2021 Half-year results debt investor update

Wesfarmers

Group performance overview

Maintaining a long-term focus, consistent with our values

Anticipating the needs of our customers and delivering competitive goods and services

- Investing to provide greater value, service and convenience to customers
- Adjusting processes to provide a safe and trusted environment
- Strengthening digital capabilities to support 125%[1] growth in online sales

Looking after our team members and providing a safe, fulfilling work environment

- Continued to pay team members during periods of government-mandated trading restrictions
- Increased employment by ~9,500
- 800 additional Aboriginal and Torres Strait Islander team members
- 18.1% reduction in Group TRIFR and expanded safety commitments

Engaging fairly with our suppliers and sourcing ethically and sustainably

- Supporting suppliers by remaining operational and with measures around payment terms in cases of hardship
- Adjusted ethical sourcing practices to accommodate travel restrictions

Supporting the communities in which we operate

- ~$30m in direct and indirect community contributions
- Dedicated services for vulnerable customers needing assistance with online channels

Taking care of the environment

- Announced new ambitions to reach net zero emissions by 2030 (retailers) and 2050 (industrials)
- 8% decrease in divisional Scope 1 and 2 emissions

Acting with integrity and honesty in all of our dealings

- All actions and decisions continue to be guided by our values and long-term objective

1. Excludes Catch.

Financial overview

Half-year ended 31 December ($m)	2020	2019	Var %
Results from continuing operations excluding significant items			
Revenue	17,774	15,249	*16.6*
EBIT (after interest on lease liabilities)	2,057	1,615	*27.4*
NPAT	1,414	1,127	*25.5*
Basic earnings per share (cps)	125.0	99.6	*25.5*
Results including discontinued operations and significant items			
NPAT	1,390	1,210	*14.9*
Basic earnings per share (cps)	122.9	106.9	*14.9*
Operating cash flows	2,216	2,131	*4.0*
Net capital expenditure	243	207	*17.4*
Free cash flows	1,964	1,039	*89.0*
Interim ordinary dividend (fully-franked, cps)	88	75	*17.3*
Net financial debt / (cash)[1]	(871)	2,317	*n.m.*

- Result underpinned by a strong trading performance in the Group's retail businesses, reflecting their ability to adapt to changing customer preferences and provide a safe environment for customers and team members
- WesCEF result reflected a solid operating performance, and Industrial and Safety reported an improvement in the performance of Blackwoods
- NPAT excluding significant items up 25.5% to $1,414m

n.m. = not meaningful

1. 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.

Operational highlights

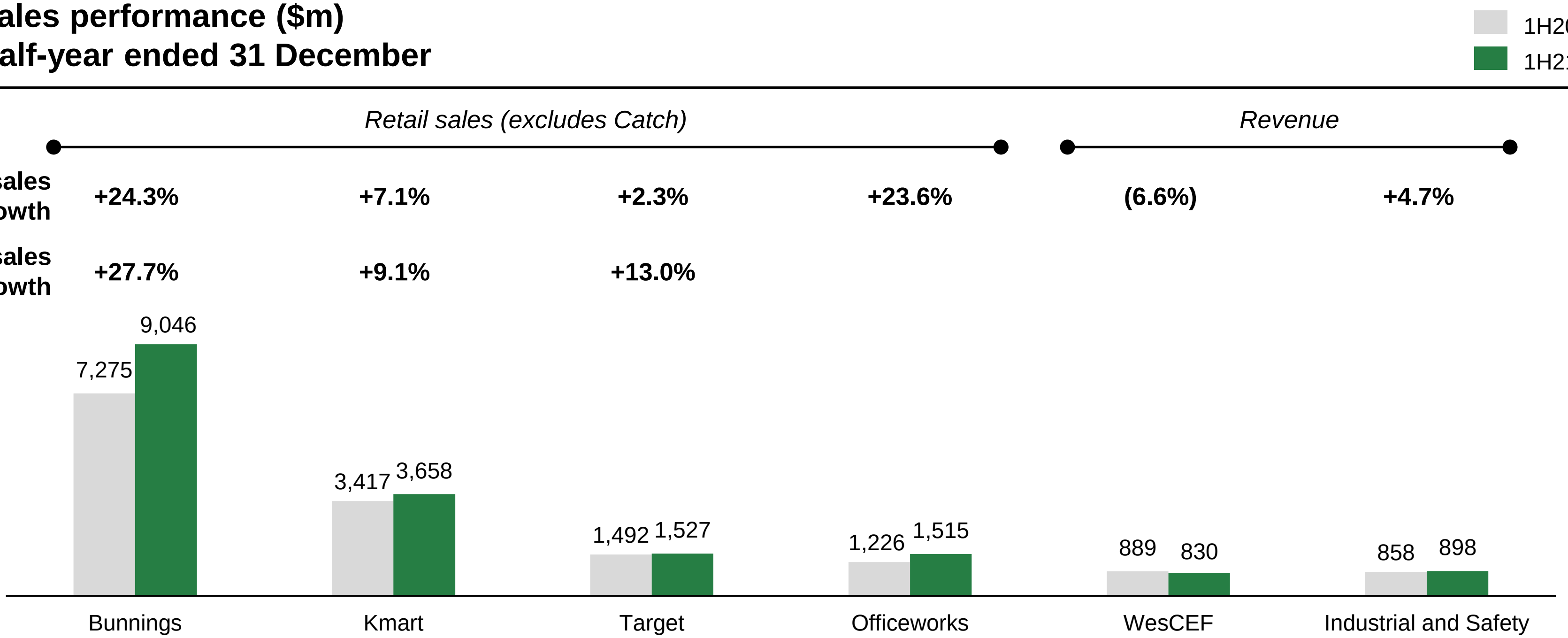
- **Bunnings:** Strong revenue and earnings growth; strong growth across all product categories, particularly garden and outdoor living, and major trading regions; strength of the result reflects Bunnings' solid execution of the strategic agenda and ability of the operating model to successfully adapt to changing customer behaviour and operating environments
- **Kmart Group**
  - **Kmart:** Strong sales growth driven by higher sales and lower clearance costs; solid earnings performance offset by increased online fulfilment costs, higher shrinkage and higher ocean freight charges
  - **Target:** Profitability improved significantly through strong sales growth, higher proportion of full-price sales and lower operating costs
  - **Catch:** Strong growth across both in-stock and marketplace segments, with gross transaction value growth of 95.6 per cent
- **Officeworks:** Strong revenue and earnings growth; Every-channel approach continues to deliver strong sales growth in store and online; earnings impacted by some gross margin compression from mix shift towards lower margin technology products, as well as continued investment in price
- **Chemicals, Energy and Fertilisers: Chemicals** earnings down, impacted by additional supply from a competing AN plant and lower demand for sodium cyanide driven by international gold mine closures; **Energy** earnings decreased due to a lower Saudi CP[1] partially offset by higher LPG export sales volumes and an increase in natural gas residential usage; **Fertilisers** earnings decreased due to lower sales volumes from seasonal rainfall moderation
- **Industrial and Safety:** Earnings growth in Blackwoods supported by higher sales and cost improvement initiatives, partially offset by continued investment in customer service and digital capabilities; Workwear Group earnings in line with the prior corresponding period with lower revenue from uniforms, partially offset by revenue growth from the industrial workwear brands (KingGee and Hard Yakka)

