

ASX CEO Connect Conference

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Wesfarmers



Our primary objective

Wesfarmers' primary objective is to provide 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 & delivering competitive goods & services



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



Engaging fairly with our suppliers & sourcing ethically & sustainably



Supporting the communities in which we operate



Taking care of the environment



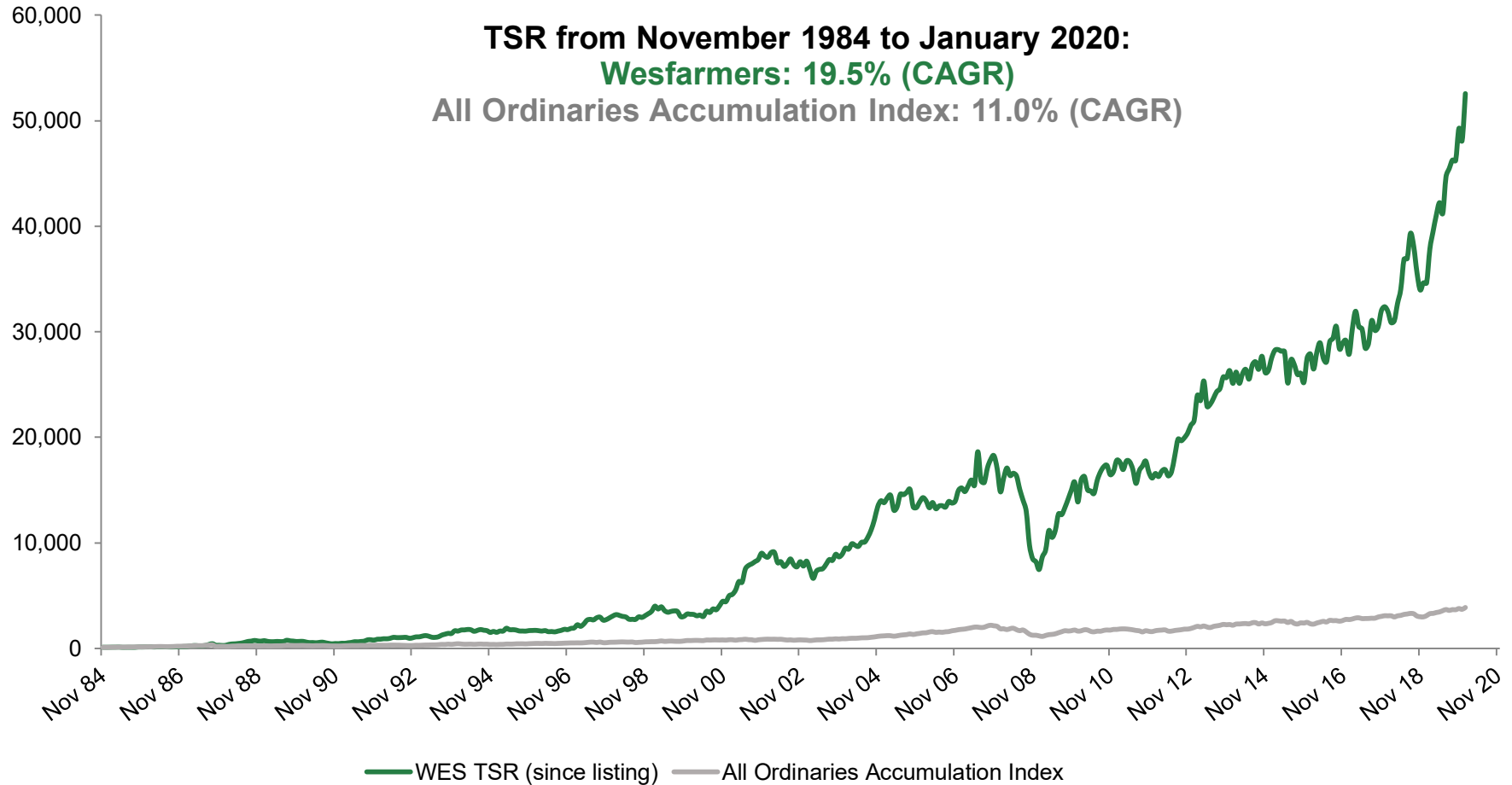
Acting with integrity & honesty in all of our dealings

Superior long-term financial performance

TSR Index
(November 1984 = 100)

Total Shareholder Return¹

TSR from November 1984 to January 2020:
Wesfarmers: 19.5% (CAGR)
All Ordinaries Accumulation Index: 11.0% (CAGR)



1. As at 31 January 2020. Assumes 100% dividend reinvestment on the ex-dividend date & full participation in capital management initiatives.

