



2024 FULL-YEAR RESULTS

Debt Investor Update



GROUP PERFORMANCE OVERVIEW



Wesfarmers Way

Wesfarmers' primary objective is to deliver a satisfactory return to shareholders. We believe it is only possible to achieve this over the long term by:



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



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



Engaging fairly with our suppliers, and sourcing ethically and sustainably



Supporting the communities in which we operate



Taking care of the environment



Acting with integrity and honesty in all of our dealings

2024 Full-year highlights

Revenue
up 1.5% to

\$44.2b

Operating cash flows
up 9.9% to

\$4.6b

NPAT
up 3.7% to

\$2.6b

Full-year dividend
up 3.7% to

\$1.98 per share



Portfolio is well-positioned to deliver strong growth and returns over the long term

- High quality businesses with competitive advantages and attractive growth opportunities
- Opportunities for incremental earnings streams – Health, Covalent lithium project
- Strong balance sheet provides optionality to deploy capital

Maintained focus on responsible long-term management



Benefits from proactive focus on productivity and efficiency



Good progress delivering key growth projects



Continued to build climate resilience and long-term sustainability

Divisional highlights

Bunnings

Sales	Earnings ¹
\$18.9b	\$2,249m
↑ 2.3%	↑ 2.6%

- Performance highlights the resilience of the offer
- Strong execution of strategies
- Value credentials supporting cost-conscious customers
- Range innovation driving demand
- Improved customer experience across channels
- Strengthened 'Whole of Build' commercial strategy

Kmart Group

Sales	Earnings
\$11.2b	\$958m
↑ 4.1%	↑ 24.6%

- Significant earnings growth
- Kmart's lowest price positioning and Anko range resonating as customers seek value
- Sales growth across all categories
- Continued focus on productivity and strong operational execution
- Benefiting from ongoing initiatives to digitise operations

WesCEF

Revenue	Earnings
\$2.7b	\$440m
↓ 16.9%	↓ 34.2%

- Strong operating performance with increased plant production
- Financial results impacted by lower global commodity pricing and higher WA natural gas costs
- Mt Holland mine and concentrator operations in ramp up, with first sale of spodumene completed in 2H24
- Announced sale of LPG and LNG distribution businesses

Officeworks

Sales	Earnings
\$3.4b	\$208m
↑ 2.3%	↑ 4.0%

- Growth across key categories
- Market share gains in technology as Officeworks evolves the offer
- Online sales growth supported by enhanced delivery options
- Focus on productivity initiatives
- Increased use of technology in the support centre, stores and supply chain

WIS

Revenue
\$2.0b
↑ 1.5%

Earnings
\$109m
↑ 9.0%

- Pleasing financial result reflects recent investments and productivity focus
- Continued improvement in customer service and digital capabilities

Health

Revenue
\$5.6b
↑ 5.9%

Earnings
\$50m
↑ 11.1%

- Strong Priceline sales growth
- Focus on transformation activities to improve returns and build a profitable business
- Recent acquisitions performing well

OneDigital

GTV
↓ (28.5%)
Earnings
(\$96m)
One Digital Earnings
(\$70m)

- Catch reduced losses, focus now on scaling marketplace
- Significant enhancements to OnePass offer delivering value
- Supporting new customer acquisition, customer retention and incremental sales

1. Excluding net property contribution.

Focus on long-term value, consistent with our objective



CLIMATE AND ENVIRONMENT FY24

5.4%

reduction in Scope 1 and Scope 2 (market-based) emissions

46 MW

rooftop solar capacity across 212 systems, with 47 systems installed during the year

