2023 Half-year results briefing presentation

To be held on Wednesday 15 February 2023

Wesfarmers

Presentation outline

Group performance overview

Rob Scott

Managing Director, Wesfarmers Limited

Wesfarmers

Wesfarmers' primary objective 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

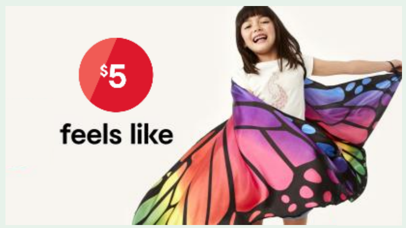
2023 Half-year highlights

Pleasing financial results for the half

Increase in profit and interim dividend	Largest divisions particularly strong	Responding well to market conditions
$22.6b revenue	+114.0% Kmart Group EBT	Value credentials
$1.4b NPAT, up 14.1%	+48.6% WesCEF EBT	Strong operating results
$0.88 interim dividend	+2.1% Bunnings[1] EBT	Omnichannel offer

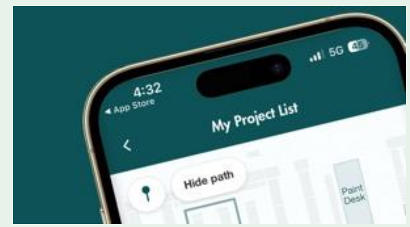
Portfolio is well positioned

Businesses with strong competitive advantages



New growth avenues in health and critical minerals

Significantly expanded digital capabilities



Maintained focus on long-term value, consistent with our objective

Well advanced with productivity and efficiency initiatives to manage inflation

Supporting teams and communities

Continued to build climate resilience and increased renewable electricity use

1. Excluding net property contribution.

Divisional highlights

Bunnings Group

- Performance highlights resilience of operating model
- Strong execution of strategic agenda
- Continued investment to improve stock coverage
- Strengthened consumer offer and continued to expand range
- Progress on 'whole of build' commercial strategy

Kmart Group

- Significant sales and earnings growth with strong execution
- Strong underlying growth in addition to impact of cycling lockdowns
- Customers responded positively to Kmart's lowest price positioning
- Cost pressures well managed
- Benefits from the conversion of Target stores into Kmart stores

WesCEF

- Record earnings for the half
- Strong operating performance and favourable commodity prices
- Progressed capacity expansion opportunities
- Continued development of the lithium business and mining of first ore

Officeworks

- Increased demand across key categories that were impacted by lockdowns in 1H22
- Flybuys participation enabling a more personalised offer
- Productivity improvements at the Victorian CFC[1]

WIS

- Continued improvement in performance
- ERP[2] deployment completed
- Investment in customer service and digital capabilities

Health

- Acceleration of transformation activities in supply chain, network and merchandising
- Integration activities largely completed during the half
- Increased investment in SiSU to support digital health strategy

OneDigital

- Ongoing improvement in digital engagement across the retail businesses
- Disappointing financial results in Catch and actions commenced to address performance
- Additional OnePass partners and positive trends in key indicators of member value

1. Customer fulfilment centre.
2. Enterprise Resource Planning system.

Well-placed portfolio of businesses with exposure to growth

Strong businesses with clear competitive advantages

- Trusted retail brands
- Large-scale and low-cost operating models
- Direct sourcing, with differentiated own brand and exclusive products
- Industrial assets with a track record of operating excellence
- Strategically positioned manufacturing and processing capabilities

Exposure to growth in health and critical minerals

- Favourable long-term demand outlook for electric vehicles
- Mt Holland lithium project is 12 months from earnings through sale of spodumene concentrate
- Options for capacity expansion
- Wesfarmers Health provides access to structural growth in health care
- Accelerating transformation and investing in digital health

Significantly expanded data and digital capabilities

- Broad digital reach with over 210m monthly interactions
- Over 55% of retail transactions are with known customers (up from 34% in FY18)
- Omnichannel offer with ~30% of online sales collected from stores
- Accelerating growth of OnePass
- Complementary network of membership programs with millions of active members

Focus on long-term value, consistent with our objective

Climate & environment

7.3%	increase in Scope 1 and 2 market-based emissions, due to increased ammonia production and addition of new Health division
15.3%	reduction in Scope 1 and 2 market-based emissions from retail divisions[1]
71%	of operational waste diverted from landfill[2]

People

11.4	total recordable injury frequency rate (TRIFR) and a continued focus on safety
3.4%	Indigenous employment, remaining above parity
48%	women in Board and leadership team positions

Communities

$36m	direct and indirect community contributions with resumption of programs disrupted by COVID-19
15,000	hours of facilitated and online cultural awareness training to 28,000 team members

1. Bunnings, Kmart Group and Officeworks.
2. Excludes Wesfarmers Health.

Group performance summary

Half-year ended 31 December ($m)	2022	2021	*Var %*
Revenue	22,558	17,758	*27.0*
Revenue (excl. 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*
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[1] (%)	89	79	*10 ppt*
Interim ordinary dividend (fully-franked, cps)	88	80	*10.0*
Net financial debt[2]	4,716	2,615	*80.3*
Debt to EBITDA[3] (x)	2.1	2.0	*0.1 x*

1. Operating cash flows as a percentage of net profit after tax, before depreciation and amortisation.
2. 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.
3. Total debt including lease liabilities, net of cash and cash equivalents, divided by R12 EBITDA.

Financial performance

Anthony Gianotti

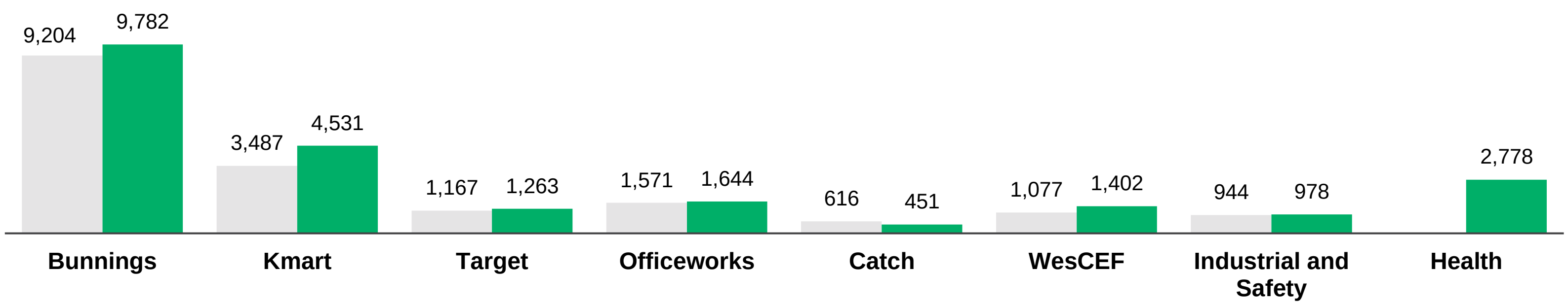
Chief Financial Officer, Wesfarmers Limited

Divisional sales performance

Sales performance ($m)
Half-year ended 31 December

2021 2022

	Bunnings	Kmart	Target	Officeworks	Catch	WesCEF	Industrial and Safety	Health
	Retail sales[1]				GTV	Revenue		
Total sales growth	+6.3%	K+T: +24.5%		+4.6%	(26.8%)	+30.2%	+3.6%	
Comp sales growth	+2.8%	+17.1%	+2.8%					



	Bunnings	Kmart	Target	Officeworks	Catch	WesCEF	Industrial and Safety	Health
3-year sales CAGR (pre-COVID[2])	+10.4%	K+T: +5.7% *Impacted by 63 Target store closures since 1H20*		+10.3%	+13.1%	+16.4%	+4.5%	

- Retail sales results reflect positive customer response to strong omnichannel business models and well-established value credentials
- Increase in foot traffic to stores as customer behaviour normalised, with associated decline in online demand particularly impacting results in Catch
- WesCEF revenue growth driven by increased production and higher commodity prices
- Health revenue supported by wholesale customer acquisition and demand for COVID-19 anti-viral products

1. Refer to slide 62 for relevant retail calendars.
2. Three-year compound annual growth rate (CAGR) is calculated as growth between 1H20 and 1H23.

