14 February 2023

The Manager
Company Announcements Office
Australia Securities Exchange

Dear Manager,

HALF-YEAR REPORT TO 31 DECEMBER 2022

In accordance with ASX Listing Rule 4.2A, attached is the 2023 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 2022, together with any public announcements made by Wesfarmers Limited in accordance with its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act 2001.

An analyst briefing will be held at 10:00am AWST / 1:00pm AEDT on Wednesday 15 February 2023. 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.

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2023 Half-year Report

INCORPORATING APPENDIX 4D

For the six months ended 31 December 2022

It is recommended that the 2023 Half-year Report is read in conjunction with the annual financial report of Wesfarmers Limited as at 30 June 2022, together with any public announcements made by Wesfarmers Limited and its controlled entities during the half-year ended 31 December 2022 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; health, beauty and wellbeing products; wholesale pharmacy distribution; manufacturing and distribution of chemicals and fertilisers; mine development and construction; industrial and safety product distribution; and retail and commercial energy supply. Wesfarmers is one of Australia's largest private sector employers with almost 120,000 team members, including more than 4,000 Indigenous team members, and is owned by more than 515,000 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 2022 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 period', 'the half' or 'half-year' are to the financial period 1 July 2022 to 31 December 2022 unless otherwise stated. The prior corresponding period (pcp) is the half-year ended 31 December 2021.

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.

Table of contents

Acknowledgement of Country

Wesfarmers proudly acknowledges the Traditional Owners of Country throughout Australia and their continuing connection to lands and waterways upon which we depend. We pay our respects to their Elders, past and present.

Recognising its potential to advance social, economic and cultural equity for Aboriginal and Torres Strait Islander Australians, Wesfarmers supports the Uluru Statement from the Heart, including the proposal to establish an Aboriginal and Torres Strait Islander Voice.

Appendix 4D

For the half-year ended 31 December 2022

Results for announcement to the market

Revenue from ordinary activities	up 27.0% to $22,558 million
Revenue from ordinary activities - excluding Wesfarmers Health	up 11.4% to $19,780 million
Net profit for the period attributable to members	up 14.1% to $1,384 million
Interim dividend (fully-franked) per share	88 cents (2021: 80 cents)
Record date for determining entitlements to the interim dividend	5:00pm (AWST) 21 February 2023
Payment date for interim dividend	28 March 2023
Net tangible assets per ordinary share[1]	$3.04 (2021: $3.35)
Operating cash flow per share[2]	$1.74 (2021: $1.37)

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

[2] The calculation of operating cash flow per share has been calculated by dividing the net cash flow from operating activities by the weighted average number of ordinary shares (including reserved shares) on issue during the period.

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 21 February 2023 for participation in the Plan, being 24 February 2023 to 16 March 2023.

The latest time date for receipt of applications to participate in or to cease or vary participation in the Plan is 5:00pm (AWST) on 22 February 2023. The Board has 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 28 March 2023.

Directors' Report
Half-year Report for the six months ended 31 December 2022

The directors of Wesfarmers Limited submit their report for the half-year ended 31 December 2022.

Directors

The names of the directors in office during the half-year reporting period 1 July 2022 to 31 December 2022 and as at the date of this Half-year Report are shown below.

Michael Chaney AO	(Non-Executive Chairman)
Rob Scott	(Managing Director)
Vanessa Wallace	(Non-Executive Director)
Jennifer Westacott AO	(Non-Executive Director)
The Right Honourable Sir Bill English KNZM	(Non-Executive Director)
Mike Roche	(Non-Executive Director)
Sharon Warburton	(Non-Executive Director)
Anil Sabharwal	(Non-Executive Director)
Alison Watkins AM	(Non-Executive Director)
Alan Cransberg	(Non-Executive Director)

Directors' Report
Review of results and operations

Highlights

Half-year ended 31 December ($m)	2022	2021	Variance %
Revenue	22,558	17,758	*27.0*
Revenue - excluding Wesfarmers Health	19,780	17,758	*11.4*
Earnings before interest and tax	2,160	1,905	*13.4*
Net profit after tax	1,384	1,213	*14.1*
Basic earnings per share (cps)	122.3	107.3	*14.0*
Operating cash flows	1,971	1,556	*26.7*
Interim ordinary dividend (fully-franked, cps)	88	80	*10.0*
Sustainability results			
Total recordable injury frequency rate (R12, TRIFR)	11.4	9.9	*15.2*
Aboriginal and Torres Strait Islander team members (#)	4,020	3,791	*6.0*
Scope 1 and 2 market-based emissions[a] (ktCO_2e)	616	574	*7.3*
Operational waste diverted from landfill[b] (% total waste)	71	70	*1 ppt*
Gender balance, Board and Leadership Team (women % total)	48	45	*3 ppt*

[a] Increase in Scope 1 and 2 market-based emissions is largely due to higher ammonia production in WesCEF following the significant planned shutdown in the prior corresponding period and the addition of the new Wesfarmers Health division.

[b] Excludes Wesfarmers Health.

Wesfarmers Limited has reported a statutory net profit after tax (NPAT) of $1,384 million for the half-year ended 31 December 2022, an increase of 14.1 per cent.

Wesfarmers' pleasing financial results for the first half of the 2023 financial year highlighted the strength of the Group's operating model, with the Group's businesses responding well to trading and market conditions during the period.

The retail businesses benefitted from their well-established value credentials and omnichannel offer as customer shopping behaviours began to normalise, and Wesfarmers Chemicals, Energy and Fertilisers' (WesCEF) continued strong operating performance enabled it to capitalise on favourable commodity price conditions.

Pleasingly, the Group's largest divisions performed particularly well during the half, with solid sales and earnings reported in Bunnings, and strong earnings results delivered by both Kmart Group and WesCEF. Growth across the retail businesses also reflected the impact of COVID-related lockdowns in the prior corresponding period.

Bunnings continued to demonstrate the resilience of its operating model, recording sales growth across all major trading regions, supported by strong growth from commercial customers and continued growth in consumer sales, despite prolonged wet weather on the east coast impacting spring trading.

Significant earnings growth in Kmart Group was supported by strong underlying momentum, with comparable sales and volume growth during the half in addition to the benefit of cycling lockdowns. Officeworks' earnings benefitted from continued sales growth and a normalisation in demand for higher-margin categories, partially offset by increased price investment and promotional activity during the period.

The strong earnings result in WesCEF was driven by continued elevated prices for ammonia and related products, as well as increased production due to continued strong plant operating performances and the impact of cycling a major planned shutdown that was completed in the prior corresponding period. It is also pleasing to report continued improvement in the performance of Wesfarmers Industrial and Safety.

Investment in new platforms for growth continued during the half. Pleasing progress continued on the construction of the Mt Holland lithium project, with construction of the concentrator well advanced, and pre-strip mining in progress with first ore mined and stockpiled in December 2022. Wesfarmers Health reported improved trading results, and progress on the division's transformation plan accelerated during the half.

The Group continued to advance the development of its data and digital capabilities during the half, supported by ongoing investments in the retail divisions and in OneDigital. The OnePass membership program was expanded through new partnerships with Bunnings Warehouse and Disney+, and additional member benefits both online and in stores. Key metrics for OnePass including member engagement, sales growth, shopping frequency, online sales conversion and cross-shopping rates have trended positively since the launch of the program.

Digital engagement with customers remained strong during the half and the share of transactions with known customers continued to increase. Total online sales and online sales penetration declined during the period as customer traffic to stores increased, highlighting the importance of the Group's omnichannel operating model.

Sales and earnings performance in Catch was disappointing, reflecting the moderation in online demand as well as the impact of operational and execution issues. Restructuring activities within Catch commenced in December 2022, with $33 million in costs associated with these actions recognised in the first half.

Divisional operating cash flows before interest, tax and the repayment of lease liabilities increased 13.4 per cent for the half, with divisional cash generation of 97 per cent. Divisional cash flow growth was supported by stronger divisional earnings, the addition of the Health division and a favourable net working capital result in Kmart Group, as the level of buffer stock held was reduced in line with stabilising global supply chains. These factors were partially offset by a continued normalisation of inventory cover in Bunnings and the timing impact of higher fertiliser prices on WesCEF's inventory position.

Reported operating cash flows increased 26.7 per cent to $1,971 million for the half, supported by higher divisional cash flows and lower tax paid due to the timing of tax payments.

Wesfarmers maintained significant balance sheet flexibility, supporting continued investment activity across the Group and providing capacity to manage the risks and opportunities under a range of economic scenarios. The Group recorded a net financial debt position of $4,716 million as at 31 December 2022, reflecting the payment of $1.1 billion of fully-franked dividends and higher capital expenditure during the half.

The Group retains significant headroom against key credit metrics and maintained its strong credit ratings during the half, with a rating from Moody's Investors Services of A3 (stable) and a rating of A- (stable) from S&P Global Ratings.

The Wesfarmers Board has determined to pay a fully-franked interim dividend of $0.88 per share, an increase of 10.0 per cent on the prior corresponding period.

The Group recognises the alignment between long-term shareholder value and performance on key sustainability measures, with continued focus on safety, diversity, inclusion, emissions management, and the circular economy during the half.

A continued focus on energy efficiency and renewable electricity use in the retail businesses supported pleasing reductions in Scope 1 and 2 market-based emissions across all retail divisions, most notably Bunnings, which achieved a 43 per cent reduction for the half. At a Group level Scope 1 and 2 market-based emissions increased 7.3 per cent, with the increase largely due to higher ammonia production in WesCEF following the significant planned shutdown in the prior corresponding period, as well as a smaller impact from the addition of the new Health division. Adjusting for these factors, the Group's emissions declined for the period.

The Group remains above Indigenous employment parity, with the number of Aboriginal and Torres Strait Islander team members increasing by 6.0 per cent to 4,020 and representing 3.4 per cent of Australian team members at the end of the period. The Group continued to support career progression for Indigenous team members with more than 40 Aboriginal and Torres Strait Islander team members completing a Wesfarmers-sponsored Certificate II or Certificate IV in Indigenous Leadership during the half.

Wesfarmers' total recordable injury frequency rate (TRIFR) was 11.4, an increase from 9.9 in the prior corresponding period. The increase was largely attributable to a change in methodology within Bunnings from 1 July 2022 to align the classification of recordable injuries with the Group's other businesses.

Group results summary

Half-year ended 31 December ($m)	2022	2021	Variance %
Key financials			
Revenue	22,558	17,758	*27.0*
Revenue - excluding Wesfarmers Health	19,780	17,758	*11.4*
EBIT	2,160	1,905	*13.4*
EBIT (after interest on lease liabilities)	2,053	1,796	*14.3*
NPAT	1,384	1,213	*14.1*
Basic earnings per share (cps)	122.3	107.3	*14.0*
Return on equity (R12, %)	32.8	24.8	*8.0 ppt*
Cash flows			
Operating cash flows	1,971	1,556	*26.7*
Net capital expenditure	578	405	*42.7*
Free cash flows	1,365	949	*43.8*
Cash realisation ratio[a] (%)	89	79	*10 ppt*
Dividends and distributions			
Interim ordinary dividend (fully-franked, cps)	88	80	*10.0*
Balance sheet			
Net financial debt[b]	4,716	2,615	*80.3*
Debt to EBITDA[c] (x)	2.1	2.0	*0.1 x*
Sustainability results			
Total recordable injury frequency rate (R12, TRIFR)	11.4	9.9	*15.2*
Aboriginal and Torres Strait Islander team members (#)	4,020	3,791	*6.0*
Scope 1 and 2 market-based emissions[d] (ktCO_2e)	616	574	*7.3*
Operational waste diverted from landfill[e] (% total waste)	71	70	*1 ppt*
Gender balance, Board and leadership team (women % total)	48	45	*3 ppt*

[a] Operating cash flows as a percentage of net profit after tax, before depreciation and amortisation.
[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] Total debt including lease liabilities, net of cash and cash equivalents, divided by R12 EBITDA.
[d] Increase in Scope 1 and 2 market-based emissions is largely due to higher ammonia production in WesCEF following the significant planned shutdown in the prior corresponding period and the addition of the new Wesfarmers Health division.
[e] Excludes Wesfarmers Health.

Divisional earnings summary

Half-year ended 31 December ($m)	2022	2021	Variance %
Earnings before tax (EBT)			
Bunnings	1,278	1,259	*1.5*
Kmart Group[a]	475	222	*114.0*
WesCEF	324	218	*48.6*
Officeworks	85	82	*3.7*
Industrial and Safety	47	41	*14.6*
Health[b]	27	-	*n.m.*
Catch[c]	(108)	(44)	*n.m.*
Divisional EBT[d]	**2,128**	**1,778**	***19.7***

n.m = not meaningful

[a] 2021 restated to exclude Catch.

[b] 2022 includes depreciation and amortisation expenses of $7 million relating to assets recognised as part of the acquisition of Australian Pharmaceutical Industries Ltd (API).

[c] 2022 includes restructuring cost of $33 million. 2022 includes $3 million and 2021 includes $5 million of amortisation expenses relating to assets recognised as part of the acquisition of Catch Group Holdings Limited.

[d] Excludes OneDigital results associated with OnePass and supporting capabilities, which are reported as part of Other.

Performance overview

Bunnings

Revenue for Bunnings increased 6.3 per cent to $9,792 million for the half, with earnings increasing 1.5 per cent. Excluding the net contribution from property, earnings increased 2.1 per cent to $1,243 million.

