

2 May 2024

The Manager
Market Announcements Office
Australian Securities Exchange

Dear Manager

2024 STRATEGY BRIEFING DAY PRESENTATION

Following is a presentation that will be given today, Thursday 2 May 2024, at a Strategy Briefing Day in Sydney which is scheduled to commence at 10:45am AWST / 12:45pm AEST.

This briefing will be webcast and is accessible via the Wesfarmers website at www.wesfarmers.com.au.

Yours faithfully

A handwritten signature in black ink, appearing to read "Sheldon Renkema".

Sheldon Renkema
Executive General Manager
Company Secretariat

This announcement was authorised to be given to the ASX by the Wesfarmers Disclosure Committee.



2024 STRATEGY BRIEFING DAY PRESENTATION

To be held on 2 May 2024



Agenda

Time (AEST)	Topic	Presenter	Slide
12:00pm – 12:45pm	Lunch		
12:45pm – 1:10pm	Introduction and Group overview	Rob Scott	3
1:10pm – 1:20pm	Wesfarmers OneDigital	Nicole Sheffield	15
1:20pm – 1:50pm	Panel Q&A – Wesfarmers and Wesfarmers OneDigital	Rob Scott, Anthony Gianotti, Naomi Flutter and Nicole Sheffield	24
1:50pm – 2:05pm	Break 1		
2:05pm – 2:30pm	Bunnings Group	Michael Schneider	25
2:30pm – 2:55pm	Kmart Group	Ian Bailey	40
2:55pm – 3:10pm	Officeworks	Sarah Hunter	50
3:10pm – 3:50pm	Panel Q&A – Bunnings Group, Kmart Group, and Officeworks	Michael Schneider, Ian Bailey and Sarah Hunter	62
3:50pm – 4:05pm	Break 2		
4:05pm – 4:20pm	Wesfarmers Chemicals, Energy & Fertilisers	Ian Hansen	63
4:20pm – 4:30pm	Industrial and Safety	Tim Bult	77
4:30pm – 4:40pm	Wesfarmers Health	Emily Amos	85
4:40pm – 5:10pm	Panel Q&A – WesCEF, Industrial and Safety, and Wesfarmers Health	Ian Hansen, Aaron Hood, Tim Bult and Emily Amos	93
5:10pm – 5:15pm	Closing remarks	Rob Scott	

INTRODUCTION AND GROUP OVERVIEW



ROB SCOTT
Managing Director
Wesfarmers Limited



Primary objective

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

Sustainability through responsible long-term management



CLIMATE AND ENVIRONMENT HY24

7.8%

reduction in Scope 1 and
Scope 2 market-based
emissions

40 MW

capacity across 178 rooftop
solar systems, with 13 new
systems installed in 1H24

72%

of operational waste diverted
from landfill

PEOPLE HY24

10.9

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

3.7%

Indigenous employment¹,
maintaining employment parity

37

team members completed the
Wesfarmers Indigenous
Leadership Program in 1H24

43%

women in Board and
Leadership Team positions



COMMUNITIES HY24

\$46m

direct and indirect community
contributions

17,000+

instances of facilitated and
pre-recorded cultural awareness
training



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

Consistent focus on shareholder returns over time

Wesfarmers' long-term total shareholder returns in excess of the broader market

SINCE LISTING

WES +19.5% pa
Index +10.6% pa

LAST 10 YEARS

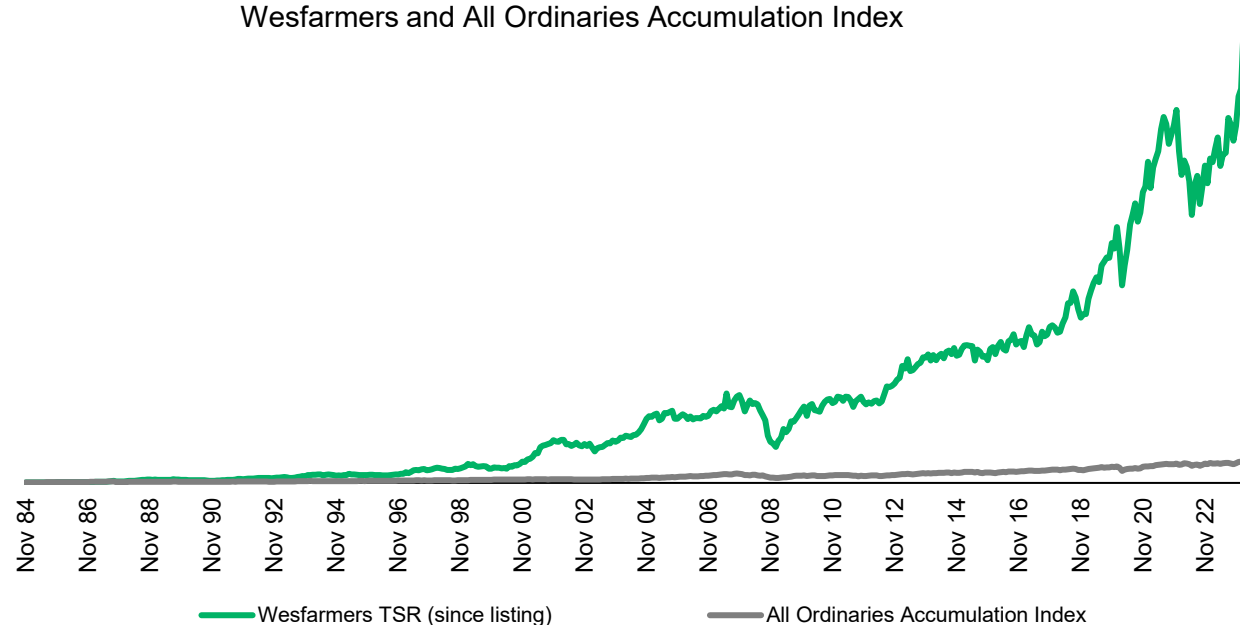
WES +14.4% pa
Index +8.5% pa

LAST 5 YEARS

WES +19.6% pa
Index +9.5% pa

TSR Index¹ - November 1984 to March 2024

Wesfarmers and All Ordinaries Accumulation Index



1. Total Shareholder Return as at 31 March 2024. Assumes 100% dividend reinvestment on the ex-dividend date and full participation in capital management initiatives.
Source: Annual report, IRESS, S&P Global indices.

Wesfarmers Way focuses on delivery of the Group's objective

Our primary objective

To deliver a satisfactory
return to shareholders



Value-creating strategies

**Strengthen existing
businesses**
through operating excellence
and satisfying customer needs

**Secure growth
opportunities**
through entrepreneurial
initiative

**Renew the
portfolio**
through value-adding
transactions

**Ensure
sustainability**
through responsible
long-term management



Core values

Integrity



Openness



Accountability



**Entrepreneurial
spirit**



Significant portfolio movements and evolution

Established new platforms for growth	 
Incremental, logical acquisitions that support divisional growth	     
Demonstrated history of portfolio renewal and capital reallocation	  <i>Demerger and divestments</i>  <i>Simplification and restructures</i>

Wesfarmers' portfolio has been strengthened, with new platforms for growth and a focus on long-term returns

Portfolio of high-quality businesses



Strong, value-based retail offers with broad customer appeal



Strategic manufacturing capabilities supporting critical industries



Exposure to growing demand in health and wellbeing sector



Businesses supporting global decarbonisation

Underpinned by a strong balance sheet to support disciplined, long-term investment, and data and digital capabilities that drive further productivity and efficiency gains

Well positioned to deliver strong growth and returns over the long term



Businesses with attractive growth opportunities

- Growing addressable markets
- New product and service offerings
- Network and population growth
- Retailers well-positioned for demand growth from demographic changes
- Opportunities for productivity and efficiency benefits



Growth and value through incremental earnings streams

- Transformation of the Health division
- Covalent lithium project and expansion options
- Group data and digital capabilities support new earnings streams



Optionality to deploy and reallocate capital

- Strong balance sheet provides flexibility to:
 - Invest in existing businesses
 - FY24 expected net capex of \$1.0b to \$1.2b
 - Explore logical adjacencies
 - Consider step-out opportunities

Strengthening our existing businesses

Satisfying changing customer needs



Trusted and value-based offers with broad customer appeal



Continued improvements in customer offer and experience



Strengthening omnichannel experience, including through loyalty and rewards



Track record of high-quality and reliable supply in the industrial businesses

Operating excellence



Low-cost and scalable operating models



Direct sourcing and own brand capabilities



Safe and reliable plant performance in the industrial businesses



Ongoing improvements in productivity and efficiency

Examples on following slide

Ongoing improvements in productivity and efficiency – a consistent focus



Expanded rollout of RFID¹ technology in Kmart Group to improve demand forecasting, product availability and incremental sales



Digitisation of Kmart's sourcing and supply chain, including 3D design, reducing lead times, improving availability and reducing costs



New workforce planning tool and Enterprise Agreement enable Bunnings to reinvest productivity improvements into customer service



New inventory management processes in Officeworks delivering improved sales and ROC



Further deployment of automation through the supply chain in Bunnings, Officeworks and Health



Improved production rates at WesCEF from focused operational management, and disciplined investment and maintenance

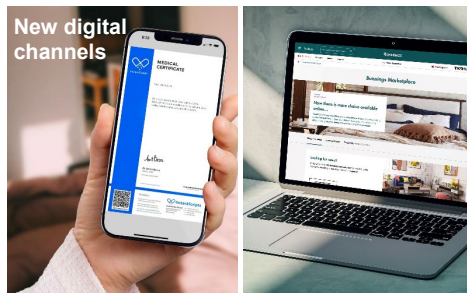
1. Radio Frequency Identification.