73.5%

of operational waste diverted from landfill

1. Percentage of Wesfarmers' Australian team members who identify as Aboriginal or Torres Strait Islander team members.

PEOPLE FY24

11.0

total recordable injury frequency rate (TRIFR) and a continued focus on safety

3.8%

Indigenous employment¹, maintaining employment parity

43%

women in Board and Leadership Team positions



COMMUNITIES FY24

\$88.2m

direct and indirect community contributions

4,472

supplier sites in the ethical sourcing program

Group performance summary

Year ended 30 June (\$m) ¹	2024	2023	Var %
Revenue	44,189	43,550	1.5
EBIT	3,989	3,863	3.3
EBIT (after interest on lease liabilities)	3,753	3,644	3.0
NPAT	2,557	2,465	3.7
Basic earnings per share (cps)	225.7	217.8	3.6
Return on equity (R12,%)	31.3	31.4	(0.1 ppt)
Operating cash flows	4,594	4,179	9.9
Net capital expenditure	1,044	1,183	(11.7)
Free cash flows	3,225	3,627	(11.1)
Cash realisation ratio (%)	105	100	5 ppt
Full-year ordinary dividend (fully-franked, cps)	198	191	3.7
Net financial debt	4,258	3,984	6.9
Debt to EBITDA (x)	1.8	1.9	(0.1 x)

1. Refer to slides 19 – 20 for relevant definitions.

Working capital and cash flow

- Divisional operating cash flows increased 4.0%, with divisional cash realisation of 101%¹
 - Reflects disciplined net working capital management at Bunnings
 - Partially offset by lower earnings at WesCEF due to the impact of lower global commodity prices, and working capital investment in Health following changes to supplier and customer payment arrangements
- Group operating cash flows increased 9.9% to \$4,594m
 - Reflects strong divisional cash flow result and lower tax paid due to the timing of tax payments
- Free cash flows decreased 11.1% to \$3,225m
 - Reflects the cycling of proceeds from the sale of the Group's remaining interest in Coles in the prior year
 - Includes the impact of cash consideration relating to acquisitions of SILK and InstantScripts
- Group cash realisation ratio of 105%

NET WORKING CAPITAL CASH MOVEMENT

Year end 30 June (\$m)	2024	2023
Receivables and prepayments	(153)	41
Inventory	(59)	57
Payables	129	(48)
Total	(83)	50
Bunnings Group	231	(103)
Kmart Group	(93)	218
WesCEF	(31)	30
Officeworks	(30)	(14)
WIS	19	(54)
Health	(142)	(79)
Catch	8	48
Other	(45)	4
Total	(83)	50

Note: Refer to slides 19 – 20 for relevant definitions.

1. Includes Catch but excludes OnePass and supporting capabilities.

Capital expenditure

- Gross capital expenditure of \$1,076m, down 16.5%
 - Lower capex largely due to lower spend on store building projects in Bunnings and lower development spend on the Covalent lithium project, due to timing of project spend
 - WesCEF capex includes development capex of \$250m and capitalised interest of \$26m relating to the Covalent lithium project
- Net capital expenditure down 11.7% to \$1,044m
 - Proceeds from the sale of property, plant and equipment of \$32m were \$73m below the prior year due to reduced property disposals at Bunnings
- Expected FY25 net capital expenditure of \$1,100m to \$1,300m, subject to net property investment and project timing in WesCEF

CAPITAL EXPENDITURE

Year end 30 June ¹ (\$m)	2024	2023	Var %
Bunnings Group	268	405	(33.8)
Kmart Group	136	127	7.1
WesCEF	447	518	(13.7)
Officeworks	64	71	(9.9)
Industrial and Safety	79	73	8.2
Wesfarmers Health	38	41	(7.3)
Catch	5	10	(50.0)
Other ²	39	43	(9.3)
Gross cash capital expenditure	1,076	1,288	(16.5)
Sale of PP&E	(32)	(105)	(69.5)
Net cash capital expenditure	1,044	1,183	(11.7)

1. Capital expenditure provided on a cash basis.

2. Includes capital expenditure for OneDigital excluding Catch.

Group outlook

- **Wesfarmers remains focused on long-term value creation and continues to invest to strengthen its existing businesses and develop platforms for growth**
- Australian and New Zealand inflation moderated over FY24, but current inflation and interest rates remain elevated
- Domestic cost pressures are expected to persist
- Despite these challenges, the Australian economy remains well-supported with low unemployment and ongoing population growth