Bunnings delivered pleasing sales and earnings results for the half, demonstrating the resilience of its operating model and the continued strong execution of its strategic agenda. Sales growth was supported by strong growth from commercial customers and resilient consumer demand, despite prolonged wet weather on the east coast impacting spring trading.

During the half, Bunnings continued to focus on delivering great value for customers and strengthened its consumer offer through the refresh and expansion of its range, and the trial of new store-in-store concepts. Price investment during the period was supported by a disciplined focus on cost and the delivery of technology-enabled productivity improvements.

Good progress continued on Bunnings' 'Whole of Build' commercial strategy, including investments to enable a more convenient offer for commercial customers and the expansion of Tool Kit Depot into the east coast of Australia. A new frame and truss plant opened in Victoria during the half, expanding capacity to meet growing customer demand and enabling deeper engagement with customers at the commencement of a project.

Kmart Group

Revenue for Kmart Group increased 24.1 per cent to $5,714 million for the half, with earnings increasing 114.0 per cent to $475 million.

Kmart Group's significant earnings result reflected strong operational execution, with comparable sales and volume growth, in addition to the impact of a normalisation in trading conditions following significant COVID-related restrictions in the prior corresponding period.

Customers continued to respond positively to Kmart's lowest price positioning, and sales growth was achieved across all categories. Target's performance reflected continued improvements in the product offer, particularly in the focus categories of apparel and soft home. With more normal trading conditions during the half, the full benefits of the significant network change program undertaken across Kmart and Target were also able to be realised.

Kmart Group continued to improve the digital experience for customers during the half, with ongoing investments in the Kmart and Target apps, and the launch of instore benefits for OnePass members. Kmart also continued to progress strategic initiatives to profitably grow its share of wallet, develop its data and digital assets, and digitise its operations.

Chemicals, Energy and Fertilisers

WesCEF's revenue increased 30.2 per cent to $1,402 million for the half, with earnings increasing 48.6 per cent to $324 million.

Strong earnings growth in WesCEF was supported by favourable global commodity prices for LPG, ammonia and related products together with increased ammonia production and strong plant operating performances.

Progress continued on the construction of the Mt Holland lithium project, with construction of the concentrator over 70 per cent complete at the end of the period and first ore mined and stockpiled in December 2022. Estimates for WesCEF's expected share of capital expenditure for the project have been updated and are detailed on page 18 of this Half-year Report. While discussions are ongoing, good progress was made on lithium offtake arrangements with major global counterparties during the half.

WesCEF continued to progress capacity expansion opportunities during the period, both in relation to its existing Kwinana operations and preliminary feasibility work to evaluate an expansion of the mine and concentrator at Mt Holland.

Officeworks

Officeworks' revenue increased 4.5 per cent to $1,651 million for the half, with earnings increasing 3.7 per cent to $85 million.

Sales growth was supported by an increase in demand across key categories including print & create, stationery, art and education, which were impacted by lockdowns in the prior corresponding period. The sales mix towards lower-margin technology and furniture categories declined for the half, but remains higher than pre-COVID levels.

Officeworks' earnings growth was supported by sales growth and a focus on productivity initiatives. This was partially offset by continued price investment and higher promotional activity, partly due to increased competitive intensity in technology. Officeworks continued to invest to modernise its supply chain, including the delivery of productivity improvements at the Victorian Customer Fulfilment Centre (CFC) and progress on the development of a Western Australian CFC.

Industrial and Safety

Revenue for Industrial and Safety increased 3.6 per cent to $978 million for the half, with earnings increasing 14.6 per cent to $47 million.

Industrial and Safety's results were supported by higher sales across the division. Earnings increased in Workwear Group and Coregas, while Blackwoods' earnings were impacted by higher cost inflation and continued investment in customer service and digital capabilities, including the final deployment of the enterprise resource planning (ERP) system during the half. On 1 August 2022, the division completed the sale of the Greencap consulting business to WSP Global Inc, resulting in lower revenue growth and the realisation of a modest gain on sale included within the division's earnings result for the half.

Health

Wesfarmers Health reported revenue of $2,778 million and earnings of $27 million. Earnings were $34 million excluding depreciation and amortisation expenses of $7 million relating to assets recognised as part of Wesfarmers' acquisition of API.

Transformation activities in the Health division continued to accelerate, with investment in supply chain capabilities, network changes and merchandise strategies increasing during the half.

Sales results for the period were supported by strong sales growth in the Pharmacy Distribution business, underpinned by customer acquisition and strong demand, as well as elevated sales of COVID-19 anti-viral products and price inflation. Priceline recorded strong growth in health and beauty categories for the half, and both Priceline and Clear Skincare benefitted from an increase in foot traffic as customers returned to stores.

Catch

Catch's gross transaction value (GTV) declined by 26.8 per cent during the half. Catch reported a loss of $108 million for the half, including restructuring costs of $33 million relating to inventory provisions, redundancies and asset write-offs.

The disappointing financial performance in Catch reflected operational and execution challenges in addition to the broader decline in online retail demand during the period. Earnings were impacted by significantly lower margin in the in-stock business due to increased clearance activity, as well as higher fulfilment and delivery costs associated with layout and process inefficiencies during commissioning of the new Moorebank fulfilment centre in New South Wales.

Management changes to strengthen leadership capabilities were implemented during the half, with a new Managing Director, Brendan Sweeney, joining the business in October 2022, along with other key leadership appointments in the retail, technology and supply chain teams. Restructuring activities to reduce overhead costs were commenced in December 2022 and additional commercial controls on range and inventory management have been implemented.

Group data and digital initiatives

The development of the Group's data and digital capabilities continued during the half, with initiatives and investment across the retail businesses and through OneDigital to further strengthen customer connections.

As a result of investment and focus over recent years, the Group's retail divisions are benefitting from deeper customer insights, stronger digital platforms and materially improved e-commerce capabilities. These capabilities, combined with extensive store networks and compelling instore offers, provide an omnichannel offer that is resonating with a wide cross-section of customers.

Leveraging loyalty and membership programs, including Flybuys, OnePass, PowerPass and Sister Club, and with a base of over 210 million digital interactions and millions of instore visits each month, the Group actively progressed opportunities to build engagement and provide incremental value to customers both online and in stores. As connectivity and engagement increased, the Group's share of sales to known customers has grown to over 55 per cent in the first half of the 2023 financial year, enabling a more relevant and personalised customer experience.

Investment continued in the development of the OnePass membership program and Group customer insights, with the financial results associated with these initiatives included in 'Other'.

Bunnings Warehouse and Disney+ joined the OnePass program as partners during the half, expanding the value and convenience offered to members. Although still nascent, results during the half provide encouraging evidence that the OnePass value proposition is resonating with customers, with pleasing growth in member engagement, sales growth, shopping frequency, online sales conversion and cross-shop rates.

Other businesses and corporate overheads (Other)

Other business and corporate overheads reported a loss of $75 million for the half, compared to earnings of $18 million in the prior corresponding period.

Earnings from the Group's associates and joint ventures decreased by $51 million due to lower property revaluations in BWP Trust, partially offset by higher earnings from other associates including Gresham and Wespine.

Other EBIT includes an operating loss of $41 million for OneDigital, excluding Catch, relating to investment in the OnePass membership program, technology costs and further development of Group customer insight tools during the half. The OneDigital result, excluding Catch, was broadly in line with the prior period. While Catch became part of OneDigital during the half, bringing together the Group's digitally native businesses, it is reported as a segment to reflect its operating nature.

Other corporate earnings were $38 million lower than the prior corresponding period, driven by a lower Group Insurance result, the benefit of the Homebase equity distribution in the prior corresponding period, and lower dividends received from API and Coles following the completion of the API acquisition in March 2022 and the sale of a 2.1 per cent interest in Coles during April 2022.

Group overheads increased by 4.0 per cent to $78 million for the half.

Portfolio actions

Integration of the API business, acquired on 31 March 2022 within Wesfarmers Health, was largely completed during the period. Work has commenced on transformation activities to improve the division's financial performance and strengthen the competitive positions of its operating businesses and pharmacist partners.

Project development and construction activities continued for the integrated Mt Holland lithium project, with first ore mined and stockpiled in December 2022. The project continues to be supported by favourable lithium market conditions and strong long-term demand for battery electric vehicles, and preliminary feasibility studies are underway to evaluate the opportunities of expanding the capacity of the lithium mine and concentrator.

Wesfarmers made a non-controlling investment in Tecsa, a UK-based specialist customer data and loyalty analytics consultancy, during the period. The investment builds on the Group's existing partnerships with Tecsa and provides access to talent and global expertise in retail customer analytics.

During the half, Wesfarmers Health agreed to increase its stake in the digital health business SiSU to 60 per cent, with the investment expected to complete in the second half of the 2023 financial year. SiSU provides health stations in Priceline stores for customers to measure key health metrics.

On 1 August 2022, the Industrial and Safety division completed the sale of the Greencap consulting business to WSP Global Inc.

Cash flows, financing and dividends

Divisional operating cash flows before interest, tax and the repayment of lease liabilities increased 13.4 per cent for the half, with divisional cash generation of 97 per cent. Divisional cash flow growth was supported by stronger divisional earnings, the addition of the Health division and a favourable net working capital result in Kmart Group, as the level of buffer stock held was reduced in line with stabilising global supply chains. These factors were partially offset by a continued normalisation of inventory cover in Bunnings and the timing impact of higher fertiliser prices on WesCEF's inventory position.

Reported operating cash flows increased 26.7 per cent to $1,971 million for the half, supported by higher divisional cash flows and lower tax paid due to the timing of tax payments.

Gross capital expenditure of $676 million was 16.0 per cent higher for the half, in line with expectations and largely due to continued investment in the development of the Mt Holland lithium project. Proceeds from the sale of property, plant and equipment of $98 million were $80 million lower than the prior corresponding period. The resulting net capital expenditure of $578 million was 42.7 per cent higher than the prior corresponding period.

Free cash flows of $1,365 million were 43.8 per cent higher for the half, reflecting higher operating cash flows and the impact of cash consideration relating to the Group's purchase of a 19.3 per cent stake in API and completion of the Beaumont Tiles acquisition in the prior corresponding period.

The Group recorded a net financial debt position of $4,716 million as at 31 December 2022, comprising interest-bearing liabilities, excluding lease liabilities, net of cross-currency swap assets and cash at bank and on deposit. This compares to a net financial debt position of $4,296 million as at 30 June 2022 and $2,615 million as at 31 December 2021. The increase in net financial debt during the half was largely driven by the payment of $1.1 billion of fully-franked dividends and higher capital expenditure. The Group retained significant headroom against key credit metrics and maintained its strong credit ratings during the half.

The Wesfarmers Board has determined to pay a fully-franked ordinary interim dividend of $0.88 per share, reflecting Wesfarmers' dividend policy, which takes into account available franking credits, balance sheet position, credit metrics and cash flow generation and requirements.

Outlook

Wesfarmers remains focused on long-term value creation and continues to invest to strengthen its existing businesses and develop platforms for growth. The Group's strong balance sheet and portfolio of cash-generative businesses with market-leading positions provide the flexibility to respond to potential risks and opportunities under a range of economic scenarios.

Elevated inflation and higher interest rates are expected to impact demand in parts of the Australian economy and result in households continuing to become more value conscious. In this environment, the strong value credentials and low-cost operating models across the Group's retail businesses mean they are well positioned to meet changing customer demand as customers adjust to cost pressures.

Recent investments will enable Wesfarmers to take advantage of growing consumer and industrial demand in the health and critical minerals sectors, and the Group's balance sheet position and strong financial discipline provide further capacity to pursue value-accretive opportunities that may arise as economic conditions change.

Retail trading results through the first five weeks of the second half of the 2023 financial year have been broadly in line with growth reported for the first half, supported by strong growth in those areas most affected by COVID-related disruptions in January 2022 when elevated cases of the Omicron variant were impacting operations and customer behaviour.

Elevated cost of doing business pressures in Australia and New Zealand are expected to persist in the second half, as general inflation together with labour market constraints impact personnel costs and costs in domestic supply chains. As a result of actions taken during the last 12 months, the Group's businesses are well progressed with key productivity and efficiency initiatives, and remain focused on opportunities to leverage their scale and sourcing capabilities to mitigate the impact of cost increases.

Investments in data and digital will continue through the expansion of divisional capabilities and the addition of new benefits and partners to the OnePass program. Restructuring actions are underway in Catch to address operational and execution challenges, and to refine the value proposition for customers.

The performance of the Group's industrial businesses remains subject to international commodity prices, foreign exchange rates, competitive factors and seasonal outcomes. WesCEF is expected to continue to benefit from favourable commodity prices in the second half, and will continue to advance offtake discussions with key lithium customers.

Construction of the mine and concentrator at Mt Holland is well advanced, with first earnings for the project expected in the first half of the 2024 calendar year as sales of spodumene concentrate ramp up. First production of lithium hydroxide is now expected in the first half of the 2025 calendar year, around six months later than previous guidance.

WesCEF's share of capital expenditure for the overall project is expected to be between $1,200 million and $1,300 million in nominal terms and excluding capitalised interest. The updated estimate reflects changes due to labour availability pressures, refinery engineering delays and COVID-related restrictions impacting the delivery of key capital items, and represents an increase of approximately 10 to 20 per cent on the prior guidance of approximately $1,085 million, based on $950 million in real 2021 dollars escalated by actual and forecast Australian CPI.

The Covalent team will continue to progress significant work evaluating and developing its operational readiness. Preliminary feasibility studies to evaluate the expansion of the Mt Holland lithium mine and concentrator have commenced and will continue to be progressed.