Secure growth opportunities through entrepreneurial initiative

Expansion of addressable markets



Divisional data and digital investments



Additional value through loyalty and rewards

Flybuys

OnePass

WesCEF capacity expansion and decarbonisation opportunities



Key messages



Current portfolio
provides **strong**
pipeline of growth
opportunities



Operating model
provides **strategies to**
deliver long-term
returns



Strong and flexible
balance sheet to support
investment and take
advantage of value-
accretive opportunities

WESFARMERS ONEDIGITAL



NICOLE SHEFFIELD
Managing Director
Wesfarmers OneDigital

OnePass

OneData



Trusted retail brands with broad physical and digital reach, strengthened by cross-divisional loyalty and rewards

Portfolio of trusted, large-scale retail brands

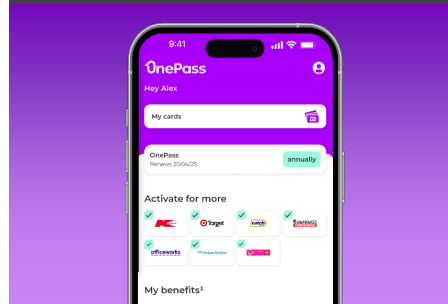
Broad physical and digital reach



- >\$33b retail sales in FY23
- 40% growth in online sales between FY20 and FY23
- >10m transactions per week in FY23
- >1,900 stores
- 29 DCs and CFCs¹
- >210m digital interactions / month
- >2.2m digital transactions / month

+ Ongoing investment by each retailer to improve customer experience across their channels

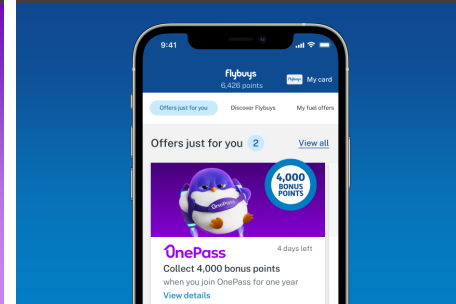
OnePass: paid membership program



- Compelling CVP² with omnichannel benefits
- Uniquely broad range of partners
- Highly valuable customer base

Supported by Sister Club (3.8m+)⁵ and PowerPass (1.1m+) active members

Flybuys³: free loyalty program



- Large-scale loyalty points program
- Coalition of external partners
- 9.4m+ active members⁴

+ Additional value for members across retail partners
+ Deeper customer insights through data, supported by OneData

Note: data as at 31 December 2023 unless otherwise stated.

1. Distribution centres and customer fulfilment centres.

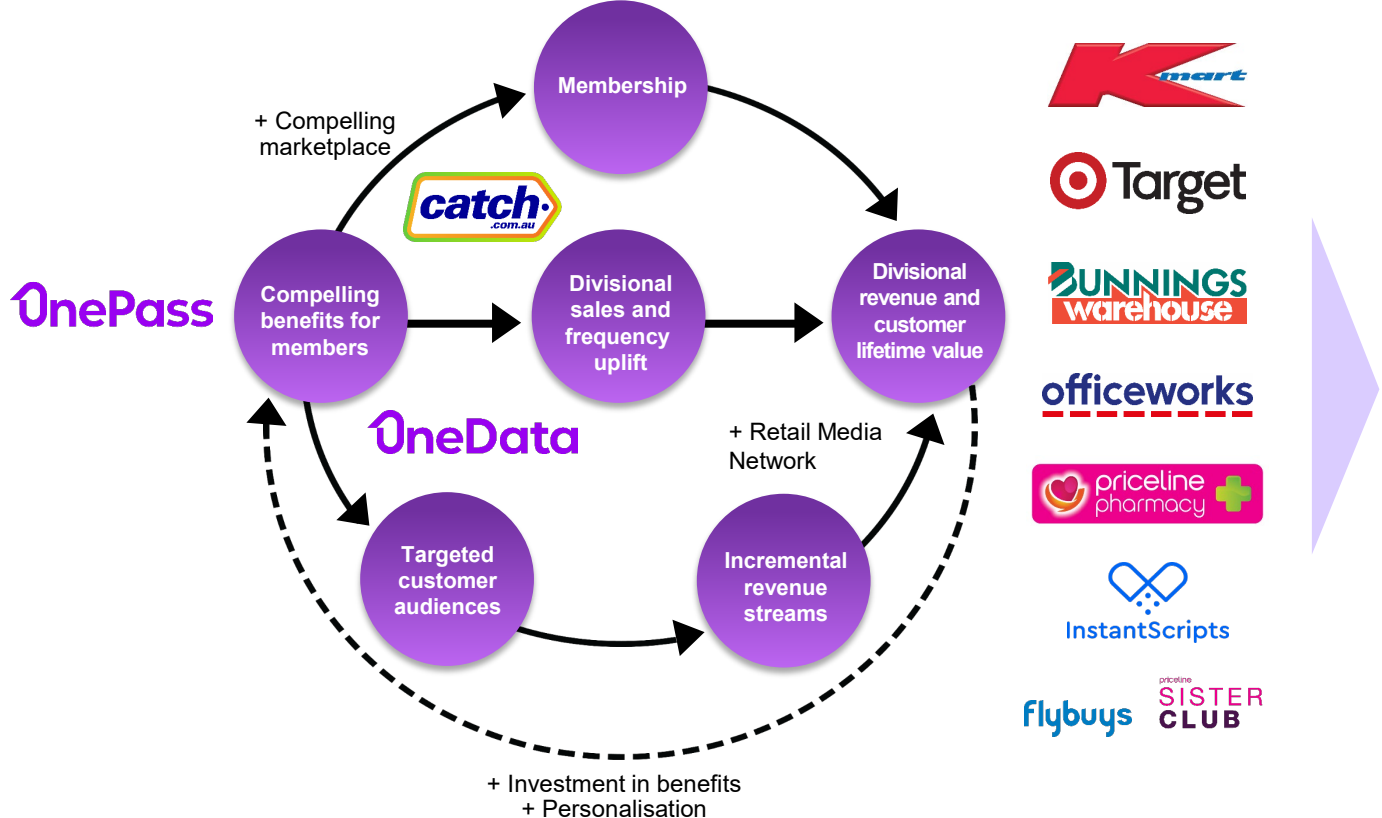
2. Customer value proposition.

3. Wesfarmers owns a 50% shareholding in Flybuys.

4. Active members are those with activity in the last 12 months.

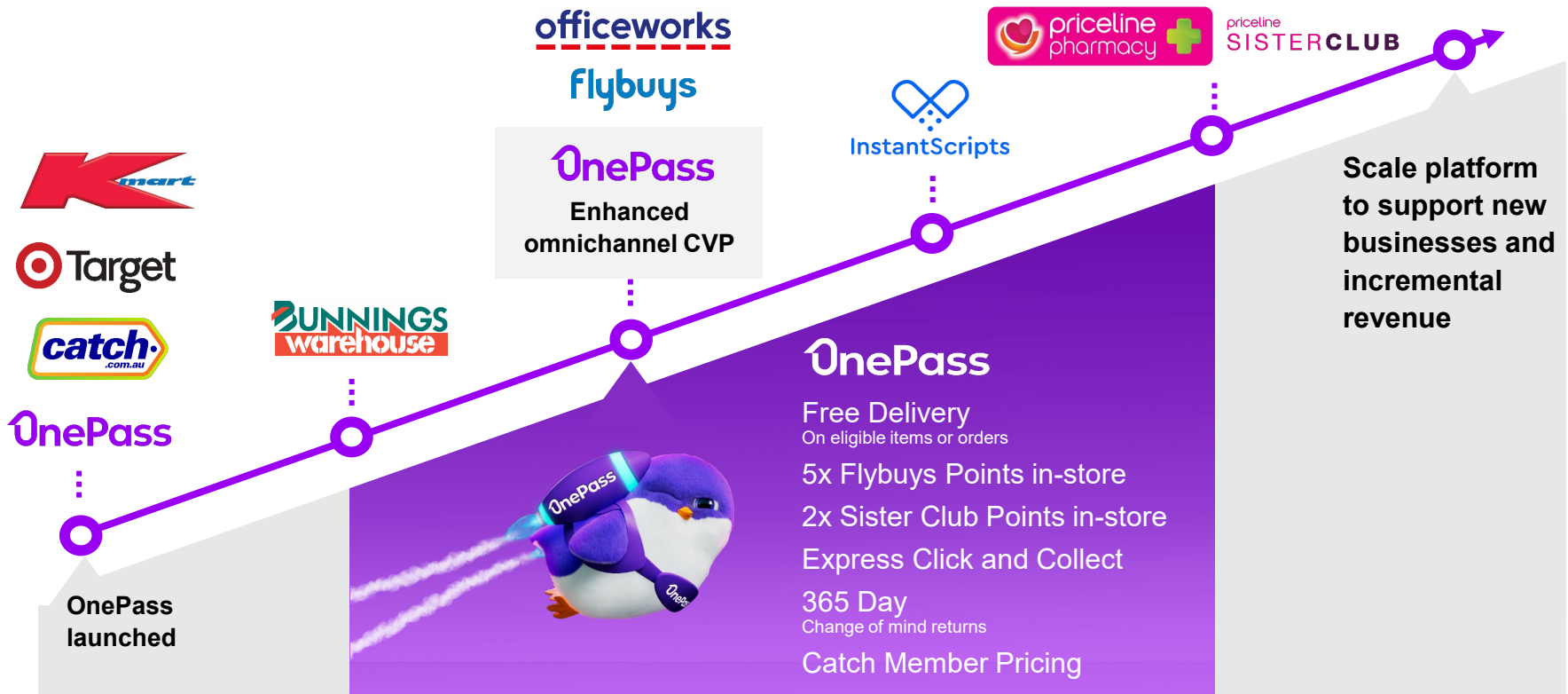
5. Sister Club figures are as at 31 March 2024. Sister Club has more than 8.8m total members.

The omnichannel OneDigital ecosystem delivers compelling benefits for members, increases customer lifetime value and enables new revenue streams



-  **Compelling omnichannel member benefits drive the flywheel**
-  **Focused on unlocking scale**
-  **Leveraging data to target audiences**
-  **Developing new revenue streams**

OnePass has differentiated omnichannel benefits and a uniquely broad range of partners providing significant value to members



OnePass members are more valuable than non-members, shop across brands and channels, and spend more after joining



OnePass members are:



Our most valuable customers



Shopping frequency is

2.7x

more transactions than non-members per annum

More valuable after joining OnePass



OnePass delivers a sales uplift of

~25%

for members after they join^{1,2}

Increasingly engaged and connected



Members cross-shop at

1.4x

as many OnePass participating brands as non-members



Annual spend is

3x

higher than non-members at Catch, and 2.7x higher overall



Nearly

50%

of members are on an annual plan²



Members are

3x

more likely to be active omnichannel shoppers³

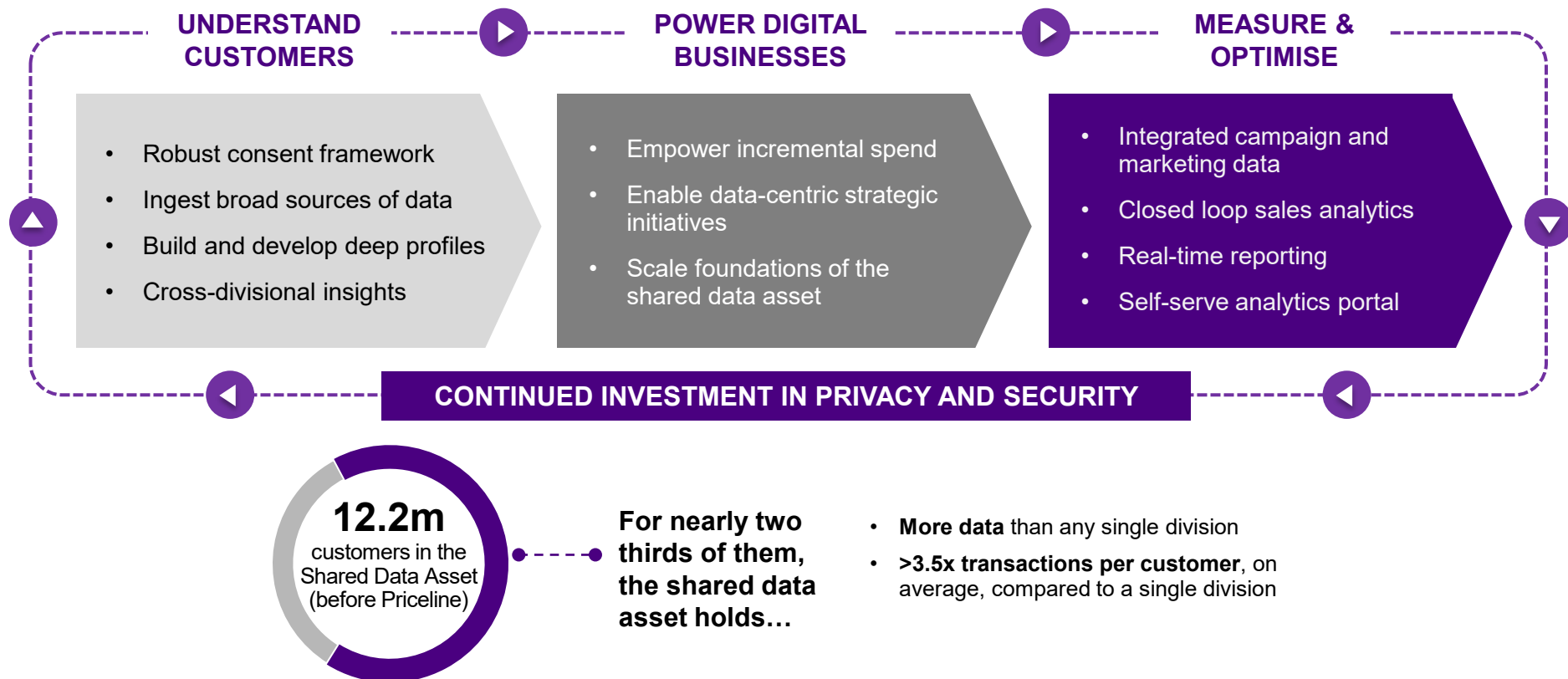
Note: data based on the 12 months to 31 March 2024 unless otherwise stated, and excludes Priceline, but includes Kmart, Target, Bunnings, Officeworks and Catch.

1. Members that joined OnePass demonstrated an approximately 25% increase in their spending across relevant retailers compared to an appropriate control group.

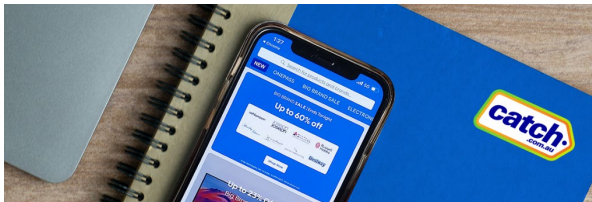
2. As at 31 March 2024.

3. Active omnichannel shoppers have shopped in-store and online in the last 12 months at OnePass participating brands.

Leveraging data to improve the customer experience and unlock growth



Catch has taken significant action to improve performance



1 Remediation of 1P business

- Significantly reduced 1P range by 70% to 28,000 products
- Focus on profitable, in-demand categories
- Clearance activity complete

2 Reset cost base

- c. 50% reduction in headcount from 1H23 to 1H24
- Execution of productivity initiatives to further lower costs

3 Executed efficiency initiatives

- Warehouse cost per order reduced by c. 30% in 1H24
- Lower freight costs per order and faster deliveries to customer
- More efficient paid marketing

Actions taken have delivered a material reduction in losses

Contribution per order has more than doubled, with both 1P and 3P delivering positive unit economics

Focused on scaling the marketplace



The focus is now to shift from a 1P-led business to an asset-light, 3P-led business of scale



Scale the marketplace range

- Introduce greater customer choice and seller competition
- Asset-light approach



Reset the customer and seller value proposition

- Return to Catch's deals heritage, and reliable and fast delivery
- Provide sellers tools for growth and improved service



Leverage OnePass and Flybuys to accelerate growth

- Drives free customer traffic
- Reduces acquisition costs
- Broadens OnePass benefits to a wider range of items



Develop new revenue streams

- Fulfilled by Catch
- Retail media
- Last-mile fulfilment solutions

Key messages

OneDigital

- Creates network effects by leveraging data to increase customer lifetime value
- Provides unique customer insights through OneData that no division can obtain on its own
- Enables new revenue streams such as Group Retail Media Network

OnePass

- Members receive significant value from OnePass, and are more valuable and spend more after joining
- OnePass has a broad and unique range of partners
- Focus is on delivering compelling omnichannel benefits at scale to continue to drive incremental sales



- Taken significant actions to remediate the 1P business and improve performance
- Focus is to scale the marketplace, which is an asset-light strategy
- Continue to develop new revenue streams



PANEL Q&A

Wesfarmers and OneDigital

ROB SCOTT

Managing Director,
Wesfarmers Limited

ANTHONY GIANOTTI

Chief Financial Officer,
Wesfarmers Limited

NAOMI FLUTTER

Executive General Manager,
Corporate Affairs,
Wesfarmers Limited

NICOLE SHEFFIELD

Managing Director,
Wesfarmers OneDigital



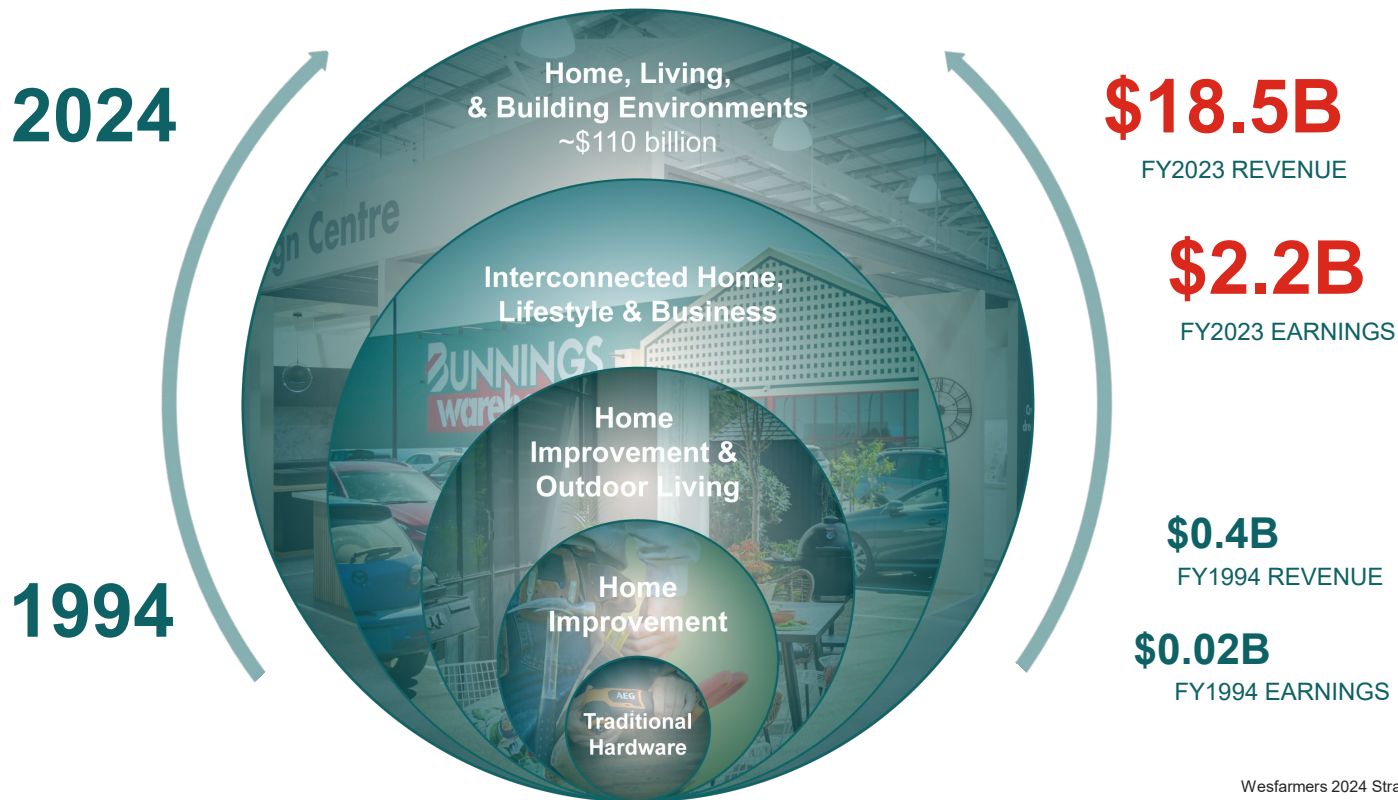
BUNNINGS GROUP



MICHAEL SCHNEIDER
Managing Director
Bunnings Group



Track record of consistent growth and expanding the addressable market



Fragmented and highly-competitive market landscape

DECORATOR AND HOME FURNISHINGS



OUTDOOR LIVING



BUILDERS AND TIMBER



ELECTRICAL



HARDWARE AND FIXINGS



TOOLS



GARDENING



KITCHEN



PLUMBING AND BATHROOM



PETS



KEY DEMAND DRIVERS

- Population changes
- Housing availability
- Business, building and renovation activity
- House age, churn and value
- Demographics
- Household disposable income
- Lifestyle trends
- Innovation and technology

Bunnings' strategic growth plan



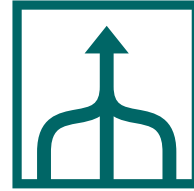
CARE

Team
Suppliers
Community
Environment



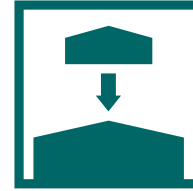
GROW

Customer value
New and expanded
categories
Trade capabilities



SIMPLIFY

Lowest costs
Driving productivity
Improving stock flow



EVOLVE

Space optimisation
Supply chain
Data and digital

Attract, retain and grow the best team

- High performing culture has enabled us to grow and evolve successfully
- Ongoing focus on team safety
- New Enterprise Agreement and rostering capability for better flexibility and customer service
- Focus on diversity and inclusion, reflecting our local communities
- Strong retention and engagement, driving lower cost and better customer experience