- The Group's **retail divisions** remain well positioned to meet customer demand for value-based products, as households face cost of living pressures
- Benefiting from proactive productivity and efficiency investment over recent years

For 1H25 to date:

- Kmart Group delivered sales growth broadly in line with the growth in 2H24
- Bunnings continued to see positive sales growth, but growth has moderated from 2H24, impacted by the continued market-wide softening in building activity
- Officeworks delivered sales growth slightly ahead of the growth in 2H24

- The performance of the Group's **industrial businesses** remains subject to international commodity prices, foreign exchange rates, competitive factors and seasonal outcomes
- Wesfarmers remains focused on developing an integrated lithium mine, concentrator and refinery
- Covalent is expected to complete construction and commissioning of the refinery with first product in mid-CY25
 - Sales expected to commence in FY26 as production volumes ramp up and after product qualification with customers
 - Capital expenditure remains in line with prior guidance

- Wesfarmers maintains a strong balance sheet and portfolio of cash generative businesses with market-leading positions
- This provides flexibility to respond to potential risks and opportunities under a range of economic scenarios
- The Group expects net capital expenditure between \$1,100m and \$1,300m for FY25

BALANCE SHEET AND DEBT MANAGEMENT



Strong and resilient balance sheet

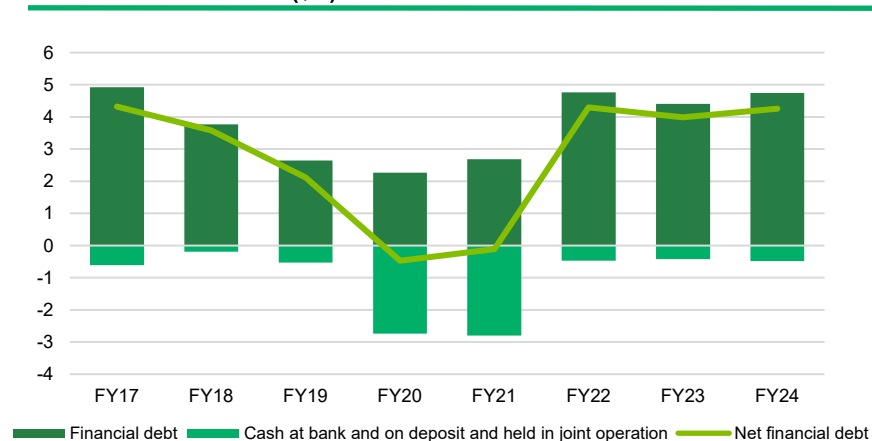
Key principles

- Maintaining a prudent capital structure and strong credit rating is important to Wesfarmers
 - Moody's A3 (stable outlook)
 - S&P A- (stable outlook)

Full-year update

- Maintained significant flexibility and debt capacity
- Weighted average cost of debt of 3.87% for the year (FY23: 3.32%)
 - Impact of interest rate increases substantially mitigated by fixed rate capital markets debt and interest rate hedging
- Weighted average debt term to maturity of 4.5 years¹ (FY23: 4.4 years)
- Net financial debt position of \$4.3b as at 30 June 2024, compared to the net financial debt position of \$4.0b as at 30 June 2023
 - The change reflected strong operating cash flows, offset by the distribution of \$2.2b in fully-franked dividends, ongoing capital investment and acquisition activity during the year
- Strong liquidity position, supported by committed unused bank facilities available of c.\$1.9b
- Significant headroom against key credit metrics