Wesfarmers will continue to invest in its existing operations and in the development of platforms for long-term growth and shareholder value creation. The Group expects net capital expenditure of between $1,000 million and $1,200 million for the 2023 financial year.

Wesfarmers will continue to manage its businesses and the portfolio with carbon awareness, and remains focused on delivering progress against its net zero and renewable electricity targets. The Group will make disciplined investments to strengthen the climate resilience of its businesses and responsibly support the energy transition, while having regard to the security of supply of strategically essential materials that support Australia's competitiveness in critical industries and responsibly managing the impact of transition on customers and communities.

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

Divisional performance overview

Bunnings

Half-year ended 31 December ($m)	2022	2021	Variance %
Revenue	9,792	9,209	*6.3*
EBITDA	1,721	1,677	*2.6*
Depreciation and amortisation	(387)	(362)	*(6.9)*
EBIT	**1,334**	**1,315**	***1.4***
Interest on lease liabilities	(56)	(56)	-
EBT	**1,278**	**1,259**	***1.5***
Net property contribution	35	41	*(14.6)*
EBT (excluding net property contribution)	**1,243**	**1,218**	***2.1***
EBT margin excluding property (%)	12.7	13.2	
ROC[a] (R12, %)	70.7	79.0	
Total store sales growth[a] (%)	5.1	1.0	
Store-on-store sales growth[a,b] (%)	2.8	1.5	
Online penetration (%)	1.8	4.3	
Safety[c] (R12, TRIFR)	16.9	12.5	
Scope 1 and 2 market-based emissions ($ktCO_2e$)	31	54	

[a] See Additional Disclosures (pages 47 and 54) for relevant retail calendars and definitions.

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

[c] TRIFR result for 2022 includes the impact of a change in methodology from 1 July 2022.

Performance review

Revenue for Bunnings increased 6.3 per cent to $9,792 million for the half, with earnings increasing 1.5 per cent to $1,278 million. Excluding the net contribution from property, earnings increased 2.1 per cent to $1,243 million for the half, representing a three-year compound annual growth rate of 10.7 per cent per annum.

Total store sales increased 5.1 per cent, with store-on-store sales increasing 2.8 per cent. Sales growth was recorded across all major trading regions, supported by strong growth from commercial customers and resilient consumer demand, despite prolonged wet weather on the east coast impacting spring trading in garden and outdoor categories. Foot traffic to stores and shopping frequency increased during the half, as customer behaviour continued to normalise following the irregular trading patterns experienced during COVID-19.

Delivering value to customers was a significant focus during the half, with Bunnings launching great-value Black Friday and Christmas product line-ups that resonated with customers. Price investment and inflationary cost pressures continued to be managed through disciplined cost reductions and the delivery of technology-enabled productivity improvements.

Bunnings strengthened its consumer offer through the refresh and expansion of its range, including improvements in product assortment and the introduction of new product categories on the Bunnings Marketplace, which delivered incremental sales. To improve ease of shop, new store-in-store concepts in power tools and power garden were trialled during the half, with these initiatives well received by customers and Bunnings' supplier partners.

Continued progress was made on the 'Whole of Build' commercial strategy, driving higher customer engagement and spend, with customers purchasing a broader range of products across all stages of a project. Investments in customer relationship management (CRM) technology and dedicated account management enabled a more convenient offer for commercial customers, providing flexibility to transact instore, online or onsite. A new frame and truss plant was opened in Victoria during the half, expanding Bunnings capacity to meet growing customer demand and enabling deeper engagement with customers at the commencement of a project.

Tool Kit Depot expanded into the east coast of Australia with the launch of its first Queensland store, complementing its existing network in Western Australia and South Australia and its growing national online presence. Beaumont Tiles traded positively during the half, supporting Bunnings' 'Whole of Build' offer.

Digital engagement remained a significant focus, with Bunnings launching new personalised and localised communications, and achieving strong scan rates in both the Flybuys program and the PowerPass mobile app during the half. Bunnings joined OnePass in November 2022, making it easier and more rewarding for customers to shop across some of their favourite retail brands and providing free delivery on eligible orders.

Online penetration declined during the half as retail customers increasingly returned to physical stores. This was partially offset by continued strong online growth from commercial customers.

Return on capital of 70.7 per cent reflected disciplined capital management and continued inventory investment and normalisation in stock coverage following COVID-related supply chain disruptions and demand volatility in recent years. Product availability continued to strengthen during the half, supported by additional forward purchasing to support trade over the key summer period.

TRIFR increased during the half, largely driven by a change in methodology from 1 July 2022 to align the classification of recordable injuries with the Group’s other businesses. Disappointingly, the number of manual handling injuries also increased for the period and there is a renewed focus on critical risks and moving product safely through Bunnings’ supply chains, warehouses and to the end customer.

During the half, Bunnings opened one net new warehouse and one net new smaller format store. In addition, one Beaumont Tiles and two net new Tool Kit Depot stores were opened. At the end of the period there were 283 warehouses, 68 smaller format stores and 31 trade centres in the Bunnings network as well as 13 Tool Kit Depot stores and 116 Beaumont Tiles stores.

Two net new Bunnings warehouses are due to be completed in the second half of the 2023 financial year, and the rollout of Tool Kit Depots will continue.

Outlook

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

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

Directors' Report

Divisional performance overview

Kmart Group

Half-year ended 31 December ($m)[a]	2022	2021	Variance %
Revenue	5,714	4,605	*24.1*
EBITDA	765	513	*49.1*
Depreciation and amortisation	(250)	(247)	*(1.2)*
EBIT	**515**	**266**	***93.6***
Interest on lease liabilities	(40)	(44)	*9.1*
EBT	**475**	**222**	***114.0***
EBT margin (%)	8.3	4.8	
ROC[b] (R12, %)	43.3	34.7	
Safety (R12, TRIFR)	7.0	8.6	
Scope 1 and 2 market-based emissions ($ktCO_2e$)	115	120	
Kmart			
Total sales growth[b] (%)	29.9	(4.7)	
Comparable store sales growth[b,c] (%)	17.1	(6.4)	
Online penetration (%)	7.3	14.3	
Target			
Total sales growth[b] (%)	8.2	(23.6)	
Comparable store sales growth[b,c] (%)	2.8	6.0	
Online penetration (%)	17.0	26.9	

[a] 2021 has been restated from the 2022 Half-year Report to exclude Catch results.
[b] See Additional Disclosures (pages 47 and 54) for relevant retail calendars and definitions.
[c] 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 delivered revenue of $5,714 million, up 24.1 per cent for the half. Earnings of $475 million were 114.0 per cent or $253 million higher than the prior corresponding period.

The strong performance reflected a normalisation in trading conditions following the significant COVID-19 restrictions in the prior corresponding period and strong underlying trading performance.

Kmart's total sales increased 29.9 per cent for the half, with comparable sales increasing 17.1 per cent. Customers responded positively to Kmart's lowest price positioning, with sales growth achieved across all categories. Strong total sales growth was supported by pleasing underlying demand growth, with comparable transactions and units sold increasing relative to the prior corresponding period.

Target's total sales increased 8.2 per cent for the half and comparable sales increased by 2.8 per cent, reflecting continued improvements in the product offer, particularly in the focus categories of apparel and soft home.

Improvements to the digital experience for customers continued during the period, with ongoing investment in the Kmart and Target apps, and the launch of OnePass benefits instore. Online penetration declined relative to the prior corresponding period as customer traffic returned to stores, especially in Kmart.

Earnings growth in the half reflected strong sales growth, supported by good operational execution and cost management. As trading conditions normalised, the full benefits of the significant network change program undertaken across Kmart and Target were also able to be realised. The earnings result was particularly pleasing in the context of pressure from rapid changes in exchange rates, higher international freight costs, cost of doing business inflation and higher shrinkage during the period.

Kmart also continued to invest in key strategic initiatives to profitably grow its share of wallet, develop its data and digital assets, and digitise its operations. The rollout of radio frequency identification (RFID) technology across all Australian Kmart stores was completed during the half, providing greater visibility of stock availability and improving replenishment efficiency.

Global supply chain conditions continued to stabilise during the half, enabling a reduction in the level of buffer stock held and an improvement in cash realisation. Return on capital increased to 43.3 per cent, reflecting higher earnings and strong capital discipline.

Kmart opened two new stores and closed one store during the half. Target closed two stores. There were 451 stores across Kmart and Target as at 31 December 2022.

Outlook

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

Productivity and cost control will remain areas of focus as general inflation remains elevated, although some key input costs including international freight costs have continued to moderate in recent months. Inventory levels will continue to be optimised during the second half, subject to global supply chain conditions.

Target will continue to improve the product offer in the destination categories of apparel and soft home. This will be achieved through ongoing improvements in style and quality, a focus on improving the digital experience to drive online sales growth, and implementation of productivity initiatives to maintain its low cost base.

Chemicals, Energy and Fertilisers

Half-year ended 31 December ($m)	2022	2021	Variance %
Revenue[a]			
Chemicals	860	642	*34.0*
Energy	265	252	*5.2*
Fertilisers	277	183	*51.4*
Total	**1,402**	**1,077**	***30.2***
EBITDA	372	262	*42.0*
Depreciation and amortisation	(48)	(43)	*(11.6)*
EBIT	**324**	**219**	***47.9***
Interest on lease liabilities	-	(1)	*n.m.*
EBT	**324**	**218**	***48.6***
External sales volumes[b] ('000 tonnes)			
Chemicals	562	565	*(0.5)*
LPG & LNG	108	109	*(0.9)*
Fertilisers	248	286	*(13.3)*
ROC[c] (R12, %)	23.0	19.6	
ROC[c] (R12, %) (excluding ALM)	40.3	32.2	
Safety (R12, TRIFR)	3.0	4.2	
Scope 1 and 2 market-based emissions[d] ($ktCO_2e$)	433	370	

n.m.= not meaningful

[a] Excludes intra-division sales.

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

[c] See Additional Disclosures (page 54) for definitions.

[d] The increase in Scope 1 and 2 market-based emissions between 2021 and 2022 was largely attributable to an almost 40 per cent increase in ammonia production following the significant planned plant shutdown in the prior corresponding period.

Performance review

WesCEF's revenue increased 30.2 per cent to $1,402 million for the half, and earnings increased 48.6 per cent to $324 million. Strong sales and earnings growth for the half reflected higher global commodity prices, particularly for ammonia and ammonia-related products.

A continued focus on safety, including the investigation of high potential incidents and the ongoing implementation of divisional safety campaigns, supported an improvement in the total recordable injury frequency rate to 3.0.

Emissions for the half were below the 2020 baseline and WesCEF continues to focus on achieving its 2030 interim target of a 30 per cent reduction in Scope 1 and 2 emissions relative to its baseline. The increase in emissions for the half was largely attributable to an almost 40 per cent increase in ammonia production following the significant planned shutdown in the prior corresponding period.

Chemicals

Chemicals' earnings increased significantly for the half. Strong earnings in Ammonia were supported by favourable global ammonia prices, coupled with a strong plant performance as a result of work completed during the major shutdown in the prior corresponding period. Ammonium Nitrate (AN) earnings benefitted from robust demand from Western Australian (WA) mining and agricultural customers. Queensland Nitrates successfully completed its planned major maintenance shutdown in the period.

Energy

Kleenheat's earnings declined for the half as a result of both higher WA domestic natural gas costs and a lower Saudi Contract Price (Saudi CP), the international benchmark indicator for LPG price. This was partially offset by continued growth in the residential customer base in the natural gas retailing business, which delivered increased sales volumes for the half.

Fertilisers

Fertilisers' earnings were down marginally for the first half, noting most earnings historically fall into the second half of the financial year due to seasonality. Higher global commodity prices impacted both revenue and input costs, and working capital management remained a key focus in this environment. Sales volumes were impacted by reduced late-season applications by growers, which was partially offset by sales benefits from ongoing investments in data and digital initiatives and improved customer insights capabilities.

Lithium

The WesCEF result includes its 50 per cent interest in the Mt Holland lithium project. Construction continues to progress well at the Mt Holland mine, concentrator and Kwinana refinery, with construction of the concentrator over 70 per cent completed and the village, aerodrome and other non-process infrastructure completed. Pre-strip mining is in progress with first ore mined and stockpiled in December 2022. While discussions are ongoing, good progress was made on lithium offtake arrangements with major global counterparties during the half.

WesCEF's share of capital expenditure, excluding capitalised interest, for the development of the project was $204 million for the half.

Outlook

Chemicals' earnings are expected to remain strong in the second half of the financial year but remain subject to changes in commodity pricing and the associated impact from the pass-through mechanisms embedded within customer contracts. Demand for AN from the WA mining sector is anticipated to remain robust. The Sodium Cyanide business is expecting continued long-term growth in demand due to increasing gold production and declining ore grades.

Kleenheat's earnings are likely to continue to be impacted by WA natural gas costs and remain subject to movements in the Saudi CP. The natural gas retailing business remains focused on customer acquisition and retention as well as continuing its market leading customer service.

In the Fertilisers business, while grower sentiment remains positive due to a very strong 2022 harvest, customer demand is expected to remain dependent on commodity price movements. The business continues to focus on working capital management and on improving the reliability, experience and advice provided to customers.

Construction of the mine and concentrator at Mt Holland is well advanced, with first earnings for the project expected in the first half of the 2024 calendar year as sales of spodumene concentrate ramp up prior to commencement of production at the Kwinana refinery.

While labour availability and supply chain constraints have been well managed by Covalent, these pressures together with refinery engineering delays and COVID-related restrictions affecting the delivery of key capital items sourced from offshore have impacted cost and timing expectations for the project, including completion of the Kwinana refinery.