Making a positive difference – 'we live here too'

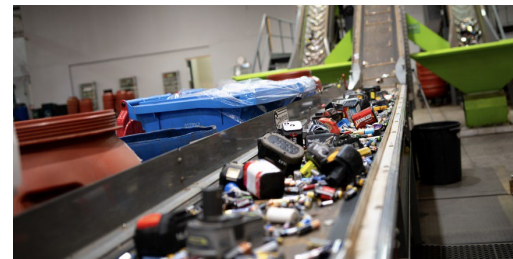
Environment



On track to source 100% renewable electricity in 2025



On track to achieve net zero Scope 1 and 2 emissions by 2030



370 tonnes of batteries recycled in Australia and NZ since November 2021

Community



Supported over 70,000 community activities



Help to raise and contribute over \$47 million for community groups



Over 28,000 sausage sizzles

Relentless focus on everyday lowest prices



- Lowest prices credentials resonating strongly with value-focused customers
- Moderating import product cost inflation and continued productivity focus enabling further price reinvestment
- Bulk pack sizes offering compelling value and differentiation of offer

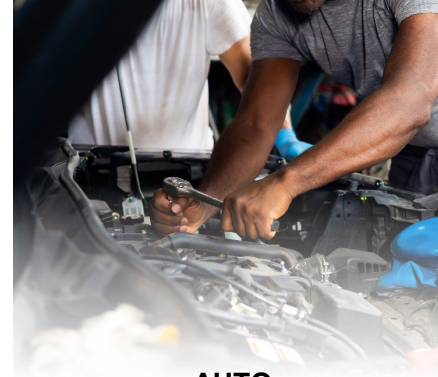
Introducing new and expanded product ranges



SMART HOME



RURAL



AUTO



RENEWABLES



COMMERCIAL RANGES

- Continue to innovate and expand the product range across consumer and commercial
- New ranges attracting new customers and increased visitation
- Complement 'house of brands' range strategy with own brand ranges and direct sourcing capabilities where it makes sense

Improving our use of retail space

STORE OPTIMISATION



Store size, location,
customer profile

MACRO SPACE



Best product categories
and layout in-store

MICRO SPACE



Best range assortment and
ease of shop in each bay

**Optimise range in-store to reflect customer demand in the local market,
enabled by the full Bunnings offer online and last-mile capabilities**

Making the customer experience better across all channels

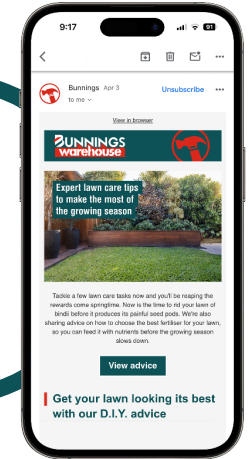
PRE-SHOP



SHOP



POST-SHOP



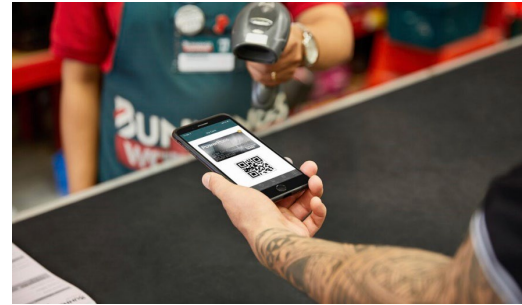
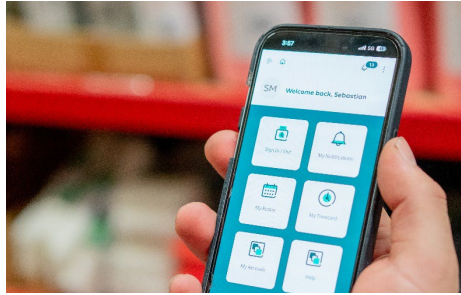
Leveraging data to deliver a seamless and personalised customer experience in-store and online, across all phases of the customer journey

Building capabilities to better service commercial customers

	FRAME-TO-FIX	FIT-OUT	FINISHING	EQUIP THE TRADES	BUSINESS & ORGS
Growth strategy					
Scope	Building materials used in frame, lock up and fix residential build stages	Products used in fit out for new builds and renovations	Products used in the finishing stage of projects	Tools of trade required to complete the job	Broad range of products required by businesses
Purchase decision	 BUILDER	 TRADE/ BUILDER	 TRADE	 TRADE/ BUILDER	 SMALL BUSINESS / INDUSTRY ORGS
Primary channel	 	  	 	  	 
LEVERAGING POWERPASS DATA TO PROVIDE A MORE RELEVANT AND SEAMLESS COMMERCIAL CUSTOMER EXPERIENCE					

Technology enabling customer experience at lower cost

- Rostering optimisation
- Less manual tasks in-store
- Bunnings App evolution – more features and self-service
- Redeploying over one million hours of task savings to customer service



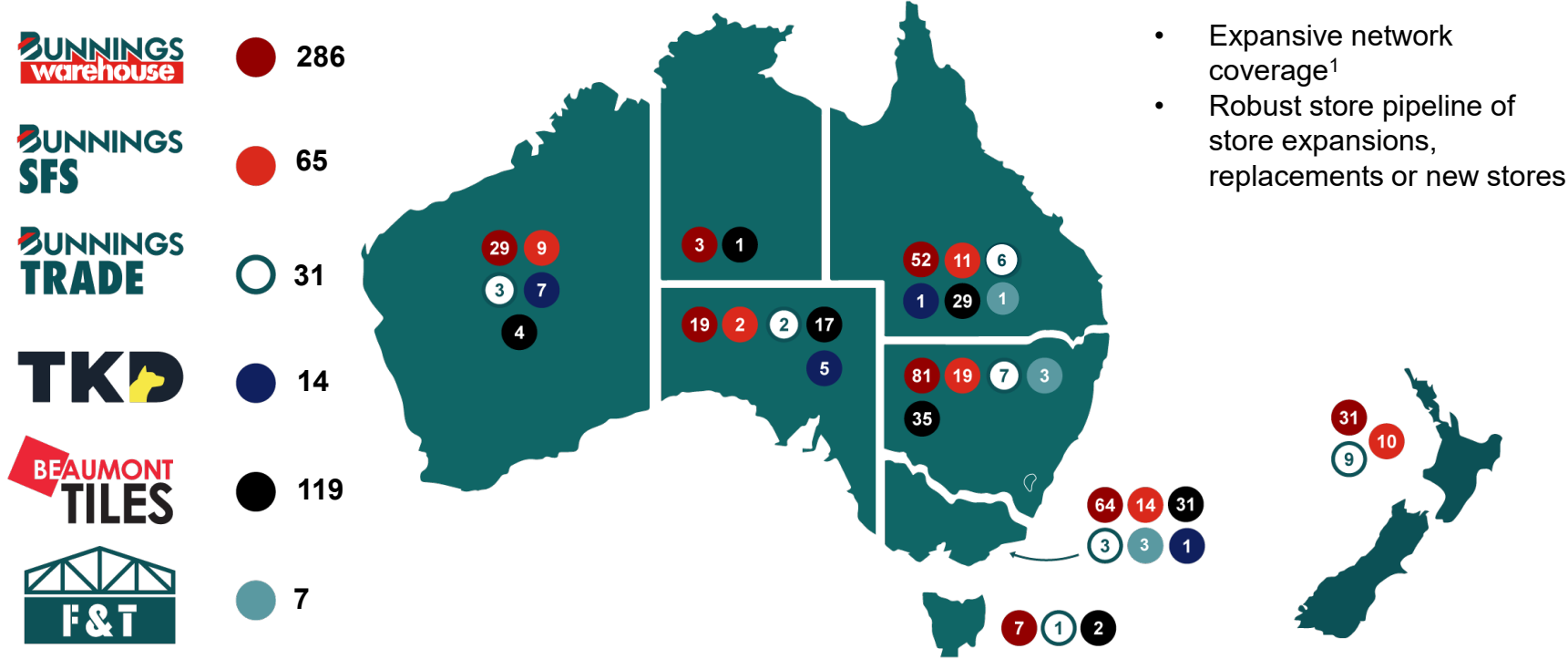
- Realising value from ongoing technology systems investment
- Leveraging automation and emerging technology (including generative AI) to drive ongoing productivity improvement

Evolving the supply chain – customer-led and incremental



- **Improving the customer experience** – enhanced fulfilment, last-mile capability and in-stock coverage
- **Reducing cost** – distribution centre consolidation and efficiency improvement
- **Improving stock availability** – more efficient inventory management and demand forecasting
- **Leveraging store network** – for faster customer fulfilment at the lowest cost

Network expansion and optimisation



Key messages and outlook

- Focused on driving sustainable earnings growth over the long term in both consumer and commercial segments and across in-store and online channels
- Value credentials resonating for increasingly value-conscious customers
- Population growth and housing demand remain positive macroeconomic drivers
- Continue to invest in new and expanded ranges, optimising space, supply chain and accelerating data and technology to improve the customer offer and maintain a low-cost model



KMART GROUP



IAN BAILEY
Managing Director
Kmart Group



Strategic agenda

Kmart Group continues to make significant progress on consistent strategies

A great place to shop that is simple to run

Winning in omnichannel, enabled by loyalty and personalisation

Digitise in-store experience and operating model

Better products at even lower prices

Leverage product development capabilities

Digitise sourcing and supply chain

New and profitable channels to market

Expand Anko into new markets globally



One Business, Two Brands

Focus for today

anko

Competitive advantage
through Anko model

Opportunities to leverage Anko
for future growth

Making everyday living brighter

The insight:

We know that price matters to customers, but they don't want this to come with a trade-off or compromise

Anko products allow customers to live the lifestyle they want for their families, at a price point they can afford

