



2 May 2023

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 2 May 2023.

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

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 2023

To be held on 2 May 2023



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

Active allocation of capital towards businesses that deliver superior long-term returns

| | |
|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Bunnings |       |
| Kmart Group |   |
| Chemicals, Energy and Fertilisers |   (50%)  (50%)  (75%)     |
| Officeworks |   |
| Wesfarmers Health |       |
| Industrial and Safety |     |
| OneDigital |    |
| Other activities |  (50%)  (24.8%)  (50%)  (50%) |

Actively directing incremental capital towards higher returning businesses

Developing new platforms for growth in health and critical minerals

Significantly expanded digital capabilities

Consistent focus on shareholder returns over time

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

SINCE LISTING

WES +19.1% pa
Index +10.5% pa

LAST 10 YEARS

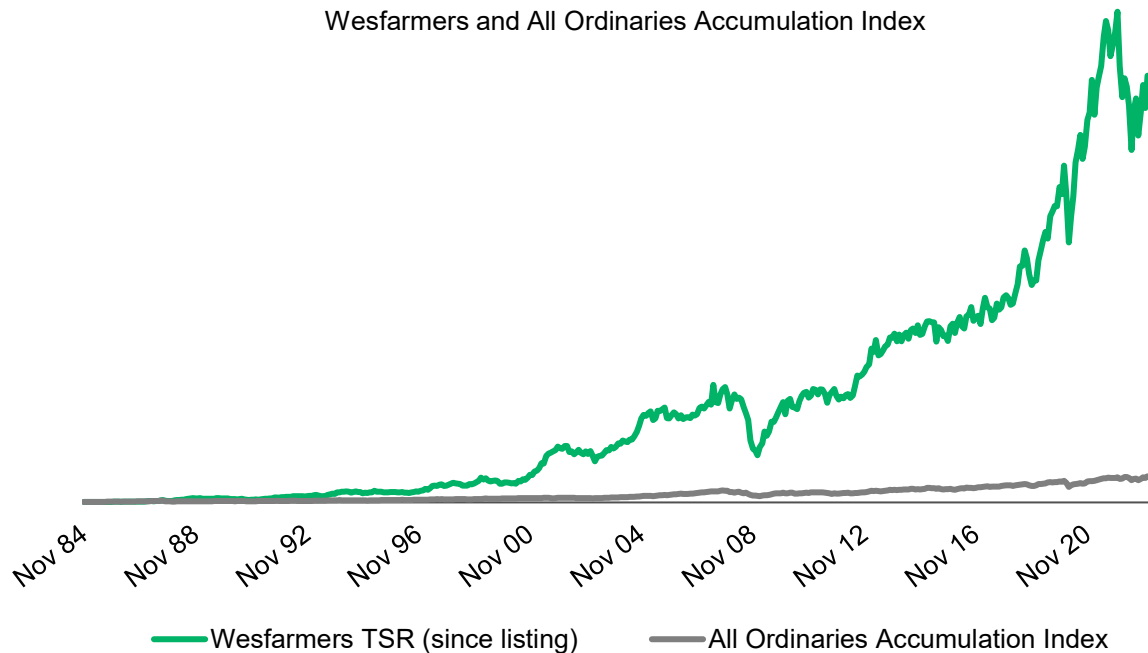
WES +10.8% pa
Index +8.1% pa

LAST 5 YEARS

WES +16.8% pa
Index +8.4% pa

TSR¹ Index from November 1984 to April 2023

Wesfarmers and All Ordinaries Accumulation Index



1. Total Shareholder Return. Assumes 100% dividend reinvestment on the ex-dividend date and full participation in capital management initiatives; as at 30 April 2023.
Source: Annual report and IRESS.

Wesfarmers Way focuses on delivery of the Group's objective

Wesfarmers' objective is to provide a satisfactory return to shareholders

Value-creating strategies to deliver superior long-term returns

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

Sources of competitive advantage

Divisional autonomy

Financial discipline and active capital allocation

Data and digital

Culture and ways of working are informed by our core values

Integrity



Openness



Accountability



Entrepreneurial spirit



Wesfarmers' operating model enhances business and financial performance

Divisional autonomy

- Responsibility for strategy as well as operations
- Accountability for performance targets
- Strong management teams
- Access to capital and specialist support from lean corporate centre

Financial discipline and active capital allocation

- Rigorous investment criteria and strong focus on commerciality
- Performance focused, with clear measures and targets linked to the Group objective
- Long-term focus encourages discipline and sustainability