WesCEF's share of capital expenditure for the overall project is expected to be between $1,200 million and $1,300 million in nominal terms and excluding capitalised interest. The current estimate represents an increase of approximately 10 to 20 per cent on the prior guidance of approximately $1,085 million, based on $950 million in real 2021 dollars escalated by actual and forecast Australian CPI.

First production of lithium hydroxide at Kwinana is now expected in the first half of the 2025 calendar year, around six months later than previous guidance but with the impact of the delay expected to be partially offset by the early sale of spodumene concentrate during the 2024 calendar year.

The Covalent team will continue to progress significant work evaluating and developing its operational readiness. Preliminary feasibility studies to evaluate the expansion of the Mt Holland lithium mine and concentrator have commenced and will continue to be progressed.

WesCEF continues to invest in the evaluation and implementation of growth opportunities across all its businesses. The Chemicals business has applied for environmental approval to expand its ammonia production capacity which will lower reliance on imports. The timing of the final investment decision on this project is dependent on regulatory approvals.

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

Officeworks

Half-year ended 31 December ($m)	2022	2021	Variance %
Revenue	1,651	1,580	*4.5*
EBITDA	152	142	*7.0*
Depreciation and amortisation	(62)	(55)	*(12.7)*
EBIT	**90**	**87**	***3.4***
Interest on lease liabilities	(5)	(5)	-
EBT	**85**	**82**	***3.7***
EBT margin (%)	5.1	5.2	
ROC[a] (R12, %)	17.3	19.6	
Total sales growth[a] (%)	4.6	3.7	
Online penetration (%)	34.5	46.0	
Safety (R12, TRIFR)	6.1	5.5	
Scope 1 and 2 market-based emissions ($ktCO_2e$)	14	15	

[a] See Additional Disclosures (pages 47 and 54) for relevant retail calendars and definitions.

Performance review

Officeworks' revenue increased 4.5 per cent for the half to $1,651 million. Earnings of $85 million were 3.7 per cent higher than the prior corresponding period.

Sales growth of 4.6 per cent for the half was supported by an increase in demand across key categories including print & create, stationery, art and education which were impacted by lockdowns in the prior corresponding period. While sales of technology products increased for the half, the sales mix towards lower-margin technology and furniture categories declined, albeit remaining higher than pre-COVID levels.

Sales were also supported by initial benefits from the ongoing investment in Flybuys, with a significant increase in sales from known customers in the half and the delivery of more personalised customer communications.

Online sales penetration of 34.5 per cent, including click and collect, reflected the normalisation of customer traffic to stores following the impact of COVID-related lockdowns in prior periods.

Earnings growth of 3.7 per cent for the half was supported by sales growth and a focus on productivity initiatives. Officeworks' margin was impacted by continued price investment and increased promotional activity, partially offset by benefits from changes in sales mix. The increase in promotional activity was most significant during the 'cyber week' period, and largely driven by higher competitive intensity in technology.

Return on capital declined to 17.3 per cent as a result of continued investment for growth and higher inventory due to improvements in availability of technology products and the impact of unit cost inflation.

Consistent with its focus on sustainable long-term growth, Officeworks continued to invest to modernise its supply chain, delivering productivity improvements at the Victorian CFC and progressing the development of a Western Australian CFC in line with schedule.

In addition, Officeworks completed its store renewal program with 55 store renewals and one new store opening during the half. As at 31 December 2022, there were 166 Officeworks stores operating across Australia.

Outlook

Officeworks' focus on everyday low prices, widest range and great service across all channels makes it well positioned to meet the changing needs of its customers.

Officeworks will continue to expand its own brand ranges, providing low prices on differentiated and exclusive products to customers. Investment in the every-channel customer experience will also continue. Officeworks will launch a retail partnership with OnePass, progress initiatives to strengthen the proposition instore and make further improvements to the online offer, which includes same-day and next-day delivery options, as well as two-hour click and collect.

These initiatives will be supported by a continued focus on productivity, including increased use of technology in the support centre, stores and supply chain, and ongoing investments to leverage data insight capabilities. Officeworks will continue to modernise its supply chain, with the new Victorian International Distribution Centre (IDC) scheduled to open in February 2023, and continued progress on the development of the Western Australian CFC.

Divisional performance overview

Industrial and Safety

Half-year ended 31 December ($m)	2022	2021	Variance %
Revenue	978	944	*3.6*
EBITDA	89	80	*11.3*
Depreciation and amortisation	(40)	(37)	*(8.1)*
EBIT	**49**	**43**	***14.0***
Interest on lease liabilities	(2)	(2)	-
EBT	**47**	**41**	***14.6***
EBT margin (%)	4.8	4.3	
ROC[a] (R12, %)	8.1	6.5	
Safety (R12, TRIFR)	4.0	3.1	
Scope 1 and 2 market-based emissions ($ktCO_2e$)	14	14	

[a] See Additional Disclosures (page 54) for definitions.

Performance review

Industrial and Safety revenue of $978 million was 3.6 per cent above the prior corresponding period. Earnings of $47 million were 14.6 per cent above the prior corresponding period.

Blackwoods' revenue increased for the half, underpinned by growth across key sales regions and from strategic customers, particularly in the mining, utilities and government sectors.

Blackwoods' earnings were below the prior corresponding period, with higher sales offset by the margin impact of cost increases, as well as the timing lag in changes to customer contract pricing. Investment in customer service and digital capabilities continued, including the final deployment of the ERP system, which was completed during the period.

Workwear Group's revenue and earnings increased for the half, driven by higher customer demand for corporate and emergency uniforms. Revenues from the industrial workwear brands, including KingGee and Hard Yakka, were in line with the prior corresponding period.

Coregas' revenue and earnings increased for the half due to higher demand from industrial and healthcare customers. Earnings growth was partially offset by higher material and distribution costs.

On 1 August 2022, the Industrial and Safety division completed the sale of the Greencap consulting business to WSP Global Inc, impacting revenue growth for the half and with a modest gain on sale included within the division's earnings result.

The total recordable injury frequency rate increased to 4.0 during the period. Safety and injury management remain a core focus across the Industrial and Safety businesses.

Outlook

Near-term market conditions in Australia and New Zealand are expected to be impacted by ongoing economic pressures, particularly from the heightened cost environment. The Industrial and Safety businesses will continue to actively manage cost inflation, labour availability constraints and product availability pressures, and each business remains focused on delivering continued improvements in performance in this environment.

Blackwoods will continue to focus on improvements to its customer value proposition and strengthening its core operational capabilities, including in data and digital.

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

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

Wesfarmers Health

Half-year ended 31 December[a] ($m)	2022
Revenue	2,778
EBITDA	66
Depreciation and amortisation	(36)
EBIT[b]	**30**
Interest on lease liabilities	(3)
EBT[b]	**27**
EBT margin (%)	1.0
Scope 1 and 2 market-based emissions (ktCO_2e)	7

[a] Rolling 12-month measures such as ROC and TRIFR will be reported for Wesfarmers Health from the 2023 full year results when a full 12-month period under Wesfarmers ownership is available.

[b] Includes depreciation and amortisation expenses of $7 million relating to assets recognised as part of Wesfarmers' acquisition of API.

Performance review

Wesfarmers Health revenue was $2,778 million for the half, and earnings were $27 million, or $34 million excluding depreciation and amortisation expenses of $7 million relating to assets recognised as part of Wesfarmers' acquisition of API.

The Pharmacy Distribution business delivered strong sales growth for the half, underpinned by customer acquisition and growth in demand from trading partners. In addition to pleasing underlying demand growth, the result also reflects the impact of over $200 million in sales of COVID-19 anti-viral products and price inflation in some categories. The transition to the new Marsden Park Distribution Centre (DC) in New South Wales was completed during the half, with some ongoing transition costs impacting earnings.

Priceline sales growth for the half reflected an increase in foot traffic and transaction numbers following the impact of significant COVID-related restrictions in the prior corresponding period. Excluding the impact of lockdowns in the prior corresponding period, double digit comparable store sales growth was supported by strong growth in both the health and beauty categories, and particularly strong results through the Christmas trading period. Priceline's Sister Club reached eight million members, and is Australia's largest health and beauty loyalty program.

Clear Skincare saw a modest increase in treatment volumes as customer traffic improved for the half following the impact of COVID-19 restrictions in the prior corresponding period. Relative to other businesses, the impacts of COVID-19 on Clear Skincare have been more protracted, with continued volatility in customer attendance and higher costs to attract and retain clinic employees.

As at 31 December 2022, the Health division included 83 Priceline company-owned stores, 387 Priceline pharmacy franchise stores, and 96 Clear Skincare Clinics.

Outlook

The Health division is well positioned to deliver long-term growth and will continue to focus on transformation activities to strengthen the competitive position of its operating businesses and its pharmacist partners and improve financial performance.

The businesses will continue to actively manage pressures from ongoing cost inflation and intensifying competition, as well as upcoming changes to the Pharmaceutical Benefits Scheme which, while positive for consumers and overall pharmacy demand, are expected to impact distribution margins. Sales and earnings may be impacted by a moderation in demand for COVID-19 anti-viral products.

As part of the transformation strategy, Wesfarmers Health will continue to invest to strengthen its e-commerce capabilities and expand its distribution centre capacity. The new Priceline website is on track to launch in the third quarter of the 2023 financial year, and initial work has commenced on development of a new fully-automated DC in Brisbane.

The Health division has increased its ownership in the digital health business SiSU to 60 per cent. SiSU owns and operates a network of more than 300 medical-grade health stations, including through the Priceline network, delivering health checks and providing key biometric data to users. The investment supports the division's digital health strategy, providing alternative health delivery channels and enhancing the supporting infrastructure of the healthcare system.

Directors' Report

Divisional performance overview

Catch

Half-year ended 31 December[a] ($m)	2022	2021	Variance %
Gross transaction value	451	616	*(26.8)*
Revenue	219	315	*(30.5)*
EBITDA[b]	(93)	(30)	*n.m.*
EBT[b,c]	**(108)**	**(44)**	***n.m.***
EBT[c] (excluding restructuring costs)	**(75)**	**(44)**	***n.m.***
Safety (R12, TRIFR)	2.4	3.1	
Scope 1 and 2 market-based emissions (ktCO_2e)	2	1	

n.m. = not meaningful

[a] Includes intercompany transactions with OnePass.

[b] 2022 includes restructuring costs of $33 million.

[c] 2022 includes $3 million and 2021 includes $5 million of amortisation expenses relating to assets recognised as part of Wesfarmers' acquisition of Catch.

Performance review

Catch's gross transaction value (GTV) declined by 26.8 per cent during the half. Catch reported a loss of $108 million for the half, which includes restructuring costs of $33 million relating to inventory provisions, team member redundancies and asset write-offs.

The decline in GTV for the half reflects poor performance of the in-stock range and a moderation in growth of the marketplace, as the business cycles elevated demand as a result of lockdowns in the prior corresponding period.

Catch's disappointing earnings result for the half was impacted by significantly lower margin in the in-stock business, due to increased clearance activity required following poor range expansion choices and a more significant moderation in demand than had been anticipated. In addition, higher fulfilment and delivery costs were incurred due to layout and process inefficiencies during commissioning of the new Moorebank fulfilment centre in New South Wales, as well as higher transport and fuel prices.

Management changes to strengthen leadership capabilities were implemented during the half, with a new Managing Director, Brendan Sweeney, joining the business in October 2022, along with other key leadership appointments in the retail, technology and supply chain teams.

Outlook

Catch's near-term focus will be on addressing operational challenges and resetting the cost base as part of restructuring activities that commenced in December 2022.

Organisational changes to reduce overhead costs and support a simpler operating model were communicated to team members in late January 2022, with a headcount reduction of approximately 35 per cent to become effective from 1 March 2023.

Clearance activity to address surplus first-party stock will continue in the second half of the 2023 financial year, and additional commercial controls on range and inventory management have been implemented. Range changes and investment in the development of retail capabilities recognise that Catch's historical tactical capabilities in off-price e-commerce were not scalable. In addition, operational changes and cost reduction initiatives are being progressed within fulfilment centres to improve productivity and customer experience.

Catch is expected to remain loss making in the second half, but with losses reducing relative to the first half result excluding restructuring costs.

As restructuring actions are completed, Catch will continue to progress strategies to develop a scalable marketplace platform and e-commerce fulfilment solution to support Wesfarmers Group and divisional e-commerce capabilities. This includes the expansion of the range of divisional products available through the Catch marketplace, along with further integration with the OnePass program and development of the 'Fulfilled by Catch' offer.

Group data and digital initiatives

Progress review

The development of the Group's data and digital capabilities continued during the half, with initiatives and investment across the retail businesses and through OneDigital to further strengthen customer connections.

Divisional digital capabilities have expanded significantly following a period of investment and focus over recent years. These capabilities support each division's growth agenda, as well as emerging cross-divisional opportunities to provide incremental growth and operating efficiencies.

The Group delivers more than 210 million digital interactions with customers per month through a diverse range of digital assets including brand websites, transactional and experience-based mobile apps, chat and help features, social media platforms and how-to videos. Digital engagement with customers is further enhanced through loyalty and membership programs including Flybuys, Sister Club, PowerPass and OnePass, which provide additional value to millions of customers and support insights into customer cohort attributes and behaviour across the Group's businesses.

As connectivity and engagement have increased, the Group's share of sales to known customers has grown from 34 per cent in the 2018 financial year to more than 55 per cent in the first half of the 2023 financial year.

