additional Disclosures (page 48) for relevant retail calendars.

[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] Comparable store sales include lay-by sales. Lay-by sales are excluded from total sales under Australian Accounting Standards.

Additional disclosures
2022 Half-year retail sales results

Retail calendars

Business	Retail sales period
Bunnings, Officeworks and Catch	
Half-year 2022	1 Jul 2021 to 31 Dec 2021 (6 months)
Half-year 2021	1 Jul 2020 to 31 Dec 2020 (6 months)
Half-year 2020	1 Jul 2019 to 31 Dec 2019 (6 months)
Kmart	
Half-year 2022	28 Jun 2021 to 2 Jan 2022 (27 weeks)
Half-year 2021	29 Jun 2020 to 3 Jan 2021 (27 weeks)
Half-year 2020	1 Jul 2019 to 5 Jan 2020 (27 weeks)
Target	
Half-year 2022	27 Jun 2021 to 1 Jan 2022 (27 weeks)
Half-year 2021	28 Jun 2020 to 2 Jan 2021 (27 weeks)
Half-year 2020	30 Jun 2019 to 4 Jan 2020 (27 weeks)

Retail operations - store network

	Open at 1 Jul 2021	Opened	Closed	Re-branded/ acquired	Open at 31 Dec 2021
BUNNINGS					
Bunnings Warehouse	278	3	1	-	280
Bunnings smaller formats	70	-	1	-	69
Bunnings Trade Centres	30	-	-	-	30
Adelaide Tools / Tool Kit Depot	5	4	-	-	9
Beaumont Tiles[1]	-		-	114	114
Total Bunnings	**383**	**7**	**2**	**114**	**502**
KMART GROUP					
Kmart	268	2	1	1	270
K hub	55	-	-	1	56
Total Kmart	**323**	**2**	**1**	**2**	**326**
Total Target	**139**	**1**	**6**	**-**	**134**
OFFICEWORKS					
Officeworks	**167**	**3**	**3**	**-**	**167**

[1] Beaumont Tiles includes both company owned and franchise stores.

Retail operations - store network history

Open at 31 December	2021	2020	2019	2018	2017
BUNNINGS					
Bunnings Warehouse	280	276	273	265	253
Bunnings smaller formats	69	70	74	75	77
Bunnings Trade Centres	30	30	31	32	33
Adelaide Tools / Tool Kit Depot	9	6	-	-	-
Beaumont Tiles[1]	114	-	-	-	-
Total Bunnings	**502**	**382**	**378**	**372**	**363**
KMART					
Kmart	270	249	236	231	224
K hub	56	7	-	-	-
Kmart Tyre & Auto	-	-	-	-	254
Total Kmart	**326**	**256**	**236**	**231**	**478**
TARGET					
Large	134	166	183	186	189
Small	-	92	102	110	118
Total Target	**134**	**258**	**285**	**296**	**307**
OFFICEWORKS					
Officeworks	**167**	**168**	**167**	**166**	**165**

[1] Beaumont Tiles includes both company owned and franchise stores.