Data and digital

- Emerging source of competitive advantage
- Enhances omnichannel performance
- Underpinned by unique scale, networks and brands
- Supports incremental and cross-divisional insights and benefits

Underpinned by clear core values



Integrity



Openness



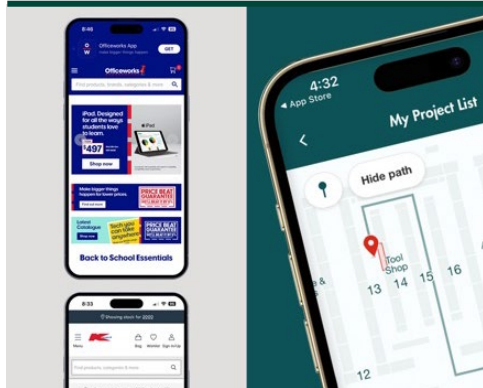
Accountability



Entrepreneurial spirit

Significant expansion of data and digital capabilities

Large scale digital reach

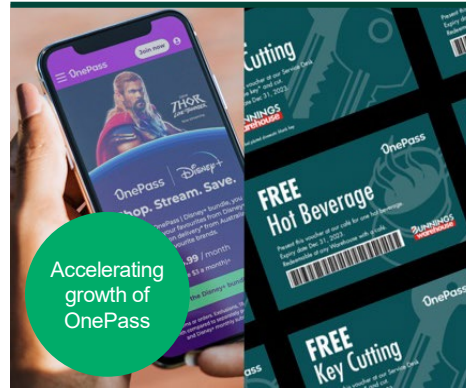


210m+ Digital interactions / month,
(vs 94m in FY19)

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

\$1b+ In data and digital investment
(capex and opex) since FY19

Unique and complementary member programs

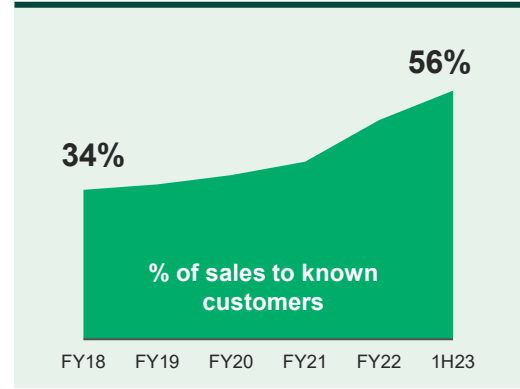


8.5m+ Active¹ Flybuys members

3.6m+ Active¹ Sister Club members²

1.0m+ Active¹ 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 efficiencies and improving customer experience

NB: data as at 31 December 2022

1. Active members represent those with activity in the last 12 months.

2. Sister Club has over 8 million total members.

Strengthen existing businesses through operating excellence and satisfying customer needs

Maintaining a relentless focus on customers



- Continued improvements in customer offer through improved ranges, instore experience and personalisation
- Investment in omnichannel offers across all retail businesses
- Industrial assets with a track record of reliable and high quality supply

Strengthening positions in attractive markets



- Businesses with expanding addressable markets
- Trusted retail brands with leading market positions
- Strategically positioned manufacturing and processing capabilities
- Capital allocation focused on logical, incremental opportunities

Leveraging unique capabilities and platforms



- Large, low-cost and scalable operating models
- Teams with extensive operating experience and knowledge
- Direct sourcing, with differentiated own brand and exclusive products
- Track record of delivering production plant efficiency in industrial businesses

Secure growth opportunities through entrepreneurial initiative



WesCEF capacity expansion and low carbon ammonia opportunities



Acquisitions of TKD and Beaumont Tiles to expand Bunnings' commercial offer



Bunnings' major expansion of its pets category



Divisional data and digital investments and OneDigital



Early sale of spodumene concentrate from Mt Holland mine



Exploring wholesale opportunities for Kmart's Anko brand

Renew the portfolio through value-adding transactions

Mt Holland lithium project



- Attractive long-term demand outlook for electric vehicles
- Mt Holland lithium project is less than 12 months from earnings through sale of spodumene concentrate
- Mine and concentrator expansion study underway
- Consideration of refinery capacity expansion to be undertaken following completion of commissioning

Wesfarmers Health



- Provides access to structural growth in health care
- Opportunities for bolt-on acquisitions to support growth
- Opportunity to strengthen e-commerce capabilities
- Opportunities for growth in digital health
 - Increased ownership in SiSU to 60 per cent

Strong and flexible balance sheet provides capacity to take advantage of value-accretive opportunities as they arise