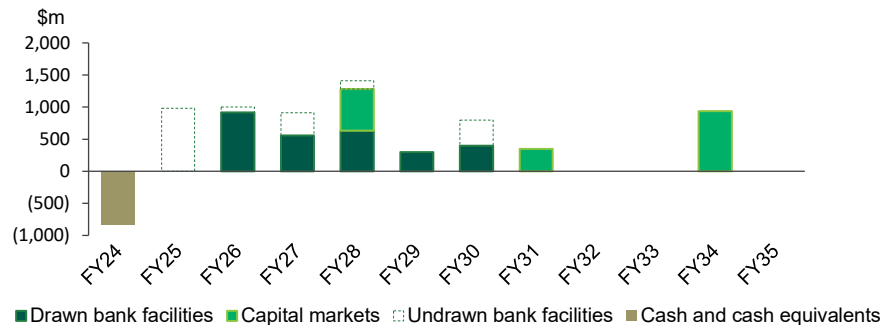
NET FINANCIAL DEBT (\$B) ¹



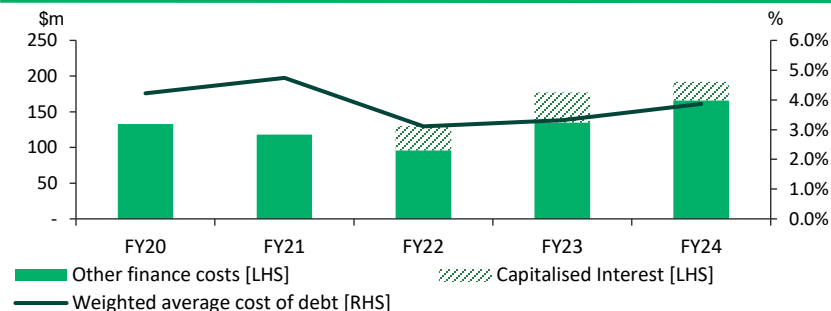
Pro-active debt management

- Continued focus on optimising debt profile and liquidity headroom provided by bilateral bank facilities through:
 - Extension of bilateral bank facilities to extend and spread out debt maturity profile
 - Reduction of total available bank facilities to manage borrowing costs
- Actively managing the balance of exposure to fixed and floating interest rates
- Other finance costs increased 23% to \$166m, reflecting higher average interest rates during the year and lower capitalised interest
 - On a combined basis, other finance costs including capitalised interest increased 8.5% to \$192m

DEBT MATURITY PROFILE¹



FINANCE COSTS AND WEIGHTED AVERAGE COST OF DEBT



Note: Refer to slides 19 and 20 for relevant definitions.

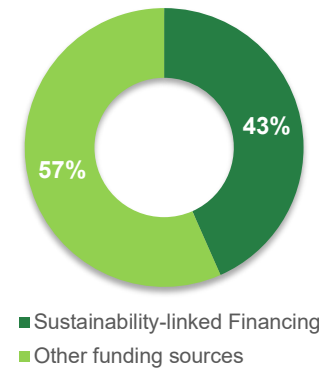
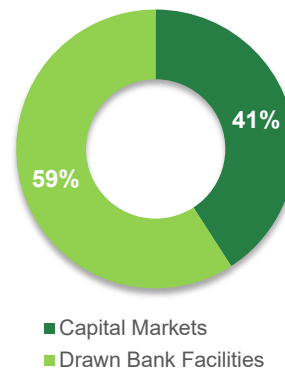
1. As at 30 June 2024. Capital markets debt is net of cross-currency interest rate swaps

Debt capital markets diversity

DCM GEOGRAPHICAL SOURCES¹




DEBT BY TYPE¹



- Ongoing commitment to diversify funding sources, including the domestic and international debt capital markets
- Australian and European debt capital market programme documentation updated on an ongoing basis to ensure continued and ready access to markets
- We continue to monitor onshore and offshore debt capital markets for favourable issuance opportunities subject to financing requirements

