



3 May 2022

The Manager
Market Announcements Office
Australian Securities Exchange

Dear Manager,

MACQUARIE CONFERENCE PRESENTATION AND ADDRESS

Please find attached a copy of the presentation by the Managing Director of Wesfarmers Limited, Rob Scott, that is to be given at the Macquarie Australia Conference today, Tuesday 3 May 2022.

The Managing Director's address accompanying the presentation is also attached, and should be read in conjunction with the presentation.

A recording of the presentation, including the question and answer session, will be made available on the Wesfarmers website following the session.

Yours faithfully,

A handwritten signature in blue ink that reads "V. Robinson".

Vicki Robinson
Executive General Manager
Company Secretariat

This announcement was authorised to be given to the ASX by the Wesfarmers Disclosure Committee.

Macquarie Conference 2022

To be held on 3 May 2022



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

Superior long-term financial performance

Wesfarmers' long-term total shareholder returns in excess of the market

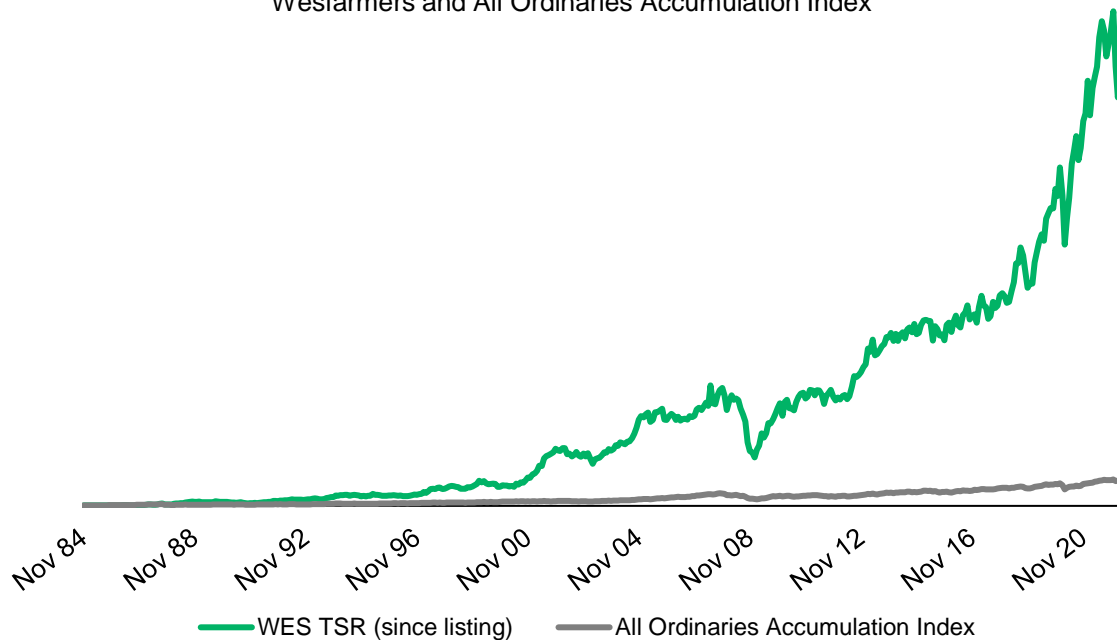
*Since listing:
WES +19.2% pa
Index +10.7% pa*

*Last 10 years:
WES +14.2% pa
Index +10.0% pa*

*Last 5 years:
WES +15.9% pa
Index +9.5% pa*

TSR Index from November 1984 to April 2022

Wesfarmers and All Ordinaries Accumulation Index



Strong performance through COVID and positioned for future growth

Operating performance

Sales and earnings growth



17.5% R12 divisional EBT growth on a two-year basis¹

Increased operational agility



Rapidly responding to changing customer and operational needs

Strengthened e-commerce capabilities



Online sales² up c. 3.0x and Catch GTV up c. 2.0x since 1H19³

Supported team members and community



Team member support, vaccination hubs and continued community contributions

Actions for future growth

New Group assets



Established new Health division and Wesfarmers OneDigital

Progress on Mt Holland lithium project



Commenced construction of mine, concentrator and refinery

Balance sheet strength and flexibility



\$2.3b capital return, issued sustainability-linked bonds, optimised debt maturity profile

Continued to develop store networks



Including Kmart store conversions and new specialist formats for Bunnings

1. As at 31 December 2021.

2. Retail businesses excluding Catch.

3. Online sales and GTV growth is calculated between the periods 1 July 2019 to 31 December 2019 and 1 July 2021 to 31 December 2021.