Divisional earnings performance

	Performance and earnings results reflect:	EBT[1] 1H23
Bunnings Group	• Strong commercial growth and continued consumer growth • Increased foot traffic to stores and shopping frequency as customer behaviour normalised • Continued focus on value, with price investment supported by productivity initiatives • Earnings increased 2.1% excluding the net contribution from property	**$1,278m** ↑ 1.5%
Kmart Group[2]	• Strong underlying trading performance, in addition to the impact of cycling lockdowns in pcp • Realising benefits from Target store conversions and closures • Earnings particularly pleasing in context of cost pressure in the half	**$475m** ↑ 114.0%
WesCEF	• Continued strong plant performances across Kwinana facilities • Higher ammonia production following scheduled plant shutdown in pcp • Favourable global commodity prices for LPG and ammonia-related products	**$324m** ↑ 48.6%
Officeworks	• Growth in key categories supported by focus on price, range and service across all channels • Earnings impacted by continued price investment and increased promotional activity, partially offset by change in sales mix	**$85m** ↑ 3.7%
Industrial and Safety	• Continued improvement in performance and profitability • Blackwoods' earnings were impacted by cost inflation and investment in customer service • Earnings increased in Workwear Group and Coregas	**$47m** ↑ 14.6%
Health	• Strong sales growth and continued progress on transformation activities • Transition to new Marsden Park distribution centre completed, with some ongoing transition costs	**$27m**
Catch	• GTV impacted by poor performance of the in-stock range and moderation of marketplace growth • Earnings reflect increased clearance activity as well as higher fulfilment and delivery costs • Includes $33m of restructuring costs relating to inventory provisions, redundancies and write-offs	**($108m)**

1. Variance figures for 1H23 EBT are against 1H22.
2. Variance calculated excluding Catch in 1H22.

Other business performance summary

Half-year ended 31 December ($m)	Holding %	2022	2021	Var %
Share of profit of associates and joint ventures				
BWP Trust	24.8	28	86	*(67.4)*
Other associates and joint ventures[1]	Various	16	9	*77.8*
Sub-total share of profit of associates and joint ventures		**44**	**95**	***(53.7)***
OneDigital[2]		(41)	(40)	*(2.5)*
Group overheads		(78)	(75)	*(4.0)*
Other[3,4]		-	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

1. Includes investments in Gresham, Flybuys, Wespine and BPI.
2. Excludes Catch.
3. 2022 includes $11m of dividends received from the Group's 2.8% interest in Coles. 2021 includes $20m of dividends received from the Group's 4.9% interest in Coles and 19.3% interest in API prior to the completion of its acquisition.
4. 2021 Other EBIT has been restated to include $4m of data and digital operating expenses not related to OneDigital.

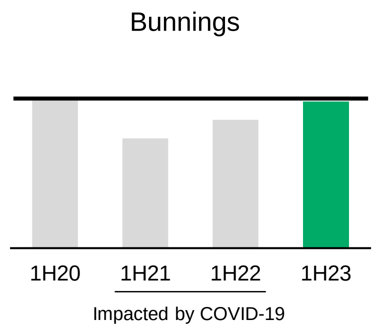
Working capital and cash flow

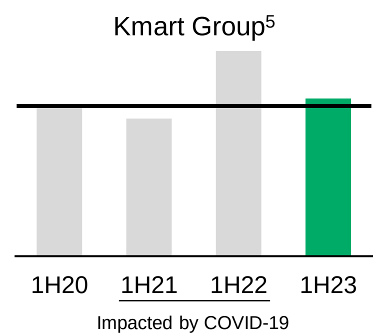
- Divisional operating cash flows increased 13.4%, with divisional cash generation of 97%[1]
  - Growth in divisional earnings
  - Strong cash generation in Kmart as supply chain conditions normalised and inventory buffer reduced
  - Addition of the Health division
  - Lower payables due to an earlier than normal stock build prior to the Christmas trading period
  - Continued normalisation of Bunnings stock cover
  - Timing impact of higher fertiliser prices in WesCEF
- Group operating cash flows increased 26.7% to $1,971m
  - Increase in divisional operating cash flow
  - Lower tax paid due to timing of payments
- Free cash flows increased 43.8% to $1,365m
  - Higher operating cash flow
  - Impact of cash consideration for 19.3% stake in API and acquisition of Beaumont Tiles in pcp
  - Partially offset by higher capex
- Group cash realisation ratio of 89%[3]

Net working capital cash movement

Half-year ended 31 December ($m)	2022	2021
Receivables and prepayments	74	189
Inventory	(531)	(1,071)
Payables	383	910
Total	**(74)**	**28**
Bunnings	(2)	231
Kmart Group[2]	220	(61)
WesCEF	(234)	(121)
Officeworks	(30)	(26)
WIS	(53)	13
Health	29	-
Other	(4)	(8)
Total	**(74)**	**28**

Inventory as % sales relative to pre-COVID[4]





1. Divisional operating cash flows before interest, tax, PPE and lease finance payments divided by divisional EBITDA. Includes Catch but excludes OnePass and supporting capabilities.
2. 2021 results have been restated to exclude Catch, which is included in other net working capital cash movements.
3. Operating cash flows as a percentage of net profit after tax, before depreciation and amortisation.
4. Inventory balances as at 31 December relative to 1H sales. Pre-COVID defined as 1H20 levels.
5. Excludes Catch.

Capital expenditure

- Gross cash capital expenditure of $676m, up 16.0%
  - WesCEF includes $204m of development capex and $21m of capitalised interest relating to the Mt Holland lithium project
  - Increased investment in data and digital
  - Addition of the Health division
- Net capital expenditure of $578m, up 42.7%
  - Lower proceeds from sale of PP&E largely reflect timing of Bunnings property disposals
- Expect FY23 net capital expenditure of $1,000m to $1,200m, subject to net property investment
  - Inclusive of c. $400m of development capital expenditure and c. $40m of capitalised interest relating to the Mt Holland lithium project
- WesCEF's share of total capex for the Mt Holland lithium project is expected to be $1,200m to $1,300m in nominal terms, excluding capitalised interest
  - Increase of approximately 10 to 20% on prior guidance

Half-year ended 31 December[1] ($m)	**2022**	**2021**	**Var %**
Bunnings	226	196	*15.3*
Kmart Group[2]	62	62	-
WesCEF	272	238	*14.3*
Officeworks	26	28	*(7.1)*
Industrial and Safety	31	25	*24.0*
Health	20	-	*n.m.*
Catch	10	19	*(47.4)*
Other	29	15	*93.3*
Gross cash capital expenditure	**676**	**583**	***16.0***
Sale of PP&E	(98)	(178)	*44.9*
Net cash capital expenditure	**578**	**405**	***42.7***