1. Saudi Contract Price (the international benchmark indicator for LPG).

Divisional sales performance

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

	Retail sales (excludes Catch)				*Revenue*	
	Bunnings	**Kmart**	**Target**	**Officeworks**	**WesCEF**	**Industrial and Safety**
Total sales growth	**+24.3%**	**+7.1%**	**+2.3%**	**+23.6%**	**(6.6%)**	**+4.7%**
Comp sales growth	**+27.7%**	**+9.1%**	**+13.0%**			

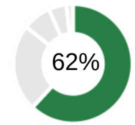
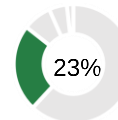
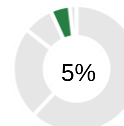
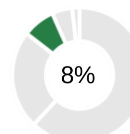
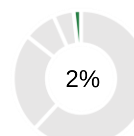


	Bunnings	Kmart	Target	Officeworks
Online penetration	**3.1%**	**8.7%**	**15.9%**	**37.1%**

- Strong sales growth in Bunnings and Officeworks due to increased demand for products as customers spent more time working, learning and doing projects at home
- Kmart delivered pleasing sales growth and made progress to improve inventory availability, and Target recorded an improvement in sales reflecting good execution and enhancements to the product range
- Strong growth in online sales of 125%[1] for the half to $1.4b, or $2.0b including the Catch marketplace

1. Excludes Catch.

Divisional earnings performance

Half-year ended 31 December	EBT[1] ($m) 2020	2019	Var (%)	% of divisional EBT
Bunnings	1,274	938	*35.8*	
Kmart Group[2]	487	343	*42.0*	
Officeworks	100	82	*22.0*	
WesCEF	160	173	*(7.5)*	
Industrial and Safety[3]	37	7	*n.m.*	

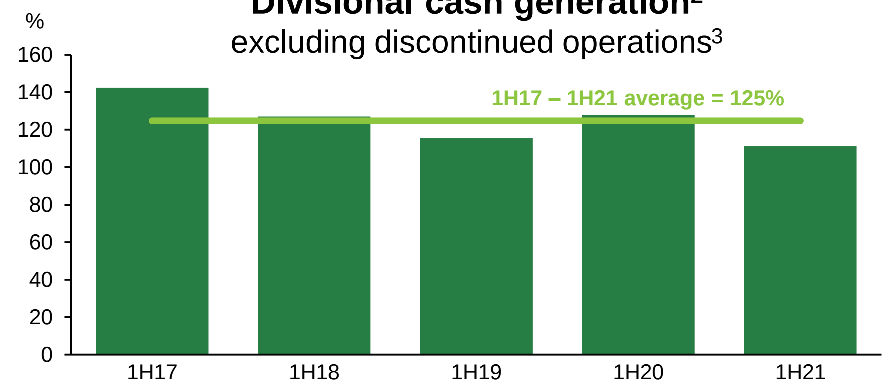
n.m. = not meaningful
1. Excludes significant items.
2. 2019 includes $9m of payroll remediation costs relating to Target.
3. 2019 includes $15m of payroll remediation costs.

Working capital and cash flow

- Divisional operating cash flows increased 16.1%[1]
  - Strong divisional earnings growth
  - Ongoing normalisation of working capital positions in retail businesses from FY20
    - Includes targeted investments to increase stock weights in Kmart
  - Divisional cash generation of 111%, below the 1H five-year average of 125%
- Group operating cash flows increased 4.0%
  - Timing of tax payments
- Free cash flows increased significantly
  - Solid operating cash flow result
  - Prior corresponding period includes $1.0b in acquisition consideration associated with Kidman and Catch
- Group cash realisation ratio[4] of 102%

Half-year ended 31 December ($m)	2020	2019
Working capital cash movement		
Receivables and prepayments	176	96
Inventory	(671)	(286)
Payables	604	454
Total	**109**	**264**
Retail businesses	167	385
Industrial businesses and Other	(58)	(121)
Total	**109**	**264**

Divisional cash generation[2]
excluding discontinued operations[3]



1. Before tax after net capital expenditure and repayment of finance leases.
2. Divisional operating cash flows before tax after net capital expenditure and repayment of finance leases divided by divisional EBT.
3. 1H17 to 1H19 includes contributions from KTAS and Quadrant.
4. Operating cash flows as a percentage of net profit after tax, before depreciation, amortisation and significant items.

