Five-year history – financial performance and key metrics

GROUP FINANCIAL PERFORMANCE

Half-year ended 31 December ($m)[1]	*Post AASB 16* 2019	*Pre AASB 16* 2018	2017	2016	2015
Summarised income statement					
Revenue	15,249	31,152	35,903	34,917	33,462
EBIT (after interest on lease liabilities)	1,615	5,482	1,113	2,429	2,110
Other finance costs[2]	(69)	(97)	(114)	(149)	(152)
Income tax expense	(336)	(847)	(787)	(703)	(565)
Profit after tax from discontinued operations	83	3,458	(466)	-	-
NPAT (including discontinued operations)	1,210	4,538	212	1,577	1,393
Summarised balance sheet					
Total assets	26,079	20,585	40,467	41,399	41,790
Total liabilities	16,355	9,293	17,638	17,632	16,828
Net assets	9,724	11,292	22,829	23,767	24,962
Net debt	2,666	731	4,401	5,916	6,108
Summarised cash flow statement					
Operating cash flows after lease cash flows	1,666	1,987	2,897	2,648	2,404
Net capital expenditure	(207)	(678)	(686)	(400)	(675)
Other investing cash flows	(885)	1,084	17	(17)	(64)
Free cash flows after lease cash flows	574	2,393	2,228	2,231	1,665
Financing cash flows excl. lease cash flows	(933)	(134)	(1,399)	(2,104)	(1,682)
Net increase/(decrease) in cash	(359)	2,259	829	127	(17)
Distributions to shareholders (cents per share)					
Interim ordinary dividend	75	100	103	103	91
Special dividend	-	100	-	-	-
Key performance metrics					
Earnings per share (cents per share)	106.9	401.2	18.7	140.1	124.2
Earnings per share from continuing operations excluding sig. items[3] (cents per share)	99.6	95.5	86.4	140.1	124.2
Operating cash flow per share[4] (cents per share)	188.4	175.4	255.7	234.9	213.9
Cash realisation ratio (excluding sig. items)[3,5] (%)	114.1	98.5	132.6	119.7	118.3
Return on equity (R12, %)	22.2	26.9	6.4	2.5	10.0
Return on equity (R12, %) (excluding sig. items)[3]	21.4	13.5	12.0	10.2	10.0
Net tangible asset backing per share ($ per share)[6]	4.81	6.41	4.31	4.23	5.05

[1] Unless specified, all figures are presented as last reported.

[2] 2017 finance costs include costs relating to BUKI which are reported as part of discontinued operations.

[3] 2019 excludes post-tax significant items comprising BUKI tax losses of $84 million and a true-up of the tax base in Coles of $10 million, partially offset by additional expenses of $11 million associated with the sale of Bengalla. 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.

[4] For the purposes of this calculation, reserved shares have been included.

[5] Operating cash flows as a percentage of net profit after tax, before depreciation and amortisation and significant items.

[6] The calculation of net tangible assets per ordinary share at 31 December 2019 includes the right-of-use asset and lease liability.

