2020 Full-year results debt investor update

Wesfarmers

Group performance overview

Wesfarmers

Demonstrably performing, consistent with our values

During this challenging year, our businesses and team members played a critical role in supporting customers, partners and the communities in which our businesses operate

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

- Adjusting in-store processes to support customer safety, demand and availability
- Adapting online channels to meet customer needs, supporting 60%[1] growth in online sales

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

- 23% reduction in Group TRIFR to 10.4
- Two weeks COVID-19 leave for team members required to self-isolate or care for others
- Commitment to pay team members during Victorian stage 4 restrictions[2]

Engaging fairly with our suppliers and sourcing ethically and sustainably

- Maintaining business continuity and payment terms to provide certainty
- Continuing to support suppliers through accelerated payment, in cases of hardship

Supporting the communities in which we operate

- More than $68m in direct and indirect community contributions
- Operating dedicated services for vulnerable customers needing assistance with online channels

Taking care of the environment

- Good progress towards published emission targets and continued investment in projects to reduce carbon footprint
- 12% increase in recycling and 5% reduction in landfill

Acting with integrity and honesty in all of our dealings

- All actions and decisions continue to be guided by our purpose and long-term objective
- Collaborating with state and federal governments to coordinate on COVID-19 response

1. Excludes Catch.
2. Subsequent to the end of FY20.

Impact of COVID-19 on operations and financial results

Focus on safety and support	• Implementation of additional measures to protect the health and safety of team members and customers • Extension of a range of additional leave and benefits to affected team members • Resulted in some additional operating costs in each of the divisions
Changes in customer demand profiles	• Retail sales impacted by volatility in foot traffic, driven partly by government restrictions and physical distancing requirements • Strong sales growth in Bunnings and Officeworks as customers spent more time at home • Significant variation in demand across categories temporarily impacting stock availability in some product categories, while bringing forward some purchases from future periods • Lower inventory and higher payables at year end, resulting in favourable but temporary cash flow benefit
Accelerated development of data and digital capabilities	• Recent focus on data and digital enabled a rapid response to changes in customer behaviour • Continued and accelerated investment into digital capabilities to support significant increase in online volumes and safe shopping environments for customers • Enhanced data analytics capabilities supported real time management of inventory during a period of high uncertainty and significant supply chain disruption
Economic environment impacted by government stimulus	• Important government stimulus measures designed to provide income support to households and businesses had a positive impact on the Group's retail sales results • The gradual removal of government stimulus is expected to impact sales • Wesfarmers did not receive material government support payments and is not currently part of the federal government's JobKeeper program. The Group received approximately $40m in wage subsidies outside of Australia, almost exclusively in New Zealand
Actions taken to maintain balance sheet strength	• Sale of 10.1% interest in Coles and $1.95b increase in available committed bank debt facilities • Current balance sheet position allows the Group to withstand a range of economic scenarios while continuing to support its operating activities and pursuit of investment opportunities

Financial overview

Year ended 30 June ($m)	**2020** *Post AASB 16*	**2020** *Pre AASB 16*	**2019** *Reported*	**Variance** %[1]
Results from continuing operations excluding significant items				
Revenue	30,846	30,846	27,920	*10.5*
EBIT (after interest on lease liabilities)	2,942	2,964	2,974	*(0.3)*
NPAT	2,083	2,099	1,940	*8.2*
Basic earnings per share (cps)	184.2	185.6	171.5	*8.2*
Results including discontinued operations and significant items				
NPAT	1,697	1,713	5,510	*n.m.*
Basic earnings per share (cps)	150.0	151.5	487.2	*n.m.*
Operating cash flow	4,546	3,597	2,718	*32.3*
Net capital expenditure	568	568	827	*(31.3)*
Free cash flow	5,188	4,239	2,963	*43.1*
Final ordinary dividend (fully-franked, cps)	77	77	78	*(1.3)*
Full-year ordinary dividend (fully-franked, cps)	152	152	178	*(14.6)*
Special dividend – Coles selldown[2] (fully-franked, cps)	18	18	100	*n.m.*
Net financial debt / (cash)[3]	(471)	(471)	2,116	*n.m.*

- Revenue growth of 10.5%, reflecting strong sales growth in Bunnings, Kmart, Officeworks and Catch
- NPAT excluding significant items (pre AASB 16) up 8.2% to $2,099m
- Reported NPAT in prior year includes $3,570m from significant items and discontinued operations, primarily relating to the Coles demerger

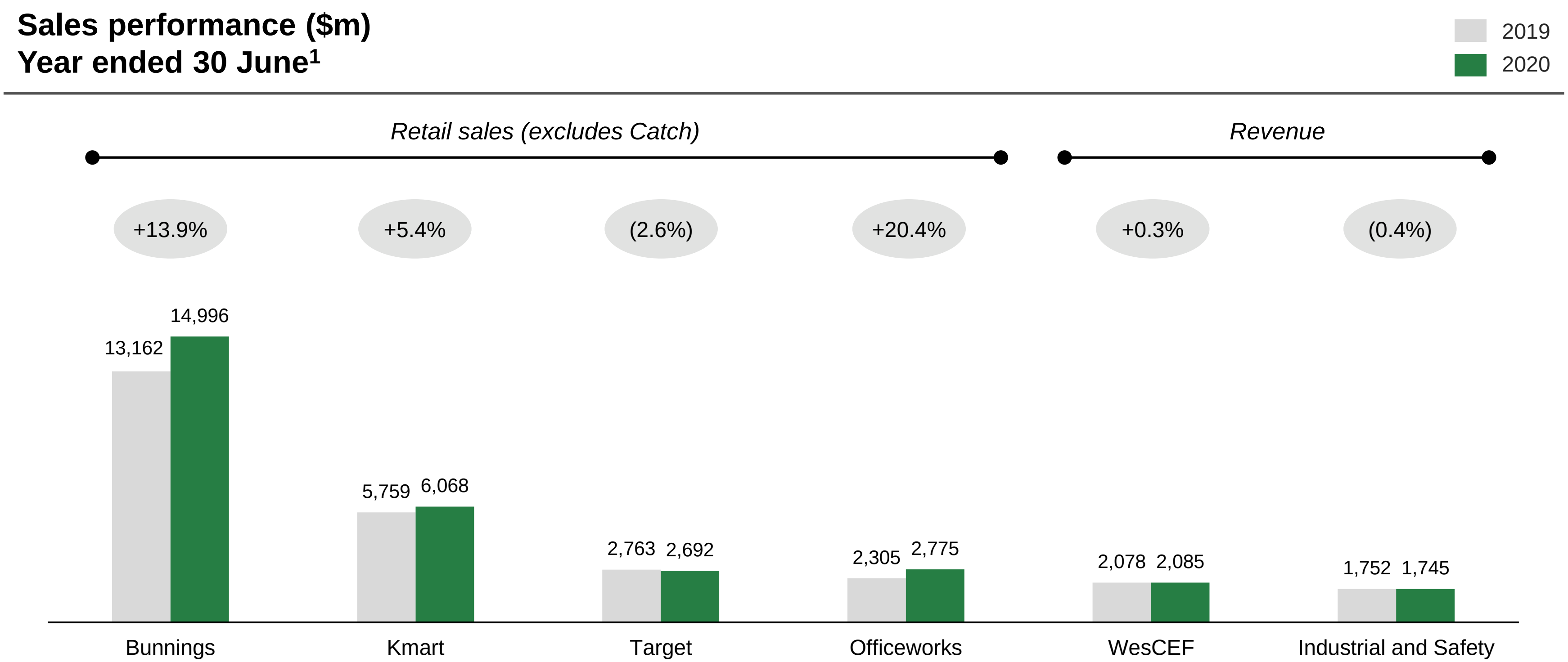
n.m. = not meaningful
1. Variance calculated on pre AASB 16 results.
2. The 2020 special dividend relates to the distribution of the after-tax profit on the sale of the Group's 10.1% interest in Coles.
3. Interest bearing liabilities less cash at bank and on deposit, net of cross-currency interest rate swaps and interest rate swap contracts. Excludes lease liabilities.