Capital expenditure

- Gross capital expenditure of $410m
  - Increased investment in data and digital capabilities in all divisions
  - The successful conversion of 19 Target stores to Kmart stores, including 12 large formats
  - Lower new store and refurbishment capex in Bunnings and Kmart Group, partly due to the timing of projects
- Increase in net capital expenditure primarily due to lower proceeds from Bunnings property disposals of $167m (1H20: $224m)
- FY21 net capital expenditure of $650m to $800m expected, subject to net property investment
  - Inclusive of the conversion of Target stores to Kmart stores and purchase of long lead items for the development of the Mt Holland project

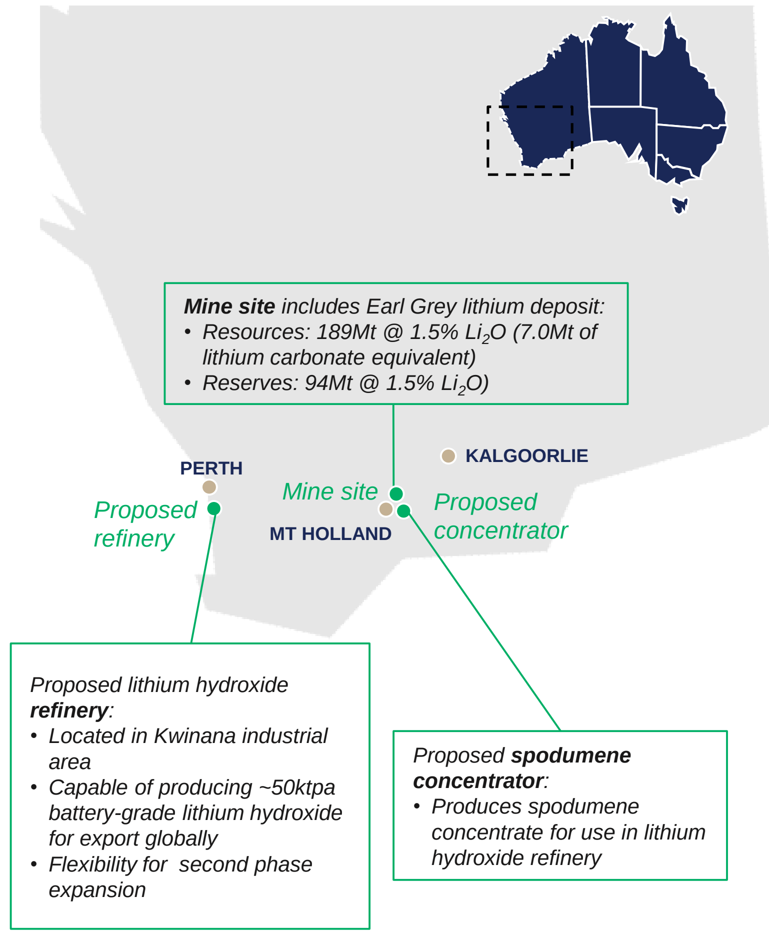
Half-year ended 31 December[1] ($m)	2020	2019	Var %
Bunnings	219	269	*(18.6)*
Kmart Group	81	80	*1.3*
Officeworks	26	22	*18.2*
WesCEF	53	50	*6.0*
Industrial and Safety	30	33	*(9.1)*
Other	1	1	-
Gross capital expenditure	**410**	**455**	***(9.9)***
Sale of PP&E	(167)	(248)	*(32.7)*
Net capital expenditure	**243**	**207**	***17.4***

1. Capital investment provided on a cash basis.

Mt Holland lithium project Final Investment Decision

- Wesfarmers together with 50:50 JV partner, SQM, approved the final investment decision (FID) for the Mt Holland lithium project
- Provides new growth opportunity for WesCEF
  - Capitalises on strong chemical processing capabilities
  - Builds on track record of successfully delivering plant development and expansion projects
- FID follows completion of an updated definitive feasibility study (UDFS) over the past 12 months
  - Greater certainty on engineering design
  - Concentrator and refinery production capacity increase from ~45ktpa to ~50ktpa of sustainably-sourced battery-grade lithium hydroxide
  - Capacity for second phase expansion
- Wesfarmers' expected share of total project capital expenditure estimated at approximately $950m[1]
- Indicative construction timeline, subject to approvals:
  - Project construction to commence: 2H CY21
  - First production from refinery: 2H CY24

Overview of Mt Holland lithium project



CY = calendar year
1. Real 2021 terms.

Group outlook

- Economic conditions in Australia have recovered strongly and the outlook is more positive, subject to future COVID-19 risks
- Sales across the Group's retail businesses have continued to remain strong through January and February, with some impact from government-mandated trading restrictions
- Customers spending more time at home while COVID-19 restrictions remain is likely to support higher demand across the Group's retail businesses
- Retail sales growth is expected to moderate from March as the businesses begin to cycle the initial impacts of COVID-19 in the prior year, particularly in Bunnings and Officeworks
- Additional costs of approximately $10m per quarter to provide a COVID-safe environment
- Wesfarmers' portfolio of cash-generative businesses with trusted brands and leading market positions is well-placed to deliver satisfactory shareholder returns over the long term
- Retail businesses will maintain their focus on meeting changing customer needs and delivering even greater value, quality and convenience for customers
- Performance of the Group's industrial businesses will continue to be subject to international commodity prices, foreign exchange rates, competitive factors and seasonal outcomes
- Wesfarmers will continue to manage the portfolio with deep carbon awareness, actively considering climate change risk in the context of key business decisions
- The Group will continue to develop and enhance its portfolio, building on its unique capabilities and platforms to take advantage of growth opportunities within existing businesses and to pursue investments and transactions that create value for shareholders over the long term