Investment in the OnePass membership program and the Group's customer and data insight capabilities continued during the half, with an operating loss of $41 million for the half, broadly in line with a loss of $40 million in the prior corresponding period. Financial results for OnePass and supporting capabilities are reported within Other.

Bunnings Warehouse became part of the OnePass program as a retail partner in November 2022, joining launch partners Kmart, Target and Catch. In addition, a multi-year strategic partnership with Disney+ was announced in December 2022, providing OnePass and Disney+ members with a unique bundle discount to accelerate growth in OnePass memberships.

Instore activation of OnePass benefits increased during the half, through new offers allowing members to redeem 'spend and save' vouchers at Kmart and Target.

Increases in member engagement, shopping frequency, sales growth, online sales conversion and cross-shop rates during the half provide encouraging evidence that the OnePass value proposition is resonating with customers. Strong retention rates were achieved during the half, and the conversion of free trials to paid membership was pleasing. Members are increasingly linking their OnePass account across the Wesfarmers retail businesses. OnePass was used in almost 20 per cent of online orders across its launch partners during the half, with the penetration rate continuing to increase through the period.

The Group shared data asset and insight capabilities continued to develop, with the launch of new products for the retail divisions including customer life-stage and affluence analytics during the half.

Wesfarmers made a non-controlling investment in Tecsa, a UK-based specialist customer data and loyalty analytics consultancy, during the period. The investment builds on the Group's existing partnerships with Tecsa and provides access to talent and global expertise in retail customer analytics.

Outlook

OnePass will continue to build on momentum from the first half, launching new customer benefits including a retail partnership with Officeworks, a new mobile app and exclusive OnePass member benefits.

Work with partners to further develop the value proposition across key loyalty and membership programs will continue, with a focus on opportunities to provide the divisions with incremental data insights and operational efficiencies.

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

Directors' Report

Divisional performance overview

Other

Half-year ended 31 December ($m)	Holding %	2022	2021	Variance %
Share of profit of associates and joint ventures				
BWP Trust	24.8	28	86	*(67.4)*
Other associates and joint ventures[a]	Various	16	9	*77.8*
Sub-total share of profit of associates and joint ventures		**44**	**95**	***(53.7)***
OneDigital[b]		(41)	(40)	*(2.5)*
Group overheads		(78)	(75)	*(4.0)*
Other[c,d]		-	38	*n.m.*
Total Other EBIT		**(75)**	**18**	***n.m.***
Interest on lease liabilities		-	-	*n.m.*
Total Other EBT		**(75)**	**18**	***n.m.***

n.m. = not meaningful

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

[b] Excludes Catch.

[c] 2022 includes $11 million of dividends received from the Group's 2.8 per cent interest in Coles. 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 prior to the completion of its acquisition.

[d] 2021 Other EBIT has been restated to include $4 million of data and digital operating expenses not related to OneDigital.

Performance review

Other business and corporate overheads reported a loss of $75 million for the half, compared to earnings of $18 million in the prior corresponding period.

Earnings from the Group's associates and joint ventures decreased by $51 million due to a lower property revaluation benefit in BWP Trust, partially offset by higher earnings from other associates including Gresham and Wespine.

Other EBIT includes the investment in the OnePass membership program and the Group's customer and data insights capabilities, with an operating loss associated with these initiatives of $41 million for the half, broadly in line with a loss of $40 million in the prior corresponding period.

Other corporate earnings were $38 million lower than the prior corresponding period, driven by a lower Group insurance result, the benefit of the Homebase equity distribution in the prior corresponding period, and lower dividends received from API and Coles following the completion of the API acquisition in March 2022 and the sale of a 2.1 per cent interest in Coles during April 2022.

Group overheads increased by 4.0 per cent to $78 million for the half.

Cash flows, financing and dividends

Half-year ended 31 December ($m)	2022	2021	Variance %
Cash flows			
Operating cash flows	1,971	1,556	*26.7*
Gross capital expenditure	676	583	*16.0*
Net capital expenditure	578	405	*42.7*
Free cash flows	1,365	949	*43.8*
Cash realisation ratio[a] (%)	89	79	*10 ppt*
Balance sheet			
Net financial debt[b]	4,716	2,615	*80.3*
Other finance costs	62	48	*29.2*
Weighted average cost of debt[c] (%)	3.06	3.70	*(0.64 ppt)*
Debt to EBITDA[d] (x)	2.1	2.0	*0.1 x*
Dividends per share			
Interim ordinary dividend (fully-franked, cps)	88	80	*10.0*

[a] Operating cash flows as a percentage of net profit after tax, before depreciation and amortisation.
[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.
[d] Total debt including lease liabilities, net of cash and cash equivalents, divided by R12 EBITDA.

Cash flows

Divisional operating cash flows before interest, tax and the repayment of lease liabilities increased 13.4 per cent for the half, with divisional cash generation of 97 per cent. Divisional cash flow growth was supported by stronger divisional earnings, the addition of the Health division and a favourable net working capital result in Kmart Group, as the level of buffer stock held was reduced in line with stabilising global supply chain conditions. These factors were partially offset by a continued normalisation of inventory cover in Bunnings and the timing impact of higher fertiliser prices on WesCEF's inventory position.

Reported operating cash flows increased 26.7 per cent to $1,971 million for the half, supported by higher divisional cash flows and lower tax paid due to the timing of tax payments.

Gross capital expenditure of $676 million was 16.0 per cent higher for the half, largely due to continued investment in the development of the Mt Holland lithium project. Proceeds from the sale of property, plant and equipment of $98 million were $80 million lower than the prior corresponding period. The resulting net capital expenditure of $578 million was 42.7 per cent higher than the prior corresponding period.

Free cash flows of $1,365 million were 43.8 per cent higher for the half, reflecting higher operating cash flows and the impact of cash consideration relating to the Group's purchase of a 19.3 per cent stake in API and completion of the Beaumont Tiles acquisition in the prior corresponding period.

Financing

The Group recorded a net financial debt position of $4,716 million as at 31 December 2022, comprising interest-bearing liabilities excluding lease liabilities, net of cross-currency swap assets and cash at bank and on deposit. This compares to a net financial debt position of $4,296 million as at 30 June 2022 and $2,615 million as at 31 December 2021. The increase in net financial debt was largely driven by the payment of $1.1 billion of fully-franked dividends and higher capital expenditure during the half.

As at 31 December 2022, Wesfarmers had available unused bank financing facilities of $1,969 million.

The Group retains significant headroom against key credit metrics and maintained its strong credit ratings during the half, with a rating from Moody's Investors Services of A3 (stable) and a rating of A- (stable) from S&P Global Ratings.

Other finance costs increased 29.2 per cent to $62 million, reflecting higher net debt during the half. On a combined basis, other finance costs including the component of interest that was capitalised increased 29.7 per cent to $83 million.

Dividends

The Wesfarmers Board has determined to pay a fully-franked ordinary interim dividend of $0.88 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 interim dividend will be paid on 28 March 2023 to shareholders on the company's register on 21 February 2023, 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 Board has 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 24 February 2023 to 16 March 2023.

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 22 February 2023. The Board has 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 28 March 2023.

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 2022, 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
14 February 2023

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, 14 February 2023

Financial statements

For the half-year ended 31 December 2022

Financial statements

Notes to the financial statements

About this report

Group performance and balance sheet

Capital

Risk

Other

Income statement

For the half-year ended 31 December 2022

	Note	Consolidated December 2022 $m	December 2021 $m
Revenue	5	**22,558**	17,758
Expenses			
Raw materials and inventory		**(15,032)**	(11,087)
Employee benefits expense	6	**(3,208)**	(2,886)
Freight and other related expenses		**(361)**	(340)
Occupancy-related expenses	6	**(253)**	(222)
Depreciation and amortisation	6	**(844)**	(761)
Impairment expenses	6	**(14)**	(10)
Other expenses	6	**(824)**	(745)
Total expenses		**(20,536)**	(16,051)
Other income	5	**92**	98
Share of net profits of associates and joint ventures		**46**	100
		138	198
Earnings before finance costs and income tax expense		**2,160**	1,905
Interest on lease liabilities	9	**(107)**	(109)
Other finance costs	6	**(62)**	(48)
Profit before income tax expense		**1,991**	1,748
Income tax expense	7	**(607)**	(535)
Profit attributable to members of the parent		**1,384**	1,213
Earnings per share attributable to ordinary equity holders of the parent	12	**cents**	cents
Basic earnings per share		**122.3**	107.3
Diluted earnings per share		**122.2**	107.2

Statement of comprehensive income

For the half-year ended 31 December 2022

		Consolidated	
	Note	**December 2022 $m**	December 2021 $m
Profit attributable to members of the parent		**1,384**	1,213
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Foreign currency translation reserve			
Exchange differences on translation of foreign operations		**15**	5
Cash flow hedge reserve	14		
Unrealised gains on cash flow hedges		**65**	122
Realised gains transferred to non-financial assets		**(261)**	(84)
Share of associates and joint ventures reserves		**1**	4
Tax effect		**58**	(13)
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		**(41)**	90
Share of associates and joint ventures reserves		**4**	2
Tax effect		**12**	(28)
Other comprehensive (loss)/income for the period, net of tax		**(147)**	98
Total comprehensive income for the period, net of tax, attributable to members of the parent		**1,237**	1,311

Balance sheet

As at 31 December 2022

		Consolidated		
	Note	**December 2022 $m**	June 2022 $m	December 2021 $m
ASSETS				
Current assets				
Cash and cash equivalents	8	**632**	705	623
Trade and other receivables		**2,043**	2,094	1,088
Inventories		**6,634**	6,084	5,605
Income tax receivable		**170**	6	-
Derivatives		**92**	452	364
Other		**224**	264	165
Total current assets		**9,795**	9,605	7,845
Non-current assets				
Investments in associates and joint ventures		**1,006**	934	880
Other financial assets		**639**	677	1,348
Deferred tax assets		**549**	572	485
Property, plant and equipment		**3,680**	3,621	3,521
Goodwill and intangible assets		**4,653**	4,651	3,958
Mine properties		**1,375**	1,150	1,011
Right-of-use assets	9	**5,854**	6,014	6,145
Derivatives		**3**	8	11
Other		**45**	39	27
Total non-current assets		**17,804**	17,666	17,386
Total assets		**27,599**	27,271	25,231
LIABILITIES				
Current liabilities				
Trade and other payables		**5,689**	5,362	5,204
Interest-bearing loans and borrowings	10	**200**	988	1,015
Lease liabilities	9	**1,105**	1,100	1,015
Income tax payable		**-**	-	4
Provisions		**1,010**	1,154	968
Derivatives		**61**	2	13
Other		**353**	287	320
Total current liabilities		**8,418**	8,893	8,539
Non-current liabilities				
Interest-bearing loans and borrowings	10	**4,843**	3,970	2,338
Lease liabilities	9	**5,836**	6,023	6,223
Provisions		**366**	374	387
Derivatives		**42**	30	1
Total non-current liabilities		**11,087**	10,397	8,949
Total liabilities		**19,505**	19,290	17,488
Net assets		**8,094**	7,981	7,743
EQUITY				
Equity attributable to equity holders of the parent				
Issued capital	11	**13,574**	13,574	13,578
Reserved shares	11	**(102)**	(102)	(102)
Retained earnings		**735**	485	253
Reserves		**(6,113)**	(5,976)	(5,986)
Total equity		**8,094**	7,981	7,743

Cash flow statement

For the half-year ended 31 December 2022

		Consolidated	
		December 2022	December 2021
	Note	**$m**	$m
Cash flows from operating activities			
Receipts from customers		**24,934**	19,806
Payments to suppliers and employees		**(22,139)**	(17,351)
Dividends and distributions received from associates		**18**	26
Dividends received from other investments		**11**	20
Interest received		**6**	3
Interest component of lease payments		**(107)**	(109)
Borrowing costs		**(71)**	(48)
Income tax paid		**(681)**	(791)
Net cash flows from operating activities	8	**1,971**	1,556
Cash flows from investing activities			
Payments for property, plant and equipment and intangibles	8	**(452)**	(425)
Payments for mineral exploration	8	**(1)**	(3)
Payments for mine properties and development	8	**(223)**	(155)
Proceeds from sale of property, plant and equipment and intangibles	8	**98**	178
Net proceeds from sale of businesses		**13**	-
Net proceeds from disposal of other investments		**-**	3
Net investments in associates and joint ventures		**(39)**	(24)
Acquisition of subsidiaries, net of cash acquired		**-**	(46)
Purchase of other financial assets		**(2)**	(135)
Net cash flows used in investing activities		**(606)**	(607)
Cash flows from financing activities			
Proceeds from borrowings		**-**	938
Repayment of borrowings		**(764)**	(866)
Net proceeds from revolving facilities		**1,035**	360
Principal component of lease payments		**(575)**	(494)
Equity dividends paid		**(1,134)**	(1,020)
Capital return paid		**-**	(2,267)
Net cash flows used in financing activities		**(1,438)**	(3,349)
Net decrease in cash and cash equivalents		**(73)**	(2,400)
Cash and cash equivalents at beginning of period		**705**	3,023
Cash and cash equivalents at end of period	8	**632**	623

Statement of changes in equity

For the half-year ended 31 December 2022

		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 2022		**13,574**	**(102)**	**485**	**(5,976)**	**7,981**
Net profit for the period		**-**	**-**	**1,384**	**-**	**1,384**
Other comprehensive income						
Exchange differences on translation of foreign operations		**-**	**-**	**-**	**15**	**15**
Changes in the fair value of cash flow hedges, net of tax	14	**-**	**-**	**-**	**(137)**	**(137)**
Changes in the fair value of financial assets designated at fair value through other comprehensive income, net of tax		**-**	**-**	**-**	**(25)**	**(25)**
Total other comprehensive loss for the period, net of tax		**-**	**-**	**-**	**(147)**	**(147)**
Total comprehensive income for the period, net of tax		**-**	**-**	**1,384**	**(147)**	**1,237**
Share-based payment transactions		**-**	**-**	**-**	**10**	**10**
Equity dividends	13	**-**	**-**	**(1,134)**	**-**	**(1,134)**
		-	**-**	**(1,134)**	**10**	**(1,124)**
Balance at 31 December 2022		**13,574**	**(102)**	**735**	**(6,113)**	**8,094**
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
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

Notes to the financial statements: About this report

For the half-year ended 31 December 2022

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 2022 (HY2022) was authorised for issue in accordance with a resolution of the directors on 14 February 2023. 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 2022 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 2022 and considered with any public announcements made by the Company during the half-year ended 31 December 2022 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 2022

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 IMPACTING THE CURRENT REPORTING PERIOD

Restructure of the Group's operating segments

In April 2022, the Group determined that from 1 July 2022, Catch would move from the Kmart Group segment and join a newly formed division, Wesfarmers OneDigital (OneDigital). The OneDigital division includes Catch, OnePass and supporting capabilities.