Operational highlights

- **Bunnings:** Strong sales growth with the second half sales underpinned by strong growth in consumer sales as customers spent more time working and undertaking projects at home; earnings result reflects the continued execution of the strategic agenda and continued focus on disciplined cost control
- **Kmart Group**
  - **Kmart:** Strong sales growth driven by a continued focus on lowest price positioning and enhanced product ranges; solid earnings performance impacted by the investment in retail technology and capability, including investment in Anko
  - **Target:** Loss-making despite disciplined cost control, with earnings impacted by lower sales as well as higher clearance activity due to COVID-19
  - **Catch:** Strong growth across both in-stock and marketplace segments, with gross transaction value increasing 49.2 per cent since acquisition and 75.5 per cent in the second half
- **Officeworks:** Strong revenue and earnings growth; Every-channel approach continues to deliver strong sales growth in store and online
- **Chemicals, Energy and Fertilisers: Chemicals** earnings benefited from the continued strong demand from the iron ore and gold mining sectors; **Energy** earnings decreased due to a lower Saudi CP[1] combined with subdued margins in natural gas retailing; **Fertilisers** earnings benefited from increased demand and sales volumes which were offset by higher operational and logistics costs
- **Industrial and Safety:** Performance was below expectations, primarily due to the earnings performance of Blackwoods which was impacted by continued investment in customer service and digital capabilities, and lower customer demand in Workwear Group

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

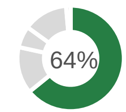
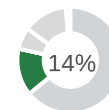
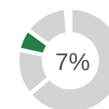
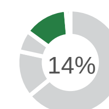
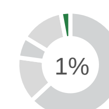
Divisional sales performance



- 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 strong sales growth despite volatile trading conditions
- Strong growth in online sales of 60%[2] for the year to $1.5b, or $2.1b including Catch[3], reflecting continued shifts in customer shopping preferences and enhanced digital offers

1. Continuing operations only.
2. Excludes Catch.
3. Includes Catch gross transaction value from 12 August 2019 to 30 June 2020.

Divisional earnings performance

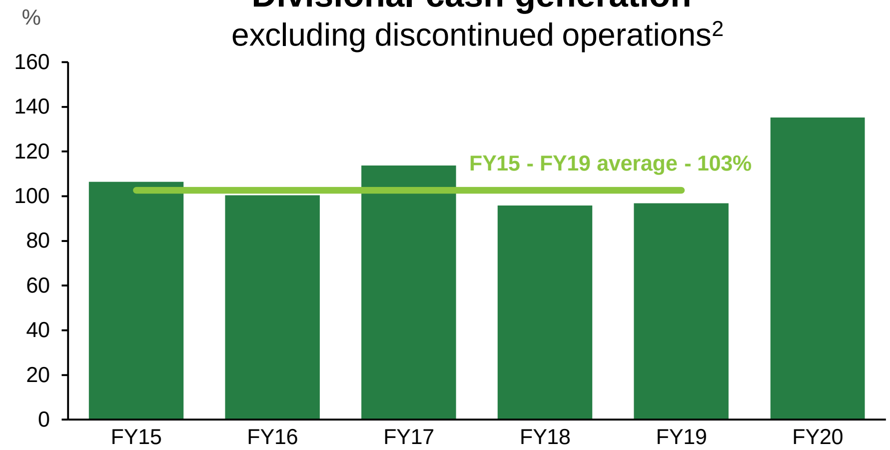
Earnings Before Tax (EBT) ($m) Year ended 30 June[1]	2020 *Post AASB 16*	2020 *Pre AASB 16*	2019 *Reported*	Variance %[2]	% of divisional EBT[2]
Bunnings	1,826	1,852	1,626	*13.9*	
Kmart Group[3]	410	413	540	*(23.5)*	
Officeworks	197	190	167	*13.8*	
WesCEF[4]	394	393	433	*(9.2)*	
Industrial and Safety[5]	39	40	86	*(53.5)*	

1. Continuing operations only. Divisional EBT does not include any allocation of Group finance costs.
2. Variance and % of divisional EBT calculated on pre AASB 16 results.
3. 2020 excludes a pre-tax non-cash impairment of $525m in Target and $110m of pre-tax restructuring costs and provisions. 2020 includes $9m of payroll remediation costs relating to Target.
4. 2020 and 2019 include $18m and $30m of insurance proceeds respectively, relating to the five-month ammonia plant production disruption that commenced in February 2018. 2019 includes a $19m provision for removal of redundant equipment.
5. 2020 excludes a pre-tax non-cash impairment of $310m. 2020 includes $15m of payroll remediation costs.

Operating and free cash flows

- Divisional cash generation from continuing operations increased 38 ppt to 135%
- Operating cash flows increased 32% to $3,597m
  - Strong divisional operating cash flows
  - Favourable working capital balances at year end in retail divisions
  - Prior period includes operating cash flows from Coles and other discontinued operations
- Free cash flows increased 43% to $4,239m
  - Strong operating cash flow performance
  - Proceeds from sale of the 10.1% interest in Coles
  - Includes acquisition of Kidman and Catch totalling approximately $1.0b
  - Prior period includes proceeds from divestment of Bengalla, Quadrant and KTAS

Divisional cash generation[1]
excluding discontinued operations[2]



Year ended 30 June ($m)	2020 *Pre AASB 16*	2019 *Reported*	Var %
Key cash flow movements			
Operating cash flows	3,597	2,718	*32.3*
Free cash flows	4,239	2,963	*43.1*

1. Divisional operating cash flows before tax after net capital expenditure divided by divisional pre AASB 16 EBT.
2. FY15 to FY19 includes contributions from KTAS and Quadrant.

Working capital

- Significant favourable but temporary working capital inflow of $723m driven by retail divisions
- Lower inventory levels at year end
  - Strong demand for Bunnings, Kmart and Officeworks products in second half due to COVID-19
  - Some stock availability issues at Kmart and Target in June due to increased demand
- Higher payables balance driven by higher stock purchases at Bunnings and Officeworks in response to increased demand
- Working capital result in WesCEF impacted by stamp duty payments in relation to the Kidman acquisition and timing of shipments in Fertilisers and Chemicals

Year ended 30 June ($m)	2020 *Pre AASB 16*	2019 *Reported*
Working capital movements (continuing operations)		
Cash movement inflow/(outflow)		
Receivables and prepayments	(66)	(14)
Inventory	443	(348)
Payables	346	320
Total	**723**	**(42)**
Working capital cash movement		
Retail	802	(90)
Industrials and Other	(79)	48
Total	**723**	**(42)**

Capital expenditure

- Gross capital expenditure from continuing operations of $867m in line with prior period
  - Higher capital expenditure in Bunnings from development of digital offer
  - Higher capital expenditure in WesCEF primarily due to Covalent Lithium

  Offset by:
  - Lower capital expenditure in Kmart Group due to timing of store refurbishments
  - One-off investment in Coregas healthcare in prior period
- Increase in net capital expenditure primarily due to lower proceeds from Bunnings property disposals of $274m (FY19: $481m)
- FY21 net capital expenditure of $550m to $750m expected, subject to net property investment and timing of any investment decision in relation to Covalent
  - Inclusive of the conversion of Target stores to Kmart stores