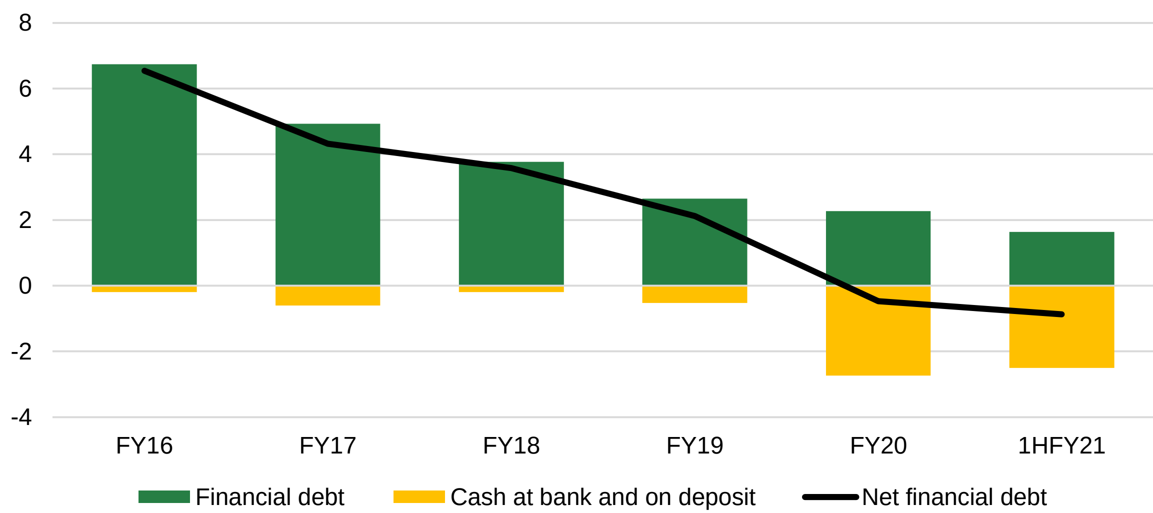
Debt management

Wesfarmers

Maintaining strong credit ratings and balance sheet

- Strong credit ratings: Moody's A3 (stable outlook); Standard and Poor's A- (stable outlook)
- Maintaining prudent capital structure and strong credit rating is important to Wesfarmers
- Continued strength in Group's debt position
  - Strong liquidity position, supported by $5.1b of undrawn bank facilities and $2.5b in cash at bank and on deposit as at 31 December 2020
  - Net cash[1] position of $871m as at 31 December 2020, compared to net cash[1] of $471m as at 30 June 2020

Net financial debt ($b)[1]

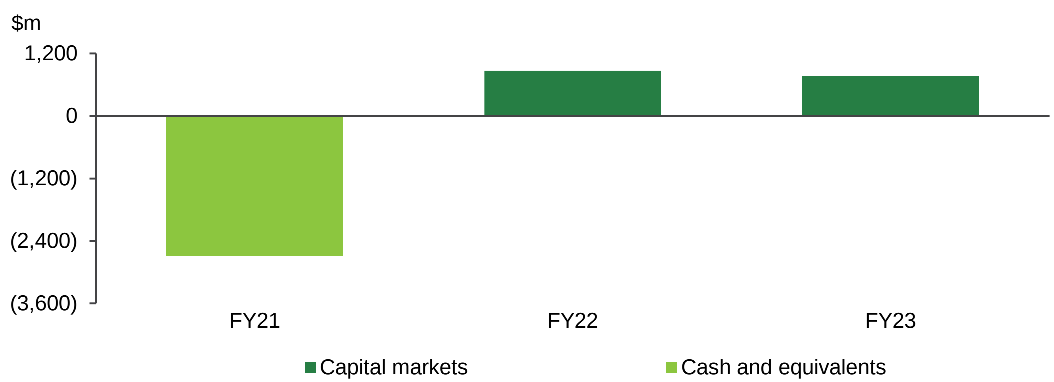


1. Interest bearing liabilities less cash at bank and on deposit, net of cross-currency interest rate swaps and interest rate swap contracts. Excludes lease liabilities.

Pro-active debt management

- Continued focus on maturity profile and maintaining liquidity headroom provided by bilateral bank facilities
  - Increased committed bank facilities by $1.95b in May 2020
  - Repaid A$500m five and one half-year domestic bonds in November 2020

Debt maturity profile[1]

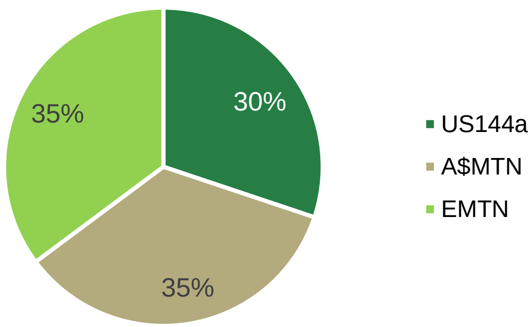


1. As at 31 December 2020.

Debt capital market funding sources

- Commitment to ensure diversity of funding sources, including the domestic and international debt capital markets
- Standard terms and conditions across all debt capital market programmes
- Australian and European debt capital market programme documentation updated on an ongoing basis to ensure continued and ready access to markets

DCM funding issuances since April 2008[1]

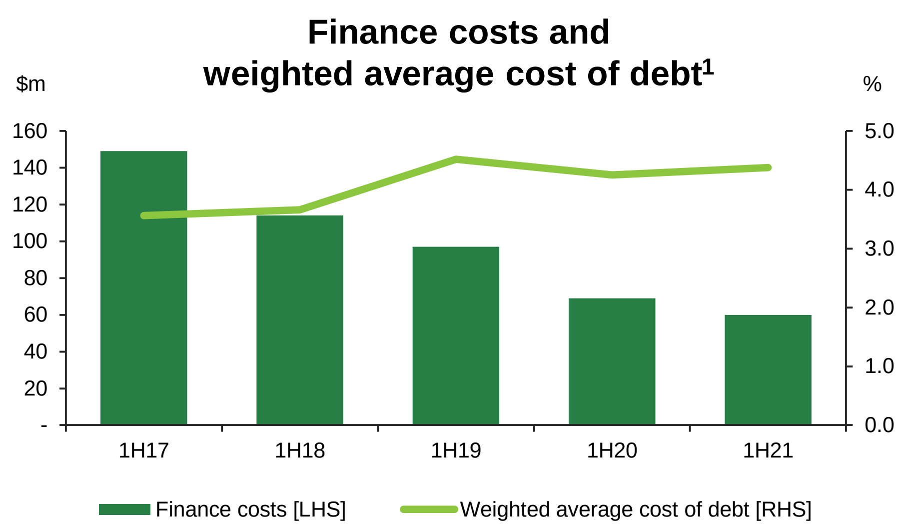


DCM funding sources[1]