Retail divisions well positioned for current operating conditions

Wesfarmers' attributes...

Economies of scale

Value credentials
on everyday items

Commercial discipline

Strong supplier partnerships
& direct sourcing capabilities

Technology, data & analytics

enable it to meet changing customer needs...



Household
budgets adjusting



Deeper digital
engagement



Omnichannel
experience

...and adapt to a dynamic external environment.



Increasing
cost pressures



Supply chain
disruptions



Rate changes
& housing cycle

Priorities aligned with the Wesfarmers Way

Four value-creating strategies to deliver superior long-term returns...

with unique sources of competitive advantage...

...and current priorities that are aligned to the Group's objective and operating model.

Wesfarmers objective is to provide a satisfactory return to shareholders

Strengthen existing businesses
through operating excellence and satisfying customer needs

Secure growth opportunities
through entrepreneurial initiative

Renew the portfolio
through value-adding transactions

Ensure sustainability
through responsible long-term management

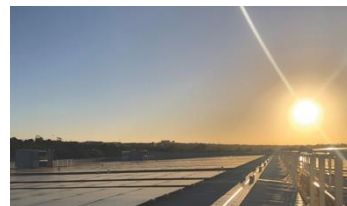
Divisional autonomy

Active capital allocation and portfolio management

OneDigital



Data and digital ecosystem







































Platforms for long-term growth



Accelerate the pace of continuous improvement

Evolving portfolio demonstrates active allocation of capital towards sustainable long-term growth

Bunnings	    
Kmart Group	 
Officeworks	 
Health	      
Chemicals, Energy and Fertilisers	       
Industrial and Safety	    
Wesfarmers OneDigital	  <p>From 1 July 2022</p>
Wesfarmers corporate support functions	<p>Other activities</p>     

Strengthened WesCEF with Covalent Lithium and new net zero commitment

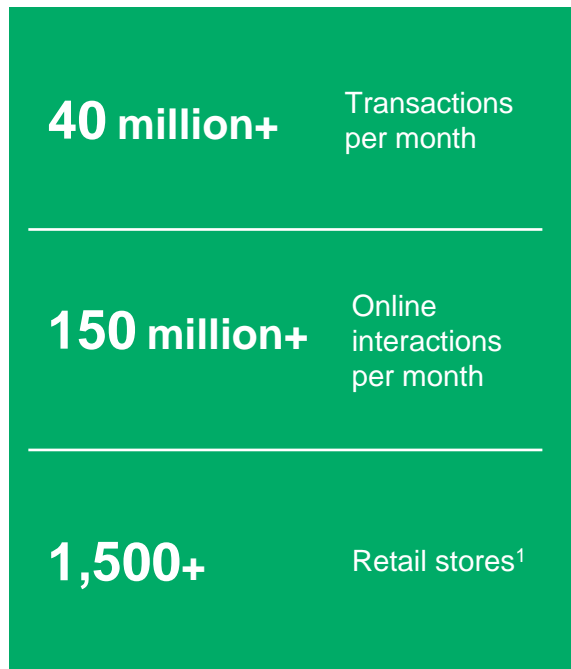
Established Health division through API acquisition

Established Wesfarmers OneDigital
(Including Catch from 1 July 2022)