Year ended 30 June[1] ($m)	2020	2019	Var %
Bunnings	511	470	*8.7*
Kmart Group	142	205	*(30.7)*
Officeworks	40	42	*(4.8)*
WesCEF	110	58	*89.7*
Industrial and Safety	59	83	*(28.9)*
Other	5	2	*n.m.*
Gross capital expenditure	**867**	**860**	***0.8***
Sale of PP&E	(299)	(497)	*(39.8)*
Net capital expenditure	**568**	**363**	***56.5***
Net capital expenditure in discontinued operations	-	464	*n.m.*
Group (including discontinued)			
Gross capital expenditure	**867**	**1,356**	***(36.1)***
Sale of PP&E	(299)	(529)	*(43.5)*
Net capital expenditure	**568**	**827**	***(31.3)***

n.m. = not meaningful

1. Capital investment provided on a cash basis.

Managing businesses for long-term success

While addressing the near-term requirements of COVID-19, the divisions remain focused on managing their businesses for long-term success and value creation

A relentless focus on customers

- Maintaining price leadership
- Investing in data and digital to better meet the evolving needs of customers
- Ensuring reliable and high-quality supply through operational excellence
- Engaging deeply with the communities where we operate

Investing for the long term

- Innovating across products and processes
- Improving back-end systems and processes
- Disciplined pursuit of value-accretive opportunities to add capabilities, channels and new technology

Building on unique capabilities and platforms

- Leading market positions and scalable platforms
- Expanding addressable markets by developing new channels, products and services
- Developing talent in specialist and emerging areas

Group outlook

- The continued impact of COVID-19, and potential government responses, presents significant uncertainty for the operating environment
- The Group will continue to prioritise the safety of customers and team members in a COVID-19 environment
- Customers spending more time at home, and trading with trusted and digitally-enabled brands, is likely to support higher demand across the Group’s retail businesses
- July retail sales were strong, supported by the progressive reopening of economy, customers spending more time at home and government stimulus
- Recent government-mandated restrictions in Victoria and New Zealand are expected to impact sales
- Online sales have increased significantly through July and August across all retail businesses
- Sales are expected to be impacted by the gradual removal of government stimulus measures and some customer purchases in FY20 being brought forward from FY21
- Continued Group and divisional investment in digital capabilities to support enhancements to the customer value proposition, expansion of addressable markets and delivery of operating efficiencies
- 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, recently acquired investments and to pursue transactions that create value for shareholders over the long term

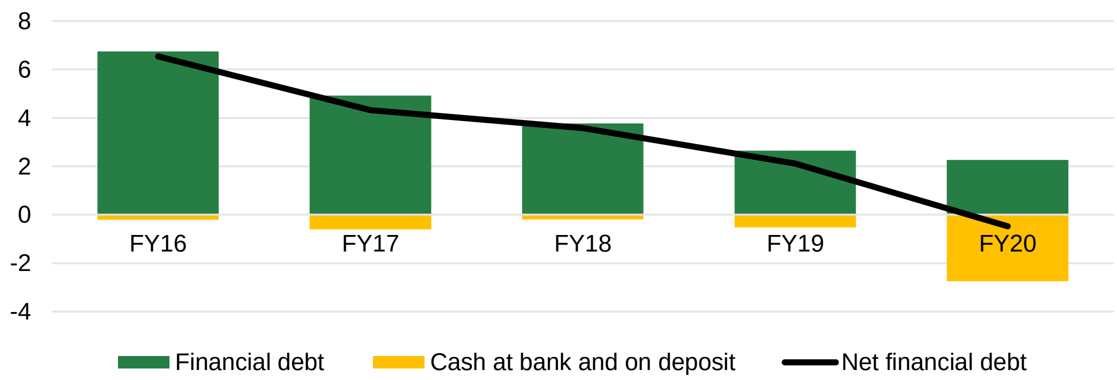
Debt management

Wesfarmers

Maintaining strong credit ratings and balance sheet

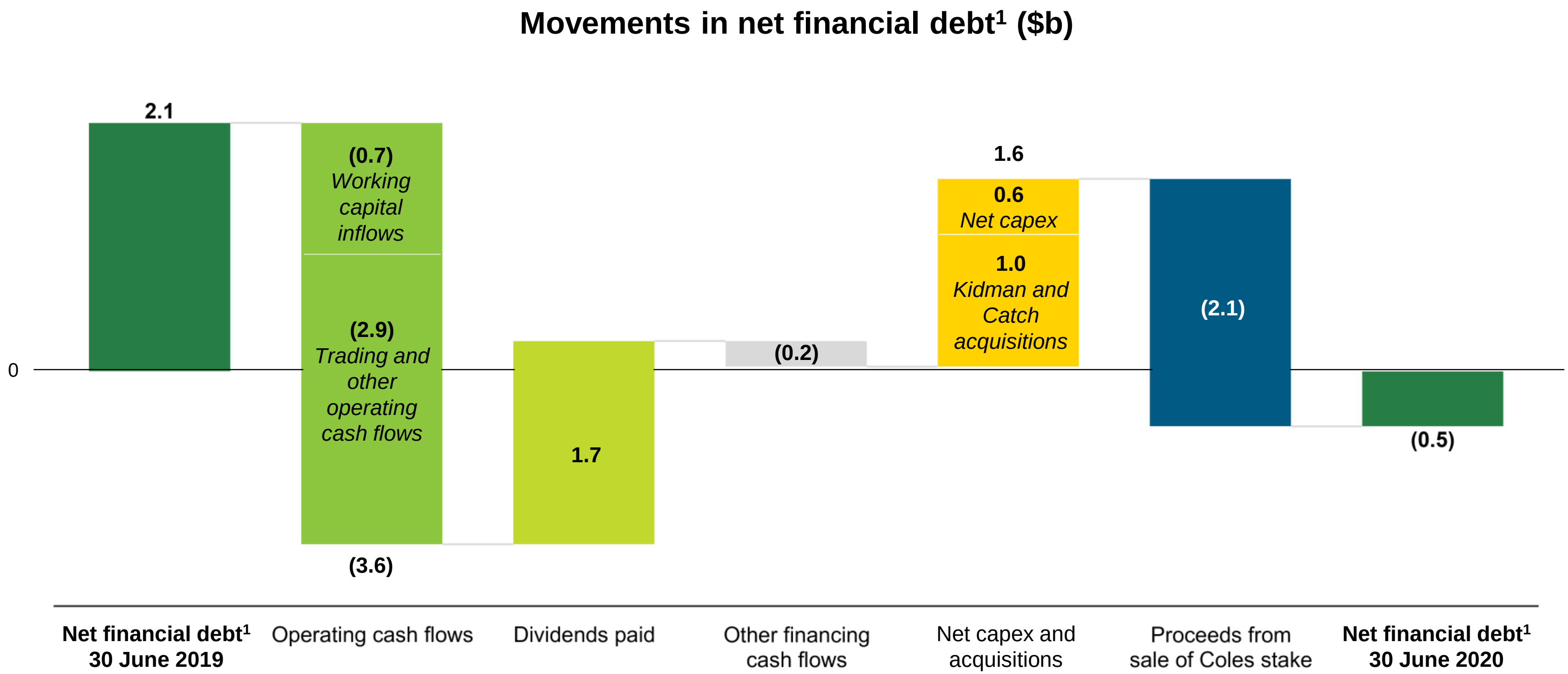
- Strong credit ratings: Moody's A3 (stable outlook); Standard and Poor's A- (stable outlook)
- Standard and Poor's favourable adjustment of Debt / EBITDA target metric from 2.25x to 2.75x provides additional debt headroom, reflecting:
  – Impact of AASB 16 on the credit metric calculations
  – Strength of Wesfarmers businesses
- Maintaining prudent capital structure and strong credit rating is important to Wesfarmers
- Continued strength in Group's debt position
  – Increased committed bank facilities by $1.95b in May 2020
  – Strong liquidity position, supported by $5.0b of undrawn bank facilities and $2.7b in cash at bank and on deposit 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.