Anko removes the stress from shopping



Trust in Anko products enables significant scale



**#1 market share in
home products**



**Biggest toy brand
in Australia**



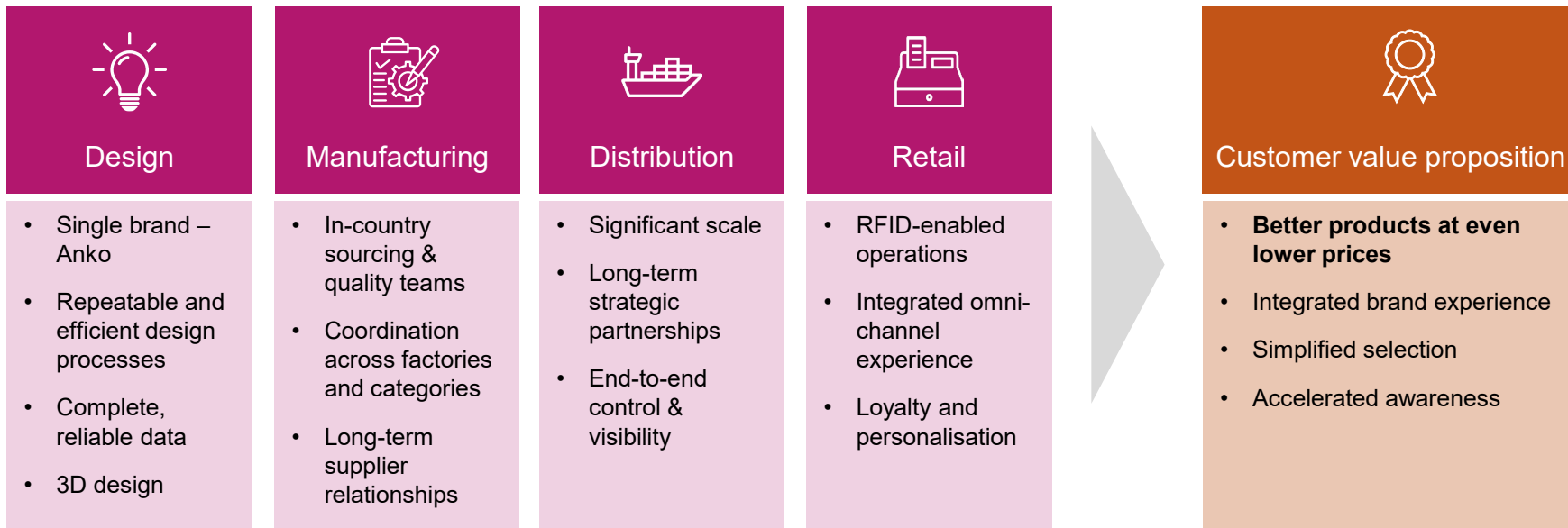
**#1 market share in
pet accessories**



**1 in 5 items of
clothing sold in
Australia are Anko**

Re-engineering the value proposition from product to customer

Anko's hard-to-replicate, end-to-end capabilities drive its low-cost model



Focus on unwavering pursuit of simplification, enabled by technology

Allowing customers to live the lifestyle they want for their families, at a price point they can afford

Leveraging Anko for future growth



Growing addressable market for Kmart

Large and growing addressable market with significant opportunity to grow share of wallet



Apparel (share c. 7%)
Total Australian market ~\$45b



GM, Active & Beauty (share c. 8%)
Total Australian market ~\$34b



Home & Living (share c. 10%)
Total Australian market ~\$34b

Opportunities to broaden existing ranges and enhance offerings in growing demographics



Example – Gen Z
Significant category adjacency
within a growing market



Example – Beauty
Compelling price point enables
growth opportunity



Example – FanZone
Natural extension to Active Apparel and
Sports Accessories

One business, two distinct customer value propositions



Kmart and Target CVPs have some common elements, but key differentiators maintain separation in the market

	Focused on families Everyday items at high volume Direct source most of the range One range to all stores with simple range architecture	
Pricing	Every Day Low Price (EDLP)	Predominantly EDLP, with targeted high-low
Quality	Consistent	Elevated
Brands	One owned brand (Anko)	Selected owned brands that support customer segments
Style	Basics and fashion	Elevated basics and seasonal must-haves

Expand Anko into new global markets

Selectively expand Anko products into new global markets, creating value for Kmart Group by growing the addressable market and increasing sourcing scale



Exploring new markets and business models through test-and-learn

- Retail partnerships through wholesale agreements
- White-label partnerships

Key messages

- Progress on a consistent strategic agenda has allowed Kmart to continue growing share of customer wallet
- Strength of the world-class Anko product development capability is a key competitive advantage for Kmart Group that is difficult to replicate
- Focus on incremental growth through:
 - Growing Kmart Group's addressable market by expanding into new categories and extending existing categories
 - 'One Business, Two Brands' operating model to increase scale while maintaining a clearly differentiated customer value proposition
 - Exploring new and profitable channels by expanding Anko into new markets globally through tailored business models



OFFICEWORKS



SARAH HUNTER
Managing Director
Officeworks

officeworks

geeks2u

Our strategy is focused on delivering profitable growth



Helping our customers make bigger things happen



Personal

Families | Hobbyists | Students | Flexible Workers



Business

Micro / Small | Medium / Large | Schools & ELCs¹ | Government

1. Early Learning Centres.

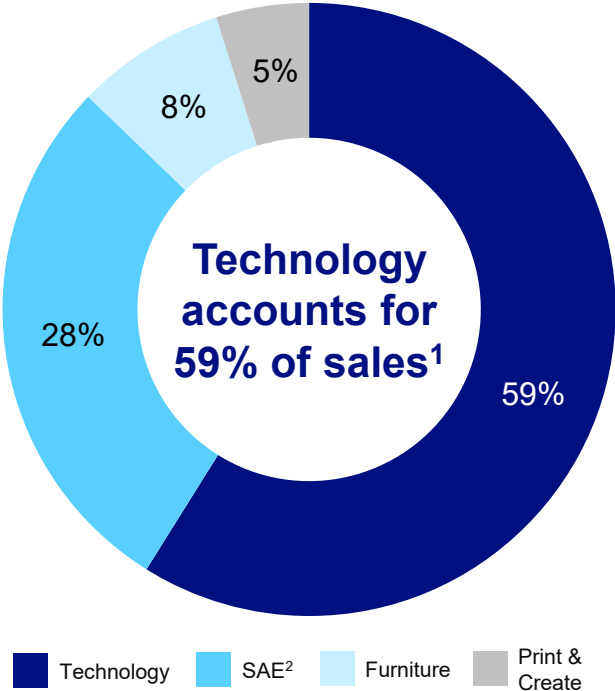
Digitisation is reshaping the needs of our customers

Digitisation is reshaping the way our customers ...



... and we are evolving our offer to meet their changing needs

Evolving our technology offer



Continue to evolve our range including new categories...



Next Gen AI Computing



Accessories



Digital Displays

...and explore further opportunities to accelerate growth



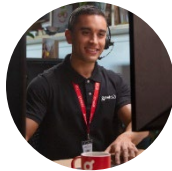
Connected Devices



Payment Options



Device Trade-In



Technology Services

1. Based on FY23 sales.
2. Stationery, Art and Education.

Evolving our SAE, Furniture and Print & Create offer



Expand Private
Label and
Exclusive Brands



Provide
Coordinated
Ranges



Expand
Born Range



Launch Same
Day Print



Grow
Personalised
Products



Expand
Premium
Furniture Range



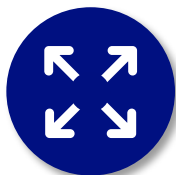
Accelerating B2B growth



Leverage
Omnichannel
Capabilities



Scale
Education
Offer



Expand B2B
Range



Launch Same
Day Print



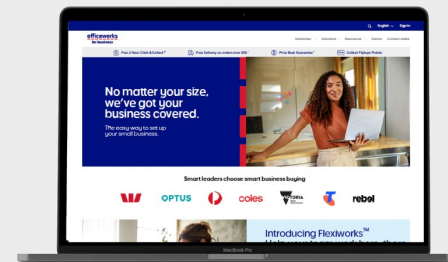
Launch
Officeworks
for Business
Loyalty Program



Enhance
B2B Digital
Experience



officeworks
for business



Delivering easy and engaging experiences

Stores

- Continued expansion of the store network
- Ongoing renewal of store formats
- Immediacy in store (e.g., same day print)
- Continued investment in customer-facing service

Loyalty and value

- OnePass attracting new customers
- Flybuys delivering value to loyal customers
- 5.2m known and marketable customers¹



Online

- Enhance the online experience to improve conversion
- Guided buying tools to help customers find, compare, select and access products and services
- Launch new B2B digital experience
- Launched lifecycle communications

Fulfilment

- 2-hour, same day and next day delivery available to 80% of Australian households and businesses²
- Convenient 2-hour Click and Collect

1. As of 29 February 2024.
2. Based on ABS census data 2021.

Remaining committed to our strong value credentials



Low prices

- Ongoing investment in Everyday Low Prices for customers
- “We won’t be beaten on price with our Price Beat Guarantee” campaign
- Member benefits and loyalty rewards through OnePass, Flybuis and Officeworks for Business



Widest range

- Curated range offering value for every budget
- Private brand ranges and exclusive brands
- Sustainability credentials through our People and Planet Positive range



Best experience

- Conveniently-located stores across Australia
- Personalised online experiences enabled by knowing our customers
- Immediacy with customer delivery and fulfilment choices

Modernising and simplifying our business



Key initiatives are delivering productivity and efficiency benefits ...



Automated
Fulfilment Centres
(VIC & WA)



Print & Create
Self-Serve

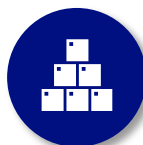


Optimised
Team Member
Labour Cost
and Efficiency



Expanded
Capability
Sourcing

... with further opportunities in the pipeline



Demand and
Replenishment
Transformation



Supply Chain
Modernisation
(QLD & NSW)



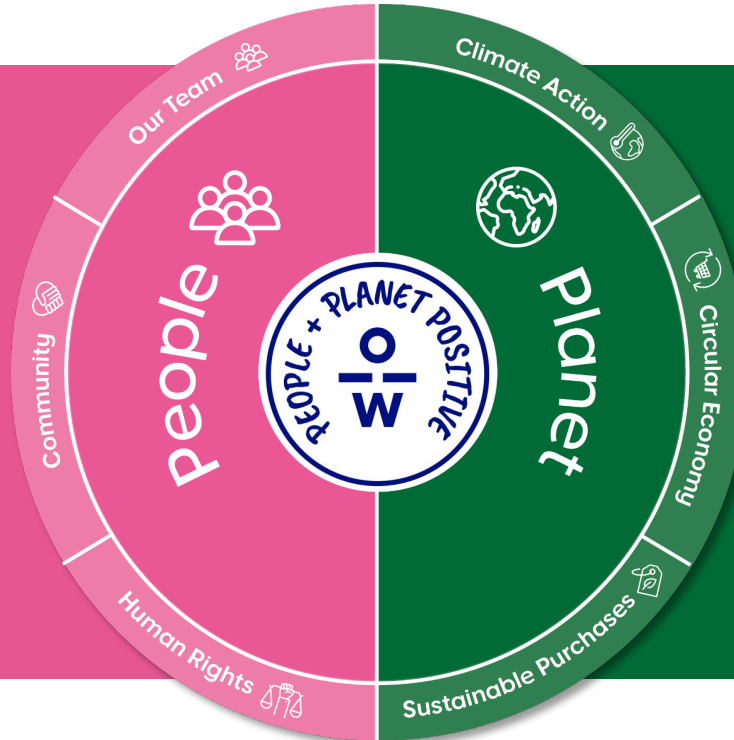
Transport
Optimisation



Process
Digitisation

Being people and planet positive and a safe and engaged team

- Improve safety to reduce team member injuries (TRIFR)
- Ongoing delivery of Elevate RAP
- Maintain a diverse and balanced leadership team
- Continue to raise funds for local communities and causes
- Maintain strong ethical sourcing standards



- Ongoing reduction of emissions to meet net zero emissions by 2030
- On track to source 100% renewable electricity in FY2025¹
- Continued investment in Restoring Australia²
- Ongoing expansion of repair, recycle and trade-in programs
- Ongoing expansion of People and Planet Positive range

1. Officeworks expects to meet its 100% renewable electricity target in 2025, based on future contracts that are in place but have yet to come into effect.
2. Planting two trees for every one tree sold.