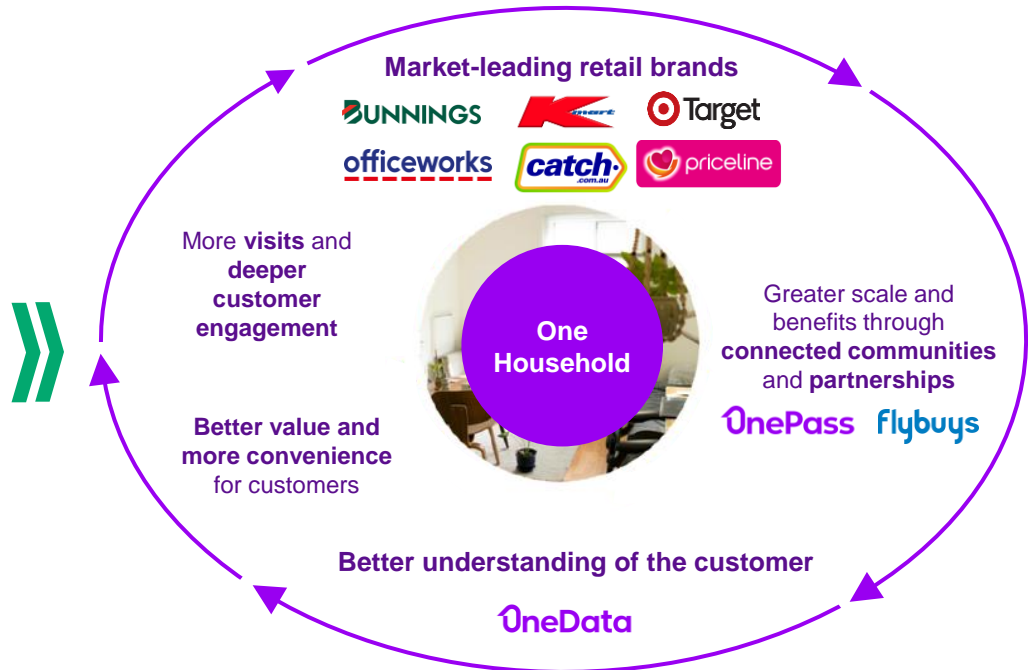
Continued development of Bunnings including Tool Kit Depot and Beaumont Tiles

Building a market-leading data and digital ecosystem

The Group's brands provide a strong base of customer connections



OneDigital will provide additional benefits and a single view of the customer



1. Including franchise stores.

Building a market-leading data and digital ecosystem



Provides data and digital capabilities that are complementary and incremental to the retail businesses, generating value for customers and divisions

Design

Each division retains responsibility for its own analytical capabilities and data, while OneDigital will provide:

- **OneData** – access to shared data asset
- **OnePass** – subscription benefits
- **Catch** – marketplace capabilities
- **Consent framework** for customer data

OneDigital is overseen by board comprising of all retail divisional Managing Directors, as well as the Group MD and Group CFO

Value

OneDigital established to deliver incremental value to:



Customers –

through a more seamless, rewarding and valuable experience across the retail businesses



Divisions –

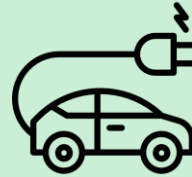
access to a broader and deeper understanding of customers than could be achieved standalone

Over time, OneDigital is expected to be profitable as a standalone division and provide the Group with access to new earnings streams

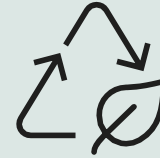
Platforms for growth – continued development of WesCEF



Existing businesses
working with long-term
customers to provide
**key products to
critical industries**



Establishing new
business lines to pursue
and explore
**adjacent
opportunities**



New commitments continue
WesCEF's decarbonisation
journey towards
**net zero
by 2050**

Platforms for growth – Mt Holland lithium project

Good progress on the construction of the mine, concentrator and refinery to support production of sustainably-sourced battery-grade lithium hydroxide (LiOH)



Construction of the mine and concentrator has commenced.



Village at Mt Holland now complete.



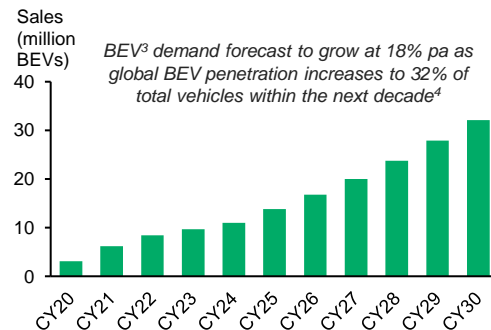
Construction of the Kwinana refinery underway.