In accordance with AASB 8 *Operating Segments*, Catch is reported as a segment, reflecting its operating nature, while the results for OnePass and supporting capabilities continue to be reported within Other. The Group has restated amounts presented in the prior period to reflect the new reporting structure. Refer to Note 4 for further details.

Impact of COVID-19

The impact of COVID-19 on the Group's operational and financial performance continued to decline during HY2022, and while there are COVID-19 cases still occurring in the community, many of the Group's operational responses to the pandemic are integrated into normal processes. There were no government-mandated COVID-19 lockdowns impacting the retail businesses in HY2022, but the Group's retail businesses were impacted by widespread COVID-related lockdowns in HY2021.

Acquisition of Australian Pharmaceutical Industries Ltd

On 31 March 2022, Wesfarmers, through its wholly-owned subsidiary WFM Investments Pty Ltd, completed the acquisition of Australian Pharmaceutical Industries Ltd (API). API is the foundation business of the Wesfarmers Health (Health) segment.

4. SEGMENT INFORMATION

The Group's 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 are disclosed in the Wesfarmers 30 June 2022 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 the retail divisions, particularly Kmart Group and Catch, are typically greater in the December half of the financial year, due to the impact of the holiday trading period.

Interest income and other finance costs are not allocated to operating segments, as this type of activity is managed on a Group basis. 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		WesCEF		OFFICEWORKS		INDUSTRIAL AND SAFETY		HEALTH		CATCH[2]		OTHER[3]		CONSOLIDATED	
	2022 $m	2021 $m	**2022 $m**	2021 $m	**2022 $m**	2021 $m	**2022 $m**	2021 $m	**2022 $m**	2021 $m	**2022 $m**	2021 $m	**2022 $m**	2021 $m	**2022 $m**	2021 $m	**2022 $m**	2021 $m
Revenue from contracts with customers	**9,787**	9,205	**5,677**	4,564	**1,400**	1,075	**1,644**	1,571	**978**	944	**2,778**	-	**216**	310	**10**	7	**22,490**	17,676
Other revenue	**5**	4	**37**	41	**2**	2	**7**	9	**-**	-	**-**	-	**3**	5	**14**	21	**68**	82
Segment revenue	**9,792**	9,209	**5,714**	4,605	**1,402**	1,077	**1,651**	1,580	**978**	944	**2,778**	-	**219**	315	**24**	28	**22,558**	17,758
EBITDA	**1,721**	1,677	**765**	513	**372**	262	**152**	142	**89**	80	**66**	-	**(93)**	(30)	**(68)**	22	**3,004**	2,666
Depreciation and amortisation	**(387)**	(362)	**(250)**	(247)	**(48)**	(43)	**(62)**	(55)	**(40)**	(37)	**(36)**	-	**(14)**	(13)	**(7)**	(4)	**(844)**	(761)
Interest on lease liabilities	**(56)**	(56)	**(40)**	(44)	**-**	(1)	**(5)**	(5)	**(2)**	(2)	**(3)**	-	**(1)**	(1)	**-**	-	**(107)**	(109)
Segment result	**1,278**	1,259	**475**	222	**324**	218	**85**	82	**47**	41	**27**	-	**(108)**	(44)	**(75)**	18	**2,053**	1,796
Other finance costs																	**(62)**	(48)
Profit before income tax expense																	**1,991**	1,748
Income tax expense																	**(607)**	(535)
Profit attributable to members of the parent																	**1,384**	1,213
Capital expenditure[4]	**226**	211	**58**	52	**272**	238	**26**	28	**31**	26	**19**	-	**7**	19	**18**	24	**657**	598
Share of net profits of associates and joint ventures included in segment result[5]	**-**	-	**-**	-	**2**	5	**-**	-	**-**	-	**-**	-	**-**	-	**44**	95	**46**	100

[1] The HY2022 Bunnings segment result includes a net property contribution of $35 million (HY2021: $41 million).
[2] The HY2022 Catch segment result includes costs of $33 million in relation to inventory provisions, team member redundancies and asset write-offs.
[3] The Other result includes dividends received of $11 million (HY2021: $18 million) from Wesfarmers' 2.8 per cent (HY2021: 4.9 per cent) interest in Coles Group Limited and operating expenditure of $41 million (HY2021: $40 million) in relation to OnePass and supporting capabilities.
[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 $676 million (HY2021: $583 million).
[5] The HY2022 share of net profits of associates and joint ventures in Other includes $28 million (HY2021: $86 million) from Wesfarmers' 24.8 per cent share of the BWP Trust's net profit. The increased profits in the prior period predominantly comprised of greater gains from property revaluations.

5. REVENUE AND OTHER INCOME

	Consolidated	
	December 2022 $m	December 2021 $m
Revenue from contracts with customers		
Sale of retail goods in store	**15,934**	13,406
Sale of retail goods online	**1,469**	2,185
Sale of wholesale goods	**2,584**	-
Sale of fertilisers, chemicals, speciality gases, LPG and LNG	**1,398**	1,074
Sale of industrial products	**974**	922
Services revenue	**131**	89
	22,490	17,676
Other revenue		
Interest revenue	**6**	3
Dividend revenue	**11**	20
Other	**51**	59
	68	82
Total revenue	**22,558**	17,758
Other income		
Gains on disposal of property, plant and equipment and other assets	**38**	46
Other	**54**	52
Total other income	**92**	98

	Consolidated	
	December 2022 $m	December 2021 $m
Revenue from contracts with customers by geography		
Australia	**21,030**	16,383
New Zealand	**1,438**	1,286
Other	**22**	7
	22,490	17,676

Revenue from contracts with customers by segment for HY2022

	$m	%
Bunnings	9,787	43.5
Kmart Group	5,677	25.2
WesCEF	1,400	6.2
Officeworks	1,644	7.3
Industrial and Safety	978	4.4
Health	2,778	12.4
Catch	216	1.0
Other	10	-

6. EXPENSES

	Consolidated	
	December 2022 $m	December 2021 $m
Remuneration, bonuses and on-costs	**2,912**	2,631
Superannuation expense	**225**	194
Share-based payments expense	**71**	61
Employee benefits expense	**3,208**	2,886
Short-term and low-value lease payments	**24**	13
Contingent rental payments	**20**	16
Outgoings and other	**209**	193
Occupancy-related expenses	**253**	222
Depreciation	**209**	191
Depreciation of right-of-use assets	**539**	497
Amortisation of intangibles	**60**	37
Amortisation of leasehold improvements	**36**	36
Depreciation and amortisation	**844**	761
Impairment of plant, equipment and other assets	**6**	3
Impairment of right-of-use assets	**3**	2
Impairment of trade and other receivables	**5**	5
Impairment expenses	**14**	10
Repairs and maintenance	**148**	132
Utilities and office expenses	**304**	259
Insurance expenses	**26**	21
Merchant fees	**77**	77
Other	**269**	256
Other expenses	**824**	745
Interest on interest-bearing loans and borrowings, net of borrowing costs capitalised	**53**	34
Discount rate adjustment	**3**	1
Amortisation of debt establishment costs	**2**	3
Other finance-related costs	**4**	10
Other finance costs	**62**	48

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 HY2022, the weighted average interest rate applicable was 3.00 per cent (HY2021: 3.26 per cent) and $21 million (HY2021: $16 million) of interest was capitalised to mine properties for the Mt Holland lithium project. Capitalised borrowing costs are included within WesCEF's capital expenditure.

Notes to the financial statements: Group performance and balance sheet

For the half-year ended 31 December 2022

7. TAX EXPENSE

	Consolidated December 2022 $m	December 2021 $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:		
Tax reconciliation		
Profit before tax	**1,991**	1,748
Income tax rate at the statutory rate of 30%	**597**	524
Adjustments relating to prior years	**5**	13
Non-deductible items	**5**	2
Share of results of associates and joint ventures	**4**	(1)
Non-assessable dividends	**(4)**	(7)
Other	**-**	4
Income tax on profit before tax	**607**	535

8. CASH AND CASH EQUIVALENTS

	Consolidated December 2022 $m	June 2022 $m
For the purposes of the cash flow statement, cash and cash equivalents comprise the following:		
Cash held in joint operation	**143**	188
Cash on hand and in transit	**263**	238
Cash at bank and on deposit	**226**	279
	632	705

Cash held in joint operation

Cash held in joint operation is only available for use within the joint operation.

Cash capital expenditure by segment for HY2022

	$m	%
Bunnings	226	33.4
Kmart Group	62	9.2
WesCEF	272	40.2
Officeworks	26	3.8
Industrial and Safety	31	4.6
Health	20	3.0
Catch	10	1.5
Other	29	4.3

8. CASH AND CASH EQUIVALENTS (CONTINUED)

	Consolidated December 2022 $m	December 2021 $m
Reconciliation of net profit after tax to net cash flows from operations		
Net profit	**1,384**	1,213
Adjusted for		
Depreciation and amortisation	**844**	761
Impairment of assets	**14**	10
Net gain on disposal of non-current assets including investments and associates	**(35)**	(43)
Share of net profits of associates and joint ventures	**(46)**	(100)
Dividends and distributions received from associates	**18**	26
Discount adjustment in borrowing costs	**3**	1
Amortisation of debt establishment costs	**2**	3
Other	**12**	8
(Increase)/decrease in assets		
Trade and other receivables	**28**	174
Inventories	**(531)**	(1,071)
Current tax receivable	**(166)**	-
Prepayments	**39**	15
Deferred tax assets	**92**	93
Other assets	**2**	(7)
Increase/(decrease) in liabilities		
Trade and other payables	**393**	910
Current tax payable	**-**	(349)
Provisions	**(154)**	(180)
Other liabilities	**72**	92
Net cash flows from operating activities	**1,971**	1,556

	Consolidated December 2022 $m	December 2021 $m
Cash capital expenditure		
Payments for property	**62**	43
Payments for plant and equipment	**306**	309
Payments for intangibles	**84**	73
Payments for mineral exploration	**1**	3
Payments for mine properties	**223**	155
	676	583
Proceeds from sale of property, plant, equipment and intangibles	**(98)**	(178)
Net cash capital expenditure	**578**	405

9. LEASES

Consolidated	Right-of-use assets Land $m	Buildings $m	Vehicles and other $m	Total $m
Half-year ended 31 December 2022				
Gross carrying amount - at cost	**111**	**9,136**	**65**	**9,312**
Accumulated depreciation and impairment	**(18)**	**(3,423)**	**(17)**	**(3,458)**
Net carrying amount	**93**	**5,713**	**48**	**5,854**
Movement				
Net carrying amount at 1 July 2022	**72**	**5,896**	**46**	**6,014**
Net additions[1]	**24**	**342**	**6**	**372**
Impairment, net of reversals	**-**	**(3)**	**-**	**(3)**
Depreciation	**(3)**	**(533)**	**(3)**	**(539)**
Acquisition/(disposal) of controlled entities	**-**	**(3)**	**(1)**	**(4)**
Other including foreign exchange movements	**-**	**14**	**-**	**14**
Net carrying amount at 31 December 2022	**93**	**5,713**	**48**	**5,854**
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				
Net carrying amount at 1 July 2021	48	5,949	38	6,035
Net additions[1]	30	532	3	565
Impairment, net of reversals	-	(2)	-	(2)
Depreciation	(3)	(491)	(3)	(497)
Acquisition/(disposal) of controlled entities	-	38	-	38
Other including foreign exchange movements	-	6	-	6
Net carrying amount at 31 December 2021	75	6,032	38	6,145

[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 2022 $m	December 2021 $m
Current	**1,105**	1,015
Non-current	**5,836**	6,223
Total lease liabilities	**6,941**	7,238
Movement		
Net carrying amount at the beginning of the period	**7,123**	7,105
Net additions[1]	**381**	582
Accretion of interest	**107**	109
Lease payments	**(682)**	(603)
Acquisition/(disposal) of controlled entities	**(4)**	38
Other including foreign exchange movements	**16**	7
Net carrying amount at 31 December	**6,941**	7,238

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

Lease liabilities by segment as at 31 December 2022

	$m	%
Bunnings	3,738	53.9
Kmart Group	2,411	34.7
WesCEF	64	0.9
Officeworks	343	4.9
Industrial and Safety	143	2.1
Health	165	2.4
Catch	57	0.8
Other	20	0.3

Notes to the financial statements: Capital

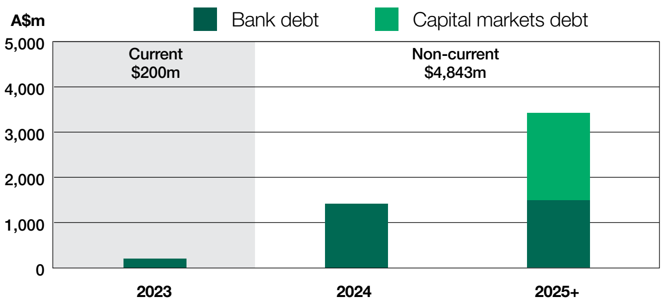
For the half-year ended 31 December 2022

10. INTEREST-BEARING LOANS AND BORROWINGS

	Consolidated	
	December 2022 $m	June 2022 $m
Current		
Unsecured		
Bank debt	**200**	-
Capital markets debt	**-**	988
	200	988
Non-current		
Unsecured		
Bank debt	**2,906**	2,067
Capital markets debt	**1,937**	1,903
	4,843	3,970
Total interest-bearing loans and borrowings	**5,043**	4,958

The illustration below provides details, including the principal repayment obligations, of all loans and borrowings on issue at 31 December 2022:

Outstanding loans and borrowings



Funding activities

The Group's funding strategy is to maintain diversity of funding sources and a presence in key financing markets, maintain an appropriate average maturity, and balance exposures to fixed and floating rates.