Net financial debt

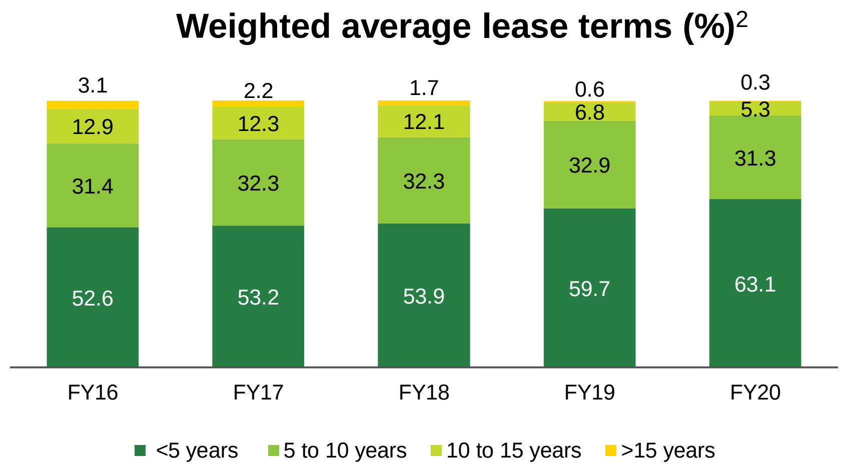


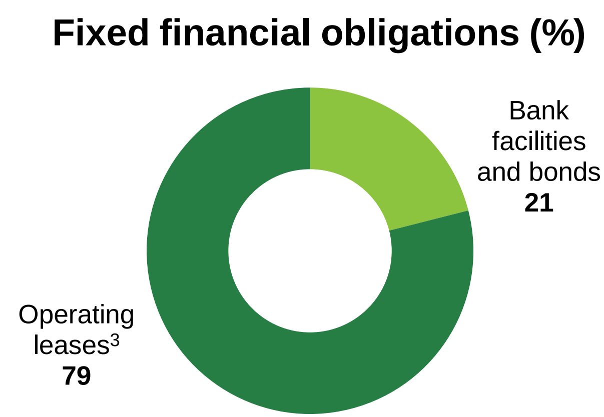
- Net cash[1] position of $0.5b as at 30 June 2020, compared to net financial debt[1] of $2.1b as at 30 June 2019 driven by:
  - Strong operating cash flow performance
  - Sale of the 10.1% interest in Coles (4.9% interest remaining) generating gross proceeds of $2.1b, offset by the acquisitions of Kidman and Catch totalling approximately $1.0b

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.

Management of lease portfolio

- Undiscounted lease commitments totalled \$8.5b[1] and represent 79% of Group fixed financial obligations as at 30 June 2020
- Shorter average remaining lease tenure of 4.8 years[2] (1H20: 5.0 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



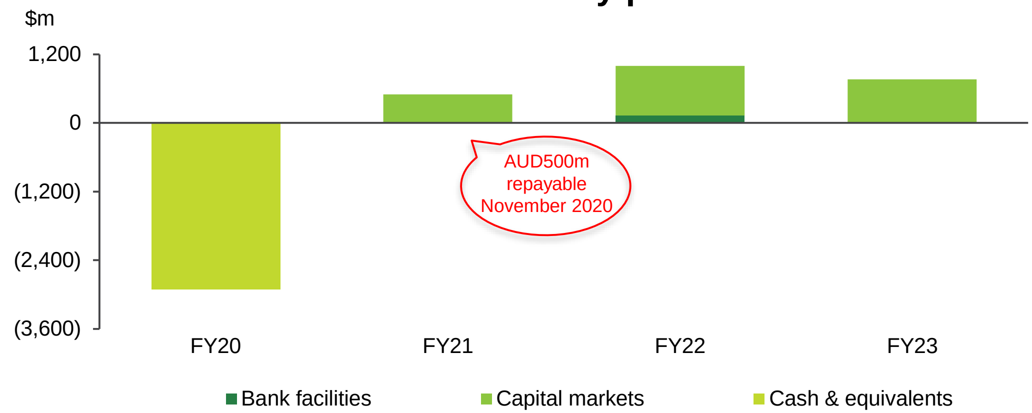


1. Post AASB 16 undiscounted lease liability totals \$8.2b.
2. Average lease tenure calculated as weighted average of dollar commitments by year.
3. Represents future undiscounted minimum rentals payable under non-cancellable operating leases.

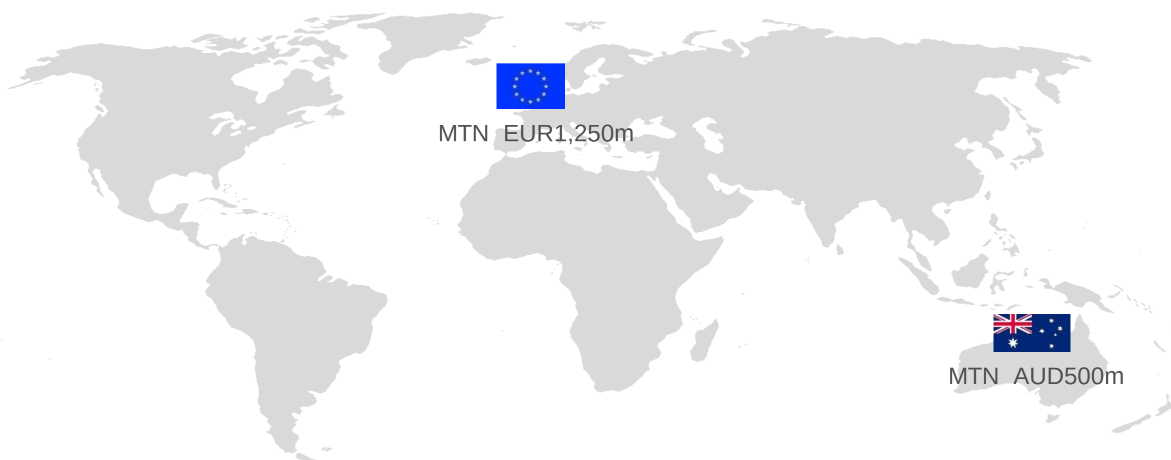
Pro-active debt management

- Continued focus on maturity profile and maintaining liquidity headroom in bilateral bank facilities
- Commitment to ensure diversity of funding sources, including the domestic and international debt capital markets
- Standard terms and conditions across all DCM programmes

Debt maturity profile[1]



DCM funding sources[1]

