

## Five year history - financial performance and key metrics

### Group financial performance

Half-year ended 31 December (\$m)	Post AASB 16		Pre AASB 16			
	2020	2019	2019	2018	2017	2016
<b>Summarised income statement</b>						
Revenue	17,774	15,249	15,249	31,152	35,903	34,917
EBIT (after interest on lease liabilities)	2,023	1,615	1,637	5,482	1,113	2,429
Other finance costs	(60)	(69)	(69)	(97)	(114)	(149)
Income tax expense	(573)	(336)	(343)	(847)	(787)	(703)
Profit after tax from discontinued operations	-	83	83	3,458	(466)	-
NPAT (including discontinued operations)	1,390	1,210	1,225	4,538	212	1,577
<b>Summarised balance sheet</b>						
Total assets	25,518	26,079	19,188	20,585	40,467	41,399
Total liabilities	15,907	16,355	8,931	9,293	17,638	17,632
Net assets	9,611	9,724	10,257	11,292	22,829	23,767
Net debt / (cash) <sup>1</sup>	(529)	2,666	2,666	731	4,401	5,916
<b>Summarised cash flow statement</b>						
Operating cash flows	2,216	2,131	1,666	1,987	2,897	2,648
Add/(less): Net capital expenditure	(243)	(207)	(207)	(678)	(686)	(400)
Add/(less): Other investing cash flows	(9)	(885)	(885)	1,084	17	(17)
Add/(less): Total investing cash flows	(252)	(1,092)	(1,092)	406	(669)	(417)
Free cash flows	1,964	1,039	574	2,393	2,228	2,231
Add/(less): Financing cash flows	(2,197)	(1,398)	(933)	(134)	(1,399)	(2,104)
Net increase/(decrease) in cash	(233)	(359)	(359)	2,259	829	127
<b>Distributions to shareholders (cents per share)</b>						
Interim ordinary dividend	88	75	75	100	103	103
Special dividend	-	-	-	100	-	-
<b>Key performance metrics</b>						
Earnings per share (cents per share)	122.9	106.9	108.3	401.2	18.7	140.1
Earnings per share from continuing operations excluding sig. items (cents per share)	125.0	99.6	101.0	95.5	86.4	140.1
Operating cash flow per share <sup>2</sup> (cents per share)	195.9	188.4	147.3	175.4	255.7	234.9
Cash realisation ratio (excluding sig. items) <sup>3</sup> (%)	102	114	117	99	133	120
Return on equity (R12, %)	19.9	23.3	22.2	26.9	6.4	2.5
Return on equity (R12, %) (excluding sig. items)	24.7	21.4	20.4	13.5	12.0	10.2
Net tangible asset backing per share (\$ per share)	5.08	4.81	5.28	6.41	4.31	4.23

<sup>1</sup> Excludes lease liabilities.

<sup>2</sup> For the purposes of this calculation, reserved shares have been included.

<sup>3</sup> Operating cash flows as a percentage of net profit after tax, before depreciation and amortisation and significant items.

## Divisional key performance metrics

Half-year ended 31 December (\$m)	Post AASB 16		Pre AASB 16			
	2020	2019	2019	2018	2017	2016
<b>Bunnings</b>						
Revenue	9,054	7,276	7,276	6,909	6,566	5,957
EBITDA <sup>1</sup>	1,669	1,316	1,059	1,027	953	853
Depreciation and amortisation	(337)	(321)	(98)	(95)	(89)	(83)
Interest on lease liabilities	(58)	(57)	-	-	-	-
EBT <sup>1</sup>	1,274	938	961	932	864	770
EBT margin <sup>1</sup> (%)	14.1	12.9	13.2	13.5	13.2	12.9
RoC <sup>1</sup> (R12, %)	76.6	51.5	52.2	50.2	47.0	39.0
Capital expenditure (cash basis)	219	269	269	240	275	212
Total sales growth (%)	24.3	5.3	5.3	5.5	10.0	8.3
Total store sales growth <sup>2</sup> (%)	24.8	5.8	5.8	5.5	10.1	8.4
Store-on-store sales growth <sup>2</sup> (%)	27.7	4.7	4.7	4.0	9.0	6.5
Online penetration (%)	3.1	0.4	0.4	n.r.	n.r.	n.r.
Safety (R12, TRIFR)	10.0	10.4	10.4	12.0	15.8	n.r.
Scope 1 and 2 emissions (ktCO <sub>2</sub> e)	115	130	130	n.r.	n.r.	n.r.
<b>Kmart Group</b>						
Revenue <sup>3</sup>	5,441	4,990	4,990	4,754	4,769	4,619
EBITDA <sup>3,4</sup>	818	687	453	492	518	499
Depreciation and amortisation <sup>3</sup>	(283)	(292)	(108)	(99)	(103)	(99)
Interest on lease liabilities	(48)	(52)	-	-	-	-
EBT <sup>3,4</sup>	487	343	345	393	415	400
EBT margin <sup>3,4</sup> (%)	9.0	6.9	6.9	8.3	8.7	8.7
RoC <sup>3,4,5</sup> (R12, %)	35.5	25.1	25.2	34.4	26.2	14.5
Capital expenditure <sup>3</sup> (cash basis)	81	80	80	121	201	123
Safety (R12, TRIFR)	10.6	16.0	16.0	21.0	24.2	n.r.
Scope 1 and 2 emissions (ktCO <sub>2</sub> e)	143	154	154	n.r.	n.r.	n.r.
<b>Kmart (excludes KTAS from 2018)</b>						
- Total sales growth <sup>6</sup> (%)	7.1	7.6	7.6	1.0	8.6	9.1
- Comparable sales growth <sup>6</sup> (%)	9.1	5.5	5.5	(0.6)	5.4	5.7
- Online penetration (%)	8.7	3.7	3.7	n.r.	n.r.	n.r.
<b>Target</b>						
- Total sales growth <sup>6</sup> (%)	2.3	(4.3)	(4.3)	0.3	(6.2)	(17.4)
- Comparable sales growth <sup>6</sup> (%)	13.0	(2.3)	(2.3)	0.5	(6.5)	(18.2)
- Online penetration (%)	15.9	6.9	6.9	n.r.	n.r.	n.r.
<b>Catch</b>						
- Gross transaction value growth (%)	95.6	21.4	21.4	n.r.	n.r.	n.r.