In August 2022, EUR650 million (A$764 million, net of cross-currency interest rate swaps) of bonds matured and were repaid from available cash balances and bank facilities. Additionally, throughout the period, a number of bilateral bank agreements have been extended or entered into to maintain the Group's debt capacity and average maturity profile. The Group had unused bank financing facilities available at 31 December 2022 of $1,969 million (30 June 2022: $2,099 million).

11. EQUITY

Movement in shares on issue	Ordinary shares '000	Ordinary shares $m	Reserved shares '000	Reserved shares $m
At 1 July 2021	1,133,840	15,826	(2,483)	(102)
Exercise of in-substance options	-	-	43	-
KEEPP vested during the period	-	-	345	-
Issue of unquoted fully-paid ordinary shares for the purposes of KEEPP	305	-	(305)	-
Transfer from other reserves	-	20	-	-
Capital return	-	(2,268)	-	-
At 31 December 2021 and 1 January 2022	**1,134,145**	**13,578**	**(2,400)**	**(102)**
Exercise of in-substance options	-	-	51	-
Transfer from other reserves	-	(4)	-	-
At 30 June 2022 and 1 July 2022	**1,134,145**	**13,574**	**(2,349)**	**(102)**
Exercise of in-substance options	-	-	49	-
KEEPP vested during the period	-	-	339	-
Issue of unquoted fully-paid ordinary shares for the purposes of KEEPP	369	-	(369)	-
At 31 December 2022	**1,134,514**	**13,574**	**(2,330)**	**(102)**

Notes to the financial statements: Capital

For the half-year ended 31 December 2022

12. EARNINGS PER SHARE

	Consolidated	
	December 2022	December 2021
Profit attributable to ordinary equity holders of the parent ($m)	**1,384**	1,213
WANOS[1] used in the calculation of basic EPS (shares, million)[2]	**1,132**	1,131
WANOS[1] used in the calculation of diluted EPS (shares, million)[2]	**1,133**	1,132
- Basic EPS (cents per share)	**122.3**	107.3
- Diluted EPS (cents per share)	**122.2**	107.2

[1] Weighted average number of ordinary shares.

[2] The variance in the WANOS used in the calculation of basic EPS and the diluted EPS is attributable to the dilutive effect of 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.

Basic earnings per share

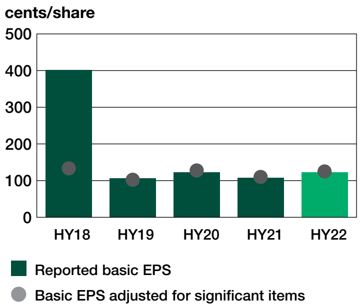
Basic EPS is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share

Diluted EPS 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 earnings per share

122.3 cents



	Reported basic EPS	Adjusted basic EPS
HY22	**122.3**	**122.3**
HY21	107.3	107.3
HY20[1]	122.9	125.0
HY19[2]	106.9	99.6
HY18[3]	401.2	130.8

[1] HY2020 EPS of 122.9 cents per share includes costs relating to the restructure of the Kmart Group. 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.

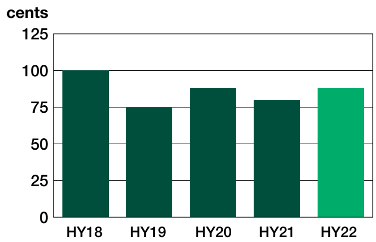
13. DIVIDENDS AND DISTRIBUTIONS

	Consolidated	
	December 2022 $m	December 2021 $m
Determined during the period (dividends fully-franked at 30 per cent)		
Final dividend for 2022: $1.00 (2021: $0.90) per share	**1,134**	1,020
Capital return for 2021: $2.00 per share[1]	**-**	2,268
	1,134	3,288
Proposed and unrecognised as a liability (dividends fully-franked at 30 per cent)		
Interim dividend for 2023: $0.88 (2022: $0.80) per share	**998**	907

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

Interim distributions

88 cents



	Cents
HY22	**88**
HY21	80
HY20	88
HY19	75
HY18	100

14. CASH FLOW HEDGE RESERVE

The change in cash flow hedge reserve for the half-year ended 31 December 2022 includes the after-tax net movement in the market value of cash flow hedges from 30 June 2022 and comprised $(105) million (2021: $22 million) of foreign exchange rate contracts, $(33) million (2021: $7 million) of cross-currency interest rate swaps, nil (2021: $(2) million) of commodity swaps and a $1 million (2021: $2 million) movement in associates and joint ventures reserves.

15. FINANCIAL INSTRUMENTS

Valuation 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).
- Level 3: fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The Group's financial instruments were primarily 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 carried at amortised cost in the financial statements are materially the same, with the exception of the following:

Consolidated	**December 2022 $m**	June 2022 $m	December 2021 $m
Capital markets debt: carrying amount	**1,937**	2,891	2,943
Capital markets debt: fair value	**1,494**	2,443	2,948

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 capital markets debt have been calculated by discounting the expected future cash flows at prevailing interest rates using market observable inputs. The fair values of listed investments, classified as financial assets held at FVOCI, have been calculated using quoted share prices (Level 1).

Derivatives

The Group enters into derivative financial instruments with various counterparties, principally banks and financial institutions with investment grade credit ratings. Foreign exchange forward contracts, interest rate swap contracts, cross-currency interest rate swaps and commodity futures contracts are all valued using forward pricing techniques. This includes the use of market observable inputs, such as foreign exchange spot and forward rates, yield curves of the respective currencies, interest rate curves and forward rate curves of the underlying commodity. Accordingly, these derivatives are classified as Level 2 in the fair value measurement hierarchy.

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 markets debt.

Financial risk factors

The Group's activities expose its financial instruments to a variety of financial risks, including liquidity risk, market risk (foreign currency, interest rate and commodity price) and credit 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 2022. There have been no significant changes in financial risk management policies since 30 June 2022.

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 has been completed for non-current assets when the existence of an indication of impairment has been identified. No material impairment has been recognised in HY2022.

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.

Notes to the financial statements: Other

For the half-year ended 31 December 2022

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 88 cents per share resulting in a dividend payment of $998 million was determined for a payment date of 28 March 2023. This dividend has not been provided for in the 31 December 2022 half-year financial report.

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 2022 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 2022 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 2022 in accordance with the fourth edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

On behalf of the Board

M A Chaney AO
Chairman
Perth, 14 February 2023

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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 2022, 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 2022 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.

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

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 2022 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 14 February 2023	J K Newton Partner

Additional Disclosures

2023 Half-year retail sales results

Headline retail sales results

Half-year sales ($m)[1]	Half-year 2023	Half-year 2022	Variance %
Bunnings[2]	**9,782**	**9,204**	***6.3***
Kmart	4,531	3,487	*29.9*
Target	1,263	1,167	*8.2*
Total Kmart Group[3]	**5,794**	**4,654**	***24.5***
Catch (GTV)	**451**	**616**	***(26.8)***
Officeworks	**1,644**	**1,571**	***4.6***

[1] See Additional Disclosures (page 47) for relevant retail calendars.

[2] Excludes Property and Other Revenue.

[3] Excludes Catch. Total Kmart Group headline retail sales results for half-year 2022 have been restated to exclude $2 million of inter-company transactions with Catch.

Key metrics

Key metrics (%)[1]	Half-year 2023	Half-year 2022	Half-year 2021
Bunnings			
Total store sales growth[2]	5.1	1.0	24.8
Store-on-store sales growth[2]	2.8	1.5	27.7
Online penetration	1.8	4.3	3.1
Kmart Group[3]			
Kmart			
Comparable sales growth	17.1	(6.4)	9.1
Online penetration	7.3	14.3	8.7
Target			
Comparable sales growth	2.8	6.0	13.0
Online penetration	17.0	26.9	15.9
Officeworks			
Total sales growth	4.6	3.7	23.6
Online penetration	34.5	46.0	37.1
Catch			
Gross transaction value growth	(26.8)	1.0	95.6

[1] See Additional Disclosures (page 47) for relevant retail calendars.

[2] Includes cash, trade and online sales, excludes property income and sales related to Trade Centres, ‘Frame and Truss’, Took Kit Depot 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

2023 Half-year retail sales results

Retail calendars

Business	Retail sales period
Bunnings, Officeworks and Catch	
Half-year 2023	1 Jul 2022 to 31 Dec 2022 (6 months)
Half-year 2022	1 Jul 2021 to 31 Dec 2021 (6 months)
Half-year 2021	1 Jul 2020 to 31 Dec 2020 (6 months)
Kmart	
Half-year 2023	27 Jun 2022 to 1 Jan 2023 (27 weeks)
Half-year 2022	28 Jun 2021 to 2 Jan 2022 (27 weeks)
Half-year 2021	29 Jun 2020 to 3 Jan 2021 (27 weeks)
Target	
Half-year 2023	26 Jun 2022 to 31 Dec 2022 (27 weeks)
Half-year 2022	27 Jun 2021 to 1 Jan 2022 (27 weeks)
Half-year 2021	28 Jun 2020 to 2 Jan 2021 (27 weeks)

Additional Disclosures

Retail and health operations - store network

	Open at 1 Jul 2022	Opened	Closed	Open at 31 Dec 2022
BUNNINGS				
Bunnings Warehouse	282	3	(2)	**283**
Bunnings smaller formats	67	3	(2)	**68**
Bunnings Trade Centres	32	-	(1)	**31**
Tool Kit Depot	11	3	(1)	**13**
Beaumont Tiles[1]	115	1	-	**116**
Total Bunnings	**507**	**10**	**(6)**	**511**
KMART GROUP				
Kmart	268	2	(1)	**269**
K hub	56	-	-	**56**
Target	128	-	(2)	**126**
Total Kmart Group	**452**	**2**	**(3)**	**451**
OFFICEWORKS				
Officeworks	**168**	**1**	**(3)**[2]	**166**
HEALTH				
Priceline / Priceline Pharmacy[1]	465	19	(14)	**470**
Soul Pattinson Chemist[3]	44	-	-	**44**
Pharmacist Advice[3]	48	5	(6)	**47**
Clear Skincare	95	2	(1)	**96**
Total Health	**652**	**26**	**(21)**	**657**

[1] Includes both company-owned and franchise stores.

[2] Closures for the period includes the temporary closure of the Underwood store which was destroyed by fire. The Underwood store is expected to be reopened in the first half of the 2024 financial year.

[3] Soul Pattinson Chemist and Pharmacist Advice are banner brands operated by independent pharmacies.

Additional Disclosures

Store network

Retail and health operations - store network history

Open at 31 December	2022	2021	2020	2019	2018
BUNNINGS					
Bunnings Warehouse	283	280	276	273	265
Bunnings smaller formats	68	69	70	74	75
Bunnings Trade Centres	31	30	30	31	32
Tool Kit Depot	13	9	6	-	-
Beaumont Tiles[1]	116	114	-	-	-
Total Bunnings	**511**	**502**	**382**	**378**	**372**
KMART					
Kmart	269	270	249	236	231
K hub	56	56	7	-	-
Total Kmart	**325**	**326**	**256**	**236**	**231**
TARGET					
Large	126	134	166	183	186
Small	-	-	92	102	110
Total Target	**126**	**134**	**258**	**285**	**296**
OFFICEWORKS					
Officeworks	**166**[2]	**167**	**168**	**167**	**166**
HEALTH					
Priceline / Priceline Pharmacy[1]	470	-	-	-	-
Soul Pattinson Chemist[3]	44	-	-	-	-
Pharmacist Advice[3]	47	-	-	-	-
Clear Skincare	96	-	-	-	-
Total Health	**657**	**-**	**-**	**-**	**-**

[1] Includes both company owned and franchise stores.

[2] Excludes the Underwood store, which was destroyed by fire. The Underwood store is expected to be reopened in the first half of the 2024 financial year.

[3] Soul Pattinson Chemist and Pharmacist Advice are banner brands operated by independent pharmacies.