Key takeaways

- Delivering profitable growth by meeting the changing needs of customers as they work, learn, create and connect
- Evolving our offer across all categories, customers and channels:
 - Broadening our technology range and introducing new products and services
 - Accelerating B2B growth
 - Leveraging data and loyalty programs to deliver the best omnichannel customer experience
 - Expanding the store network
- Focused on productivity and efficiency improvements, including delivering the benefits from recent investments
- Continued investment in Low Prices, Widest Range and Best Experience across every channel





PANEL Q&A

Bunnings Group, Kmart Group and Officeworks

MICHAEL SCHNEIDER

Managing Director,
Bunnings Group

IAN BAILEY

Managing Director,
Kmart Group

SARAH HUNTER

Managing Director,
Officeworks



WESCEF



IAN HANSEN
Managing Director
Wesfarmers Chemicals,
Energy & Fertilisers



Kleenheat



WesCEF overview

Vision: To grow a portfolio of leading, sustainable businesses

Safe person,
Safe process,
Safe place

Enhance our reputation and
achieve net zero by 2050

Foster a culture that
recognises diversity and
focuses on customers

Evolve through continuous
improvement and
investment

With businesses that are accretive in the value chain and provide key products to critical industries

CHEMICALS



MODWOOD

ENERGY



Kleenheat



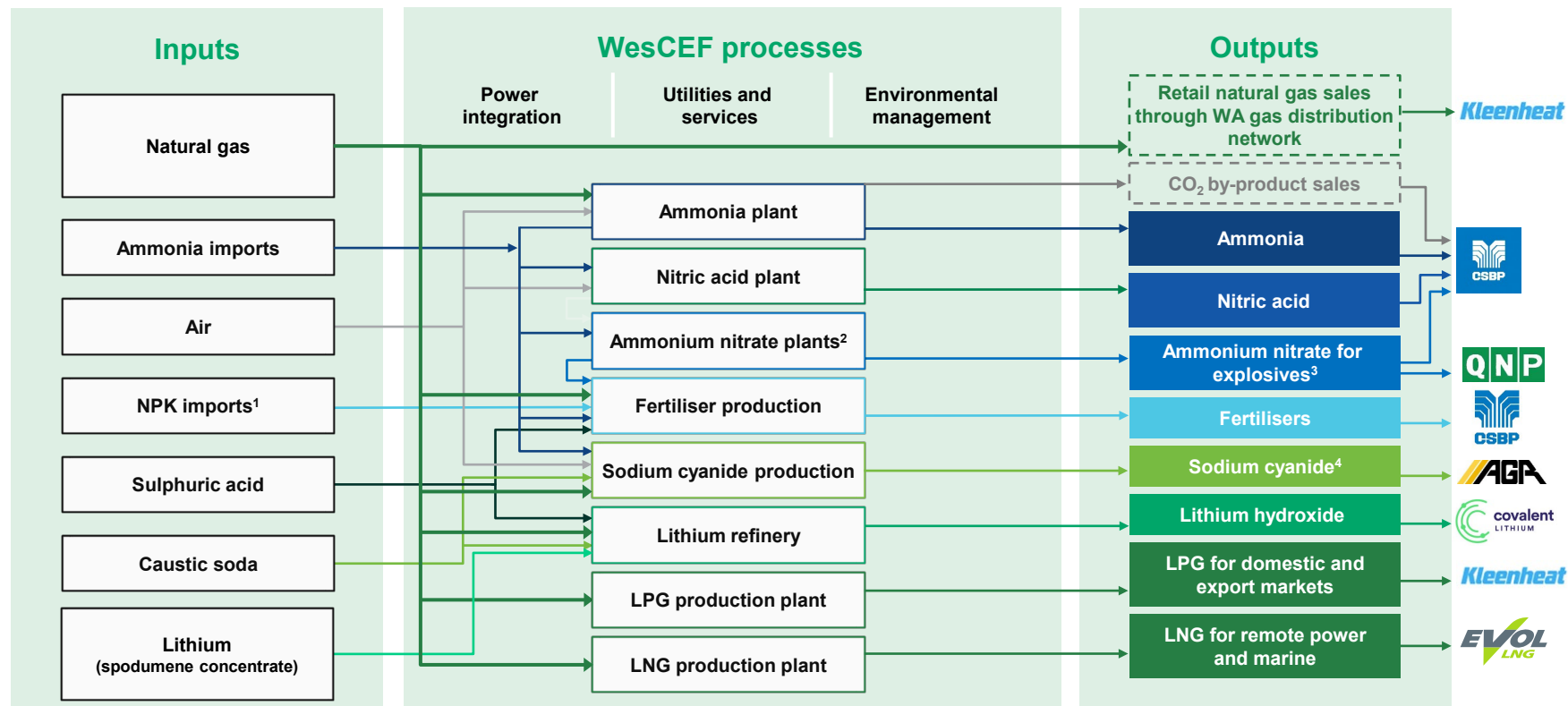
FERTILISERS



LITHIUM



Divisional integration



1. Nitrogen, phosphorus and potassium imports.
2. Includes ammonium nitrate (AN) solution / emulsion plants and a prilling plant.
3. Includes Queensland Nitrates, a 50% owned joint venture. Distributes AN solution, emulsion and prill.
4. Sodium Cyanide solution to WA markets and solids to export markets. This is sold through Australian Gold Reagents, CSBP's 75% owned joint venture.

WesCEF strategic focus areas

OPERATIONAL EXCELLENCE



- Continued strong plant performance to ensure reliable, high-quality and cost competitive supply
- Productivity and process improvements

MAJOR GROWTH PROJECTS



- Capacity expansions supported by long-term market fundamentals
- Expansions subject to commercial and environmental assessment

NATURAL GAS



- Securing competitively priced gas in a tight market
- Participating in the WA Gas Market review
- Exploring innovative gas sourcing arrangements

DECARBONISATION



- Leveraging existing capabilities and knowledge to meet interim 2030 target
- Progressing medium and long-term initiatives to reach Net Zero by 2050

CRITICAL MINERALS



- Ramp-up of concentrator production and successful refinery construction and commissioning
- Portfolio of exploration opportunities

WesCEF's pursuit of operational excellence is underpinned by its focus on improving plant performance and driving a match-fit cost culture



Debottlenecking and process optimisation to drive reliability and productivity and reduce emissions



Prioritisation of safety through risk management programs and promotion of a safety-focused culture



Optimisation of shutdown and catalyst change scheduling to maximise production yields



Refinement of employee value proposition with an ongoing focus on talent development and retention



Investment in programs and systems including ERP¹ and AMIP² to deliver continuous process improvements and efficiencies



Investments to maintain and enhance assets and reputation (licence to operate)

1. Enterprise Resource Planning.
2. Asset Management Improvement Plan.

Major growth projects support long-term growth

COVALENT LITHIUM¹ PROJECT EXPANSION



Accelerates project cash flow and lowers average unit cost

- Awaiting regulatory approvals to double the production capacity of mine and concentrator before FID²
- Refinery expansion to be considered following commissioning

NITRIC ACID AMMONIUM NITRATE DEBOTTLENECKING



Supported by growing demand from WA mining sector

- Awaiting regulatory approvals to debottleneck all three plants by c. 40ktpa (c. 825ktpa to c. 945ktpa)
- Debottlenecking of first plant planned for 2H FY25 with long-lead items ordered and engineering commenced

SODIUM CYANIDE EXPANSION



Supported by growing demand from global gold mining sector

- Revised expansion study nearing completion for staged increase in production capacity from c. 95ktpa to c. 125ktpa

KWINANA AMMONIA EXPANSION



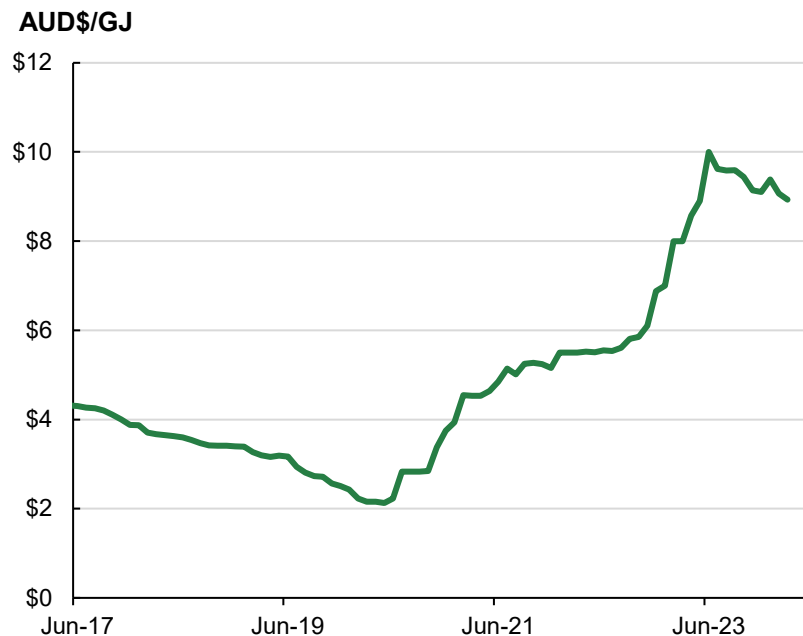
Potential opportunity to reduce ammonia imports

- FID subject to several key commercial factors, including security of gas supply at competitive pricing, a carbon abatement solution, and growth outlook of key end-markets
- GHG³ plan approved with additional regulatory approvals in progress to increase production capacity from c. 270ktpa to c. 570ktpa

Proven track record of disciplined investment for growth

1. Covalent Lithium is WesCEF's 50% owned joint venture.
2. Final Investment Decision.
3. Greenhouse Gas.

WA Natural Gas Spot Pricing



Source: Gas Trading Australia. Price shown is the monthly average.