n.r. = not reported

<sup>1</sup> Includes net property contribution for 2020 of \$1 million; 2019 of \$22 million post AASB 16 (\$42 million pre AASB 16); 2018 of \$51 million; 2017 of \$30 million; and for 2016 of \$44 million.

<sup>2</sup> Excludes sales related to Trade Centres and 'Frame and Truss'.

<sup>3</sup> 2016 to 2018 includes KTAS.

<sup>4</sup> Earnings excludes pre-tax restructuring costs and provisions in 2020 (\$34 million) and 2016 (\$13 million) and pre-tax non-cash impairments relating to Target in 2017 (\$306 million). 2019 includes \$9 million of payroll remediation costs relating to Target.

<sup>5</sup> RoC includes the impact of lower capital employed as a result of pre-tax non-cash impairments relating to Target in 2017 (\$306 million).

<sup>6</sup> Based on retail periods (rather than Gregorian reporting).

## Divisional key performance metrics (continued)

Half-year ended 31 December (\$m)	Post AASB 16		Pre AASB 16			
	2020	2019	2019	2018	2017	2016
<b>Officeworks</b>						
Revenue	1,523	1,231	1,231	1,100	1,017	927
EBITDA	156	137	94	90	80	74
Depreciation and amortisation	(51)	(48)	(15)	(14)	(12)	(12)
Interest on lease liabilities	(5)	(7)	-	-	-	-
EBT	100	82	79	76	68	62
EBT margin (%)	6.6	6.7	6.4	6.9	6.7	6.7
RoC (R12, %)	23.4	17.2	16.9	17.2	15.7	13.9
Capital expenditure (cash basis)	26	22	22	20	11	17
Total sales growth (%)	23.6	11.5	11.5	8.2	9.8	5.8
Online penetration (%)	37.1	29.7	29.7	n.r.	n.r.	n.r.
Safety (R12, TRIFR)	7.3	7.1	7.1	11.0	10.7	n.r.
Scope 1 and 2 emissions (ktCO <sub>2</sub> e)	20	22	22	n.r.	n.r.	n.r.
<b>Chemicals, Energy and Fertilisers</b>						
Chemicals revenue	489	510	510	502	439	412
Energy revenue <sup>1</sup>	206	219	219	233	223	182
Fertilisers revenue	135	160	160	139	102	101
Total revenue	830	889	889	874	764	695
EBITDA <sup>2,3</sup>	202	214	212	226	223	225
Depreciation and amortisation	(42)	(41)	(38)	(36)	(35)	(38)
Interest on lease liabilities	-	-	-	-	-	-
EBT <sup>2,3</sup>	160	173	174	190	188	187
RoC <sup>2,3</sup> (R12, %)	18.1	26.7	26.7	28.2	28.0	25.1
RoC <sup>2,3</sup> (R12, %) (excluding ALM)	29.0	32.0	32.0	28.2	28.0	25.1
Capital expenditure <sup>4</sup> (cash basis)	53	50	50	32	30	20
Safety (R12, TRIFR)	3.2	3.1	3.1	5.3	3.8	n.r.
Scope 1 and 2 emissions (ktCO <sub>2</sub> e)	455	493	493	n.r.	n.r.	n.r.
<i>Sales volumes ('000 tonnes)</i>						
Chemicals	550	568	568	546	494	499
LPG & LNG	115	103	103	99	100	69
Fertilisers	274	324	324	301	253	234

n.r. = not reported

<sup>1</sup> Includes interest revenue from Quadrant Energy loan notes and excludes intra-division sales.

<sup>2</sup> 2016 to 2018 include Quadrant Energy.

<sup>3</sup> 2016 includes a profit on sale of land of \$22 million.

<sup>4</sup> Includes Australian Light Minerals capital expenditure for 2020 of \$15 million; and for 2019 of \$11 million.

## Divisional key performance metrics (continued)

Half-year ended 31 December (\$m)	Post AASB 16		Pre AASB 16			
	2020	2019	2019	2018	2017	2016
<b>Industrial and Safety</b>						
Revenue	898	858	858	876	869	884
EBITDA <sup>1</sup>	76	46	25	61	73	73
Depreciation and amortisation	(37)	(36)	(19)	(19)	(21)	(21)
Interest on lease liabilities	(2)	(3)	-	-	-	-
EBT <sup>1</sup>	37	7	6	42	52	52
EBT margin <sup>1</sup> (%)	4.1	0.8	0.7	4.8	6.0	5.9
RoC <sup>1</sup> (R12, %)	5.4	3.4	3.4	7.5	8.3	5.9
Capital expenditure (cash basis)	30	33	33	46	19	16
Safety (R12, TRIFR)	4.5	4.1	4.1	7.3	6.4	n.r.
Scope 1 and 2 emissions (ktCO <sub>2</sub> e)	13	14	14	n.r.	n.r.	n.r.

n.r. = not reported

<sup>1</sup> 2019 includes \$15 million of payroll remediation costs.