1. As at 31 December 2020.

Reduced funding costs

- Finance costs decreased by 13.0% to $60m in 1H21 (1H20: $69m) reflecting lower average debt balances
  - Weighted average cost of debt increased to 4.38% (1H20: 4.25%) due to a shift in the mix of debt towards higher cost bonds
  - Additional costs incurred due to undrawn facility fees on the $1.95b increase in committed bank debt completed in FY20



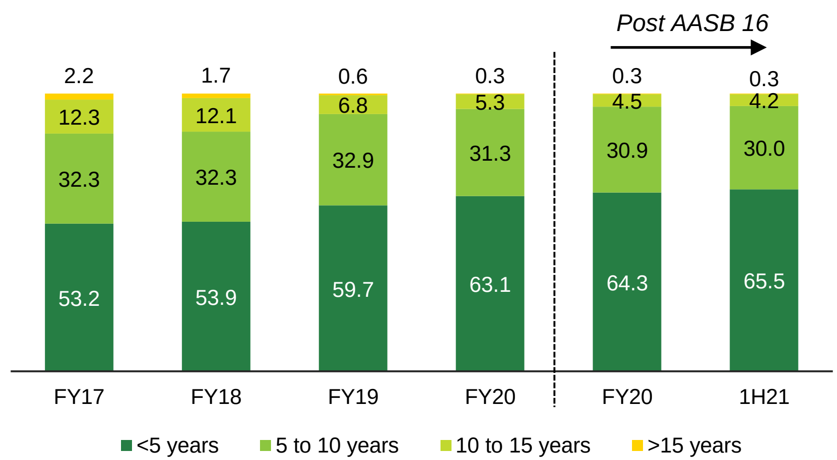
1. Weighted average cost of debt based on total gross debt before hedging costs, undrawn facility fees and amortisation of debt establishment costs.

Management of lease portfolio

- Lease liabilities totalled $7.3b and represent 82% of Group fixed financial obligations as at 31 December 2020
- Average remaining lease tenure of 4.7 years[1] (FY20: 4.8 years)
  - Complemented by strategic extension options to maintain security of tenure
  - Reflects disciplined management of leases in retail businesses
- Approach to lease portfolio management unchanged by AASB 16
  - Continued focus on lease-adjusted return on capital as a key hurdle for divisions

($m)	1H21	FY20	1H20
Bunnings	3,822	3,727	3,873
Kmart Group	2,875	2,943	3,136
Officeworks	342	343	368
WesCEF	27	27	30
Industrial and Safety	160	167	177
Other	34	35	37
Total lease liabilities	**7,260**	**7,242**	**7,621**

Weighted average lease terms (%)[1]

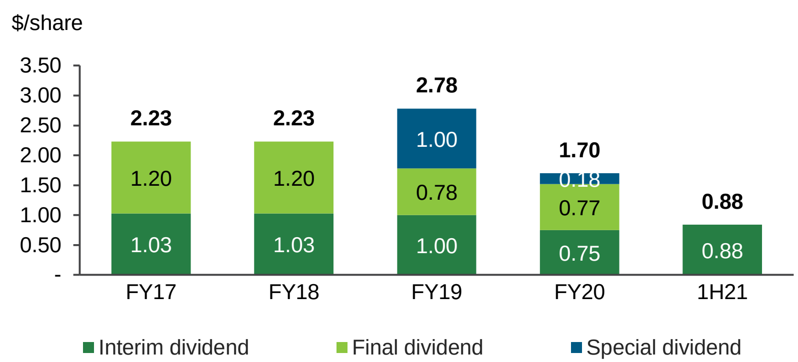


1. Post AASB 16 lease tenure calculated as weighted average of undiscounted dollar commitments by year including non-property leases and reasonably certain extension options. Pre AASB 16 lease tenure calculated as weighted average of undiscounted dollar commitments by year.

Dividends & capital management

- Dividend policy takes into account through the cycle free cash flow requirements and debt refinancing
- Fully-franked interim ordinary dividend of $0.88 per share
  - Reflects strong underlying NPAT result
  - Takes into account available franking credits, strong balance sheet, robust credit metrics and cash flow generation
- Focus on maintaining strong credit metrics

Dividends[1]



1. Represents dividends resolved to pay in each period.

Appendix:
2021 Half-year results briefing presentation (Operational extract)

Wesfarmers

Bunnings

Bunnings performance summary

Half-year ended 31 December ($m)	2020	2019	Var %
Revenue	**9,054**	**7,276**	***24.4***
EBITDA	1,669	1,316	*26.8*
Depreciation and amortisation	(337)	(321)	*(5.0)*
EBIT	**1,332**	**995**	***33.9***
Interest on lease liabilities	(58)	(57)	*(1.8)*
EBT	**1,274**	**938**	***35.8***
Net property contribution	1	22	*n.m.*
EBT (excluding net property contribution)	**1,273**	**916**	***39.0***
EBT margin excluding property (%)	14.1	12.6	
RoC[1] (R12, %)	76.6	51.5	
Total store sales growth (%)	24.8	5.8	
Store-on-store sales growth (%)	27.7	4.7	
Online penetration (%)	3.1	0.4	
Safety (R12, TRIFR)	10.0	10.4	
Scope 1 and 2 emissions (ktCO_2e)	115	130	

n.m. = not meaningful
1. RoC is calculated as EBT / capital employed, where capital employed excludes right-of-use assets and lease liabilities.