Strong project fundamentals

Project specifications

- First production from refinery: 2H CY24
- Production capacity: 50ktpa LiOH¹
- WES share of capex: c. A\$950m (real 2021)
- Cash cost²: c. US\$5,400/t (real 2021)
- Life of project: c. 50 years

Favourable demand profile



Valuable commercial options



Potential capacity expansion of mine, concentrator and refinery



Option for sale of spodumene concentrate prior to commissioning of refinery



Adjacent industry opportunities

1. Wesfarmers will receive 50% of the 50ktpa project output under the 50:50 joint venture with SQM.

2. Average over life of project, includes sustaining capex and excludes revenue from the sale of by-products.

3. Battery Electric Vehicles.

4. Source: Bloomberg New Energy Finance.

Platforms for growth – Health division

Wesfarmers completed its acquisition of Australian Pharmaceutical Industries on 31 March 2022

Total cash consideration of \$774m (\$1.55 per share)

Initial capital employed of c. \$1,025m

Health division leaders:

Emily Amos

Managing Director

Ed Bostock

Chief Financial Officer

Richard Vincent

Chief Executive Officer, API



Priceline Pharmacy store.



API distribution centre.

Integration

- Listen to and learn from API team
- Leverage Wesfarmers corporate support
- Reinforce focus on capital and commercial discipline
- Validate and refine strategies

Strengthen consumer and pharmacist offer

- Improve competitive position of API and its partners:
- Targeted investment to expand networks and capabilities
 - Product innovation and development
 - Improve supply chain capabilities
 - Enhance online experience for customers

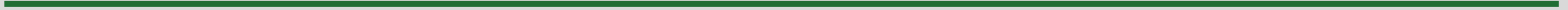
Platform for long-term growth

- Develop API as the foundation business of Wesfarmers' new Health division
- Expand capabilities and consider opportunities across the health, wellbeing and beauty sector
- Leverage OneDigital and OnePass

Key messages

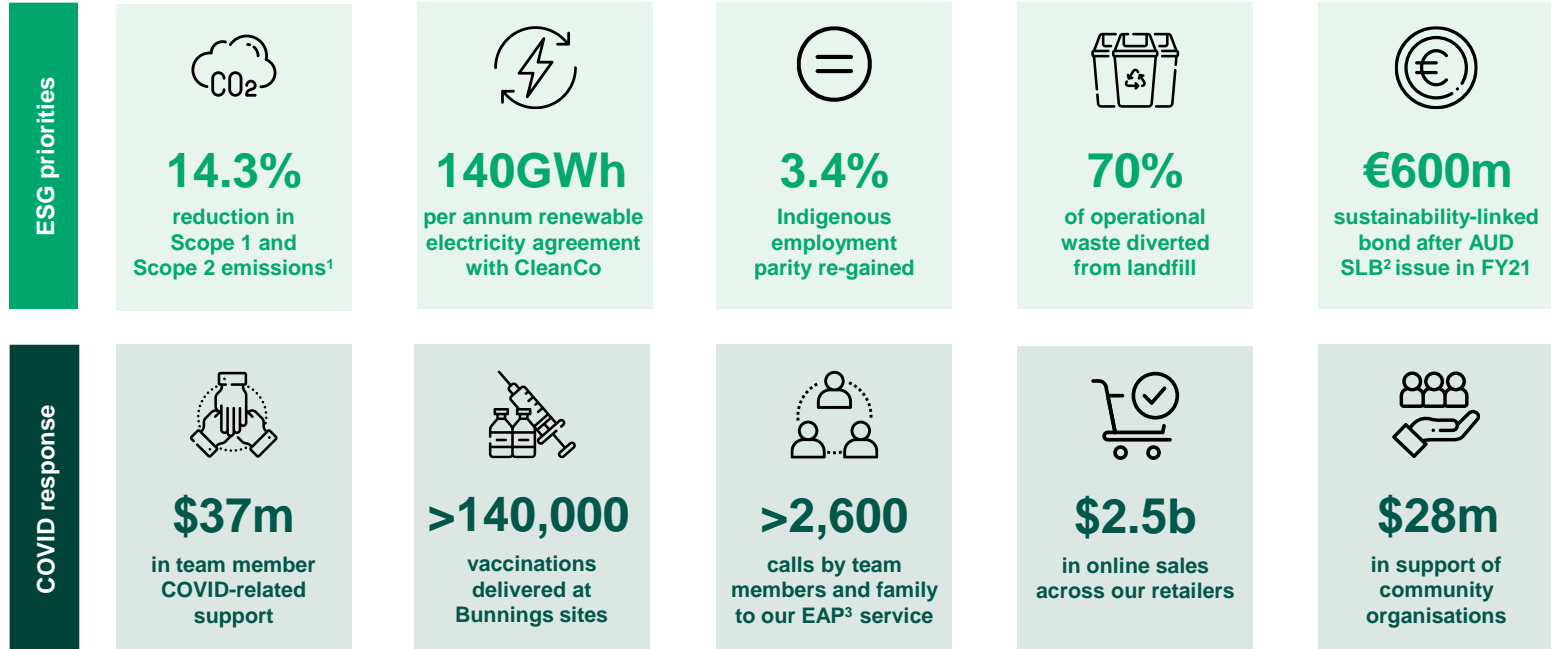
- The Group is well positioned for the post-COVID environment, having strengthened the capabilities of existing divisions and with new platforms for future growth
- Wesfarmers' retail divisions are well equipped to manage inflationary pressures and view this as an opportunity to profitably grow share while extending value credentials
- The Wesfarmers portfolio continues to evolve and the next few years will see the continued development of new growth platforms:
 - Expansion of WesCEF through the Mt Holland lithium project
 - Investment in the growth and improved performance of API and the new Health division
 - Development of a large-scale, differentiated retail ecosystem that leverages the power of the retail brands and store networks, together with the value-added benefits of OneDigital
- Ongoing focus on accelerating the pace of continuous improvement and embedding sustainability into all aspects of Group strategies