Five-year history – financial performance and key metrics

DIVISIONAL KEY PERFORMANCE METRICS

Half-year ended 31 December ($m)[1]	2019	2018	2017	2016	2015
		Pre AASB 16			
Bunnings					
Revenue	7,276	6,909	6,566	5,957	5,500
EBITDA[2]	1,059	1,027	953	853	776
Depreciation and amortisation	(98)	(95)	(89)	(83)	(75)
EBIT[2]	961	932	864	770	701
EBIT margin[2] (%)	13.2	13.5	13.2	12.9	12.7
ROC (R12, %)	52.2	50.2	47.0	39.0	35.8
Capital expenditure (cash basis)	269	240	275	212	314
Total sales growth[3] (%)	5.3	5.5	10.0	8.3	10.9
Total store sales growth[3] (%)	5.8	5.5	10.1	8.4	11.0
Store-on-store sales growth[3] (%)	4.7	4.0	9.0	6.5	7.9
Kmart Group					
Revenue[4]	4,990	4,639	4,769	4,619	4,722
EBITDA[4,5,6]	453	480	518	486	487
Depreciation and amortisation[4]	(108)	(97)	(103)	(99)	(94)
EBIT[4,5,6]	345	383	415	387	393
EBIT margin[4,5,6] (%)	6.9	8.3	8.7	8.4	8.3
ROC[4,7] (R12, %)	25.2	33.9	26.2	9.2	14.8
Capital expenditure[4] (cash basis)	80	119	201	123	145
Kmart					
- Total sales growth[3,4] (%)	7.6	1.0	8.6	9.1	12.4
- Comparable sales growth[3,4] (%)	5.5	(0.6)	5.4	5.7	9.1
Target					
- Total sales growth[3] (%)	(4.3)	0.3	(6.2)	(17.4)	1.6
- Comparable sales growth[3] (%)	(2.3)	0.5	(6.5)	(18.2)	1.4
OFFICEWORKS					
Revenue	1,231	1,100	1,017	927	875
EBITDA	94	90	80	74	70
Depreciation and amortisation	(15)	(14)	(12)	(12)	(11)
EBIT	79	76	68	62	59
EBIT margin (%)	6.4	6.9	6.7	6.7	6.7
ROC (R12, %)	16.9	17.2	15.7	13.9	12.5
Total sales growth[3] (%)	11.5	8.2	9.8	5.8	9.1

1 All figures are presented as last reported.

2 Includes net property contribution for 2019 of $42 million; 2018 of $51 million; 2017 of $30 million; 2016 of $44 million; and for 2015 of $33 million.

3 Based on retail period (rather than Gregorian reporting). Refer to page 43 for applicable retail period. Excludes Catch for Kmart.

4 2018 excludes KTAS.

5 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 FY2016, having no effect on the 2016 full-year results.

6 2019 includes $9 million of payroll remediation costs relating to Target.

7 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.

Five-year history – financial performance and key metrics

DIVISIONAL KEY PERFORMANCE METRICS (CONTINUED)

		Pre AASB 16			
Half-year ended 31 December ($m)[1]	**2019**	**2018**	**2017**	**2016**	**2015**
INDUSTRIALS – continuing operations					
Divisional performance					
Revenue	1,747	1,750	1,633	1,579	1,680
EBITDA[2]	237	282	296	298	218
Depreciation and amortisation	(57)	(55)	(56)	(59)	(78)
EBIT[2]	180	227	240	239	140
Capital expenditure (cash basis)	83	78	49	36	50
Chemicals, Energy and Fertilisers					
Chemicals revenue	510	502	439	412	469
Energy revenue[3,4]	219	233	223	182	173
Fertilisers revenue	160	139	102	101	111
Total revenue[3,4]	889	874	764	695	753
EBITDA[4,5]	212	221	223	225	161
Depreciation and amortisation	(38)	(36)	(35)	(38)	(57)
EBIT[4,5]	174	185	188	187	104
ROC[4,5] (R12, %)	26.7	29.4	28.0	25.1	15.7
Capital expenditure (cash basis)	50	32	30	20	21
Sales volumes ('000 tonnes)					
Chemicals	568	546	494	499	524
LPG	75	75	81	55	74
Fertilisers	324	301	253	234	214
Industrial and Safety					
Revenue	858	876	869	884	927
EBITDA[2]	25	61	73	73	57
Depreciation and amortisation	(19)	(19)	(21)	(21)	(21)
EBIT[2]	6	42	52	52	36
EBIT margin[2] (%)	0.7	4.8	6.0	5.9	3.9
ROC (R12, %)	3.4	7.5	8.3	5.9	4.2
Capital expenditure (cash basis)	33	46	19	16	29

1 All figures are presented as last reported except Industrials division total, which has been restated to exclude Resources for the years 2017 and prior.

2 2019 includes $15 million of payroll remediation costs.

3 2017 and prior years includes interest revenue from Quadrant Energy loan notes. All years exclude intra-division sales.

4 2017 and prior years include Quadrant Energy.

5 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.