Wesfarmers portfolio



<p>Bunnings</p>		<ul style="list-style-type: none"> • Leading retailer of home improvement & outdoor living products in Australia and New Zealand
<p>Kmart Group</p>		<ul style="list-style-type: none"> • Kmart is a leading product development & deep discount retailer in apparel & general merchandise • Target offers quality & fashion across apparel, homewares & general merchandise • Catch is a leading Australian online marketplace
<p>WesCEF</p>		<ul style="list-style-type: none"> • Strong operational expertise in industrial chemicals, energy solutions and fertilizer manufacture & import • 50% owned joint venture (Covalent Lithium) to develop & operate Mt Holland Lithium project
<p>Industrial & Safety</p>		<ul style="list-style-type: none"> • Leading supplier of industrial and safety products • Australia's largest provider of industrial & corporate workwear • Supplier of industrial specialty & medical gases
<p>Officeworks</p>		<ul style="list-style-type: none"> • Leading retailer & supplier of office products & solutions • World-class omni-channel offer • Well recognized & trusted brand
<p>Other</p>		<p>Other associates & joint ventures including:</p> <ul style="list-style-type: none"> • 10.1% ownership interest in Coles • 50% interest in flybuys, a popular Australian loyalty program

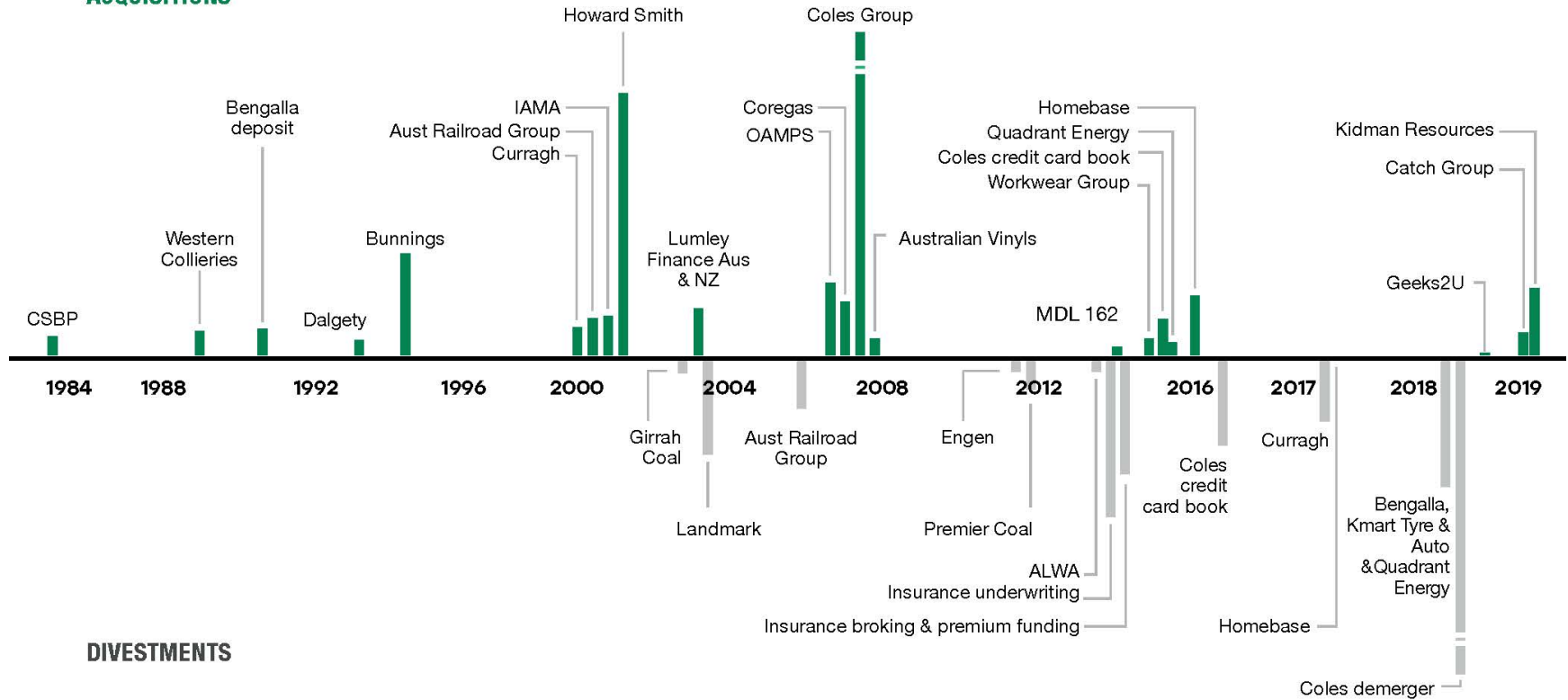
Approach to capital allocation

The Wesfarmers model provides flexibility to effectively allocate capital to:

1. Portfolio of existing businesses	2. Adjacent opportunities	3. Value-accretive transactions
	 <p>Acquired June 2019</p>	 <p>Acquired September 2019</p> <p>Demerged November 2018</p> <p>Divested December 2018</p> <p>Divested November 2018</p> <p>Divested August 2018</p>

Transaction history

ACQUISITIONS



DIVESTMENTS

1H20 Results Highlights

Continuing operations, pre-AASB 16



\$15,249M

REVENUE

↑ 6.0%

\$1,637M

EARNINGS BEFORE
INTEREST AND TAX

↓ 0.5%

\$1,142M

NET PROFIT
AFTER TAX

↑ 5.7%

101.0 cps

EARNINGS
PER SHARE

↑ 5.7%

21.4%

RETURN ON EQUITY
ROLLING 12 MONTHS

INCLUDING DISCONTINUED
OPERATIONS

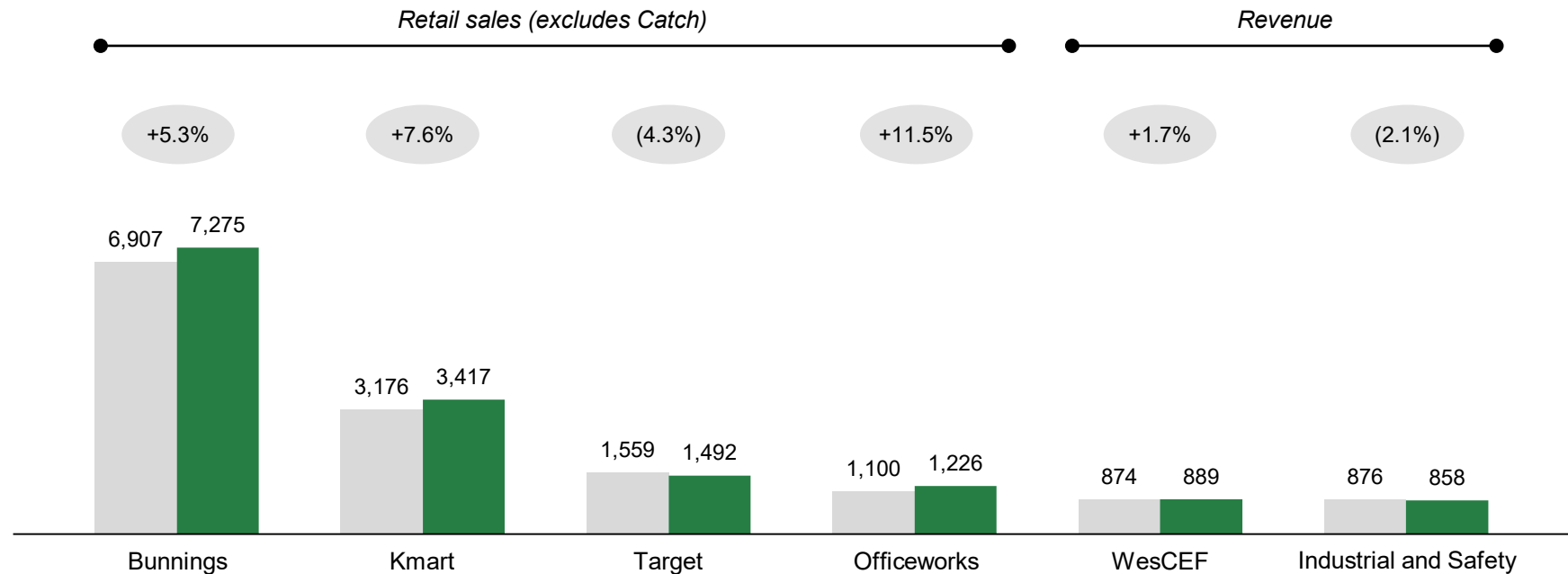
1H20 Results Highlights

Divisional sales performance

Sales performance (\$m)

