

## Five-year history – financial performance and key metrics

### Group financial performance

Half-year ended 31 December (\$m) <sup>1</sup>	2018	2017	2016	2015	2014
<b>Summarised income statement<sup>2</sup></b>					
Revenue	14,388	13,814	34,917	33,462	31,970
EBITDA	1,911	1,454	3,064	2,749	2,657
Depreciation and amortisation	(266)	(258)	(635)	(639)	(581)
EBIT	1,645	1,196	2,429	2,110	2,076
Finance costs <sup>3</sup>	(97)	(114)	(149)	(152)	(158)
Income tax expense	(468)	(411)	(703)	(565)	(542)
Profit after tax from discontinued operations	3,458	(466)	-	-	-
NPAT (including discontinued operations)	4,538	212	1,577	1,393	1,376
<b>Summarised balance sheet</b>					
Total assets	20,585	40,467	41,399	41,790	40,541
Total liabilities	9,293	17,638	17,632	16,828	15,797
Net assets	11,292	22,829	23,767	24,962	24,744
Net debt	731	4,401	5,916	6,108	5,139
<b>Summarised cash flow statement</b>					
Operating cash flows	1,987	2,897	2,648	2,404	2,281
Add/(less): Net capital expenditure	(678)	(686)	(400)	(675)	(899)
Add/(less): Other investing cash flows	1,084	17	(17)	(64)	(113)
Add/(less): Total investing cash flows	406	(669)	(417)	(739)	(1,012)
Free cash flow	2,393	2,228	2,231	1,665	1,269
Add/(less): Financing cash flows	(134)	(1,399)	(2,104)	(1,682)	(1,831)
Net increase/(decrease) in cash	2,259	829	127	(17)	(562)
<b>Distributions to shareholders (cents per share)</b>					
Interim ordinary dividend	100	103	103	91	89
Capital management (paid)	100	-	-	-	100
<b>Key performance metrics</b>					
Earnings per share (cents per share)	401.2	18.7	140.1	124.2	121.0
Earnings per share from continuing operations <sup>2</sup> excluding sig. items <sup>4</sup> (cents per share)	95.5	86.4	140.1	124.2	121.0
Operating cash flow per share <sup>5</sup> (cents per share)	175.4	255.7	234.9	213.9	200.1
Cash realisation ratio <sup>6</sup> (excluding sig. items <sup>3</sup> ) (%)	98.5	132.6	119.7	118.3	116.6
Return on equity (R12, %)	26.9	6.4	2.5	10.0	10.4
Return on equity (R12, %) (excluding sig. items <sup>4</sup> )	13.5	12.0	10.2	10.0	9.7
Net tangible asset backing per share (\$ per share)	6.41	4.31	4.23	5.05	4.92
Interest cover <sup>4</sup> (cash basis) (R12, times)	49.2	28.8	18.9	19.3	18.1
Fixed charges cover <sup>4</sup> (R12, times)	4.2	3.0	2.7	3.0	3.1

<sup>1</sup> Unless specified, all figures are presented as last reported.

<sup>2</sup> 2018 and 2017 income statement balances have been restated for the classification of Coles, Bengalla, KTAS, Quadrant Energy, Curragh and BUKI as discontinued operations.

<sup>3</sup> 2017 finance costs include costs relating to BUKI which are reported as part of discontinued operations.

<sup>4</sup> 2018 excludes pre-tax significant items comprising \$2,312 million gain on demerger of Coles, \$679 million gain on sale of Bengalla, \$267 million gain on sale of KTAS, \$138 million gain on sale of Quadrant Energy, partially offset by a \$146 million provision for supply chain automation in Coles. 2017 excludes pre-tax significant items of \$931 million relating to BUKI and a \$306 million pre-tax non-cash impairment of Target.

<sup>5</sup> For the purposes of this calculation, reserved shares have been included.

<sup>6</sup> Operating cash flows as a percentage of net profit after tax, before depreciation and amortisation and significant items.