Questions



Appendix: Accelerating the pace of continuous improvement – Sustainability

Wesfarmers' purpose and long-term focus continue to inform our strategies



All metrics are as at, or reflect the six months to, 31 December 2021.

1. Includes the impact of the scheduled ammonia plant shutdown. Excluding this impact, the Group's scope 1 and Scope 2 emissions reduced 9.5%.
2. Sustainability-linked bond.
3. Employee assistance program.



Wesfarmers



2022 MACQUARIE CONFERENCE MANAGING DIRECTOR'S ADDRESS

MANAGING DIRECTOR'S ADDRESS

Good afternoon everyone, it's good to be able to see many of you again in person, and thanks for making the time to join this session.

Today I will provide some reflections on Wesfarmers' performance and actions over the last couple of years and then focus on the future.

After the presentation, I look forward to taking your questions.

Turning to slide 2, which will be familiar to many of you.

Wesfarmers' primary objective is to provide a satisfactory return to our shareholders. We define 'satisfactory' as top quartile total shareholder return ("TSR") over the long term.

We believe that it is only possible to create long-term value by:

- anticipating the needs of customers;
- looking after team members;
- treating our suppliers fairly and ethically;
- taking care of the environment;
- contributing positively to the communities in which we operate; and
- acting with integrity and honesty.

Turning to slide 3.

This demonstrates the ability of the Wesfarmers operating model to deliver satisfactory returns for our shareholders, over the long term.

Since we listed in 1984, Wesfarmers has delivered annual TSR of 19.2 per cent.

Our TSR results on both a 5-year and 10-year basis have also been strong, and while there is always a degree of short-term variability in financial markets, we maintain a disciplined, long-term perspective.

Given the changes, disruption and opportunities that occur across different industries and businesses over time, the capacity of Wesfarmers to reallocate capital, actively manage the portfolio and focus on long-term value creation has never been more important.

Reflecting on the Group's performance through COVID, our results have been very strong.

Slide 4 sets out some of the operational and financial outcomes we have delivered over the last two years, as well as the actions that we have taken to position the Group for future growth.

Notwithstanding the very significant financial impact of lockdowns in 2021, the businesses delivered 17.5 per cent earnings growth between calendar years 2019 and 2021.