Bunnings sales and earnings overview

- Revenue growth of 24.4% to $9,054m
  - Total store sales growth of 24.8%
  - Store-on-store sales growth of 27.7%
  - Strong growth across all product categories and major trading regions
  - Particularly strong growth in garden and outdoor living
  - Online penetration increased to 3.1% for the half
- Earnings increased 35.8% to $1,274m
- Earnings excluding net property contribution increased 39.0%
  - $16m of additional costs in cleaning, additional security and PPE for team members
  - Continued focus on investments in customer experience for long-term growth
- RoC (R12) increased to 76.6%

Bunnings progress on strategy

- **Investing in customer experience**
  - Investment in lower prices across a wide number of categories and products
  - 6,000 additional team members to service increased demand
  - Product display upgrades and refreshed ranges
- **Development of the digital agenda**
  - Ongoing enhancements to website functionality
  - Increased online access to product ranges
  - Enhancements to Product Finder app for customer convenience
- **Stronger commercial customer relationships**
  - Expanded supply and install product offer for builders
  - New trade service desk format
  - More trailer parking spaces
  - Increased PowerPass app functionality and engagement with a five-times increase in transactions via the app to over one million (R12)

Bunnings outlook

- Outlook remains uncertain
- Trading performance expected to continue to benefit from consumers continuing to spend more time at home
- Sales and earnings growth likely to moderate from March as the business begins to cycle the initial impacts of COVID-19 in the prior year
- Continued investment in additional cleaning, security and PPE in response to COVID-19
- Continued focus on long-term investments
  - Digital capabilities
  - Broadening commercial markets
  - Strengthening both in-store and online offer
- Ongoing store network expansion
  - Five warehouses and one smaller format store under construction due to open in the second half

Kmart Group

Kmart Group performance summary

Half-year ended 31 December ($m)[1]	2020	2019	Var %
Revenue	**5,441**	**4,990**	***9.0***
EBITDA[2]	818	696	*17.5*
Depreciation and amortisation	(283)	(292)	*3.1*
EBIT[2]	**535**	**404**	***32.4***
Interest on lease liabilities	(48)	(52)	*7.7*
EBT[2]	**487**	**352**	***38.4***
EBT including payroll remediation costs	**487**	**343**	***42.0***
Significant items	(34)	-	*n.m.*
EBT including significant items	**453**	**343**	***32.1***
EBT margin[2] (%)	9.0	7.1	
RoC[3] (R12, %)	35.5	25.1	
Safety (R12, TRIFR)	10.6	16.0	
Scope 1 and 2 emissions (ktCO_2e)	143	154	

n.m. = not meaningful

1. 2019 includes Catch from 12 August 2019.
2. 2020 excludes $34m of pre-tax significant items. 2019 excludes $9m of payroll remediation costs relating to Target.
3. RoC is calculated as EBT / capital employed, where capital employed excludes right-of-use assets and lease liabilities. Earnings excludes significant items and includes payroll remediation costs.

Kmart and Target performance overview

- Revenue growth of 5.7% to $5,112m
  - **Kmart** comparable sales growth of 9.1%
  - **Target** comparable sales growth of 13.0%
  - Very strong growth in online
- Earnings growth of 44.3% to $502m
- **Kmart** delivered strong earnings growth
  - Higher sales and lower clearance costs
  - Partially offset by increased online fulfilment costs, higher shrinkage and higher ocean freight charges
- **Target's** profitability improved significantly
  - Strong sales growth
  - Higher proportion of full-price sales
  - Lower operating costs
- Temporary store closures and additional in-store cleaning, PPE and security costs due to COVID-19

Half-year ended 31 December ($m)	2020	2019	Var %
Revenue	5,112	4,835	*5.7*
EBITDA[1]	822	685	*20.0*
EBT[1]	502	348	*44.3*
Kmart:			
Total sales growth (%)	7.1	7.6	
Comparable sales growth (%)	9.1	5.5	
Online penetration (%)	8.7	3.7	
Target:			
Total sales growth (%)	2.3	(4.3)	
Comparable sales growth (%)	13.0	(2.3)	
Online penetration (%)	15.9	6.9	

1. 2020 excludes $34m of pre-tax significant items. 2019 excludes $9m of payroll remediation costs relating to Target.

Kmart and Target progress on strategy

- **Kmart** continued to invest in initiatives to enhance its customer offer, including new in-store retail technology and the development of data and digital capabilities
- Good progress on actions to accelerate the growth of Kmart and optimise the Target store network
  - 12 large format Target stores converted to Kmart
  - Seven Target Country stores converted to the new K Hub small format
- Encouraging customer feedback and initial trading results from converted stores
- Successfully redeployed a significant number of store and support office team members across the Wesfarmers Group
- **Target** has focused on simplifying the business, prioritising online growth and improving the product offer

Catch performance overview

- Strong growth across both the in-stock and marketplace segments
  - Gross transaction value growth of 95.6%
- Accelerated investment in marketing and capability
  - Active customers increased by 0.6m during the half, with a total of 2.9m active customers at 31 December 2020
  - Investments in automation and fulfilment capacity
  - Broadened range of categories and brands available for both the in-stock and marketplace segments
- Implemented a number of customer-driven initiatives
  - Click and Collect available for Catch products in a number of Target and Kmart stores
  - Introduced Target to Catch marketplace and Kmart products to Catch's in-stock range
  - Joined flybuys as loyalty partner

Half-year ended 31 December ($m)[1]	**2020**	**2019**
Gross transaction value	610	255
Revenue	329	155
EBITDA	(4)	11
EBT[2]	(15)	4
Gross transaction value growth[3] (%)	95.6	21.4

1. 2019 includes Catch from 12 August 2019. Variance not shown due to different period of ownership between 2020 and 2019.
2. Includes an amortisation expense in 2020 and 2019 of $5m and $4m, respectively, relating to assets recognised as part of the acquisition.
3. 2020 gross transaction value growth reflects the period 1 July 2020 to 31 December 2020 and 1 July 2019 to 31 December 2019. 2019 gross transaction value growth reflects the period 12 August 2019 to 31 December 2019 and 12 August 2018 to 31 December 2018.