## Five-year history – financial performance and key metrics

### Divisional key performance metrics

Half-year ended 31 December (\$m) <sup>1</sup>	2018	2017	2016	2015	2014
<b>BUNNINGS AUSTRALIA &amp; NEW ZEALAND</b>					
Revenue	6,909	6,566	5,957	5,500	4,959
EBITDA	1,027	953	853	776	686
Depreciation and amortisation	(95)	(89)	(83)	(75)	(68)
EBIT <sup>2</sup>	932	864	770	701	618
EBIT margin <sup>2</sup> (%)	13.5	13.2	12.9	12.7	12.5
ROC (R12, %)	50.2	47.0	39.0	35.8	31.6
Capital expenditure (cash basis)	240	275	212	314	352
Total sales growth (%)	5.5	10.0	8.3	10.9	11.9
Total store sales growth (%)	5.5	10.1	8.4	11.0	11.7
Store-on-store sales growth (%)	4.0	9.0	6.5	7.9	9.1
<b>KMART GROUP</b>					
Revenue <sup>3</sup>	4,639	4,769	4,619	4,722	4,377
EBITDA <sup>4</sup>	480	518	486	487	445
Depreciation and amortisation	(97)	(103)	(99)	(94)	(86)
EBIT <sup>4</sup>	383	415	387	393	359
EBIT margin <sup>4</sup> (%)	8.3	8.7	8.4	8.3	8.2
ROC <sup>5</sup> (R12, %)	33.9	26.2	9.2	14.8	11.8
Capital expenditure (cash basis)	119	201	123	145	171
Kmart					
- Total sales growth <sup>3,6</sup> (%)	1.0	8.6	9.1	12.4	5.3
- Comparable sales growth <sup>3,6</sup> (%)	(0.6)	5.4	5.7	9.1	2.4
Target					
- Total sales growth <sup>6</sup> (%)	0.3	(6.2)	(17.4)	1.6	(1.8)
- Comparable sales growth <sup>6</sup> (%)	0.5	(6.5)	(18.2)	1.4	(1.0)
<b>OFFICEWORKS</b>					
Revenue	1,100	1,017	927	875	802
EBITDA	90	80	74	70	61
Depreciation and amortisation	(14)	(12)	(12)	(11)	(11)
EBIT	76	68	62	59	50
EBIT margin (%)	6.9	6.7	6.7	6.7	6.2
ROC (R12, %)	17.2	15.7	13.9	12.5	10.5
Total sales growth (%)	8.2	9.8	5.8	9.1	7.8

<sup>1</sup> All figures are presented as last reported.

<sup>2</sup> Includes net property contribution for 2018 of \$51 million; 2017 of \$30 million; 2016 of \$44 million; 2015 of \$33 million; and for 2014 of \$14 million.

<sup>3</sup> 2018 excludes KTAS trading performance.

<sup>4</sup> 2018 excludes KTAS trading performance. 2017 excludes a pre-tax non-cash impairment of \$306 million for Target. 2016 includes a provision of \$13 million recognised for restructuring costs associated with the planned relocation of Target's store support office. 2015 includes rebate income of \$21 million recognised contrary to Group policy which was reversed in the second half of 2016, having no effect on the 2016 full-year results.

<sup>5</sup> 2018 excludes KTAS. 2017 excludes a pre-tax non-cash impairment of \$306 million for Target. 2016 includes \$158 million in restructuring costs and provisions for Target. In addition to higher earnings, the increase in ROC in 2017 also reflects lower capital employed as a result of non-cash impairments in Target in June 2016 and December 2017.

<sup>6</sup> Based on retail period (rather than Gregorian reporting). Refer to page 43 for applicable retail period.

## Five-year history – financial performance and key metrics

### Divisional key performance metrics (continued)

Half-year ended 31 December (\$m) <sup>1</sup>	2018	2017	2016	2015	2014
<b>INDUSTRIALS</b>					
<b>Divisional performance</b>					
Revenue <sup>2,3</sup>	1,750	1,633	1,579	1,680	1,645
EBITDA <sup>3,4</sup>	282	296	298	218	211
Depreciation and amortisation	(55)	(56)	(59)	(78)	(66)
EBIT <sup>3,4</sup>	227	240	239	140	145
Capital expenditure (cash basis)	78	49	36	50	64
<b>Chemicals, Energy and Fertilisers</b>					
Chemicals revenue	502	439	412	469	415
Energy revenue <sup>2,3</sup>	233	223	182	173	267
Fertilisers revenue	139	102	101	111	128
Total revenue <sup>3</sup>	874	764	695	753	810
EBITDA <sup>3,4</sup>	221	223	225	161	144
Depreciation and amortisation	(36)	(35)	(38)	(57)	(49)
EBIT <sup>3,4</sup>	185	188	187	104	95
ROC <sup>3,4</sup> (R12, %)	29.4	28.0	25.1	15.7	13.4
Capital expenditure (cash basis)	32	30	20	21	39
<i>Sales volumes ('000 tonnes)</i>					
Chemicals	546	494	499	524	455
LPG <sup>5</sup>	75	81	55	74	108
Fertilisers	301	253	234	214	260
<b>Industrial and Safety</b>					
Revenue	876	869	884	927	835
EBITDA	61	73	73	57	67
Depreciation and amortisation	(19)	(21)	(21)	(21)	(17)
EBIT	42	52	52	36	50
EBIT margin (%)	4.9	6.0	5.9	3.9	5.9
ROC (R12, %)	7.5	8.3	5.9	4.2	9.3
Capital expenditure (cash basis)	46	19	16	29	25

<sup>1</sup> All figures are presented as last reported except Industrials divisional total, which has been restated to exclude Resources.

<sup>2</sup> 2018 excludes Quadrant Energy. Prior years include interest revenue from Quadrant Energy loan notes. All years exclude intra-division sales.

<sup>3</sup> 2018 excludes Quadrant Energy. Prior years include Quadrant Energy, Kleenheat (including east coast LPG operations prior to sale in February 2015), and ALWA prior to December 2013 divestment.

<sup>4</sup> 2016 includes a profit on sale of land of \$22 million. 2015 includes \$30 million of one-off restructuring costs associated with the decision to cease PVC manufacturing.

<sup>5</sup> Includes Kleenheat (including east coast LPG operations prior to sale in February 2015), and ALWA prior to December 2013 divestment.