We have significantly strengthened our e-commerce capabilities to support peaks in demand and provide capacity for the future.

Total online sales across Bunnings, Kmart, Target and Officeworks more than tripled over the two years to our most recent half year results, and the gross transaction value (“GTV”) of our Catch Marketplace has almost doubled since we acquired the business.

In responding to COVID disruptions, our businesses have become more agile and flexible.

We have adjusted how we manage inventory to accommodate demand volatility. In some instances, we have been able to introduce new digital technology in our supply chains, to shorten lead times and create greater resilience. And we have innovated in how we serve customers to ensure their safety while preserving access to essential products.

Of course, it hasn't all been positive. When we were required by law, in some states, to close our stores, this impacted our earnings, especially when we continued to pay our team members and our rents.

In addition to these strong operating and financial results, we haven't slowed down in investing for the future.

I'll talk more on some specific initiatives shortly, but this slide sets out some highlights including:

- the establishment of the new Health division and Wesfarmers OneDigital;
- progress on the Mt Holland lithium project;
- proactive management of the balance sheet; and
- the continued development of our store networks, including through the Target conversion and closure program within Kmart Group, as well as the extension of specialist formats such as Tool Kit Depot and Beaumont Tiles in Bunnings.

This last point is important since the last couple of years have also highlighted the value customers place on the instore shopping experience, certainly across our brands, and the important role they will play in the future.

Turning to slide 5.

The current operating conditions are very dynamic, as we adapt to life with COVID, continue to face supply chain disruptions, and face into inflationary pressures that have not been seen for decades.

The Australian consumer is in relatively good shape, with low levels of unemployment and high levels of savings accumulated through COVID.

How businesses respond to these inflationary pressures will be critical to their success, especially in retail, where we are seeking to minimise cost pressures and deliver productivity improvements, while competing for share of wallet from more value-conscious customers, who are now working harder to balance their household budgets.

Our retail businesses are well equipped to manage these issues, and for everyday low price (EDLP) retailers like ours with significant economies of scale and sophisticated sourcing capabilities, we see this as an opportunity.

As I signalled at our half-year results in February, cost pressures are becoming more widespread. We often see these before many other retailers, especially through Kmart Group, where we have over 800 people in procurement, design and sourcing roles in Asia.

There are various ways we can mitigate cost price pressures through our economies of scale, consolidating sourcing of raw materials, re-engineering products and adjusting range architecture.

Through COVID, we have also digitised many of our design and sourcing processes to remove costs and shorten lead times.

We have also been able to leverage our Group scale in container shipping to manage costs and prioritise availability of transport and storage.

This means we can mitigate some of the cost pressure that others cannot.

As an EDLP retailer, we have a relentless focus on delivering lowest prices. We operate in competitive markets and always want to be lowest price. This will become even more important as customers focus more on value.

We have significant experience and capabilities, including advanced analytics and digital technologies, to optimise pricing whilst retaining our lowest price credentials. It's actually easier to do this when others are rapidly increasing their prices.

We are comfortable with our stock position and continue to be happy to carry some buffer stock given the ongoing risks to international supply chains. It's also important to remember that inventory balances will increase as cost prices increase.

Finally, with the prospect of higher interest rates, there is a lot of focus on the housing market, which has enjoyed strong growth in recent years.

We remain confident about Australian housing and household spending, especially in the areas where we offer products and services. Low unemployment and accumulated household savings, combined with a structural benefit as people spend more time working from home, provide a strong base for future investment in and around the home.

For those of you that have followed Bunnings over various cycles, you will know that demand in Bunnings from both consumers and commercial customers has remained resilient throughout all phases of the property cycle.

This is a result of Bunnings constantly expanding its addressable market, servicing a high proportion of necessity spend around the home and winning share, particularly when customers are more value-conscious.

Finally, in the context of changing interest rates, it is pleasing from a corporate perspective to have taken steps to lock in long-term debt at attractive rates through the issue of two sustainability-linked bonds over the last 12 months.

Turning to slide 6.

As I mentioned, everything we do is aligned with our long-standing objective of providing a satisfactory return to shareholders.