1. Australian Energy Market Operator.

2. Source: AEMO 2023 Gas Statement of Opportunities report.

WA Natural Gas Market

- Recent supply constraints have led to elevated domestic natural gas pricing compared to historical averages. This is expected to continue in the medium term, with the AEMO¹ currently forecasting a supply deficit from 2024 until 2028².
- Natural gas is a critical input for many of WesCEF's businesses, which will continue to be adversely impacted by higher prices as gas supply contracts are renewed.
- The WA Domestic Gas Policy, which seeks to ensure 15% of offshore gas production and 100% of onshore gas production is available for WA customers, is currently being reviewed with a Parliamentary Inquiry underway.
 - WesCEF is actively engaged in the Parliamentary Inquiry.
- WesCEF continues to explore innovative long-term gas sourcing arrangements.

WesCEF's 2050 Net Zero Roadmap

SCOPE 1 + 2 EMISSIONS



5.5MT cumulative abatement in Phase 1
(2012 – 2020)

2020

40%
Reduction

Relative to unabated 2020 baseline



Upgrade abatement technologies



Renewable electricity



SCOPE 3 PATHWAY AND ROADMAP EVOLUTION



Pilot of carbon capture utilisation and storage and green hydrogen



Evaluate emerging decarbonisation solutions

2030

30%
Reduction

Relative to abated 2020 baseline



of WesCEF's Scope 1 & 2 emissions have abatement potential

2050

NET
ZERO



Offset residual emissions



Large scale green hydrogen



Large scale carbon capture utilisation and storage

PHASE ONE
2012 – 2020

PHASE TWO
2020 – 2030

PHASE THREE
2030+

CLIMATE GOVERNANCE

- Climate Opportunities Executive
- Creation of a Climate Opportunities Project Management Office

PARTNERSHIPS

- Suppliers, customers, industry and researchers to deliver decarbonisation across value chains

TRANSPARENCY

- Additional disclosure of product emission intensity to be made
- Developing a Scope 3 emissions pathway

ENABLERS

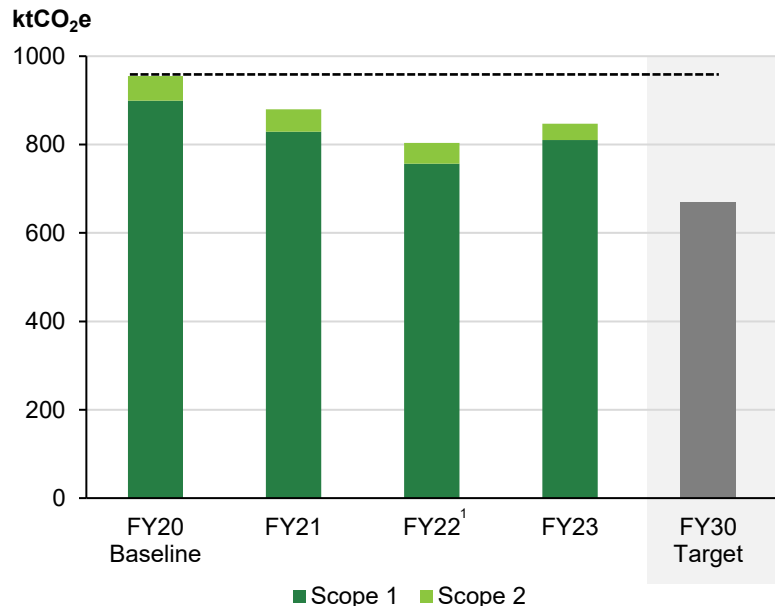
Decarbonisation

Currently in Phase Two: 30% reduction in emissions by 2030 (relative to abated 2020 baseline)

Phase Two progress

Phase Two priorities

WesCEF Scope 1 and Scope 2 location-based emissions



Installation of tertiary abatement catalysts in three nitric acid plants supported by grants from Commonwealth and State Governments², with first installation in FY25



Engineering commenced for replacement Sodium Cyanide incinerator with improved efficiency of emission removal



Exploring ways to further reduce Scope 2 emissions



Participating in policy engagement and working groups

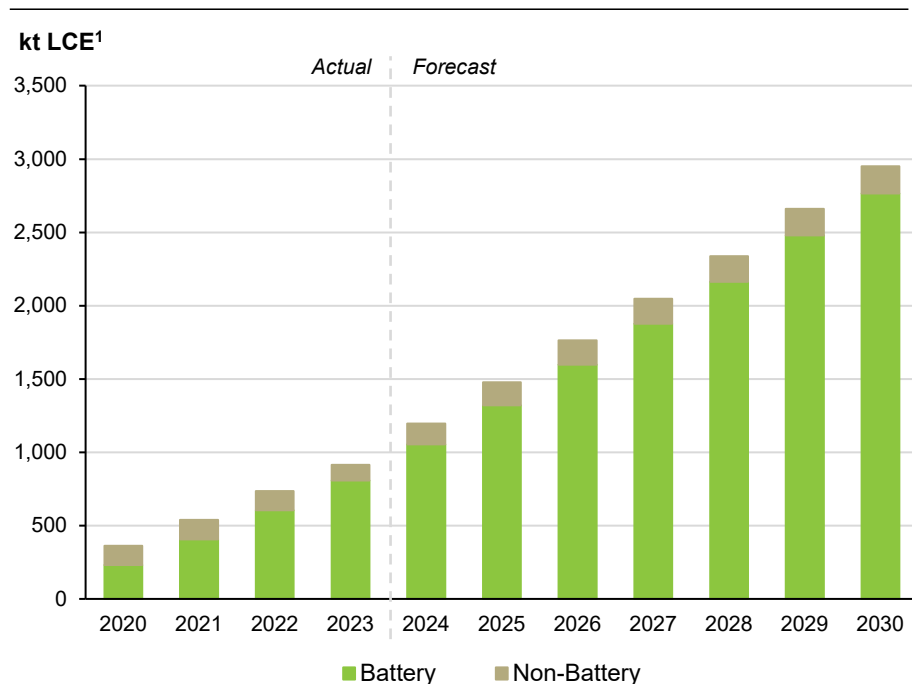


Identifying opportunities to reduce Scope 3 emissions

Phase Three (Net Zero by 2050) foundational work is well progressed with different options being explored and evaluated, including the development of a CCS³ solution

1. FY22 includes the impact of the five-yearly planned maintenance shutdown of the Ammonia plant.
2. Commonwealth Government funding: \$33m; State Government funding: \$0.5m.
3. Carbon Capture and Storage.

Lithium demand outlook



- Strong demand outlook for battery grade lithium
- Driven by increasing penetration of battery electric vehicles (EVs)
 - Global EV sales are expected to grow c. 20-25% in 2024. Key factors that will influence sales include:
 - Ongoing favourable legislative support
 - OEM² commitments to new model rollout and affordability
- Given production curtailments, start-up delays and expansion deferrals, marginal oversupply is expected in the short term
- Lithium pricing is anticipated to remain volatile due to the market's immaturity, and cyclical or seasonal variations in demand patterns

1. Source: Benchmark Minerals Intelligence, Lithium Forecast Q4 2023. Lithium Carbonate Equivalent.
2. Original Equipment Manufacturer.

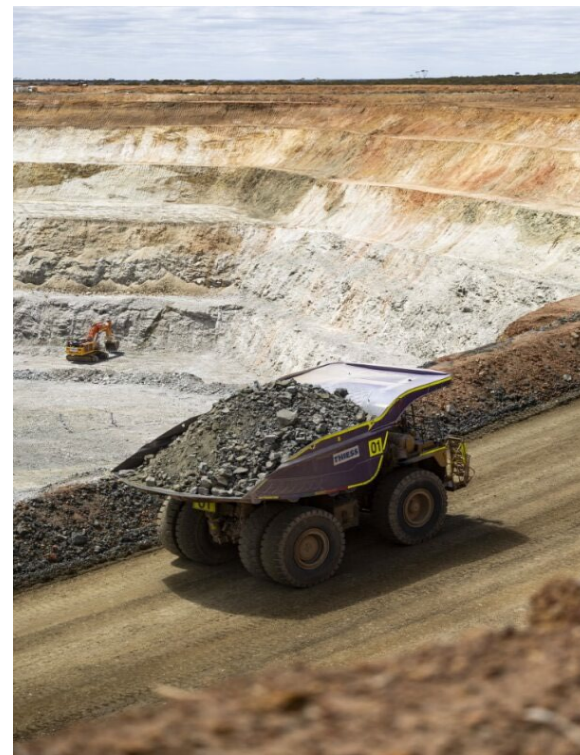
Lithium – Covalent project and exploration

Project update

- Construction of the Kwinana refinery is now approximately 75% complete, with timing and cost in line with previous guidance¹
- Mt Holland mine and concentrator continuing to ramp-up production
 - Spodumene concentrate production remains in line with previous guidance²
- First spodumene concentrate shipment was completed in March 2024
- Not anticipating positive earnings in FY24 due to higher cost of production while volumes ramp up, as previously indicated²
- WesCEF's share of spodumene concentrate production for FY25 expected to be between c. 150,000 – 190,000 tonnes

Current priorities

- Finalise construction and commission the Kwinana refinery
- Continue to progress the potential mine and concentrator expansion project
 - Application for environmental approvals have been submitted
- Ongoing exploration work on the Davyhurst tenement package
- Continually review other opportunities in the sector



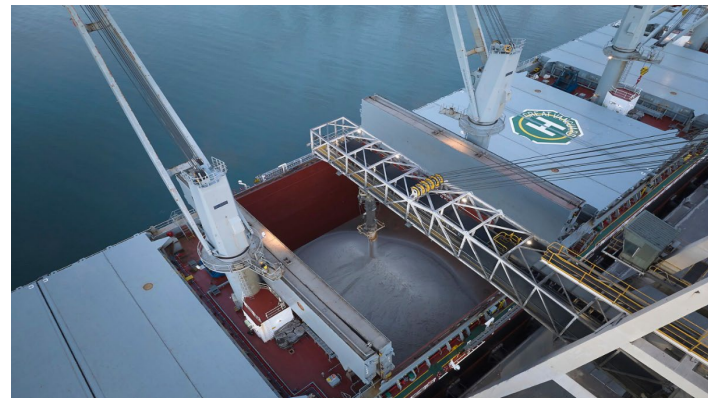
Ore being transported from the open pit mine to the Mt Holland concentrator.