Ensure sustainability through responsible long-term management

Our value-creating strategies



Our approach to sustainability creates value for our stakeholders

Team members

- Diverse teams perform better
- Improves productivity and performance
- Increases retention and engagement

Suppliers

- Customers value our ethical approach
- Strengthen critical supplier relationships
- Support workers in our supply chain

Communities

- Connected and creative communities are more agile, inclusive and innovative
- Enhances reputation and trust with local customers and team members

Customers

- Builds confidence among our customers
- Supports the performance of our businesses

Environment

- Builds resilience and reduces physical risk
- Creates investment opportunities
- Enhances our reputation

Integrity and honesty

- Promotes accountability, transparency and achievement

Retail divisions are well positioned for the current environment



Supply of essential and everyday products

to both retail and commercial customers



Strong value credentials

as value becomes increasingly important to customers



Well advanced on productivity initiatives

to enable continued efficiency and productivity gains and mitigate cost pressures



Strong and flexible balance sheet provides the capacity to support ongoing investment and take advantage of value-accretive opportunities

Key messages



Value-creating strategies and unique operating model support delivery of superior long-term financial performance



Retail divisions are well positioned for the current environment and for future growth



Strong and flexible balance sheet to take advantage of opportunities and support ongoing investment



Wesfarmers



2023 MACQUARIE CONFERENCE MANAGING DIRECTOR'S ADDRESS

MANAGING DIRECTOR'S ADDRESS

Good morning everyone and thanks for making the time to join this session.

I want to take the opportunity today to speak about Wesfarmers' overarching strategies and ways of working, discuss how these are directed towards achieving our corporate objective, and give some examples of how they are being applied in practice.

I won't speak in detail about individual business performance or strategies, as we will do that at our strategy briefing day later this month, but I will give some reflections on how we see the overall positioning of our Group in the current market.

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

Starting with 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;
- contributing positively to the communities in which we operate;
- taking care of the environment; and
- acting with integrity and honesty.

Slide 3 shows the current shape of the portfolio and calls out how we have been allocating capital in recent years to support future shareholder returns.

Within the existing portfolio, the majority of incremental investment has been directed towards those businesses that deliver a higher return on capital – supporting growth in Bunnings, WesCEF and Kmart.

We've seen continued development of the Bunnings offer and ongoing expansion of its addressable market.

We've significantly increased our investment in the WesCEF businesses through the development of the Mt Holland lithium project and are also considering a number of expansion options.

We have continued to invest in Kmart through new stores, new products and the significant store conversion program that led to a reallocation of capital from Target to Kmart, which is already delivering stronger returns for shareholders.

In March last year, we established our new Health division through the acquisition of API. API's businesses were the foundational assets for this division, and we see good long-term potential in the growing health, wellbeing and beauty sector.

We have also significantly expanded the Group's data and digital capabilities, including through Wesfarmers OneDigital, which I will talk to later today.

Turning to slide 4, which shows Wesfarmers' delivery of superior returns for our shareholders over the long term.

Since we listed in 1984, Wesfarmers has delivered total shareholder returns of 19.1 per cent per annum.

Our TSR results on both a 5-year and 10-year basis have also been strong. While returns relative to the market may vary over shorter time horizons, we maintain a disciplined, long-term perspective.

Turning to slide 5.

Wesfarmers' operating model, or what we call the Wesfarmers Way, provides a framework for how we manage the Group to generate superior returns over the long term.

I'll use this slide to introduce some of the key elements of the model, before expanding on our strategies and sources of competitive advantage over the following slides.

Driving the delivery of our corporate objective we have four overarching strategies, which are set out in the top row of this slide.

In managing the Group, we seek to:

- strengthen our existing businesses through operational excellence and a focus on our customers' needs;
- secure growth opportunities through entrepreneurial initiative;
- renew the portfolio through value-adding transactions; and
- ensure sustainability through responsible long-term management.

These are high-level strategies that guide our focus in divisions and at the corporate centre. Our annual corporate planning cycle consolidates the divisional plans developed by our divisional teams, and overlays a portfolio assessment by our corporate team. This is a well-established process that ensures our strategies remain aligned with our corporate objective.

These strategies also support aspects of our model that we believe provide us with points of competitive advantage relative to monoline listed or private companies.

Divisional autonomy empowers and incentivises divisional leadership teams to deliver best-in-class performance in their respective businesses, with the backing of the Wesfarmers balance sheet and specialist support from the corporate centre.

Financial discipline and active portfolio management allow us to deploy and reallocate capital between the existing businesses and into new opportunities. This ensures that our capital is allocated to areas with potential for attractive future shareholder returns, and is a reason why the Wesfarmers portfolio of businesses remains contemporary and has delivered superior long-term returns over the decades.