Our Group strategies are also enduring, and focused on delivering shareholder value by:

- strengthening our existing businesses;
- securing growth opportunities;
- renewing the portfolio through value-adding transactions; and
- ensuring a focus on sustainability and responsible management.

These are the high-level strategies that guide our focus at a Board level, and we expect the strategies of our divisions to be aligned.

Underpinning the strategies are some unique aspects of our model that provide us with long-term competitive advantages.

The Wesfarmers model of divisional autonomy drives accountability and focus. Divisional leaders enjoy the ability to focus their time on running their businesses for the long term, and benefit from access to capital, and corporate and specialist support through Wesfarmers.

Active capital allocation and portfolio management is a key focus at a Group level. The new growth platforms are good examples of our approach to capital allocation and portfolio management and I will talk more to this in a moment.

The development of Wesfarmers OneDigital provides a new source of competitive advantage that will support superior performance across the divisions and opens new avenues for growth over the long term.

While all divisions will retain full responsibility for their own data and digital needs, OneDigital is a natural evolution and extension of our model, and will provide incremental insights and benefits to our divisions, over and above what they can do independently.

We are always seeking to improve, and last year I spoke to three key priorities for the Group that are directed at driving superior long-term performance, and are aligned with our overarching strategies and sources of advantage.

I will provide an update on these priorities today.

The current shape of the Group as shown on slide 7 highlights some of the ways in which we have allocated capital in recent times.

Within the existing portfolio, we've significantly expanded WesCEF through the acquisition and development of the Mt Holland lithium project, and we have taken important actions such as WesCEF's recent net zero commitment, which supports the continued allocation of capital and expansion options for WesCEF's existing assets.

We've strengthened Kmart and repositioned Target through the store conversions and closures.

And we've seen continued development of the Bunnings offer and ongoing expansion of its addressable market, through expanded ranges and new brands and formats such as Tool Kit Depot and Beaumont Tiles.

In adjacent opportunities, we have established Wesfarmers OneDigital – and I will talk to this in a moment.

And finally, through value-adding transactions, we are pleased to have established our new Health division this year. The API businesses will be the foundational assets for this division, and we see good long-term potential in the growing health, wellbeing and beauty sector.

Starting with the data and digital ecosystem on slide 8, I'll now provide a brief update on some of our current priorities.

We've made good progress building the foundational capabilities and systems to support our digital ecosystem.

Each of the divisions has invested significantly in developing its own digital capabilities, which have continued to strengthen the Group's unique customer reach.

With over 150 million digital interactions and 40 million transactions each month, as well as a network of over 1,500 retail stores, Wesfarmers is starting from a position of strength as we work to develop a market-leading data and digital ecosystem.

We see our extensive store network as a key differentiator, providing our customers with a strong, omnichannel proposition. The addition of around 500 strategically located pharmacies and health and wellbeing specialists around Australia further enhances our retail ecosystem.

As I outlined earlier, we have established Wesfarmers OneDigital to bring together the Group's digitally native businesses, which will include our subscription program, data platform and marketplace.

It's important to note that OneDigital is different to our other, more mature, divisions for a number of reasons.

Firstly, it is in a start-up phase, which involves an investment in building capabilities and new businesses, such as the OneData shared data asset and the OnePass subscription program.

Secondly, it will provide incremental benefits to the existing divisions and their customers through the insights available via the shared data asset, and by leveraging benefits of the subscription program as well as other specialist digital services and partnerships.

And lastly, as a purely digital asset it will play an important role as a platform from which to access leading digital talent for the Group.

Turning to slide 9.

As I mentioned earlier, OneDigital delivers data and digital capabilities that are complementary and incremental to our existing operations.

Importantly, existing divisions will retain responsibility and accountability for the digital capabilities necessary to manage their own operations and serve their customers, and we continue to benchmark our divisions' digital capabilities against global best practice.

OneDigital is designed to provide capabilities and insights that our divisions can't access on a standalone basis:

- allowing them to leverage deeper customer insights from OneData;
- delivering additional customer benefits at scale through OnePass;
- providing access to marketplace capabilities via Catch;
- with all of this guided by a rigorous consent framework and strong protection of customer data.