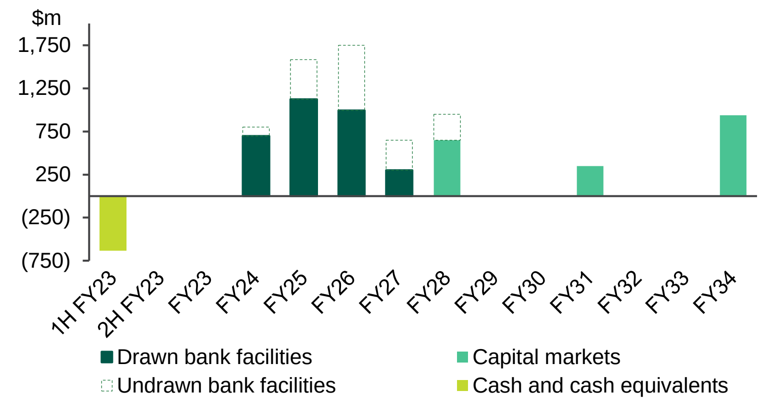
n.m. = not meaningful

1. Capital investment provided on a cash basis.
2. 2021 results have been restated to exclude Catch.

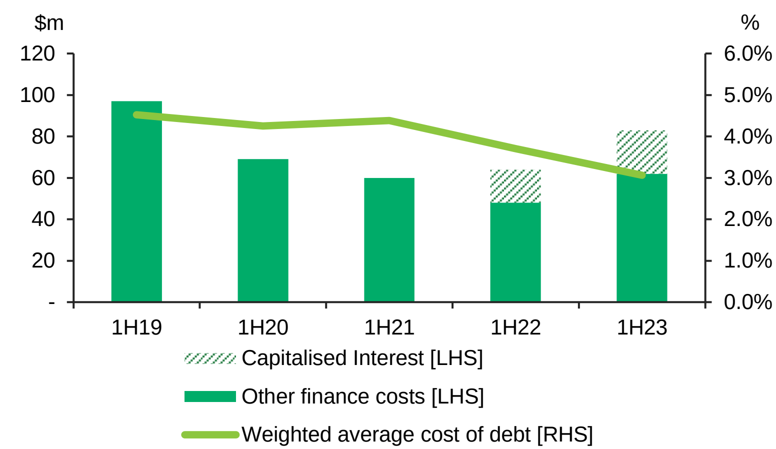
Balance sheet and debt management

- Benefits of recent actions to reposition balance sheet and optimise cost of funds
  - Weighted average cost of debt[1] declined to 3.06% (1H22: 3.70%)
  - Weighted average debt term to maturity of 4.6 years (1H22: 6.5 years)
- Maintained significant flexibility and debt capacity
  - Unused bank facilities available of c. $2.0b
  - Significant headroom against key credit metrics
- Net financial debt position[2] of $4.7b as at 31 December 2022, compared to net financial debt position[2] of $4.3b as at 30 June 2022
- Other finance costs increased 29.2% to $62m, reflecting higher net debt
- Maintained strong credit ratings
  - Moody's A3 (stable outlook)
  - S&P A- (stable outlook)

Debt maturity profile[3]



Finance costs and weighted average cost of debt[4]

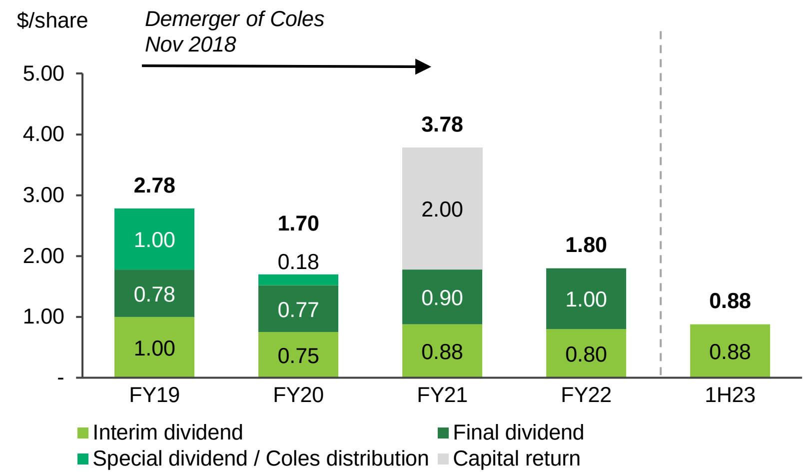


1. Weighted average cost of debt based on total gross debt before hedging costs, undrawn facility fees and amortisation of debt establishment costs. Excludes interest on lease liabilities and the balance of lease liabilities. As at December 2022, the average cost of funds was 3.33% (HY22: 3.15%).
2. Interest-bearing liabilities less cash at bank and on deposit, net of cross-currency swap assets. Excludes lease liabilities.
3. As at 31 December 2022. Capital markets debt is net of cross-currency interest rate swaps.
4. Weighted average cost of debt before hedging, undrawn facilities and other costs.

Shareholder distributions

- Fully-franked ordinary interim dividend of $0.88 per share
- Dividend record date 21 February 2023; dividend payable 28 March 2023
- Dividend investment plan: not underwritten; last day for application 22 February 2023
  - Dividend investment plan shares expected to be purchased on market
- Dividend distributions determined based on franking credit availability, earnings, credit metrics and cash flow
  - Maximising value of franking credits for shareholders

Shareholder distributions[1]



1. Represents distributions determined to be paid in each period.

Outlook

Rob Scott

Managing Director, Wesfarmers Limited

Wesfarmers

Group outlook

- Remain focused on long-term value creation
- Strong balance sheet and portfolio of cash-generative businesses with market-leading positions provide the flexibility to respond to 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
  - Retail businesses are well positioned with strong value credentials and low-cost operating models
- Retail trading results through the first five weeks of 2H23 have been broadly in line with growth reported for 1H23
- Continued cost of doing business pressures in Australia and New Zealand are expected in 2H23
  - Businesses are well progressed with key productivity and efficiency initiatives
- The Group maintains its long-term focus and continues to invest in strengthening its existing operations, renewing the portfolio and developing platforms for long-term growth
- Recent investments enable Wesfarmers to take advantage of growing consumer and industrial demand in the health and critical minerals sectors
- First earnings from the Mt Holland lithium project are expected in 1H CY24 when production of spodumene concentrate will ramp up ahead of first production of lithium hydroxide from the Kwinana refinery in 1H CY25
- Continue to manage businesses with carbon awareness and will make disciplined investments to increase climate resilience and responsibly support the energy transition

Questions

Appendix: Divisional summaries

Wesfarmers

Bunnings Group

Michael Schneider
Managing Director, Bunnings Group

Bunnings Group performance summary

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[1] (R12, %)	70.7	79.0	
Total store sales growth[2] (%)	5.1	1.0	
Store-on-store sales growth[2,3] (%)	2.8	1.5	
Online penetration (%)	1.8	4.3	
Safety[4] (R12, TRIFR)	16.9	12.5	
Scope 1 and 2 market-based emissions (ktCO_2e)	31	54	

1. ROC is calculated as EBT / capital employed, where capital employed excludes right-of-use assets and lease liabilities.
2. Refer to slide 62 for relevant retail calendars.
3. 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.
4. TRIFR result for 2022 includes the impact of a change in methodology from 1 July 2022.