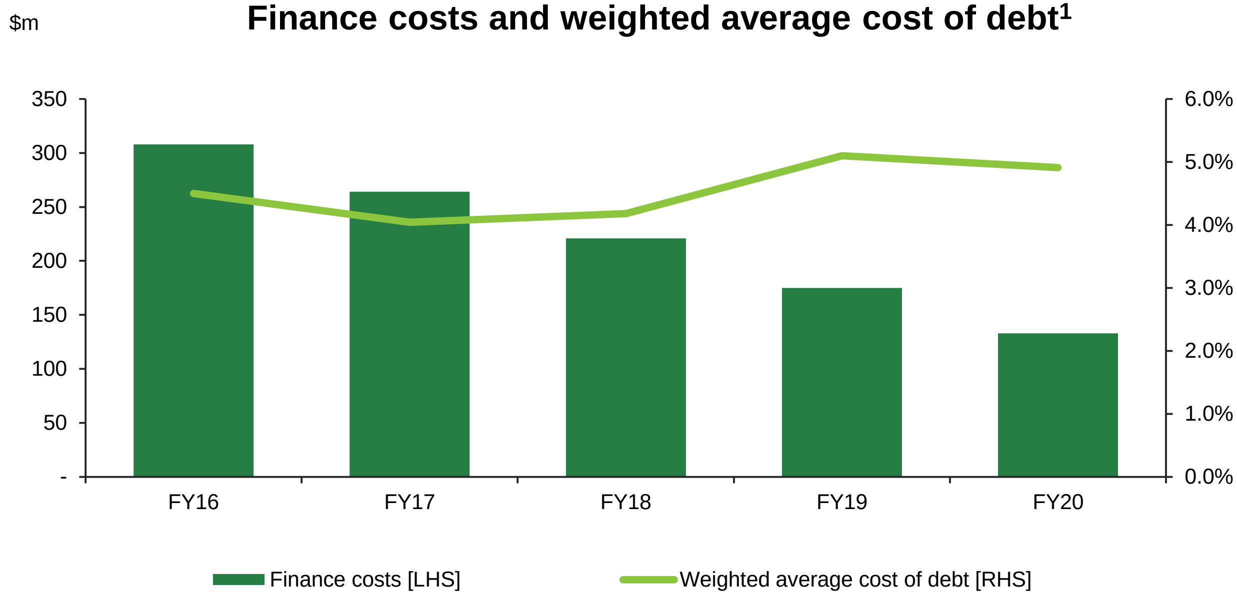


1. As at 30 June 2020.

Reduced funding costs

- Finance costs decreased by 24% to $133m in FY20 (FY19: $175m) due to lower average debt balances
- Decrease in all-in effective borrowing costs to 4.93%[1] (FY19: 5.10%[1])

Finance costs and weighted average cost of debt[1]

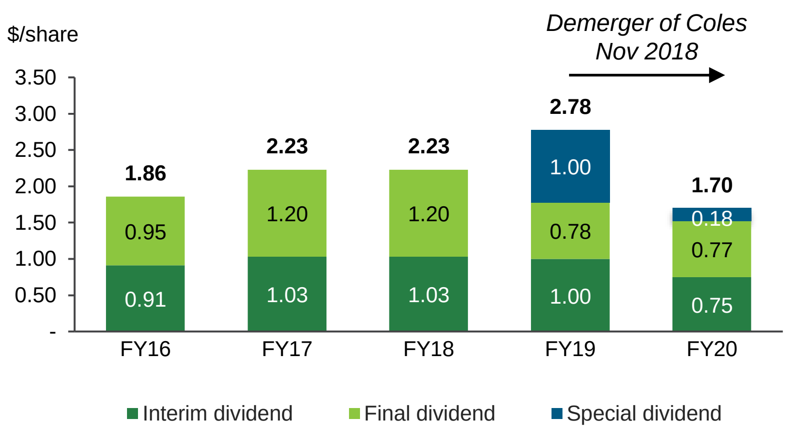


1. Includes bank facility establishment fees and undrawn facility costs.

Dividends & capital management

- Dividend policy takes into account through the cycle free cash flow requirements and debt refinancing
- Fully-franked final ordinary dividend of $0.77 per share
  - Reflects strong underlying NPAT result
  - Takes into account available franking credits, strong balance sheet, robust credit metrics and cash flow generation
- Fully-franked special Coles selldown dividend of $0.18 per share
  - Distributes after-tax profits from sale of the 10.1% interest in Coles
- Focus on maintaining strong credit metrics

Dividends[1]



1. Represents dividends resolved to pay in each year.

Questions

Appendix:
2020 Full-year results briefing presentation (Operational extract)

Wesfarmers

Bunnings

Bunnings performance summary

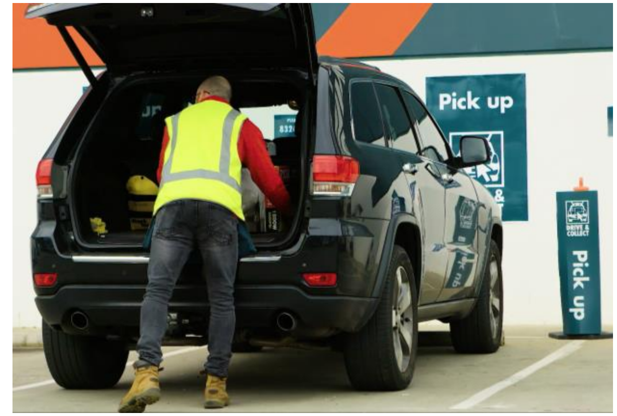
Year ended 30 June ($m)	2020 *Post AASB 16*	2020 *Pre AASB 16*	2019 *Reported*	Variance %[1]
Revenue	**14,999**	**14,999**	**13,166**	***13.9***
EBITDA[2]	2,601	2,053	1,818	*12.9*
Depreciation and amortisation	(658)	(201)	(192)	*(4.7)*
EBIT[2]	**1,943**	**1,852**	**1,626**	***13.9***
Interest on lease liabilities	(117)	-	-	*n.m.*
EBT[2]	**1,826**	**1,852**	**1,626**	***13.9***
Net property contribution[3]	16	36	85	*(57.6)*
EBT (excluding net property contribution)[2]	**1,810**	**1,816**	**1,541**	***17.8***
EBT margin excluding property[2] (%)	12.1	12.1	11.7	
RoC[2,4] (R12, %)	58.0	61.8	50.5	
Safety (R12, TRIFR)	10.3	10.3	11.2	
Total store sales growth	14.7	14.7	5.2	
Store-on-store sales growth[5]	14.7	14.7	3.9	

n.m. = not meaningful

1. Variance calculated on pre AASB 16 results.
2. 2020 includes $20m of additional cleaning, security and protective equipment to respond to COVID-19, as well as $70m of costs in the second half associated with trading restrictions in New Zealand, the permanent closure of seven New Zealand stores and the accelerated rollout of the online offering.
3. The 2020 net property contribution is $20m lower on a post AASB 16 basis due to a change in the recognition of gains on sale and leaseback transactions. The lower gain on sale will be offset through lower depreciation over the life of the relevant lease.
4. Pre AASB 16 RoC is calculated as EBT / capital employed. Post AASB 16 RoC is calculated as EBT / capital employed, where capital employed excludes right-of-use assets and lease liabilities.
5. Store-on-store sales growth excludes stores that were impacted by temporary closure in New Zealand.

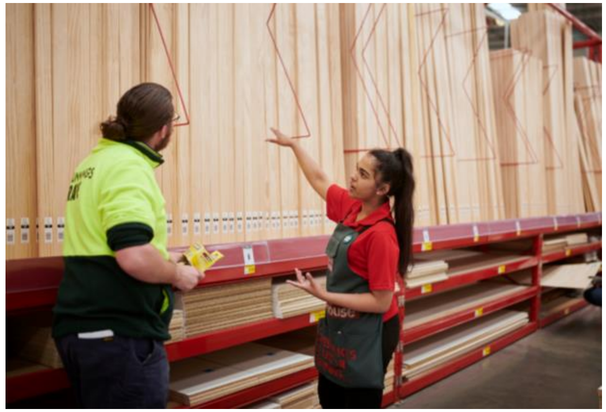
Bunnings sales overview

- Revenue growth of 13.9% to $14,999m
  - Total store sales growth of 14.7%
  - Store-on-store sales growth of 14.7%
  - Provided a convenient offer for consumer and trade customers while operating safely in a COVID-19 environment
- Second-half sales growth underpinned by strong growth in consumer sales as customers spent more time working and undertaking projects at home
  - Total sales growth of 23.4%, or 25.6% excluding temporarily closed New Zealand stores
  - Store-on-store sales growth of 25.8%
  - Particularly strong sales growth in garden and paint
- In-stock levels remained strong reflecting resilience of operating model and strong support from suppliers