Recognising the important alignment and collaboration between OneDigital and the divisions, it is overseen by a Board comprised of the retail Managing Directors, along with Anthony and me.

For customers, OneDigital will deliver significant value through a more relevant offer, with a more seamless and rewarding experience across the Group's retail businesses.

For our divisions, the broad reach and scale of the ecosystem will allow them to leverage deeper customer insights and drive stronger customer relationships with greater loyalty and frequency.

Over time, we expect that OneDigital will be a profitable standalone asset and will provide the Group with access to new earnings streams.

Turning now to slide 10.

I'd like to touch on our WesCEF division, which continues to develop as a valuable platform for long-term growth.

Firstly, it's important to start by acknowledging the role that the WesCEF businesses play in providing key products to critical industries, such as agriculture and mining.

WesCEF will continue to consider capacity expansion opportunities in existing operations in situations where market fundamentals are supportive and we are able to deliver essential products with leading sustainability credentials.

Secondly, the capabilities and skills within WesCEF provide an avenue for the Group to continue to pursue adjacent opportunities, including projects in clean energy such as the Mt Holland lithium development, which I will talk to in more detail on the next slide.

Finally, WesCEF's recent net zero commitment and roadmap is an extension of the long-standing focus within WesCEF on improving the emissions intensity of its products, and this commitment will support the continued development of the division.

Turning to slide 11.

Good progress has continued on the construction of the Mt Holland lithium project.

Importantly, Mt Holland remains one of only a small number of vertically-integrated projects where sustainably-sourced, battery-grade lithium hydroxide will be produced from a single origin.

The project is supported by strong fundamentals with first production in the second half of calendar year 2024 and total production capacity of 50 thousand tonnes of lithium hydroxide per annum.

While there has been some cost inflation in development costs, and the Covalent team continue to actively manage and monitor these pressures, Wesfarmers' expected share of the project capex remains in line with prior guidance of \$950 million. And we expect average cash cost over the life of the project in the order of \$5,400 US dollars per tonne of lithium hydroxide.

The demand outlook for battery electric vehicles ("BEV") is favourable and has continued to improve, with global BEV sales forecast to grow at around 18 per cent per annum through to 2030, by which time almost one-third of the world's passenger vehicles are expected to be electric.

Finally, the Mt Holland project provides some valuable commercial options, which we continue to review in the context of their capacity to enhance shareholder returns from this project.

These options include the potential to expand the capacity of the mine, concentrator and refinery, the option to sell spodumene ahead of the commissioning of the refinery as well as the option to evaluate adjacent opportunities within the broader industry.

Turning to slide 12.

Our acquisition of API completed on the 31st of March 2022, and we are now working on integrating API into the Group.

We are focusing on listening to, and learning from, the API team while we embed the Group's financial and commercial discipline and assess opportunities for investment.

I am pleased to update that we have appointed our leaders for the new Health division, with Emily Amos joining last week as Managing Director of Health, having most recently run Bupa's Health Insurance business. Ed Bostock has been appointed as divisional CFO, having most recently led our Business Development team, and Richard Vincent continues in the role of CEO for API.

As we progress with integration, we will increase our focus on strengthening the competitive position of API and its pharmacy partners.

Ultimately, we see API as a platform for long-term growth in health, and we will provide more details at our Strategy Day in June.

Turning to slide 13.

In summary, Wesfarmers is well positioned for the post-COVID environment, having strengthened the capabilities of existing divisions and with new platforms for future growth.

Our retail divisions are well equipped to manage inflationary pressures and we see this as an opportunity to profitably grow share while extending our value credentials.

The Wesfarmers portfolio continues to evolve and the next few years will see the development of new growth platforms.

This includes the expansion of WesCEF through the Mt Holland lithium project, investing in the growth and improved performance of API and our new health division, and finally, developing a large scale and differentiated retail ecosystem that leverages the power of our brands and store networks, together with the value-added benefits of OneDigital.

We look forward to the opportunity to provide more detail at our Strategy Day in June.

That concludes today's presentation, and I'd now be happy to take any questions.

For more information:

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