Additional disclosures

Five-year history – financial performance and key metrics

Group financial performance

	Post-AASB 16			*Pre-AASB 16*		
Half-year ended 31 December ($m)	**2021**	**2020**	**2019**	**2019**	**2018**	**2017**
Summarised income statement						
Revenue	17,758	17,774	15,249	15,249	31,152	35,903
EBIT (after interest on lease liabilities)	1,796	2,023	1,615	1,637	5,482	1,113
Other finance costs	(48)	(60)	(69)	(69)	(97)	(114)
Income tax expense	(535)	(573)	(336)	(343)	(847)	(787)
Profit after tax from discontinued operations	-	-	83	83	3,458	(466)
NPAT (including discontinued operations)	1,213	1,390	1,210	1,225	4,538	212
Summarised balance sheet						
Total assets	25,231	25,518	26,079	19,188	20,585	40,467
Total liabilities	17,488	15,907	16,355	8,931	9,293	17,638
Net assets	7,743	9,611	9,724	10,257	11,292	22,829
Net debt / (cash)[1]	2,863	(529)	2,666	2,666	731	4,401
Summarised cash flow statement						
Operating cash flows	1,556	2,216	2,131	1,666	1,987	2,897
Add/(less): Net capital expenditure	(405)	(243)	(207)	(207)	(678)	(686)
Add/(less): Other investing cash flows	(202)	(9)	(885)	(885)	1,084	17
Add/(less): Total investing cash flows	(607)	(252)	(1,092)	(1,092)	406	(669)
Free cash flows	949	1,964	1,039	574	2,393	2,228
Add/(less): Financing cash flows	(3,349)	(2,197)	(1,398)	(933)	(134)	(1,399)
Net increase/(decrease) in cash	(2,400)	(233)	(359)	(359)	2,259	829
Distributions to shareholders (cents per share)						
Interim ordinary dividend	80	88	75	75	100	103
Special dividend	-	-	-	-	100	-
Key performance metrics						
Earnings per share (cents per share)	107.3	122.9	106.9	108.3	401.2	18.7
Earnings per share from continuing operations excluding sig. items (cents per share)	107.3	125.0	99.6	101.0	95.5	86.4
Operating cash flow per share[2] (cents per share)	137.5	195.9	188.4	147.3	175.4	255.7
Cash realisation ratio (excluding sig. items)[3] (%)	79	102	114	117	99	133
Return on equity (R12, %)	24.8	19.9	23.3	22.2	26.9	6.4
Return on equity (R12, %) (excluding sig. items)	24.8	24.7	21.4	20.4	13.5	12.0
Net tangible asset backing per share ($ per share)	3.35	5.08	4.81	5.28	6.41	4.31

1 Total interest-bearing loans and borrowings less cash. Excludes cash in transit and lease liabilities.
2 For the purposes of this calculation, reserved shares have been included.
3 Operating cash flows as a percentage of net profit after tax, before depreciation and amortisation.

Additional disclosures

Five-year history – financial performance and key metrics

Divisional key performance metrics

	Post-AASB 16			*Pre-AASB 16*		
Half-year ended 31 December ($m)	**2021**	**2020**	**2019**	**2019**	**2018**	**2017**
Bunnings						
Revenue	9,209	9,054	7,276	7,276	6,909	6,566
EBITDA[1]	1,677	1,669	1,316	1,059	1,027	953
Depreciation and amortisation	(362)	(337)	(321)	(98)	(95)	(89)
Interest on lease liabilities	(56)	(58)	(57)	-	-	-
EBT[1]	1,259	1,274	938	961	932	864
EBT margin[1] (%)	13.7	14.1	12.9	13.2	13.5	13.2
ROC[1] (R12, %)	79.0	76.6	51.5	52.2	50.2	47.0
Capital expenditure (cash basis)	196	219	269	269	240	275
Total sales growth (%)	1.7	24.3	5.3	5.3	5.5	10.0
Total store sales growth[2] (%)	1.0	24.8	5.8	5.8	5.5	10.1
Store-on-store sales growth[2] (%)	1.5	27.7	4.7	4.7	4.0	9.0
Online penetration (%)	4.3	3.1	0.4	0.4	n.r.	n.r.
Safety (R12, TRIFR)	12.5	10.0	10.4	10.4	12.0	15.8
Scope 1 and 2 emissions, Mkt-Based (kt)	54	54	n.r.	n.r.	n.r.	n.r.
Scope 1 and 2 emissions, Location-Based (kt)	107	115	130	130	n.r.	n.r.
Kmart Group						
Revenue[3]	4,917	5,441	4,990	4,990	4,754	4,769
EBITDA[3,4]	483	818	687	453	492	518
Depreciation and amortisation[3]	(260)	(283)	(292)	(108)	(99)	(103)
Interest on lease liabilities	(45)	(48)	(52)	-	-	-
EBT[3,4]	178	487	343	345	393	415
EBT margin[3,4] (%)	3.6	9.0	6.9	6.9	8.3	8.7
ROC[3,4,5] (R12, %)	24.5	35.5	25.1	25.2	34.4	26.2
Capital expenditure[3] (cash basis)	81	81	80	80	121	201
Safety (R12, TRIFR)	8.6	10.6	16.0	16.0	21.0	24.2
Scope 1 and 2 emissions, Market-Based (kt)	121	132	n.r.	n.r.	n.r.	n.r.
Scope 1 and 2 emissions, Location-Based (kt)	136	143	154	154	n.r.	n.r.
Kmart (excludes KTAS from 2018)						
- Total sales growth[6] (%)	(4.7)	7.1	7.6	7.6	1.0	8.6
- Comparable sales growth[6] (%)	(6.4)	9.1	5.5	5.5	(0.6)	5.4
- Online penetration (%)	14.3	8.7	3.7	3.7	n.r.	n.r.
Target						
- Total sales growth[6] (%)	(23.6)	2.3	(4.3)	(4.3)	0.3	(6.2)
- Comparable sales growth[6] (%)	6.0	13.0	(2.3)	(2.3)	0.5	(6.5)
- Online penetration (%)	26.9	15.9	6.9	6.9	n.r.	n.r.
Catch						
- Gross transaction value growth (%)	1.0	95.6	21.4	21.4	n.r.	n.r.