1. As at 30 June 2024 on a drawn basis.

Sustainable finance update

March 2020 A\$400m sustainability-linked loan	June 2021 A\$1b sustainability-linked bond	October 2021 €600m sustainability-linked bond
<ul style="list-style-type: none"> Achieving proportional representation for Aboriginal and Torres Strait Islander (ATSI) people in the Group's Australian work force Reducing the emissions intensity of the Group's chemicals business 	<ul style="list-style-type: none"> Increasing the use of renewable electricity in the Group's retail divisions (Bunnings Group, Kmart Group and Officeworks) Reducing the emissions intensity of ammonium nitrate production in the Group's chemicals business 	
<p>Progress as at FY24</p> <ul style="list-style-type: none"> 3.8% indigenous employment¹, maintaining employment parity (FY20: 1.9%) Continued focus on reduction of the emissions intensity of the Groups' chemicals business, including management of increased ammonia production 	<p>Progress as at FY24</p> <ul style="list-style-type: none"> Emissions intensity of ammonium nitrate in the chemicals business was 0.15 tonnes CO₂e per tonne of ammonium nitrate based on² 31 December 2023, well below the target of 0.25 Continuing to invest in renewable electricity generation with a total of 212 on-site solar installations as of 30 June 2024, with 47 installed during the year, totalling 46 megawatts of generation capacity Bunnings Group, Kmart Group and Officeworks³ have a 100 per cent renewable electricity contract for almost 150 sites in Queensland which will deliver 100 per cent renewable electricity from 1 January 2025 <ul style="list-style-type: none"> Bunnings and Officeworks have executed, and Kmart Group has tendered for, additional agreements for the supply of renewable electricity Retail divisions achieved a 15.1% year-on-year reduction in Scope 1 and 2 market-based emissions (Scope 2 emissions arising from electricity use account for the majority of operational emissions in the retail divisions) 	

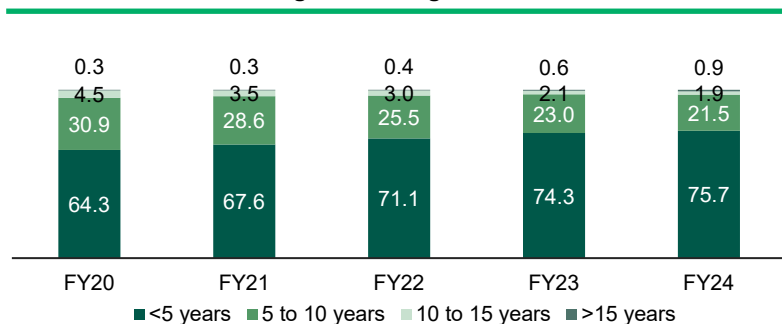
1. Percentage of Australian team members who identify as Aboriginal or Torres Strait Islander team members, 2. Based on the 24 months to the relevant date

3. As per Sustainability-linked Bonds progress report – 31 December 2023 4. Bunnings Group, Kmart Group and Officeworks

Management of lease portfolio

- Lease liabilities totalled \$6.5b and represented 58% of Group fixed financial obligations as at 30 June 2024
- Average remaining committed lease term of 4.0 years¹ (FY23: 4.1 years)
 - Complemented by strategic extension options to maintain security of tenure
 - Reflects disciplined management of leases in retail businesses
- Continued to focus on lease-adjusted return on capital as a key hurdle for divisions

Weighted average lease term¹



Lease liabilities (\$m)	FY24	FY23
Bunnings Group	3,402	3,568
Kmart Group	2,237	2,341
WesCEF	57	61
Officeworks	424	413
Industrial and Safety	109	130
Wesfarmers Health	226	156
Catch	35	53
Other	32	17
Total lease liabilities	6,522	6,739

Note: Refer to slides 19 – 20 for relevant definitions.

1. Post-AASB16 lease tenure calculated as weighted average of undiscounted dollar commitments by year including non-property leases and reasonably certain extension options.