An emerging source of competitive advantage is the development of OneDigital and our Group data and digital capabilities, where benefits from the scale and quality of data and digital platforms enhance business performance.

Finally, at the bottom of the slide are our core values, which guide our culture at Wesfarmers, inform the culture in each of our divisions, and underpin the Group's strategies and ways of working.

Turning to slide 6.

I want to discuss some of the sources of competitive advantage afforded to us by the Wesfarmers operating model.

First, as I mentioned earlier, divisional autonomy is a powerful tool that drives accountability and focus within our divisions.

Our divisional leaders have a high degree of control over their strategies and operations, which enables them to manage their businesses for the long term and respond quickly to business-specific issues and disruptions. They also have accountability for performance.

For those businesses already meeting what we consider to be a satisfactory return on capital, they are incentivised to deliver growth in earnings, and have access to incremental growth capital.

The focus for businesses performing below what is considered a satisfactory return is much more heavily weighted towards driving improvements in return on capital.

Strong divisional management teams are critical to success within our model. We are fortunate to have many talented leaders across the Group, and quite a number have held roles across different divisions and the corporate centre. This is a key driver of performance, and the opportunity for career development helps us attract and retain the best talent.

Second, we have long maintained a strong focus on commercial discipline. We apply strict criteria and rigorous assessment processes to our investment decisions and are commercial in establishing contract structures that support good returns while providing options and flexibility.

Finally, the development of data and digital capabilities provides an emerging source of competitive advantage that will support superior performance across the divisions, providing cost savings and opening new avenues for growth. This is particularly important for our retail businesses as they develop market-leading omnichannel offers.

Underpinning our operating model are our core values of integrity, openness, accountability, and entrepreneurial spirit.

Turning to slide 7.

This is a slide that was included in the 2023 half-year results presentation. It provides a good sense of the breadth of our digital assets, some of the progress we have made in recent years, and the opportunity that we have to develop leading omnichannel retailers and new sources of sales and revenue growth over time.

We are starting from a position of strength on this front, with large-scale digital reach across our portfolio of strong retail brands. This includes more than 210 million digital interactions and more than 1.5 million digital transactions per month.

Across the Group, we have unique and complementary member programs. The well-established Flybuys, Sister Club and PowerPass programs are already delivering value for our customers and businesses. Growth in the OnePass program is accelerating as the value proposition for members is enhanced through more benefits across more divisions and with important external partnerships such as that with Disney+.

Building our data and digital capabilities enables us to drive value through deeper customer connections. This includes personalisation, developing better products and benefits, and stronger instore and digital engagement to support customer experience and sales. We see an omnichannel offer as being critical to success in retail at scale, which sets us apart from our purely digital competitors.

Turning now to our value-creating strategies, starting with strengthening our existing businesses through operating excellence on slide 8.

Operating excellence across all of our businesses starts with a relentless focus on customers. Our retail businesses are hard wired to continuously look at ways to improve their range, value and customer experience, both instore and online, and are investing in processes and systems to do so efficiently.

The WesCEF businesses are well regarded by their customers for their reliable and high-quality supply of critical products. WesCEF's disciplined plant maintenance and management has supported a sustained level of operating availability above industry averages.

As we invest and grow the portfolio, we look to invest in businesses with strong positions in growing markets. The focus on operating excellence then allows us to reinforce and strengthen this positioning.

Through this focus, our major retail businesses have developed trusted brands, and we have industrial businesses with strategically positioned manufacturing and processing capabilities, providing access to key raw materials and close proximity to customers in critical industries.

Finally, enabled by our focus on operating excellence, our businesses continue to build unique capabilities and platforms for growth. The major retail businesses are underpinned by large, low-cost, and scalable operating models which support their strong value credentials.

The three areas on this slide also demonstrate our approach to capital allocation and entrepreneurial initiative. 'Logical incrementalism' remains as strong as ever in Wesfarmers, as is evident in some of the examples provided on the next slide.

Turning to slide 9.

This slide highlights some examples of entrepreneurial initiative as we take advantage of adjacent opportunities that allow us to leverage our existing assets and capabilities.

At WesCEF, we are considering a number of attractive opportunities to expand current production capacity, with a particular focus on lower carbon initiatives.

We continue to expand the addressable markets for our retail businesses, increasing the range of products and services we offer through new category entries and by acquiring businesses where it makes sense to do so. The trust that customers have in our brands affords the opportunity to expand and extend our offers.