Half-year ended 31 December¹

2018
2019








- Pleasing momentum across Bunnings, Kmart and Officeworks following strong operational execution and continued focus on customers
- Underpinned by strong growth in online sales of 35%² for the half and continued improvement in sales density

1. Continuing operations only

2. Excludes Catch.

1H20 Results Highlights

Divisional earnings performance & return on capital

Earnings Before Tax (EBT) (\$m) Half-year ended 31 December ¹	2019 Pre AASB 16	2018 Reported	ROC (R12 %)	% of divisional EBT
Bunnings	961	932	52.2	
Kmart Group ³	345	383	25.2	
Officeworks	79	76	16.9	
WesCEF ⁴	174	185	26.7	
Industrial & Safety	6	42	3.4	

1. Continuing operations only.

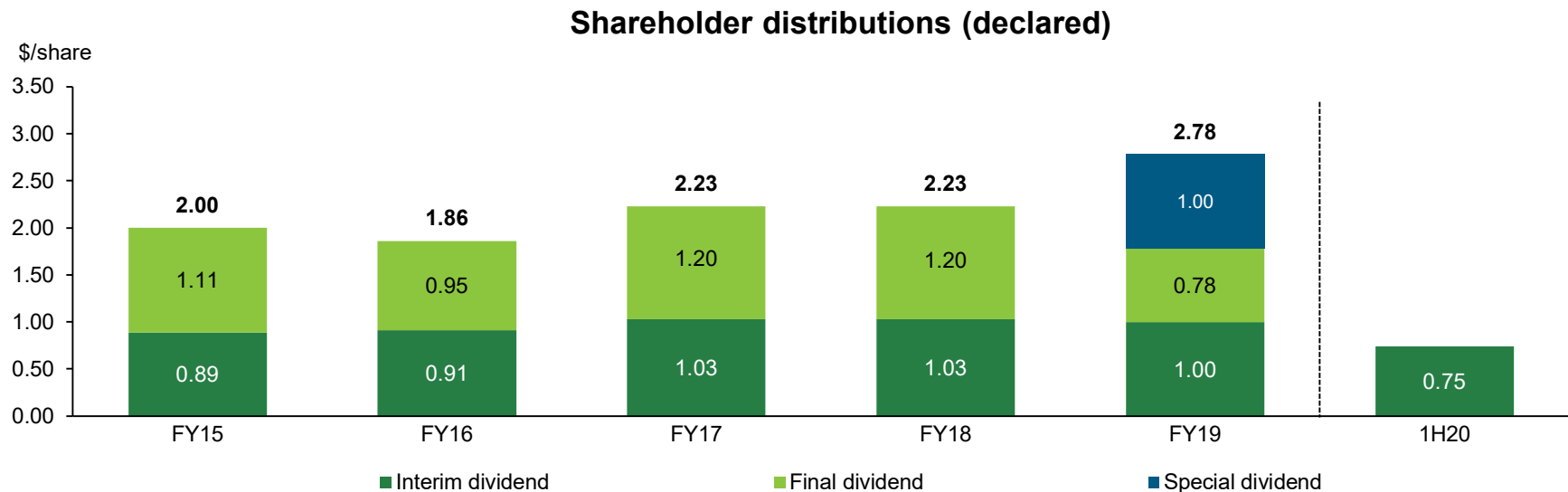
2. Capital employed excludes impact of AASB 16 as lease liabilities and right-of-use balances are not available for the rolling twelve month period.

3. 2019 includes \$9m of payroll remediation costs relating to Target.

4. 2019 Includes \$15m of payroll remediation costs..

1H20 Results Highlights

Dividends



- Strong cash flow performance of businesses support dividend policy
- Dividend distributions subject to franking credit availability, earnings, credit metrics & cash flow
 - Maximising value of franking credits for shareholders
- Fully-franked half-year ordinary dividend of \$0.75 per share
 - Reflects earnings from continuing operations and interest in Coles

Managing businesses for long-term value creation

Our divisions remain focused on long-term value creation

1

A relentless focus on customers

- Investing in value
- Improving digital engagement
- Operational excellence
- Engaging with our communities



2

Investing for the long term

- Constant product innovation
- Improving systems and processes
- Disciplined investments in value-accretive opportunities



3

Building on unique capabilities & platforms

- Digital platforms
- Expanding addressable markets
- Investing in adjacencies
- Great people



Questions?



Wesfarmers