Bunnings earnings overview

- Earnings increased 13.9% to $1,852m with a significantly lower net property contribution
- Earnings excluding property contribution increased 17.8%
  - Continued focus on disciplined cost control
  - $20m of additional costs in cleaning, PPE for team members and additional security
  - $70m costs incurred during the second half as a result of trading restrictions in New Zealand, permanent closure of seven New Zealand stores and accelerated rollout of online offer
- RoC (R12) increased 11.3ppt to 61.8%
  - Continuation of the property recycling program
  - Disciplined capital management
  - Favourable but temporary working capital movements



Bunnings progress on strategic agenda

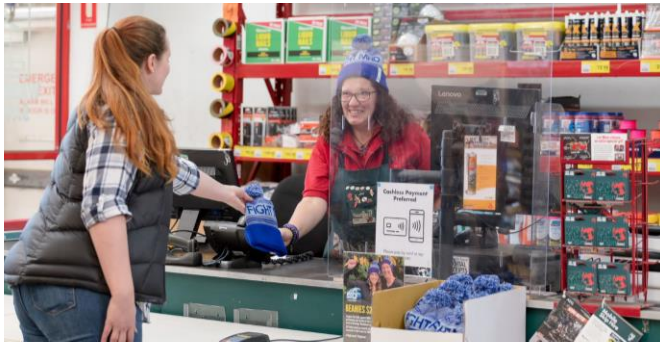
- **Even stronger offer**
  - Continued network investment
  - Expanded ranges and more in situ displays
  - 3,500 additional in-store experts providing specialist advice
- **Data and digital**
  - Rollout of Click and Deliver across Australia and New Zealand
  - Launched new contactless Drive and Collect service
  - Expanded online range to new categories
  - Released the Bunnings Product Finder app
- **Accelerate trade growth**
  - Completed Adelaide Tools acquisition; six specialist stores, online offer
  - Improved connection and engagement with trade customers
  - More investment in specialist team to support 23 landscape hub stores, industry and government customer segments and specialist categories for builders

Adapting to new COVID-19 environment

- Established in-store protocols to ensure customer and team safety
  - Limiting customers in stores, physical distancing measures
  - Installed perspex register guards in all Australian stores
  - Increased cleaning in-store and deep cleans every night across store network
  - Closed cafes, trade coffee stations, water fountains & children's playgrounds, and suspended sausage sizzles, family events & in-store activities
- Introduced new initiatives to support local communities
  - Gift cards donated to over 3,000 community groups in place of cancelled sausage sizzles
  - Donations to over 180 community groups, nominated by team members through competitions
- Launched new technology and services to support convenience and safety
  - Released the Bunnings Product Finder app helping retail customers to locate products and shop quickly
  - Launched a DIY Hotline to support remote access to services and expert advice

Bunnings outlook

- Outlook remains highly uncertain
- Trading performance likely to moderate as extraordinary growth in the second half likely to have pulled sales forward from FY21 in some categories
- Weaker economic conditions expected in Australia and New Zealand with gradual removal of financial support measures from government, banks and landlords likely to impact housing and renovation activity
- Ongoing investment in additional cleaning, security and PPE in response to COVID-19
- Deeper engagement with existing PowerPass customers and further enhancements to PowerPass ecosystem
- Further investment in data and digital capabilities
- Continued investment in store portfolio
  - 16 stores under construction



Kmart Group

Kmart Group performance summary

Year ended 30 June[1] ($m)		2020 Post AASB 16	2020 Pre AASB 16	2019 Reported	Variance %[2]
Revenue		**9,217**	**9,217**	**8,598**	***7.2***
EBITDA[3]		1,122	639	733	*(12.8)*
Depreciation and amortisation		(601)	(216)	(193)	*(11.9)*
EBIT[3]		**521**	**423**	**540**	***(21.7)***
Interest on lease liabilities		(102)	(1)	-	*n.m.*
EBT[3]		**419**	**422**	**540**	***(21.9)***
EBT including payroll remediation costs		**410**	**413**	**540**	***(23.5)***
Significant items		(635)	(635)	-	*n.m.*
EBT including significant items		**(225)**	**(222)**	**540**	***n.m.***
EBT margin[3] (%)		4.5	4.6	6.3	
RoC[4] (R12, %)		20.4	20.9	29.1	
Safety (R12, TRIFR)		12.8	12.8	19.4	
Kmart:	Total sales growth (%)	5.4	5.4	1.5	
	Comparable sales growth[5] (%)	4.3	4.3	0.0	
Target:	Total sales growth (%)	(2.6)	(2.6)	(1.5)	
	Comparable sales growth (%)	(0.8)	(0.8)	(0.8)	
Catch:	Gross transaction value growth[6] (%)	49.2	49.2	n.a.	

n.m. = not meaningful
1. 2020 includes Catch from 12 August 2019. 2019 excludes KTAS trading performance and gain on disposal of KTAS.
2. Variance calculated on pre AASB 16 results.
3. 2020 excludes a pre-tax non-cash impairment of $525m in Target and $110m of pre-tax restructuring costs and provisions, and $9m of payroll remediation costs relating to Target.
4. Pre AASB 16 RoC is calculated as EBT / capital employed. Post AASB 16 RoC is calculated as EBT / capital employed, where capital employed excludes right-of-use assets and lease liabilities. 2020 earnings excludes significant items and includes payroll remediation costs.
5. Comparable sales growth excludes stores that were impacted by temporary closure in New Zealand.
6. 2020 reflects the period 12 August 2019 to 30 June 2020 and 2019 reflects the period 12 August 2018 to 30 June 2019.

Kmart and Target performance summary

- Revenue growth of 3.0% to $8,853m
  - **Kmart** sales growth of 5.4%
  - **Target** sales decline of 2.6%
- Earnings decline of 22.0% to $421m[1] predominantly driven by Target
  - **Kmart:** solid earnings performance, impacted by investment in retail technology and capability, and Anko of approximately $30m
  - **Target:** loss-making despite disciplined cost control due to lower sales and higher clearance activity
  - Shrinkage, foreign exchange movements and Kmart's new enterprise agreement were headwinds
- COVID-19 impacts in the second half:
  - Significant online growth
  - Social distancing measures and NZ government-mandated store closures impacted store traffic
  - Significant sales growth in Kmart home categories, which resulted in availability issues in June
  - Higher operating costs

Year ended 30 June ($m)	**2020** ***Pre AASB 16***	**2019** ***Reported***	**Variance %**
Revenue	8,853	8,598	*3.0*
EBITDA[1]	619	733	*(15.6)*
EBT[1]	421	540	*(22.0)*

1. 2020 excludes $635m of pre-tax significant items and $9m of payroll remediation costs relating to Target.

Catch performance summary

- Strong growth across both in-stock and marketplace segments
  - Revenue of $364m since acquisition
  - Gross transaction value increasing 49.2% since acquisition and 75.5% in the second half
  - Ongoing growth in Club Catch subscriptions
- Continued investment in marketing and capability
  - Acquired 1.1m new customers since acquisition, with a total of 2.3m active customers at the end of FY20
  - Expanded fulfilment capacity and automation to support future growth
- Expanded supplier network and forged new relationships to offer full selection from top brands
- Implemented customer-driven initiatives during the year
  - Click and collect for Catch products in Target stores
  - Introduced Target to Catch marketplace
- Appointed Peter Sauerborn as Managing Director, bringing deep e-commerce expertise

Year ended 30 June[1] ($m)	**2020** ***Post AASB 16***
Gross transaction value	632
Revenue	364
EBITDA	20
EBT[2]	1
Gross transaction value growth[3] (%)	49.2

1. Reflects Catch's performance under Wesfarmers ownership since 12 August 2019.
2. Includes an amortisation expense of $10m relating to assets recognised as part of the acquisition.
3. 2020 reflects the period 12 August 2019 to 30 June 2020 and 2019 reflects the period 12 August 2018 to 30 June 2019.