n.r. = not reported

1 Includes net property contribution for 2021 of $41 million; 2020 of $1 million; 2019 of $22 million post-AASB 16 ($42 million pre-AASB 16); 2018 of $51 million; and for 2017 of $30 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 2017 and 2018 includes KTAS.

4 Earnings excludes pre-tax restructuring costs and provisions in 2020 ($34 million) and 2016 ($13 million) and pre-tax non-cash impairments relating to Target in 2017 ($306 million). 2019 includes $9 million of payroll remediation costs relating to Target.

5 ROC includes the impact of lower capital employed as a result of non-cash impairments relating to Target in 2017 ($306 million).

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

Divisional key performance metrics (continued)

	Post-AASB 16			*Pre-AASB 16*		
Half-year ended 31 December ($m)	**2021**	**2020**	**2019**	**2019**	**2018**	**2017**
Officeworks						
Revenue	1,580	1,523	1,231	1,231	1,100	1,017
EBITDA	142	156	137	94	90	80
Depreciation and amortisation	(55)	(51)	(48)	(15)	(14)	(12)
Interest on lease liabilities	(5)	(5)	(7)	-	-	-
EBT	82	100	82	79	76	68
EBT margin (%)	5.2	6.6	6.7	6.4	6.9	6.7
ROC (R12, %)	19.6	23.4	17.2	16.9	17.2	15.7
Capital expenditure (cash basis)	28	26	22	22	20	11
Total sales growth (%)	3.7	23.6	11.5	11.5	8.2	9.8
Online penetration (%)	46.0	37.1	29.7	29.7	n.r.	n.r.
Safety (R12, TRIFR)	5.5	7.3	7.1	7.1	11.0	10.7
Scope 1 and 2 emissions, Market-Based (kt)	15	17	n.r.	n.r.	n.r.	n.r.
Scope 1 and 2 emissions, Location-Based (kt)	18	20	22	22	n.r.	n.r.
Chemicals, Energy and Fertilisers						
Chemicals revenue	642	489	510	510	502	439
Energy revenue[1]	252	206	219	219	233	223
Fertilisers revenue	183	135	160	160	139	102
Total revenue	1,077	830	889	889	874	764
EBITDA[2]	262	202	214	212	226	223
Depreciation and amortisation	(43)	(42)	(41)	(38)	(36)	(35)
Interest on lease liabilities	(1)	-	-	-	-	-
EBT[2]	218	160	173	174	190	188
ROC[2] (R12, %)	19.6	18.1	26.7	26.7	28.2	28.0
ROC[2] (R12, %) (excluding ALM)	32.2	29.0	32.0	32.0	28.2	28.0
Capital expenditure[3] (cash basis)	238	53	50	50	32	30
Safety (R12, TRIFR)	4.2	3.2	3.1	3.1	5.3	3.8
Scope 1 and 2 emissions, Market-Based (kt)	370	454	n.r.	n.r.	n.r.	n.r.
Scope 1 and 2 emissions, Location-Based (kt)	373	455	493	493	n.r.	n.r.
Sales volumes[4] ('000 tonnes)						
Chemicals	565	550	568	568	546	494
LPG & LNG	109	115	103	103	99	100
Fertilisers	286	274	324	324	301	253

n.r. = not reported

1. Includes interest revenue from Quadrant Energy loan notes and excludes intra-division sales.
2. 2017 and 2018 include Quadrant Energy.
3. Includes WesCEF's share of Covalent Lithium's capital expenditure for 2021 of $139 million; for 2020 of $15 million; and for 2019 of $11 million. 2021 also includes $16 million of capitalised interest.
4. External sales exclude AN volumes transferred between Chemicals and Fertilisers business segments.