Bunnings' recent launch of its pets range represents the largest category expansion since it introduced its kitchens range about 20 years ago. The pets offer represents an addressable market of around \$6 billion and follows a significant body of customer research and work with key suppliers by the Bunnings team.

We value entrepreneurial spirit, and our businesses are always on the lookout for commercially attractive opportunities.

For instance, as it became evident that the market environment and timing for the development of the Mt Holland lithium project would support an acceleration of cashflows through the early sale of spodumene, the WesCEF team has actively pursued opportunities to do so.

In Kmart, where the team has developed world-class sourcing and product development capabilities, the business is now exploring wholesale opportunities under the Anko brand. While it's relatively early and still small in scale at this stage, Anko products have recently gone live through a retail partner in Canada, and into the Indian market via the Amazon marketplace.

Turning to slide 10 and Wesfarmers' approach to renewing the portfolio through value-adding transactions.

Investment decisions at Wesfarmers are governed by a long-term view, assessed objectively against a risk-adjusted cost of capital appropriate for the specific asset. We only pursue opportunities where we can add value or provide capabilities to enhance the value of the acquisition.

While we are flexible and opportunistic in our approach, we typically favour investments that provide opportunities for us to deploy incremental capital over time such that the business would be materially more valuable in five to ten years' time.

The two examples included here are the Mt Holland lithium project, a joint venture between WesCEF and SQM that provides access to the attractive critical minerals space, and API, which formed the foundational asset for the new Wesfarmers Health division, and provides exposure to structural growth in the health, wellbeing and beauty sectors.

In addition to attractive fundamentals, both acquisitions provided valuable options for incremental investment.

With Mt Holland, we are currently assessing the opportunity to expand the mine and concentrator, and once commissioned, we also have the option to consider an expansion of the refinery.

In Wesfarmers Health, we see potential for incremental bolt-on acquisitions to support growth. Last month, Wesfarmers Health made a proposal to acquire SILK Laser Australia ('SILK'), one of the largest non-surgical aesthetics clinic operators in Australia and New Zealand. If the indicative proposal is successful, SILK will complement the Health division's existing presence in the sector through its ownership and operation of Clear Skincare Clinics.

In addition to the major investments on this slide, our divisions consider bolt-on acquisitions where they complement divisional growth strategies and add new capabilities. This includes investments such as Adelaide Tools, Beaumont Tiles and the Catch marketplace, as well as smaller non-controlling investments such as those in the SiSU health stations and the Tecsa data and digital advisory business.

Turning to slide 11 on our approach to sustainability.

This framework was first communicated in our 2022 annual report, and it illustrates how we think about value creation in connection with our most material sustainability focus areas.

Sustainability has long been integrated into Wesfarmers' approach to capital allocation and the oversight and management of our businesses. We believe that by prioritising sustainability, we create value for our stakeholders in a number of important ways, as outlined on this slide.

In relation to the current operating environment on slide 12, I would like to reiterate three points that give me confidence in the positioning of Wesfarmers.

First, the majority of our businesses provide essential and everyday products, which gives us a level of resilience at times when household or business budgets come under pressure.

Second, our retail businesses are known for their strong value credentials and everyday low prices. As inflation and cost of living pressures increase, we expect value to become even more important to customers. We have already seen evidence of this in our sales data and customer surveys, with more customers trading down between categories and increasing their share of spend on more value-oriented products.

Third, we are well advanced with productivity initiatives to mitigate cost pressures, and are well placed with our inventory positions, cost structure, and offers to customers.

In addition to these points, we have a strong and flexible balance sheet that provides us with the capacity to support continued investment for the long term and take advantage of value-accretive opportunities that may arise. Many of the growth initiatives I have discussed today provide opportunities to create value for shareholders, independent of the short-term market outlook.

Turning to slide 13, and in summary, Wesfarmers remains focused on our primary objective to provide a satisfactory return to shareholders.

The Group's value-creating strategies and unique operating model support delivery of this objective.

Our businesses are well positioned for the current environment.

We have various avenues for growth underway across our portfolio of businesses.

And we have a strong and flexible balance sheet that provides the capacity to support continued investment for the long term and the ability to take advantage of value-accretive opportunities that may arise.

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

For more information:

Media

Rebecca Keenan
Media and Public Affairs Manager
+61 8 9327 4423 or +61 402 087 055
rkeenan@wesfarmers.com.au

Investors

Simon Edmonds
Investor Relations Manager
+61 8 9327 4438 or +61 409 417 710
sedmonds@wesfarmers.com.au