Bunnings Group performance overview

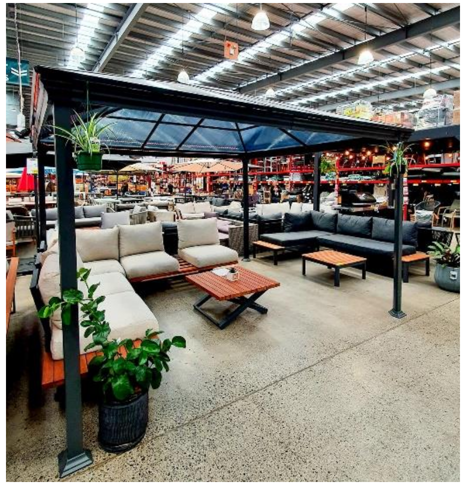
- **Revenue growth of 6.3% to $9,792m**
  - Total sales growth of 10.4% on three-year CAGR[1] basis
  - Growth across all major trading regions, and in consumer and commercial customer segments
  - Wet weather in the east coast impacted spring trading in garden and outdoor categories
  - Strong Christmas trading period, including first time Black Friday participation
  - 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
- **Earnings growth of 2.1% to $1,243m excluding net property contribution**
  - On a three-year CAGR[1] basis, earnings growth (excluding property) was 10.7%
  - Margin impacted by investment into lowest prices to deliver the best value to customers in an inflationary environment and support growth into new product ranges and customer segments
  - Disciplined cost management and structural CODB[2] reduction initiatives to offset cost pressures and maintain a low-cost operating model
  - Lower property contribution than prior corresponding period due to timing of divestments
- **Return on capital of 70.7%**
  - Continued inventory investment and normalisation in stock coverage following COVID-19 related supply chain disruptions and demand volatility in recent years
  - Continued investment in store network, and digital / tech enablement to support long-term growth

1. Three-year compound annual growth rate (CAGR) is calculated as growth between 1H20 and 1H23.
2. Cost of doing business.

Bunnings Group progress on strategy

- **Consumer growth**
  - Delivering more value to customers through lowest prices, widest range & best experience
  - Roll-out of new ranges and continued expansion of addressable market
  - Leveraging data insights to localise and personalise marketing communications
  - Strong scan rates in Flybuys program
  - Joined OnePass in November 2022

- **Commercial growth**
  - Progress on the 'Whole of Build' commercial strategy, driving higher customer engagement and spend
  - Investments in CRM[1] technology and dedicated account management, providing flexibility to transact in store, online or onsite
  - Expansion of frame & truss, roll-out of Tool Kit Depot stores and leveraging Beaumont Tiles



1. Customer Relationship Management.

Bunnings Group progress on strategy

- **Supply chain evolution**
  - Stabilisation of global supply chains, supporting a recovery in stock flow and efficiency
  - Developing fulfilment centre and last mile capabilities

- **Technology & innovation**
  - Enhancing the digital experience across the customer journey (pre-shop, shop and post-shop)
  - Driving tech-enabled store productivity initiatives to maintain low costs and reinvest in service

Bunnings Group outlook

- Focus remains on delivering profitable growth over the long-term
- Demand outlook across consumer and commercial is supported by a pipeline of renovation and building activity
- Opportunities for Bunnings to continue to deliver the best value to customers and continue to build capabilities to expand market participation
- Customer value proposition and business model well-placed and demonstrated to be resilient through economic cycles
  - Broad and diverse business across customer, product and regions
  - Enduring customer interest in maintaining and improving their homes
  - Coverage across all aspects of the home: new, improve, repair and maintain
  - Strong operating execution capabilities and cost disciplines embedded in operating model

Hervey Bay Store

Kmart Group

Ian Bailey
Managing Director, Kmart Group

Kmart Group performance summary

Half-year ended 31 December[1] ($m)		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[2] (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[3] (%)	29.9	(4.7)	
	Comparable sales growth[3,4] (%)	17.1	(6.4)	
	Online penetration (%)	7.3	14.3	
Target:	Total sales growth[3] (%)	8.2	(23.6)	
	Comparable sales growth[3,4] (%)	2.8	6.0	
	Online penetration (%)	17.0	26.9	

1. 2021 has been restated from the 2022 Half-year Report to exclude Catch results.
2. ROC is calculated as EBT / capital employed, where capital employed excludes right-of-use assets and lease liabilities.
3. Refer to slide 62 for relevant retail calendars.
4. 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.

Kmart Group sales and earnings overview

- **Revenue increased by 24.1% to $5,714m**
  - Kmart comparable sales growth of 17.1%
  - Target comparable sales growth of 2.8%
  - Sales reflected pleasing underlying demand growth and normalised trading conditions after COVID-19 lockdowns in prior corresponding period
  - Customers responded positively to Kmart's lowest price positioning, with sales growth achieved across all categories
  - Online penetration declined as customer traffic returned to stores, especially in Kmart
- **Earnings increased by 114.0% to $475m**
  - Significant earnings growth reflected strong sales growth
  - Result particularly pleasing in the context of pressure from a volatile exchange rate, higher international freight costs, CODB[1] inflation and increased shrinkage during the half
  - Reflects continued investment in key strategic initiatives
- **ROC (R12) increased by 8.6ppt to 43.3%**
  - Stabilisation in global supply chain conditions enabled a reduction in the level of buffer stock, improving ROC and cash realisation

1. Cost of doing business.

Kmart Group progress on strategy

- **Kmart** continued to invest in key strategic initiatives to profitably grow share of wallet and reduce costs:
  - Implementing productivity improvements to enable ongoing price leadership
  - Driving customer participation instore and online through new and expanded product ranges as well as the launch of instore benefits for OnePass members
  - Delivering improved customer experiences through development of data and digital assets
  - Digitising sourcing and supply chain to reduce lead times, improve availability and reduce costs
  - Roll-out of RFID[1] technology to all Australian stores completed during the half to improve the customer experience and simplify operations
- **Target's** simplified operating model enabled continued focus on:
  - Continuing to improve the product offer, particularly in focus categories of apparel and soft home
  - Strengthening its digital and e-commerce capabilities

1. Radio-frequency identification.

Kmart Group outlook

- **Kmart** remains uniquely placed in an inflationary environment to extend low-price leadership and deliver long-term earnings growth through:
  - Growing share of wallet by leveraging leading product development capability to launch new customer offerings and expand existing categories
  - Enhancing the digital experience and better engaging with customers through investment in data and personalisation
  - Digitising supply chain, store and online operations to further reduce costs
- 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, particularly in apparel and soft home, grow online and drive productivity initiatives to maintain its low cost base

Chemicals, Energy and Fertilisers

Ian Hansen
Managing Director, Wesfarmers Chemicals, Energy and Fertilisers

Chemicals, Energy and Fertilisers performance summary

Half-year ended 31 December ($m)		2022	2021	Variance %
Revenue[1]	Chemicals	860	642	*34.0*
	Energy	265	252	*5.2*
	Fertilisers	277	183	*51.4*
	Total	**1,402**	**1,077**	***30.2***
EBITDA		372	262	*42.0*
Depreciation and amortisation		(48)	(43)	*(11.6)*
EBIT		**324**	**219**	***47.9***
Interest on lease liabilities		-	(1)	*n.m.*
EBT		**324**	**218**	***48.6***
External sales volumes[2] ('000 tonnes)	Chemicals	562	565	*(0.5)*
	LPG & LNG	108	109	*(0.9)*
	Fertilisers	248	286	*(13.3)*
ROC[3] (R12, %)		23.0	19.6	
ROC[3] (R12, %) (excluding ALM)		40.3	32.2	
Safety (R12, TRIFR)		3.0	4.2	
Scope 1 and 2 market-based emissions[4] ($ktCO_2e$)		433	370	

n.m. = not meaningful
1. Excludes intra-division sales.
2. External sales exclude Ammonium Nitrate volumes transferred between Chemicals and Fertilisers business segments.
3. ROC is calculated as EBT / capital employed, where capital employed excludes right-of-use assets and lease liabilities.
4. 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.