Kmart Group outlook

- In an uncertain environment, **Kmart Group** is well-positioned to deliver sustainable long-term returns
- **Kmart** will continue to focus on investing for future growth
  - Ongoing investment in technology and digital capabilities, including online re-platform
  - Conversion of selected Target stores will accelerate future growth, including 12 large format stores and an additional three Target Country stores to Kmart and K Hub stores respectively during the first half of FY21
- Inventory availability has improved in **Kmart**
- **Target** will continue to focus on improving commercial viability
  - Not expected to be profitable in FY21 but reduced scale of business will limit impact on Kmart Group earnings
- One-off non-operating costs of $120m to $140m in FY21 relating to store conversions and closures as per prior guidance
- **Catch** will accelerate the expansion and improvement of its customer value proposition
  - Significant investment in growing gross transaction value and building operational capacity will impact earnings in FY21
  - Leveraging assets across the Wesfarmers Group

Officeworks

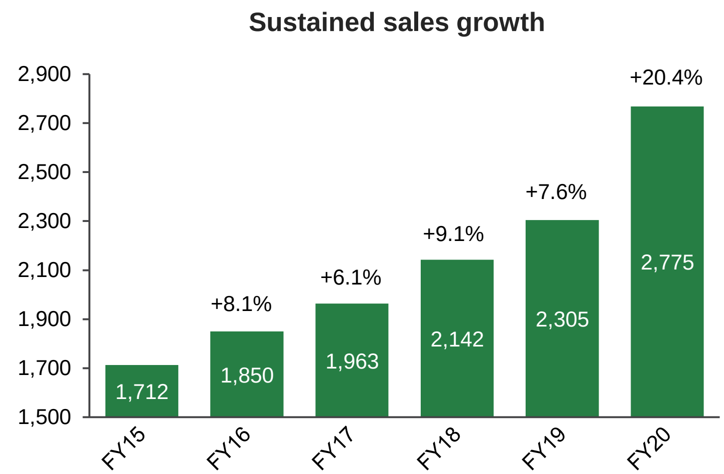
Officeworks performance summary

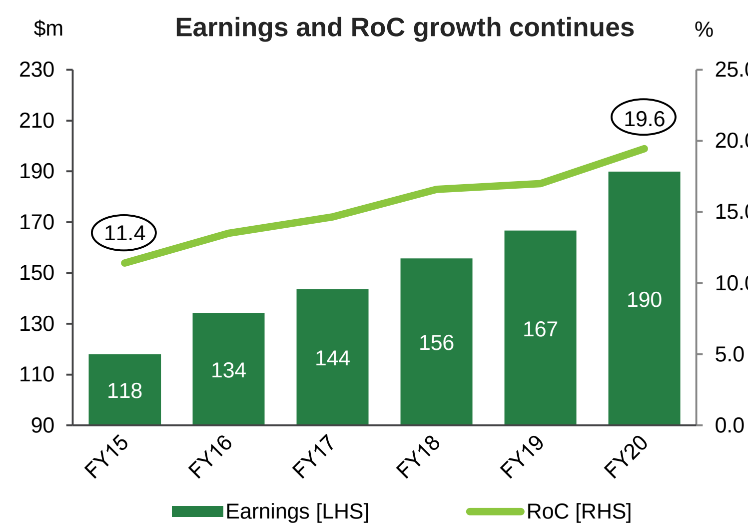
Year ended 30 June ($m)	2020 *Post AASB 16*	2020 *Pre AASB 16*	2019 *Reported*	Variance %[1]
Revenue	**2,787**	**2,787**	**2,314**	***20.4***
EBITDA	307	221	195	*13.3*
Depreciation and amortisation	(99)	(31)	(28)	*(10.7)*
EBIT	**208**	**190**	**167**	***13.8***
Interest on lease liabilities	(11)	-	-	*n.m.*
EBT	**197**	**190**	**167**	***13.8***
EBT margin (%)	7.1	6.8	7.2	
RoC[2] (R12, %)	20.2	19.6	17.0	
Safety (R12, TRIFR)	7.9	7.9	8.5	
Total sales growth (%)	20.4	20.4	7.6	

n.m. = not meaningful
1. Variance calculated on pre AASB16 results.
2. Pre AASB 16 RoC is calculated as EBT / capital employed. Post AASB 16 RoC is calculated as EBT / capital employed, where capital employed excludes right-of-use assets and lease liabilities.

Officeworks overview

- **Sales growth of 20.4%**
  - Every-channel approach continues to deliver strong sales growth in stores and online
  - Online sales penetration of approximately 30%, including Click and Collect sales
  - Strong second half sales growth of 28.5% underpinned by increased demand due to customers establishing and maintaining their work and learning spaces at home, and a strong back-to-school trading period
- **Earnings growth of 13.8%**
  - Gross margin impacted by sales mix changes, which accelerated in the second half, and ongoing price investment throughout the year
  - Continued strong operational cost control
  - Investment in team member recognition, COVID-19 safety measures and new customer offers
- **RoC (R12) up 260bp to 19.6%**
  - Strong earnings growth, while continuing to invest for the long term
  - Temporary working capital benefit from unprecedented customer demand





Officeworks progress on strategic agenda

- **Our team**
  - Prioritised focus on keeping the team safe
  - Approval and implementation of new Enterprise Agreement for stores
- **Customer experience**
  - Redefined back-to-school
  - Improved online offer
  - Commenced building data and analytics platform
- **Connecting with our communities**
  - Raised more than $3.1m for partners and local communities
  - 86% of all waste recycled, landfill reduced by 26%
  - 6% reduction in carbon emissions
- **Operational excellence**
  - Implemented new payroll and people management system
- **Growing our business**
  - Range expansion and investment in customer value
  - Advanced Print & Copy platform upgrade and store renewal program
  - Launched expanded Geeks2U offer

Officeworks outlook

- Outlook for year ahead remains uncertain, with changing customer shopping patterns and COVID-19 measures expected to impact trading conditions
- Continued investment to ensure COVID safe operations
- Well-positioned for the future
- Execution of strategy to drive long-term growth, key focus areas in the year ahead:
  - Invest in team member health and wellbeing programs
  - Leverage data and analytics platform to improve customer personalisation
  - Build position in the education market
  - Invest in customer fulfilment centres and store capacity to support sales growth and productivity
  - Increase awareness of expanded Geeks2U offer
- Focus on helping make bigger things happen for customers, team, the community and stakeholders