Dividends and capital management

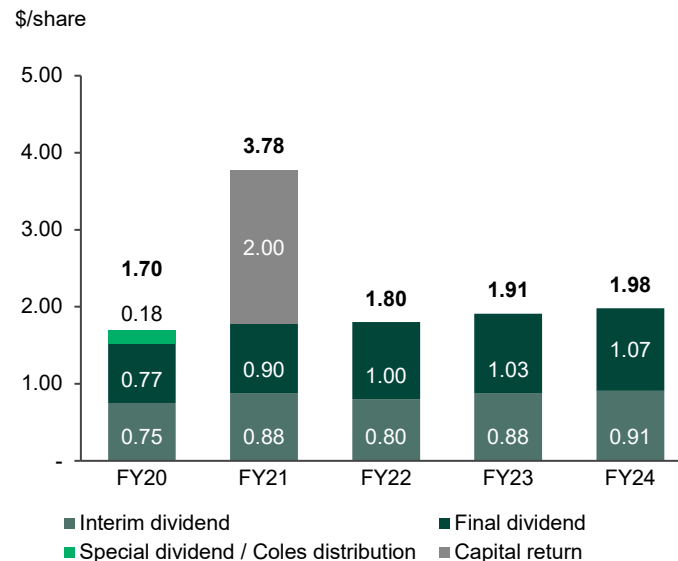
Key principles

- Dividend distributions determined based on franking credit availability, current earnings, cash flows, future cash flow requirements and targeted credit metrics
- Maximising value of franking credits for shareholders
- Dividends are not progressive, and vary year- to-year with earnings

Full year update

- Fully-franked ordinary final dividend of \$1.07 per share takes full year ordinary dividend to \$1.98 per share
- Dividend record date 4 September 2024; dividend payable 9 October 2024
- Dividend investment plan: not underwritten; last day for application 5 September 2024
 - Dividend investment plan shares expected to be purchased on market

SHAREHOLDER DISTRIBUTIONS¹



1. Represents distributions determined to be paid in each period.

Additional resources

- Wesfarmers debt investor website

<https://www.wesfarmers.com.au/investor-centre/debt-investors>

- Wesfarmers sustainable finance website

<https://www.wesfarmers.com.au/investor-centre/debt-investors/sustainable-finance>

- Please email to the below address if you would like to be added to our distribution list for debt updates:

debt@wesfarmers.com.au

Glossary of terms (1 of 2)

Term	
AASB	Australian Accounting Standards Board
API	Australian Pharmaceutical Industries Ltd
b	Billion
Cash realisation ratio	Operating cash flows as a percentage of net profit after tax, before depreciation and amortisation
CO₂e	Carbon dioxide equivalent
cps	Cents per share
Covalent lithium project	Wesfarmers' 50 per cent owned joint operation with Sociedad Quimica y Minera
DCM	Debt capital markets
Debt to EBITDA	Total debt including lease liabilities, net of cash and cash equivalents, divided by EBITDA. The calculation may differ from the metrics calculated by Moody's Investors Service and S&P Global Ratings, which each have their own methodologies for adjustments
Divisional cash realisation	Divisional operating cash flows before interest, tax, PPE and lease finance payments divided by divisional EBITDA. Includes Catch but excludes OnePass and supporting capabilities
EBIT	Earnings before finance costs and tax
EBITDA	Earnings before finance costs, taxes, depreciation and amortisation
EBT	Earnings before tax
GTV	Gross transaction value. GTV includes both first-party (in-stock) sales as well as sale of third-party products via a marketplace

Glossary of terms (2 of 2)

Term	
ktCO₂e	Kilotonnes of carbon dioxide equivalent
LNG	Liquefied natural gas
LPG	Liquefied petroleum gas
m	Million
n.m.	Not meaningful
Net financial debt	Interest-bearing loans and borrowings less cash at bank and on deposit and held in joint operation, net of cross-currency interest rate swaps and interest rate swap contracts. Excludes cash on hand, cash in transit and lease liabilities
NPAT	Net profit after tax
PPA	Purchase price allocation
ppt	Percentage point
R12	Rolling 12 month
SLB	Sustainability-linked bond
TRIFR	Total recordable injury frequency rate
Weighted average cost of debt	Weighted average cost of debt based on total gross debt before undrawn facility fees and amortisation of debt establishment costs. Excludes interest on lease liabilities and the balance of lease liabilities



Wesfarmers