Chemicals, Energy and Fertilisers overview

Chemicals: Earnings increased significantly for the half

- Strong Ammonia earnings were supported by favourable global prices, and strong plant performance as a result of benefits from the major maintenance shutdown in the prior corresponding period
- AN[1] earnings benefitted from robust demand from Western Australian mining and agricultural customers
- QNP[2] successfully completed its planned major maintenance shutdown

Energy: Earnings declined for the half

- Earnings impacted by higher Western Australia natural gas costs and a lower Saudi CP[3]

Fertilisers: Earnings marginally down for the half

- 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 benefits from ongoing investments in data and digital initiatives and improved customer insights capabilities

Lithium: Result includes WesCEF's 50% investment in the Mt Holland lithium project

- Construction is progressing well at the Mt Holland mine, concentrator and Kwinana refinery, with construction of the concentrator over 70% completed
- WesCEF's share of capital expenditure for the development of the project was $204m[4] for the half
- While discussions are ongoing, good progress was made on lithium offtake arrangements with major global counterparties during the half

1. Ammonium Nitrate.
2. Queensland Nitrates.
3. Saudi Contract Price (the international benchmark indicator for LPG).
4. Excluding capitalised interest.

Chemicals, Energy and Fertilisers outlook

- **Chemicals** earnings are expected to remain strong in the second half of the financial year with demand for AN and sodium cyanide expected to remain robust, but remain subject to changes in commodity pricing
- **Energy** earnings are likely to continue to be impacted by WA natural gas costs and remain subject to movements in the Saudi CP
- In **Fertilisers**, while grower sentiment remains positive due to a very strong 2022 harvest, customer demand is expected to remain dependent on commodity price movements
- In **Lithium,** offtake discussions with key customers continue to progress
  - Construction of the mine and concentrator at Mt Holland is well advanced
  - First earnings for the project expected in 1H CY24 as sales of spodumene concentrate ramp up
  - Delays in refinery engineering combined with labour availability and pressure as a result of COVID-related restrictions affecting key capital items sourced from offshore have impacted cost and timing expectations for the completion of the Kwinana refinery
  - First production of lithium hydroxide at Kwinana is now expected in 1H CY25, with the impact of the delay expected to be partially offset by the sale of spodumene concentrate prior to commencement of lithium hydroxide production
  - WesCEF's share of capital expenditure for the overall project is expected to be between $1,200m and $1,300m in nominal terms and excluding capitalised interest, representing an increase of approximately 10 to 20% on the prior guidance of approximately $1,085 million[1]
- **WesCEF** continues to invest in the evaluation and implementation of growth opportunities across its portfolio
- Earnings will remain subject to international commodity prices, exchange rates, competitive factors and seasonal outcomes

1. Based on $950m in real 2021 dollars escalated by actual and RBA forecast Australian CPI.

Officeworks

Sarah Hunter
Managing Director, Officeworks

officeworks geeks2u

Officeworks performance summary

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[1] (R12, %)	17.3	19.6	
Total sales growth[2] (%)	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	

1. ROC is calculated as EBT / capital employed, where capital employed excludes right-of-use assets and lease liabilities.
2. Refer to slide 62 for relevant retail calendars.

Officeworks performance overview

- **Sales growth of 4.6% to $1.6b**
  - Represents three-year sales growth of 10.3% p.a[1]
  - Sales in print & create, stationery, art and education recovering following impact of lockdowns in prior periods
  - Benefits of investment in Flybuys, with significant growth in sales from known customers
  - Online sales penetration of 34.5% including click and collect
- **Earnings growth of 3.7% to $85m**
  - Margin impacted by continued price investment and increased promotional activity during Cyber week, partially offset by benefits from changes in sales mix
  - Cost of doing business benefitted from productivity initiatives and disciplined management, despite inflationary pressures
- **Return on capital (R12) of 17.3%**
  - Higher working capital due to inflation on cost prices and improved stock availability in technology
  - Continued investment in stores, digital platforms, supply chain infrastructure and other productivity initiatives

1. Three-year compound annual growth rate (CAGR) is calculated as growth between 1H20 and 1H23.

Officeworks progress on strategy

Our team

- Continued focus on safety, health and wellbeing

Customer experience

- Increased use of data to deliver a more personalised customer experience
- Strong increase in NPS[1] through improvements to delivery, in-store service and click and collect offer

Connecting with our communities

- Reduced emissions through continued investment in energy efficiency and renewable energy initiatives
- Reduced operational waste by 8%

Operational excellence

- Productivity improvements at the Victorian CFC[2], delivering the business case
- New IDC[3] opened in Victoria (Feb 2023)
- Productivity focus, including increased use of technology, in support centre, stores and supply chain

Growing our business

- Continued to invest in every-day low prices, and expanded own-brand range of differentiated products by 9% in 1H23
- Strong growth in B2B[4] including B2B education
- 55 store renewals and one new store[5]

1. Net Promoter Score.
2. Customer Fulfilment Centre.
3. International Distribution Centre.
4. Business-to-Business.
5. Reopening of Lismore (NSW) post floods and new store in Pimpama (QLD). Three stores closed include Underwood (QLD) (destroyed by fire), Elizabeth St (VIC) and Berry St (NSW).

Officeworks outlook

- Strong return to the traditional Back to School categories of stationery, art and education
- Officeworks' everyday low-prices, widest range, great service, and well established every-channel offer ensure it is well positioned to support retail and business customers and meet their changing needs
- Officeworks remains well positioned to deliver long-term profitable growth by executing its strategy, including:
  - Continued expansion of own brand ranges, offering low prices and differentiated products exclusive to Officeworks
  - Continue to leverage data insight capability and launch partnership with OnePass
  - Ongoing investment in the every-channel customer experience, including instore, online and delivery
  - Delivering strong growth in the B2B business
  - Continued focus on productivity

Wesfarmers Industrial and Safety

Tim Bult
Managing Director, Wesfarmers Industrial and Safety

Industrial and Safety performance summary

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[1] (R12, %)	8.1	6.5	
Safety (R12, TRIFR)	4.0	3.1	
Scope 1 and 2 market-based emissions (ktCO_2e)	14	14	

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

Industrial and Safety performance overview

- **Revenue growth of 3.6% to $978m**
  - Blackwoods' revenue increased due to growth across key sales regions and from strategic customers in the mining, utilities and government sectors
  - Workwear Group's revenue increased due to higher demand for corporate and emergency uniforms. Revenue from the industrial workwear brands, including KingGee and Hard Yakka, were in line with the prior corresponding period
  - Coregas' revenue increased due to higher demand from industrial and healthcare customers
  - Revenue growth was partially offset by the divestment of the Greencap consulting business, which completed on 1 August 2022
- **Earnings growth of 14.6% to $47m**
  - Blackwoods' earnings were below the prior corresponding period, with higher sales offset by cost inflation, the timing lag in changes to customer contract pricing and continued investment in customer service and digital capabilities, including the final deployment of the ERP[1] system
  - Workwear Group's earnings increased for the half, supported by higher sales and margin
  - Coregas' earnings growth for the half was supported by higher sales, partially offset by higher material and distribution costs
  - Divisional earnings for the period include a modest gain on sale associated with the divestment of the Greencap consulting business

1. Enterprise resource planning.

Industrial and Safety 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 continue to actively manage cost inflation, labour availability constraints and product availability pressures, and remain focused on delivering productivity and efficiency improvements
- **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

Emily Amos
Managing Director, Health

Health performance summary

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

1. 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.
2. Includes depreciation and amortisation expenses of $7 million relating to assets recognised as part of Wesfarmers' acquisition of API in March 2022.