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

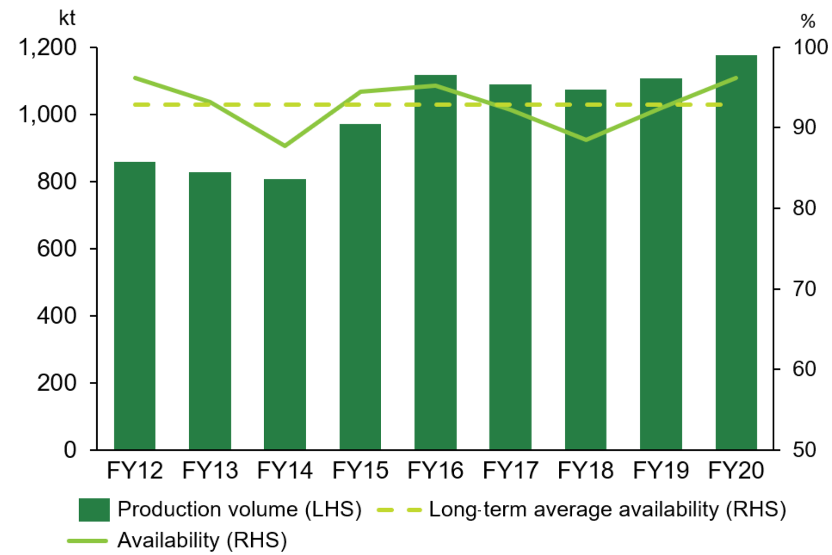
Year ended 30 June[1] ($m)		2020 *Post AASB 16*	2020 *Pre AASB 16*	2019 *Reported*	Variance %[2]
Revenue[3]	Chemicals	1,022	1,022	1,000	*2.2*
	Energy	424	424	468	*(9.4)*
	Fertilisers	639	639	610	*4.8*
	Total	**2,085**	**2,085**	**2,078**	***0.3***
EBITDA[4]		481	474	513	*(7.6)*
Depreciation and amortisation		(86)	(81)	(80)	*(1.3)*
EBIT[4]		**395**	**393**	**433**	***(9.2)***
Interest on lease liabilities		(1)	-	-	*n.m*
EBT[4]		**394**	**393**	**433**	***(9.2)***
External sales volumes[5] ('000 tonnes)	Chemicals	1,152	1,152	1,098	*4.9*
	LPG & LNG	215	215	221	*(2.7)*
	Fertilisers	1,202	1,202	1,125	*6.8*
RoC[4,6] (R12, %)		20.3	20.2	32.6	
RoC[4,6] (R12, %) excluding Australian Light Minerals		30.5	30.4	32.6	
Safety (R12, TRIFR)		3.3	3.3	4.2	

n.m. = not meaningful
1. 2020 includes Australian Light Minerals, the holding company for WesCEF's 50% interest in the Covalent Lithium joint venture, from 23 September 2019. 2019 excludes Quadrant.
2. Variance calculated on pre AASB 16 results.
3. Excludes intra-division sales.
4. 2020 and 2019 include $18m and $30m of insurance proceeds respectively, relating to the five-month ammonia plant production disruption that commenced in February 2018. 2019 includes a $19m provision for removal of redundant equipment.
5. External sales exclude AN volumes transferred between Chemicals and Fertilisers business segments.
6. Pre AASB 16 RoC is calculated as EBT / capital employed. Post AASB 16 RoC is calculated as EBT / capital employed, where capital employed excludes right-of-use assets and lease liabilities.

Chemicals, Energy and Fertilisers operational performance

WesCEF TRIFR

Chemicals – Production Volume and Availability



- Further improvement in safety results supported by divisional framework – 'Safe Person, Safe Process, Safe Place'
- Strong plant performance and continued benefits from debottlenecking initiatives resulting in further annual increase in volumes across Chemicals
- Improved availability[1] of 96% across Chemicals facilities; an ammonia plant shutdown planned in FY21
- Ongoing focus on utilising data and digital capability to optimise plant reliability and drive efficiency opportunities

1. Availability is the simple average across the Chemicals production facilities.

Chemicals, Energy and Fertilisers overview

- Revenue of $2,085m in line with prior period, with volume growth in Chemicals and Fertilisers, offset by lower prices (primarily Saudi CP[1]) and volumes in Energy
- Earnings of $393m, down 9.2% on prior period driven by lower sales in Energy as well as competitive pressures in the Western Australian EGAN[2] and fertiliser markets
- **Chemicals:** Earnings marginally declined on prior period
  - AN[3] earnings impacted by additional costs to refine the emulsion product and annualised impact of renegotiated long-term customer contracts
  - Strong performance from ammonia with higher plant availability and record production rates driven by investment made in prior years, which offset weaker ammonia indicator price (FY20 average price down 11.9% on prior period)
  - Earnings increased in the sodium cyanide business due to increased plant production volumes, lower input costs and robust demand from the gold mining sector
- **Energy:** Earnings significantly down on prior period
  - Lower Saudi CP (FY20 average price down 17.3% on prior period) and subdued margins in natural gas retailing
- **Fertilisers:** Earnings down on prior period
  - Increased demand and sales volumes offset by higher operational and logistics costs
- Result included costs associated with ongoing management of lithium investment

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

Chemicals, Energy and Fertilisers outlook

- Product demand expected to remain robust in iron ore and gold mining sectors
- Chemicals volumes are expected to moderate marginally
- Increase in AN sales to fertiliser and export markets as a result of lower EGAN sales now that the competing Burrup plant is operational
- Sodium cyanide business is expecting strong demand to continue
- Kleenheat LPG business expected to be impacted by weakness in Saudi CP
- Fertilisers earnings are dependent upon seasonal outcomes and grower sentiment, and are expected to be impacted by higher input and logistics costs in the first half
- Final investment decision on Mt Holland lithium project due in first quarter of the 2021 calendar year
- Potential for input and logistics cost pressures across the business due to COVID-19
- Earnings will continue to be impacted by international commodity prices, foreign 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

Year ended 30 June ($m)	2020 *Post AASB 16*	2020 *Pre AASB 16*	2019 *Reported*	Var %[1]
Revenue	**1,745**	**1,745**	**1,752**	***(0.4)***
EBITDA[2]	136	93	124	*(25.0)*
Depreciation and amortisation	(77)	(38)	(38)	-
EBIT[2]	**59**	**55**	**86**	***(36.0)***
Interest on lease liabilities	(5)	-	-	*n.m.*
EBT[2]	**54**	**55**	**86**	***(36.0)***
EBT including payroll remediation costs	**39**	**40**	**86**	***(53.5)***
Significant items	(310)	(310)	-	*n.m.*
EBT including significant items	**(271)**	**(270)**	**86**	***n.m.***
EBT margin[2] (%)	3.1	3.2	4.9	
RoC[3] (R12, %)	2.7	2.8	5.8	
Safety (R12, TRIFR)	4.8	4.8	6.9	

n.m. = not meaningful
1. Variance results to pre AASB16 results.
2. 2020 excludes a pre-tax non-cash impairment of $310m and $15m of payroll remediation costs.
3. Pre AASB 16 RoC is calculated as EBT / capital employed. Post AASB 16 RoC is calculated as EBT / capital employed, where capital employed excludes right-of-use assets and lease liabilities. 2020 earnings excludes significant items and includes payroll remediation costs.

Industrial and Safety overview

- The performance of Industrial and Safety was below expectations
- Industrial and Safety businesses focused on supporting customers to respond to the Australian bushfires and COVID-19 during the year by
  - Sourcing critical products, including personal protective equipment, hygiene and cleaning products
  - Ensuring critical oxygen supply to hospital groups
  - Providing additional risk consulting services
- Revenue of $1,745m, in line with prior period
  - Blackwoods' revenue increased due to strong demand for critical products and continued growth in strategic customers and in Western Australia, partly offset by New Zealand and declines in other segments
  - Workwear Group's revenue declined due to lower corporate uniform sales in Australia and the United Kingdom as a result of COVID-19
  - Coregas' revenue increased due to higher demand in medical segment
- Earnings of $55m (excluding significant items and payroll remediation costs), down significantly on prior period
  - Blackwoods' earnings impacted by continued investment in customer service and digital capabilities including ERP[1]
  - Workwear Group's earnings declined due to lower revenue from corporate uniform sales and the non-repeat of one-off insurance proceeds in the prior period
  - Coregas' earnings declined due to higher raw material and freight costs

1. Enterprise resource planning.

Industrial and Safety outlook

- Market conditions in Australia and NZ are expected to be uncertain and remain challenging in FY21
- Blackwoods continues to focus on improving the customer value proposition
  - Continued investment in data and digital
  - Implementation of the ERP system
- Workwear Group will continue to be impacted by COVID-19
  - Focused on new business opportunities, growth from key brands, cost improvement initiatives, and continued investment in its digital offering and operating efficiencies
- Coregas' earnings are expected to be impacted by lower demand along with continued competitive pressures

Wesfarmers