Divisional key performance metrics (continued)

Half-year ended 31 December ($m)	*Post-AASB 16* 2021	*Post-AASB 16* 2020	*Post-AASB 16* 2019	*Pre-AASB 16* 2019	*Pre-AASB 16* 2018	*Pre-AASB 16* 2017
Industrial and Safety						
Revenue	944	898	858	858	876	869
EBITDA[1]	80	76	46	25	61	73
Depreciation and amortisation	(37)	(37)	(36)	(19)	(19)	(21)
Interest on lease liabilities	(2)	(2)	(3)	-	-	-
EBT[1]	41	37	7	6	42	52
EBT margin[1] (%)	4.3	4.1	0.8	0.7	4.8	6.0
ROC[1] (R12, %)	6.5	5.4	3.4	3.4	7.5	8.3
Capital expenditure (cash basis)	25	30	33	33	46	19
Safety (R12, TRIFR)	3.1	4.5	4.1	4.1	7.3	6.4
Scope 1 and 2 emissions, Market-Based (kt)	14	12	n.r.	n.r.	n.r.	n.r.
Scope 1 and 2 emissions, Location-Based (kt)	14	13	14	14	n.r.	n.r.

n.r. = not reported

[1] 2019 includes $15 million of payroll remediation costs.

Glossary of terms

Acronym	Term/definition
AAC	Advanced Analytics Centre
AASB	Australian Accounting Standards Board
ACCC	Australian Competition and Consumer Commission
ALM	Australian Light Minerals
AN	Ammonium nitrate
API	Australian Pharmaceutical Industries Limited
ATO	Australian Taxation Office
AUD	Australian dollars
CFC	Customer fulfilment centre
$ktCO_2e$	Kilotonnes of carbon dioxide equivalent
cps	Cents per share
EAP	Employee assistance program
EBIT	Earnings before finance costs and tax
EBITDA	Earnings before finance costs, taxes, depreciation and amortisation
EBT	Earnings before tax
EPS	Earnings per share
ERP	Enterprise resource planning
GTV	Gross transaction value. GTV includes both first party (in-stock) sales as well as sale of third party products via a marketplace
GWh	Gigawatt hour
IFRS	International Financial Reporting Standards
KTAS	Kmart Tyre and Auto Service
LNG	Liquefied natural gas
LPG	Liquefied petroleum gas
n.m.	Not meaningful
n.r.	Not reported
NPAT	Net profit after tax
pcp	Prior corresponding period
PPE	Personal protective equipment
R12	Rolling 12 month
RFID	Radio frequency identification
ROC	Return on capital. ROC is calculated as EBT / capital employed, where capital employed excludes right-of-use assets and liabilities
Saudi CP	Saudi contract price, the international benchmark indicator for LPG price
SKU	Stock keeping unit
SLB	Sustainability-linked bond
TRIFR	Total recordable injury frequency rate
WesCEF	Wesfarmers Chemicals, Energy and Fertilisers

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Group Managing Director and Chief Executive Officer

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Wayne Osborn – *retired 21 October 2021*
Vanessa Wallace
Jennifer Westacott AO
The Right Honourable Sir Bill English KNZM
Mike Roche
Sharon Warburton
Anil Sabharwal
Alison Watkins AM – *from 1 September 2021*
Alan Cransberg – *from 1 October 2021*

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Key dates+

Half-year end	31 December 2021
Half-year results briefing	17 February 2022
Record date for interim dividend	23 February 2022
Interim dividend payable	30 March 2022
Year end	30 June 2022
Closing date for receipt of director's nominations	25 August 2022
Full-year results announcement	26 August 2022
Record date for final dividend	September 2022
Final dividend payable	October 2022
Annual general meeting	27 October 2022

+ Dates are subject to change should circumstances require. All changes will be advised to the ASX.

Website

To view the 2022 Half-year Report, the 2021 Annual Report, shareholder and company information, news announcements, background information on Wesfarmers' businesses and historical information, visit the Wesfarmers website at **www.wesfarmers.com.au**