Health overview

- Strong sales result from **Pharmacy Distribution**
  - Underpinned by customer acquisition and growth from trading partners
  - Assisted by continued elevated demand for COVID-19 treatments and price inflation in some categories
  - Transition to the new Marsden Park distribution centre completed, with some ongoing transition and commissioning costs impacting earnings for the half
- **Priceline** sales growth reflected normalised trading conditions following COVID-19 restrictions
  - Double digit comparable store sales growth supported by growth in health and beauty categories, and a strong Christmas trading result
  - Sister Club reached 8m members during the half, and is Australia's largest health and beauty loyalty program
- Increased demand for treatments in **Clear Skincare**, moderated by labour availability challenges

Health outlook

- The Health division is well positioned to continue to improve financial performance and deliver long-term growth
- Focused on transformation activities and investment to strengthen the competitive position of API and its pharmacist partners
  - New Priceline website is on track for launch in 3Q FY23
  - Initial work has commenced on development of a new fully-automated Brisbane distribution centre
- Actively managing pressure from ongoing cost inflation and increasing competitive pressures
- Customer demand for COVID-related anti-viral products is expected to moderate
- Upcoming changes to the Pharmaceutical Benefits Scheme, while positive for consumers and for pharmacy demand, are expected to impact distribution margin
  - Next changes will take effect on 1 April 2023
- Increased ownership in health station provider SiSU to 60%, supporting the division's digital health strategy

Wesfarmers OneDigital

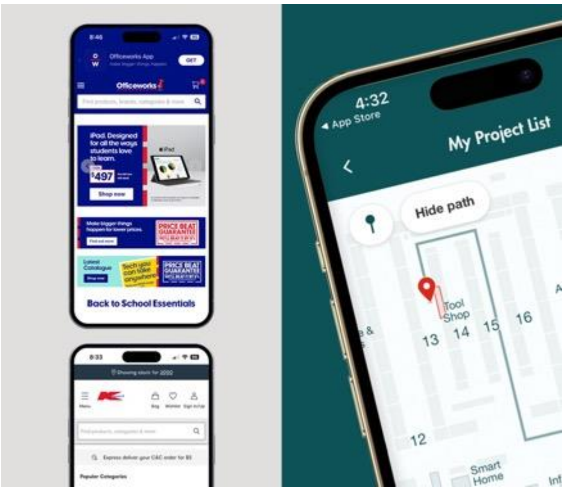
Nicole Sheffield

Managing Director, Wesfarmers OneDigital

OneDigital OnePass OneData catch.com.au

Significant expansion of data and digital capabilities

Large scale digital reach



210m+ **Digital interactions** / month, (vs 94m in FY19)

1.5m+ **Digital transactions** / month, (vs 0.5m in FY19)

$1b+ **In digital spend** (capex and opex) since FY19

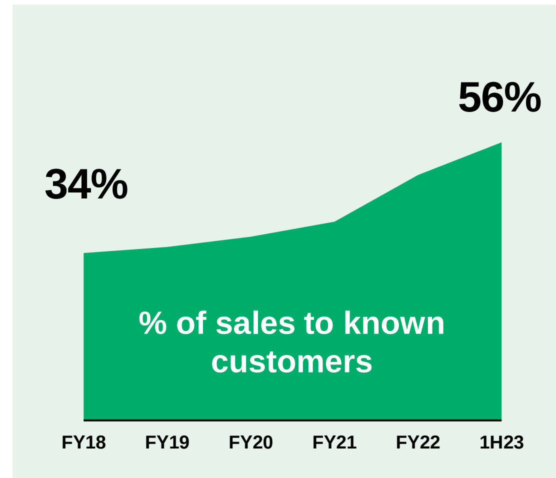
Unique and complementary member programs

8.5m+ Active[1] **Flybuys** members

3.6m+ Active[1] **Sister Club** members[2]

1.0m+ Active[1] **PowerPass** members

Driving value through deeper customer connections and operating efficiency



Value to customers through personalisation and benefits

Greater instore and digital engagement, including strong click and collect rates

Digitisation of operations driving operating efficiencies and improving customer experience

1. Active members represent those with activity in the last 12 months.
2. Sister Club has over 8 million total members.

Catch performance overview

- Disappointing sales and earnings result impacted by operational and execution challenges
- Catch had invested significantly in inventory, fulfilment capacity and team to support rapid growth through COVID-19
- A reset of online demand following the COVID-19 period resulted in surplus inventory and an unsustainable cost base
- Gross transaction value (GTV) declined 26.8%
  - Cycling elevated demand as a result of lockdowns in the pcp
  - Poor performance of in-stock range
- 2.8 million active customers
- EBT loss of $75m excluding restructuring costs
  - Elevated clearance costs to address surplus stock
  - Additional commissioning costs associated with the new Moorebank fulfilment centre and establishment of 'Fulfilled by Catch' capability
  - Higher delivery and fuel costs
- Reported EBT loss of $108m includes restructuring costs of $33m relating to inventory provisions, team member redundancies and asset write-offs

Half-year ended 31 December[1] ($m)	2022	2021	*Var (%)*
Gross transaction value	451	616	*(26.8)*
Revenue	219	315	*(30.5)*
EBITDA (excl. restructuring costs)	(60)	(30)	*n.m.*
EBT[2] (excl. restructuring costs)	(75)	(44)	*n.m.*
Restructuring costs	(33)	-	*n.m.*
EBT[2]	**(108)**	**(44)**	***n.m.***
Safety (R12, TRIFR)	2.4	3.1	
Scope 1 and 2 market-based emissions ($ktCO_2e$)	2	1	

n.m. = not meaningful
1. Includes intercompany transactions with OnePass.
2. Includes amortisation expense of $3m in 2022 and $5m in 2021 relating to assets recognised relating to assets recognised as part of Wesfarmers' acquisition of Catch.

Catch progress on strategy

Areas of progress

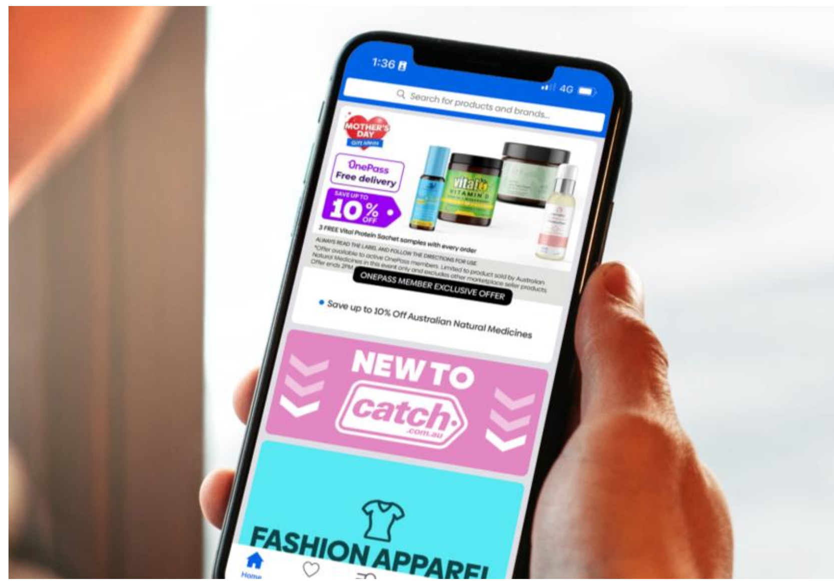
- Strong growth in marketplace since acquisition, with increased GTV, additional suppliers and new brands
- Onboarding of products from other Wesfarmers divisions
- Improved speed of delivery to metro areas
- Pilot of 'Fulfilled by Catch' with Kmart
- Leveraged subscription capability to grow subscriber base through OnePass