Kmart Group outlook

- In an uncertain and volatile environment, **Kmart Group** is well-positioned for the future
- Current global supply chain disruptions expected to continue
- **Kmart** will continue to focus on investing for future growth
  - Accelerating development of new technology capabilities and optimising supply chain and online fulfilment
  - Planned conversion of 19 large format Target stores and 46 Target Country stores in the second half
- **Target** will continue to focus on accelerating online growth and improving the product offer
  - Now expected to be profitable for the full financial year before one-off costs
- **Catch** will continue to invest in growing gross transaction value through customer acquisition
  - Further investment in marketing, technology and fulfilment capacity
- FY21 one-off non-operating costs of approximately $90m to $110m relating to Target store closures and conversions

Officeworks

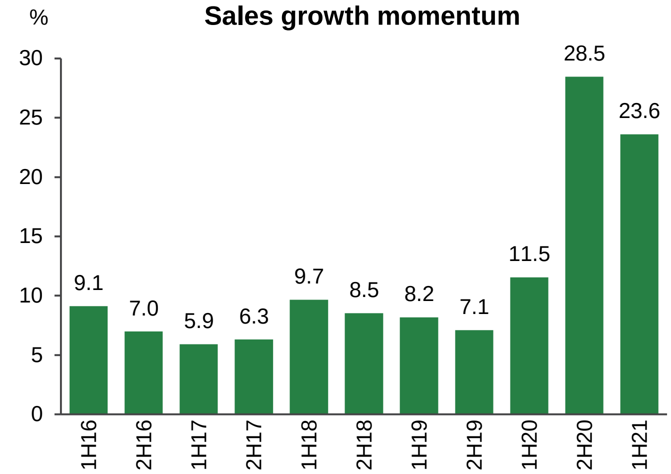
Officeworks performance summary

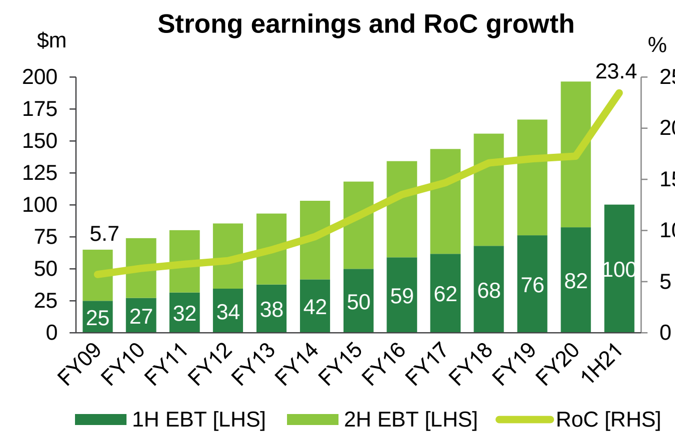
Half-year ended 31 December ($m)	2020	2019	Var %
Revenue	**1,523**	**1,231**	***23.7***
EBITDA	156	137	*13.9*
Depreciation and amortisation	(51)	(48)	*(6.3)*
EBIT	**105**	**89**	***18.0***
Interest on lease liabilities	(5)	(7)	*28.6*
EBT	**100**	**82**	***22.0***
EBT margin (%)	6.6	6.7	
RoC[1] (R12, %)	23.4	17.2	
Total sales growth[2] (%)	23.6	11.5	
Online penetration (%)	37.1	29.7	
Safety (R12, TRIFR)	7.3	7.1	
Scope 1 and 2 emissions ($ktCO_2e$)	20	22	

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

Officeworks sales and earnings overview

- Sales growth of 23.6%
  - Every-channel offer continues to deliver strong sales growth in stores and online
  - Online sales penetration approximately 37%, including Click and Collect sales
  - Increased demand for technology and home office products as customers established, maintained and upgraded their working and learning spaces at home
  - Solid demand for early learning and art & craft products
- Earnings growth of 22.0%
  - Gross margins impacted by sales mix changes and continued price investment
  - Increased online fulfilment costs due to additional resources required to support peak demand
  - Additional costs incurred to ensure COVID-safe operations
- RoC (R12) of 23.4%
  - Strong earnings growth combined with a disciplined approach to cost and capital management





Officeworks progress on strategy

Our team

– Continued focus on the safety, health and wellbeing of the team

Customer experience

– Investment in data analytics capabilities to improve marketing and increase the personalisation of communications with customers

– New and expanded product ranges

Connecting with our communities

– Over $3m donated to community groups

– Scope 1 and 2 emissions reduced by 10%

Operational excellence

– Improvements in supply chain capacity across all channels

Growing our business

– Investment in every-channel offer to meet changing customer needs

– Opened two new stores

Officeworks outlook

- Outlook is uncertain but Officeworks remains well-positioned for the future
- Sales and earnings growth likely to moderate from March as the business begins to cycle the initial impacts of COVID-19 in the prior year
- Execution of strategy to drive long-term growth
  - Investment in team member safety, health and wellbeing programs
  - Investing in online enhancements and store layouts and design
  - Further investment in data and digital capabilities
  - Enhancing supply chain capacity and increased use of technology
  - Continued investment in Print, Copy & Create online and in store
  - Expanding Officeworks' presence in the education and business-to-business segments
- Focus on supporting the communities where we work and live, and reducing our environmental impact

Chemicals, Energy and Fertilisers

Wesfarmers Chemicals, Energy & Fertilisers

CSBP covalent LITHIUM QNP AGA Australian Vinyls MODWOOD Kleenheat EVOL LNG DECIPHER