Additional Disclosures

Five-year history – financial performance and key metrics

Group financial performance

	Post-AASB 16				*Pre-AASB 16*	
Half-year ended 31 December ($m)	**2022**	**2021**	**2020**	**2019**	**2019**	**2018**
Summarised income statement						
Revenue	22,558	17,758	17,774	15,249	15,249	31,152
EBIT (after interest on lease liabilities)	2,053	1,796	2,023	1,615	1,637	5,482
Other finance costs	(62)	(48)	(60)	(69)	(69)	(97)
Income tax expense	(607)	(535)	(573)	(336)	(343)	(847)
Profit after tax from discontinued operations	-	-	-	83	83	3,458
NPAT (including discontinued operations)	1,384	1,213	1,390	1,210	1,225	4,538
Summarised balance sheet						
Total assets	27,599	25,231	25,518	26,079	19,188	20,585
Total liabilities	19,505	17,488	15,907	16,355	8,931	9,293
Net assets	8,094	7,743	9,611	9,724	10,257	11,292
Net debt / (cash)[1]	4,674	2,863	(529)	2,666	2,666	731
Summarised cash flow statement						
Operating cash flows	1,971	1,556	2,216	2,131	1,666	1,987
Add/(less): Net capital expenditure	(578)	(405)	(243)	(207)	(207)	(678)
Add/(less): Other investing cash flows	(28)	(202)	(9)	(885)	(885)	1,084
Add/(less): Total investing cash flows	(606)	(607)	(252)	(1,092)	(1,092)	406
Free cash flows	1,365	949	1,964	1,039	574	2,393
Add/(less): Financing cash flows	(1,438)	(3,349)	(2,197)	(1,398)	(933)	(134)
Net increase/(decrease) in cash	(73)	(2,400)	(233)	(359)	(359)	2,259
Distributions to shareholders (cents per share)						
Interim ordinary dividend	88	80	88	75	75	100
Special dividend	-	-	-	-	-	100
Key performance metrics						
Earnings per share (cents per share)	122.3	107.3	122.9	106.9	108.3	401.2
Earnings per share from continuing operations excluding sig. items (cents per share)	122.3	107.3	125.0	99.6	101.0	95.5
Operating cash flow per share (cents per share)	174.1	137.5	195.9	188.4	147.3	175.4
Cash realisation ratio (excluding sig. items)[2] (%)	89	79	102	114	117	99
Return on equity (R12, %)	32.8	24.8	19.9	23.3	22.2	26.9
Return on equity (R12, %) (excluding sig. items)	32.8	24.8	24.7	21.4	20.4	13.5
Net tangible asset backing per share ($ per share)	3.04	3.35	5.08	4.81	5.28	6.41

[1] Total interest-bearing loans and borrowings less cash. Excludes cash in transit and lease liabilities.

[2] 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

Half-year ended 31 December ($m)	*Post-AASB 16* 2022	2021	2020	2019	*Pre-AASB 16* 2019	2018
Bunnings						
Revenue	9,792	9,209	9,054	7,276	7,276	6,909
EBITDA[1]	1,721	1,677	1,669	1,316	1,059	1,027
Depreciation and amortisation	(387)	(362)	(337)	(321)	(98)	(95)
Interest on lease liabilities	(56)	(56)	(58)	(57)	-	-
EBT[1]	1,278	1,259	1,274	938	961	932
EBT margin[1] (%)	13.1	13.7	14.1	12.9	13.2	13.5
ROC[1] (R12, %)	70.7	79.0	76.6	51.5	52.2	50.2
Capital expenditure (cash basis)	226	196	219	269	269	240
Total sales growth (%)	6.3	1.7	24.3	5.3	5.3	5.5
Total store sales growth[2] (%)	5.1	1.0	24.8	5.8	5.8	5.5
Store-on-store sales growth[2] (%)	2.8	1.5	27.7	4.7	4.7	4.0
Online penetration (%)	1.8	4.3	3.1	0.4	0.4	n.r.
Safety (R12, TRIFR)	16.9	12.5	10.0	10.4	10.4	12.0
Scope 1 and 2 market-based emissions (kt)	31	54	54	n.r.	n.r.	n.r.
Scope 1 and 2 location-based emissions (kt)	92	107	115	130	130	n.r.
Kmart Group[3]						
Revenue	5,714	4,605	5,441	4,990	4,990	4,754
EBITDA[4]	765	513	818	687	453	492
Depreciation and amortisation	(250)	(247)	(283)	(292)	(108)	(99)
Interest on lease liabilities	(40)	(44)	(48)	(52)	-	-
EBT[4]	475	222	487	343	345	393
EBT margin[4] (%)	8.3	4.8	9.0	6.9	6.9	8.3
ROC[4] (R12, %)	43.3	34.7	35.5	25.1	25.2	34.4
Capital expenditure (cash basis)	62	62	81	80	80	121
Safety (R12, TRIFR)	7.0	8.6	10.6	16.0	16.0	21.0
Scope 1 and 2 market-based emissions (kt)	115	120	132	n.r.	n.r.	n.r.
Scope 1 and 2 location-based emissions (kt)	119	135	143	154	154	n.r.
Kmart (excludes KTAS from 2018)						
- Total sales growth[5] (%)	29.9	(4.7)	7.1	7.6	7.6	1.0
- Comparable sales growth[5] (%)	17.1	(6.4)	9.1	5.5	5.5	(0.6)
- Online penetration (%)	7.3	14.3	8.7	3.7	3.7	n.r.
Target						
- Total sales growth[5] (%)	8.2	(23.6)	2.3	(4.3)	(4.3)	0.3
- Comparable sales growth[5] (%)	2.8	6.0	13.0	(2.3)	(2.3)	0.5
- Online penetration (%)	17.0	26.9	15.9	6.9	6.9	n.r.

n.r. = not reported

1 Includes net property contribution for 2022 of $35 million; 2021 of $41 million; 2020 of $1 million; 2019 of $22 million post-AASB 16 ($42 million pre-AASB 16); and 2018 of $51 million.

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

3 2021 has been restated to exclude Catch. 2020 includes Catch. 2019 includes Catch from 12 August 2019. 2018 includes KTAS.

4 2020 excludes $34 million of pre-tax restructuring costs and provisions in Target. 2019 includes $9 million of payroll remediation costs relating to Target.

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

Additional Disclosures

Five-year history – financial performance and key metrics

Divisional key performance metrics (continued)

	Post-AASB 16				*Pre-AASB 16*	
Half-year ended 31 December ($m)	**2022**	**2021**	**2020**	**2019**	**2019**	**2018**
Chemicals, Energy and Fertilisers						
Chemicals revenue[1]	860	642	489	510	510	502
Energy revenue[1]	265	252	206	219	219	233
Fertilisers revenue[1]	277	183	135	160	160	139
Total revenue[1]	1,402	1,077	830	889	889	874
EBITDA	372	262	202	214	212	226
Depreciation and amortisation	(48)	(43)	(42)	(41)	(38)	(36)
Interest on lease liabilities	-	(1)	-	-	-	-
EBT	324	218	160	173	174	190
ROC (R12, %)	23.0	19.6	18.1	26.7	26.7	28.2
ROC (R12, %) (excluding ALM)	40.3	32.2	29.0	32.0	32.0	28.2
Capital expenditure[2] (cash basis)	272	238	53	50	50	32
Safety (R12, TRIFR)	3.0	4.2	3.2	3.1	3.1	5.3
Scope 1 and 2 market-based emissions (kt)	433	370	454	n.r.	n.r.	n.r.
Scope 1 and 2 location-based emissions (kt)	433	373	455	493	493	n.r.
Sales volumes[3] ('000 tonnes)						
Chemicals	562	565	550	568	568	546
LPG & LNG	108	109	115	103	103	99
Fertilisers	248	286	274	324	324	301
Officeworks						
Revenue	1,651	1,580	1,523	1,231	1,231	1,100
EBITDA	152	142	156	137	94	90
Depreciation and amortisation	(62)	(55)	(51)	(48)	(15)	(14)
Interest on lease liabilities	(5)	(5)	(5)	(7)	-	-
EBT	85	82	100	82	79	76
EBT margin (%)	5.1	5.2	6.6	6.7	6.4	6.9
ROC (R12, %)	17.3	19.6	23.4	17.2	16.9	17.2
Capital expenditure (cash basis)	26	28	26	22	22	20
Total sales growth (%)	4.6	3.7	23.6	11.5	11.5	8.2
Online penetration (%)	34.5	46.0	37.1	29.7	29.7	n.r.
Safety (R12, TRIFR)	6.1	5.5	7.3	7.1	7.1	11.0
Scope 1 and 2 market-based emissions (kt)	14	15	17	n.r.	n.r.	n.r.
Scope 1 and 2 location-based emissions (kt)	15	18	20	22	22	n.r.

n.r. = not reported

1 Excludes intra-division sales.

2 Includes WesCEF's share of Covalent Lithium's capital expenditure for 2022 of $204 million; 2021 of $139 million; for 2020 of $15 million; and for 2019 of $11 million. 2022 and 2021 also include $21 million and $16 million respectively of capitalised interest.

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

Additional Disclosures

Five-year history – financial performance and key metrics

Divisional key performance metrics (continued)

Half-year ended 31 December ($m)	2022	2021	2020	2019	2019	2018
		Post-AASB 16			*Pre-AASB 16*	
Industrial and Safety						
Revenue	978	944	898	858	858	876
EBITDA[1]	89	80	76	46	25	61
Depreciation and amortisation	(40)	(37)	(37)	(36)	(19)	(19)
Interest on lease liabilities	(2)	(2)	(2)	(3)	-	-
EBT[1]	47	41	37	7	6	42
EBT margin[1] (%)	4.8	4.3	4.1	0.8	0.7	4.8
ROC[1] (R12, %)	8.1	6.5	5.4	3.4	3.4	7.5
Capital expenditure (cash basis)	31	25	30	33	33	46
Safety (R12, TRIFR)	4.0	3.1	4.5	4.1	4.1	7.3
Scope 1 and 2 market-based emissions (kt)	14	14	12	n.r.	n.r.	n.r.
Scope 1 and 2 location-based emissions (kt)	13	14	13	14	14	n.r.
Health						
Revenue	2,778	n.r.	n.r.	n.r.	n.r.	n.r.
EBITDA	66	n.r.	n.r.	n.r.	n.r.	n.r.
Depreciation and amortisation	(36)	n.r.	n.r.	n.r.	n.r.	n.r.
Interest on lease liabilities	(3)	n.r.	n.r.	n.r.	n.r.	n.r.
EBT	27	n.r.	n.r.	n.r.	n.r.	n.r.
EBT margin (%)	1.0	n.r.	n.r.	n.r.	n.r.	n.r.
Capital expenditure (cash basis)	20	n.r.	n.r.	n.r.	n.r.	n.r.
Scope 1 and 2 market-based emissions (kt)	7	n.r.	n.r.	n.r.	n.r.	n.r.
Scope 1 and 2 location-based emissions (kt)	7	n.r.	n.r.	n.r.	n.r.	n.r.
Catch[2,3]	*Reported separately*		*Included in Kmart Group results*			
Gross transaction value	451	616	610	255	n.r.	n.r.
Gross transaction value growth (%)	(26.8)	1.0	95.6	21.4	n.r.	n.r.
Revenue	219	315	329	155	n.r.	n.r.
EBITDA	(93)	(30)	(4)	11	n.r.	n.r.
Depreciation and amortisation	(14)	(13)	(10)	(7)	n.r.	n.r.
Interest on lease liabilities	(1)	(1)	(1)	-	n.r.	n.r.
EBT	(108)	(44)	(15)	4	n.r.	n.r.
Capital expenditure (cash basis)	10	19	n.r.	n.r.	n.r.	n.r.
Safety (R12, TRIFR)	2.4	3.1	n.r.	n.r.	n.r.	n.r.
Scope 1 and 2 market-based emissions (kt)	2	1	n.r.	n.r.	n.r.	n.r.
Scope 1 and 2 location-based emissions (kt)	2	1	n.r.	n.r.	n.r.	n.r.

n.r. = not reported

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

[2] Catch is included in Kmart Group for 2019 and 2020.

[3] 2019 includes Catch from 12 August 2019.

Glossary of terms

Acronym	Term/definition
AASB	Australian Accounting Standards Board
AN	Ammonium nitrate
API	Australian Pharmaceutical Industries Limited
AUD	Australian dollars
CFC	Customer fulfilment centre
cps	Cents per share
DC	Distribution centre
EBIT	Earnings before finance costs and tax
EBITDA	Earnings before finance costs, taxes, depreciation and amortisation
EBT	Earnings before tax
ERP	Enterprise resource planning
IDC	International distribution centre
GTV	Gross transaction value. GTV includes both first party (in-stock) sales as well as sale of third party products via a marketplace
IFRS	International Financial Reporting Standards
KTAS	Kmart Tyre and Auto Service
$ktCO_2e$	Kilotonnes of carbon dioxide equivalent
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
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
TRIFR	Total recordable injury frequency rate
WesCEF	Wesfarmers Chemicals, Energy and Fertilisers

Corporate Directory

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Key dates+

Half-year end	31 December 2022
Half-year results briefing	15 February 2023
Record date for interim dividend	21 February 2023
Interim dividend payable	28 March 2023
Year end	30 June 2023
Closing date for receipt of director's nominations	24 August 2023
Full-year results announcement	25 August 2023
Record date for final dividend	September 2023
Final dividend payable	October 2023
Annual general meeting	26 October 2023

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

Website

To view the 2023 Half-year Report, the 2022 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**