Outlook

- Management changes to strengthen leadership capabilities with a new MD in October 2022 and other key leadership appointments
- Catch's near-term focus will be on addressing operational challenges and resetting the cost base
  - Organisational changes to reduce overhead costs, with a headcount reduction of c. 35% from 1 March 2023
  - Clearance activity to address surplus first-party stock will continue in 2H23
- Expected to remain loss making in the second half, but with losses reducing relative to 1H23
- Continue to improve customer and delivery proposition
- Strategy update at Wesfarmers briefing day in May 2023

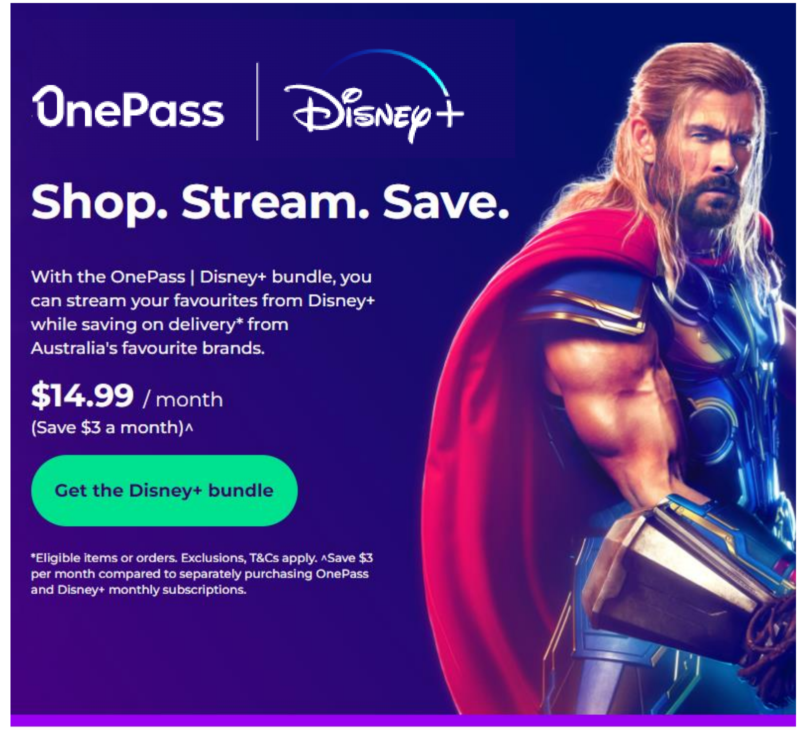
Improvement required

- Cost structure unsustainable post COVID
- Transition from "deal of the day" to scalable first party e-commerce
- Development of a more differentiated customer proposition
- Further improvements to speed and consistency of delivery proposition



OnePass performance and outlook

- Significant progress in development of OnePass program with incremental benefits for divisions during the half
- Increasing member engagement, shopping frequency, online sales conversion and cross-shop rates demonstrate value proposition is resonating with customers
  - Strong retention rate and conversion of free trials to paid membership
  - Over 50% of accounts linked to multiple retail brands
  - OnePass used in c. 20% of online transactions across launch partners, with penetration rising through the half
- Continued expansion of program benefits
  - Bunnings Warehouse joined as a retail partner
  - Multi-year strategic partnership signed with Disney+
  - Instore benefits launched prior to Christmas with ‘spend and save’ discounts in Kmart and Target



Outlook

- OnePass will launch new customer benefits including a retail partnership with Officeworks, a new mobile app and exclusive OnePass member benefits
- In line with previous guidance, an operating loss for OneDigital (excluding Catch) of approximately $100m is expected for the 2023 financial year

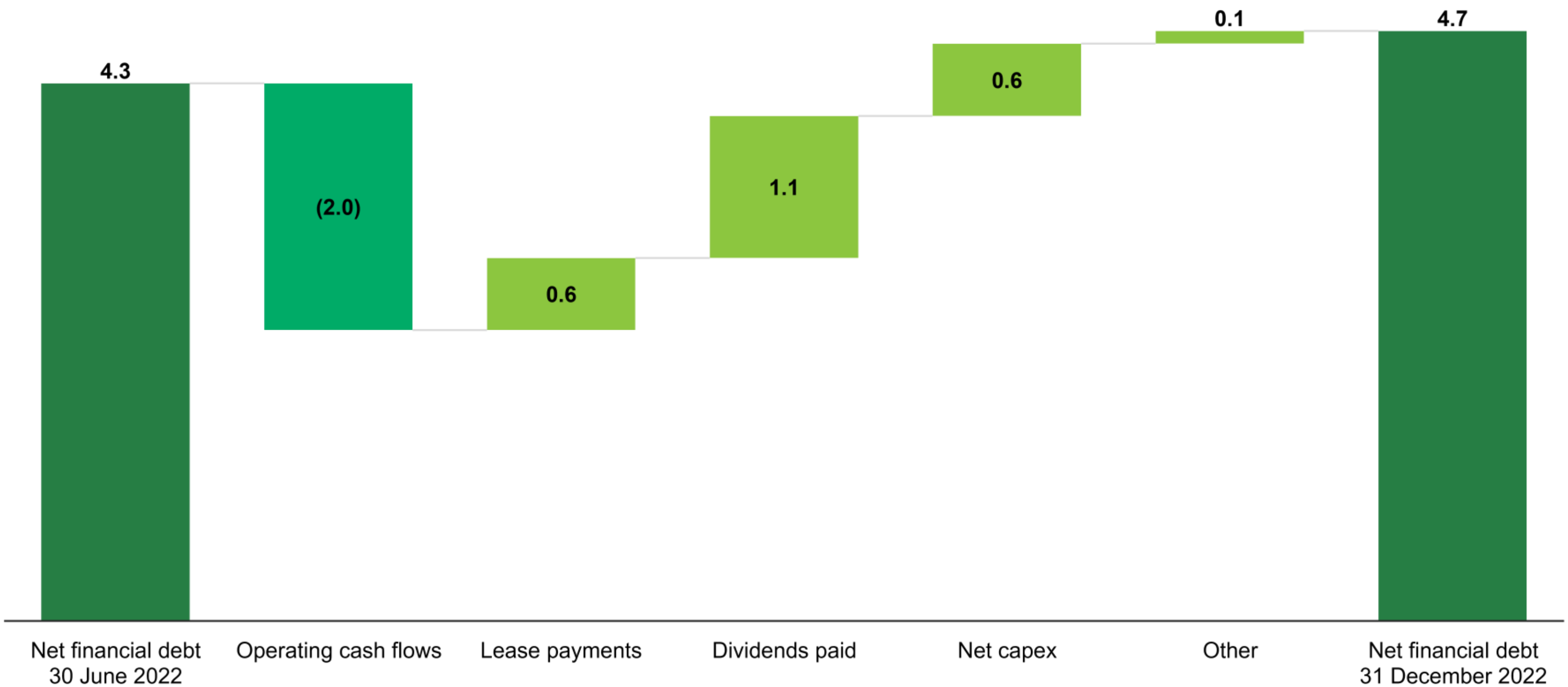
Appendix:
Supplementary information

Group management balance sheet

($m)[1]	1H23	FY22	API[4]	1H22
Inventories	6,634	6,084	385	5,605
Receivables and prepayments	2,281	2,364	656	1,267
Trade and other payables	(5,689)	(5,362)	(690)	(5,204)
Other	263	238	-	133
Net working capital	**3,489**	**3,324**	**351**	**1,801**
Property, plant and equipment	3,680	3,621	110	3,521
Mine properties	1,375	1,150	-	1,011
Intangibles	4,653	4,651	623	3,958
Other assets	1,710	1,877	21	2,354
Provisions and other liabilities	(1,729)	(1,815)	(91)	(1,675)
Total capital employed[2]	**13,178**	**12,808**	**1,014**	**10,970**
Net financial debt[3]	(4,716)	(4,296)	(269)	(2,615)
Net tax balances	719	578	34	481
Net right-of-use asset / (lease liability)	(1,087)	(1,109)	(25)	(1,093)
Total net assets	**8,094**	**7,981**	**754**	**7,743**

1. Balances reflect the management balance sheet, which is based on different classification and groupings from the balance sheet in the financial statements.
2. Capital employed excludes right-of-use assets and lease liabilities.
3. 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.
4. Provisional fair value recognised on acquisition of API. The acquisition was completed on 31 March 2022.