Chemicals, Energy and Fertilisers performance summary

Half-year ended 31 December ($m)[1]		2020	2019	Var %
Revenue[2]	Chemicals	489	510	*(4.1)*
	Energy	206	219	*(5.9)*
	Fertilisers	135	160	*(15.6)*
	Total	**830**	**889**	***(6.6)***
EBITDA		202	214	*(5.6)*
Depreciation and amortisation		(42)	(41)	*(2.4)*
EBIT		**160**	**173**	***(7.5)***
Interest on lease liabilities		-	-	-
EBT		**160**	**173**	***(7.5)***
External sales volumes[3] ('000 tonnes)	Chemicals	550	568	*(3.2)*
	LPG & LNG	115	103	*11.7*
	Fertilisers	274	324	*(15.4)*
RoC[4] (R12, %)		18.1	26.7	
RoC[4] (R12, %) (excluding ALM)		29.0	32.0	
Safety (R12, TRIFR)		3.2	3.1	
Scope 1 and 2 emissions (ktCO_2e)		455	493	

1. 2019 includes Australian Light Minerals, the holding company for WesCEF's 50% interest in the Covalent Lithium joint venture, from 23 September 2019.
2. Excludes intra-division sales.
3. External sales exclude AN volumes transferred between Chemicals and Fertilisers business segments.
4. RoC is calculated as EBT / capital employed, where capital employed excludes right-of-use assets and lease liabilities.

Chemicals, Energy and Fertilisers overview

- Revenue of $830m down 6.6%, driven by a combination of lower Chemicals and Fertilisers sales volumes and lower energy prices (Saudi CP[1])
- Earnings of $160m down 7.5% impacted by lower AN[2] sales and weaker export demand in the sodium cyanide business
- **Chemicals**: Solid result, earnings down on prior corresponding period
  - As expected, earnings impacted by additional supply from a competitor AN plant in the Burrup
  - Burrup impact moderated by strong AN demand and CSBP's contracted positions
  - Weakened sodium cyanide export demand driven by international gold mine closures due to COVID-19
  - Ammonia earnings marginally down due to a planned two-week plant maintenance shutdown
  - Increased input costs across most Chemicals businesses due to temporary supply chain disruptions
- **Energy**: Earnings slightly lower than prior corresponding period
  - Lower Saudi CP impacted LPG earnings, partially offset by higher LPG export sales volumes and an increase in natural gas residential usage
- **Fertilisers**: Earnings down on prior corresponding period
  - Lower sales volumes due to a moderate end of season compared to late seasonal rains in the prior corresponding period
  - Continued investment in customer services and differentiated offerings

1. Saudi Contract Price (the international benchmark indicator for LPG).
2. Ammonium nitrate.

Chemicals, Energy and Fertilisers outlook

- Production and demand for AN expected to remain stable
- Weaker sodium cyanide export demand is expected to continue, driven by ongoing disruption to international gold mines due to COVID-19
- The sodium cyanide business is investigating opportunities to expand production, supported by expected growth in global demand for gold
- Kleenheat earnings expected to benefit from increased LPG sales due to closure of the BP Refinery in Kwinana from FY22
- Kleenheat natural gas retailing business remains focused on continuing its market-leading customer service
- Fertilisers earnings may be impacted by increased competitive pressures in the Western Australian fertiliser market
- Earnings will continue to be impacted by international commodity prices, exchange rates, competitive factors and seasonal outcomes

Industrial and Safety

Wesfarmers Industrial and Safety
Blackwoods
NZ Safety Blackwoods
WORKWEAR GROUP
coregas
GREENCAP

Industrial and Safety performance summary

Half-year ended 31 December ($m)	2020	2019	Var %
Revenue	898	858	*4.7*
EBITDA[1]	76	61	*24.6*
Depreciation and amortisation	(37)	(36)	*(2.8)*
EBIT[1]	**39**	**25**	***56.0***
Interest on lease liabilities	(2)	(3)	*33.3*
EBT[1]	**37**	**22**	***68.2***
EBT including payroll remediation costs	**37**	**7**	***n.m.***
EBT margin[1] (%)	4.1	2.6	
RoC[2] (R12, %)	5.4	3.4	
Safety (R12, TRIFR)	4.5	4.1	
Scope 1 and 2 emissions (ktCO_2e)	13	14	

n.m. = not meaningful
1. 2019 excludes $15m of payroll remediation costs.
2. RoC is calculated as EBT / capital employed, where capital employed excludes right-of-use assets and lease liabilities. 2019 earnings include $15m of payroll remediation costs.

Industrial and Safety overview

- Industrial and Safety businesses continued to support customers in response to COVID-19
  - Sourcing critical products including respiratory, cleaning and hygiene products
  - Ensuring critical oxygen supply to hospital groups
  - Providing additional risk consulting services
- Revenue of $898m, up 4.7%
  - Blackwoods revenue increased due to continued growth from strategic customers and strong demand for critical products in the first quarter, partially offset by weakness in the coal mining, oil and gas, and manufacturing sectors
  - Investment to date to improve Blackwoods' operational execution supported the reliable supply of products despite COVID-19 related shipping disruptions
  - Coregas revenue increased due to higher demand from industrial and healthcare customers, reflecting investment in the product offerings for these segments in recent years
- Earnings increased to $37m, up 68.2%
  - Blackwoods earnings growth supported by higher sales and cost improvement initiatives, partially offset by continued investment in customer service and digital capabilities (including ERP[1])
  - Workwear Group earnings in line with prior corresponding period with lower revenue from uniforms as a result of the impact of COVID-19 (airlines, retail, hospitality), partially offset by revenue growth from the industrial workwear brands (KingGee and Hard Yakka) and operating efficiencies
  - Coregas earnings increased due to revenue growth and improved sourcing costs

1. Enterprise resource planning.

Industrial and Safety outlook

- Market conditions are expected to remain uncertain and challenging for the remainder of FY21
- Blackwoods continues to focus on improving the customer value proposition
  - Build on improvements to its core operational capabilities
  - Progress the implementation of the ERP system
- Workwear Group will continue to be impacted by COVID-19
  - Continued focus on growth from key brands, cost improvement initiatives and investment in its digital offering
- Customer demand in Coregas is expected to remain stable, with continued strength in healthcare and industrial segments offset by some weakness in other sectors and ongoing competitive pressures

Questions