Movements in net financial debt



- Net financial debt[1] position of $4.7b as at 31 December 2022, compares to the net financial debt[1] position of $4.3b as at 30 June 2022
- Largely driven by the payment of $1.1b of fully-franked dividends and higher capital expenditure during the half

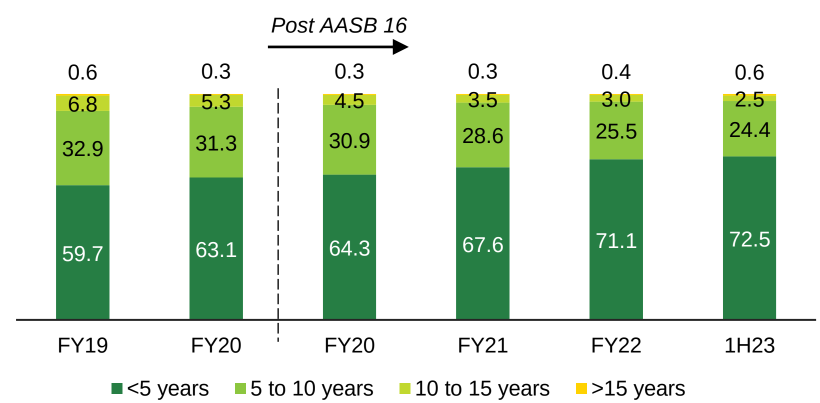
1. Interest-bearing liabilities less cash at bank and on deposit, net of cross-currency swap assets. Excludes lease liabilities.

Management of lease portfolio

- Lease liabilities totalled $6.9b and represented 58% of Group fixed financial obligations as at 31 December 2022
- Average remaining committed lease term of 4.2[1] years (1H22: 4.5 years)[1]
  - Complemented by strategic extension options to maintain security of tenure
  - Reflects disciplined management of leases in retail businesses
- Continued to focus on lease-adjusted return on capital as a key hurdle for divisions

Lease liabilities ($m)	1H23	FY22	1H22
Bunnings	3,738	3,692	3,854
Kmart Group[2]	2,411	2,616	2,764
WesCEF	64	61	50
Officeworks	343	345	354
Industrial and Safety	143	157	155
Health	165	199	-
Catch	57	45	49
Other[3]	20	8	12
Total lease liabilities	**6,941**	**7,123**	**7,238**

Weighted average lease term[1] (%)



1. Post-AASB 16 lease tenure calculated as weighted average of undiscounted dollar commitments by year including non-property leases and reasonably certain extension options. Pre-AASB 16 lease tenure calculated as weighted average of undiscounted dollar commitments by year.
2. Kmart Group figures from FY22 and HY22 have been restated to exclude Catch.
3. Other includes OneDigital excluding Catch.

Divisional return on capital

Rolling 12 months to 31 December	2022			2021			
	EBT ($m)	Cap Emp[1] ($m)	ROC (%)	EBT ($m)	Cap Emp[1] ($m)	ROC (%)	Var (ppt)
Bunnings	2,223	3,145	70.7	2,170	2,745	79.0	*(8.3)*
Kmart Group[2]	760	1,756	43.3	459	1,322	34.7	*8.6*
WesCEF[3]	646	2,806	23.0	442	2,254	19.6	*3.4*
Officeworks	184	1,068	17.3	194	988	19.6	*(2.3)*
Industrial and Safety	98	1,205	8.1	74	1,145	6.5	*1.6*

1. Capital employed excludes right-of-use assets and lease liabilities.
2. Excludes Catch and intercompany transactions with Catch.
3. Return on capital excluding ALM for 2022 is 40.3% and for 2021 is 32.2%.

Retail and health networks

As at 31 December 2022

1,785 locations across Australia and New Zealand

Brand	NSW/ACT	VIC	QLD	SA	WA	TAS	NT	NZ	Total
Bunnings									
Warehouse	82	63	51	19	29	7	3	29	283
Smaller format	19	15	11	2	9	-	-	12	68
Trade	7	3	6	2	3	1	-	9	31
Tool Kit Depot	-	-	1	5	7	-	-	-	13
Beaumont Tiles[1]	33	31	30	19	-	2	1	-	116
Total Bunnings	**141**	**112**	**99**	**47**	**48**	**10**	**4**	**50**	**511**
Kmart Group									
Kmart	73	64	49	16	33	5	3	26	269
K hub	14	16	17	5	3	-	1	-	56
Target	36	30	30	12	12	4	2	-	126
Total Kmart Group	**123**	**110**	**96**	**33**	**48**	**9**	**6**	**26**	**451**
Officeworks	**56**	**50**	**31**	**10**	**16**	**2**	**1**	**-**	**166**
Health									
Priceline / Priceline Pharmacy[1]	171	101	102	38	47	10	1	-	470
Soul Pattinson Chemist[2]	15	14	8	1	6	-	-	-	44
Pharmacist Advice[2]	13	8	4	17	5	-	-	-	47
Clear Skincare	29	20	21	4	14	-	-	8	96
Total Health	**228**	**143**	**135**	**60**	**72**	**10**	**1**	**8**	**657**

1. Includes both company-owned and franchise stores.
2. Soul Pattinson Chemist and Pharmacist Advice are banner brands operated by independent pharmacies.

Revenue reconciliation – Kmart Group

Half-year ended 31 December ($m)	2022	2021[1]
Segment revenue (Gregorian)	**5,714**	**4,605**
Less: Non sales revenue	(32)	(38)
Headline sales (Gregorian)	**5,682**	**4,567**
Add: Gregorian adjustment[2]	112	87
Headline sales revenue (Retail)[3]	**5,794**	**4,654**

1. 2021 results have been restated to exclude Catch.
2. Adjustment to headline sales revenue to reflect retail period end.
3. Refer to slide 62 for relevant retail calendars.

Retail calendars

Business	Retail sales period
Bunnings, Officeworks and Catch	
1H23	1 Jul 2022 to 31 Dec 2022 (6 months)
1H22	1 Jul 2021 to 31 Dec 2021 (6 months)
1H21	1 Jul 2020 to 31 Dec 2020 (6 months)
Kmart	
1H23	27 Jun 2022 to 1 Jan 2023 (27 weeks)
1H22	28 Jun 2021 to 2 Jan 2022 (27 weeks)
1H21	29 Jul 2020 to 3 Jan 2021 (27 weeks)
Target	
1H23	26 Jun 2021 to 31 Dec 2022 (27 weeks)
1H22	27 Jun 2021 to 1 Jan 2022 (27 weeks)
1H21	28 Jun 2020 to 2 Jan 2021 (27 weeks)

Wesfarmers