1. Provided at the 2023 Half-year results.
2. Provided at the 2024 Half-year results.

Key messages

Continue to execute opportunities within strategic focus areas:

- Investing to deliver process improvements and efficiencies in pursuit of **operational excellence**
- Progressing **production capacity expansions** to facilitate long-term growth
- Working to **secure competitively priced natural gas** amid a forecasted supply deficit
- Evaluating and implementing abatement initiatives in line with **Net Zero Roadmap**
- Continuing to advance the **Covalent lithium project**
 - Not expecting positive earnings in FY24 due to higher cost of production while spodumene concentrate volumes ramp up
 - Refinery construction is now approximately 75% complete, with focus shifting to commissioning activities
 - Lithium hydroxide production expected in first half calendar year 2025



Spodumene concentrate export being loaded for first shipment – March 2024.



Covalent Kwinana refinery – January 2024.

Appendix: Chemicals overview



Ammonia & Ammonium Nitrate (AN)

Sodium Cyanide

Competitive position

- #1 WA AN with over five decades of supplying the WA mining industry

- #1 WA Sodium Cyanide
- Uniquely and favourably placed to service WA Goldfields with track record of over 35 years' experience

Competitive advantage

- Suite of contracts with high quality customers with a portion having raw material pass through protection
- Reliable, high-quality supply

- Three product delivery systems to suit customer needs
- Security of supply with two solution plants and solids plant
- Distribution systems and customer support and handling with a focus on safety

Strategic focus areas

- Plant debottlenecking to support expected growth of explosive-grade AN market
- Investment in tertiary abatement catalysts
- Operational excellence to support plant availability and process optimisation

- Incremental production expansion supported by strong growth fundamentals given increasing global gold production and declining ore grades
- Ongoing supply chain enhancement
- Continuing productivity and process improvements

Appendix: Energy and Fertilisers overview

  	Energy	Fertilisers
Competitive position	• #1 WA LPG – Production and Distribution • #1 WA LNG (domestic) – Production and Distribution • #2 WA Natural Gas (NG) retail	• #1 WA Fertiliser
Competitive advantage	• Trusted local brand with Canstar Blue award-winning customer service (NG) • Local manufacturing capability and expertise • Significant storage assets and import/export capability	• Local manufacturing capability • Priority port access • Large capacity storage and despatch infrastructure • Reliability of supply and agronomic advice
Strategic focus areas	• Investment in customer data analytics (NG) • Identifying production and distribution efficiencies • Enhancing customer self-service capability • Marketing automation in LPG and NG	• Investing in research and digital tools • Infrastructure investment to support demand growth • Optimising supply chain planning and reliability • Offers to growers that reward loyalty

INDUSTRIAL AND SAFETY



TIM BULT
Managing Director
Wesfarmers
Industrial and Safety



Blackwoods

NZ Safety
Blackwoods

WORKWEAR
GROUP


coregas

Strategic agenda

Three distinct businesses operating in the industrial segments

	Blackwoods NZ Safety Blackwoods	coregas 	WORKWEAR GROUP
Market position	#1 Australia, #2 NZ	#3 challenger	#1 uniforms and industrial workwear
Competitive advantage	Well-established position with broad distribution and store network, extensive SKU count and diverse customer base	Expertise, reliable supply and innovative solutions	Strong market position, leading brands – Hard Yakka, King Gee, NNT

Providing confidence in the products and services we deliver

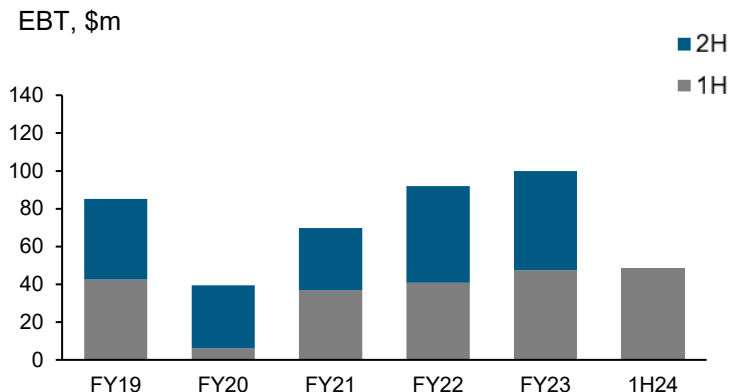
Anticipating customer needs	Acting with integrity and honesty	Sourcing ethically	Safe work environment, develop teams and inclusive culture	Supporting communities	Environmental performance
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Strategic focus on growth, capability and efficiency

Grow in target segments	Disciplined investment in capability	Focus on service and customer experience	Execute productivity initiatives
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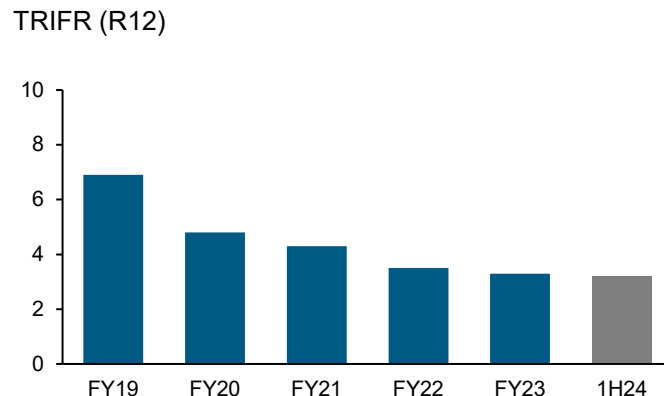
Historical earnings and safety performance

WIS earnings performance¹



- All WIS businesses focused on long-term earnings and ROC improvement
- Revenue growth from all businesses in 1H24, with earnings impacted by investments to support growth, ongoing domestic cost pressures and FX movements

WIS TRIFR (R12)²



- Safety and wellbeing of all team members remains a key priority
- TRIFR improvement driven by actions and initiatives implemented across all teams

1. Excludes significant items and includes payroll remediation costs. Greencap consulting business divested on 1 August 2022.

2. TRIFR = Total Recordable Injury Frequency Rate. R12 = Rolling 12 month basis.

Blackwoods – business update

Blackwoods

**NZ Safety
Blackwoods**

**Improved order
fulfilment and demand
forecasting**

utilising the Enterprise
Resource Planning
system

**Continued investment
in digital capabilities**

to improve customer
experience and
operating efficiency

**Delivered sales growth
with strategic customers**

through strengthening
relationships and
executing the integrated
supply program

**Continued to meet
changing customer
needs**

working with customers
that are acutely impacted
by margin pressures



Blackwoods – current priorities

Driving customer-led growth

- Continue to build a market-leading customer value proposition through Unbeatable Range, Reliability, Expertise and Ease to do Business
- Enhance the middle-market offer through strong value and service proposition
- Drive growth in New Zealand beyond the core safety offer through engineering range expansion and trade centre refresh program

Delivering productivity and efficiency

- Key initiatives include:
 - Customer and supplier digitalisation
 - Data alignment
 - Process automation and productivity tools
 - Fulfilment workflows efficiency and automation initiatives



Resilient performance with multiple avenues for growth

- Industrial gas is an essential input for a diverse range of industries
- Growing market share supported by tailoring offers for major customers, most notably in the healthcare, mining and oil and gas industries
- Continued growth in disruptive Trade N Go Gas offer
- Leveraging expertise in hydrogen across several opportunities including:
 - Heavy-vehicle hydrogen refueling stations now operational in Australia and NZ
 - Collaborating on green hydrogen projects in Victoria and Auckland
- Industry decarbonisation efforts supportive of long term growth, with opportunities in hydrogen, CO₂ capture and oxygen supply for cleaner burning of fuels

**Growth underpinned by agility, technical innovation,
reliability of supply and operations capability**



Workwear Group



A leading manufacturer and supplier of workwear solutions with three clear priorities for growth

Strengthen position of key brands

Strong market position supported by new product innovation and improved service



Strengthen uniform proposition

Targeting uniform growth in essential sectors



Deliver initiatives to support growth and operating efficiencies

- Continue rollout of new e-commerce platform
- Accelerate growth of industrial brands through international channels
- Optimise and simplify the supply chain
 - Commissioning 3PL capacity in Queensland
 - Exiting manufacturing in NZ
- Continued focus on productivity and competitiveness, supported by ongoing investment in technology

Key messages

- Focused on continuing to improve the customer value proposition, enhance operational capabilities and execute new growth opportunities
 - Providing confidence in the offer by delivering the right product with reliable supply
 - Investing in data and digital capabilities to improve efficiency and value of offer
 - Working with customers that are impacted by margin pressures to better meet their needs
- Market conditions remain uncertain and WIS businesses continue to actively manage the impacts of cost inflation and labour availability constraints
- Focused on building market share, improving productivity and efficiency, and integrating sustainable practices to ensure long-term profitability



WESFARMERS HEALTH



EMILY AMOS
Managing Director
Wesfarmers Health



Our mission is to make Australians' health, beauty and wellness experiences



Simpler

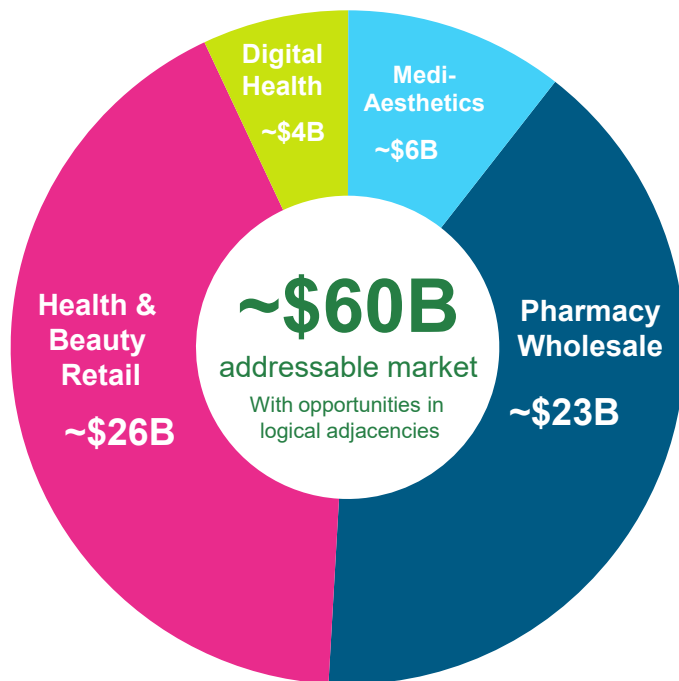


More affordable



Easier to access

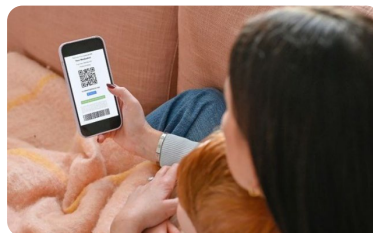
We operate in large addressable markets with strong growth trends



Growing demand for **health products and services** and **increasing role of community pharmacists** in primary care



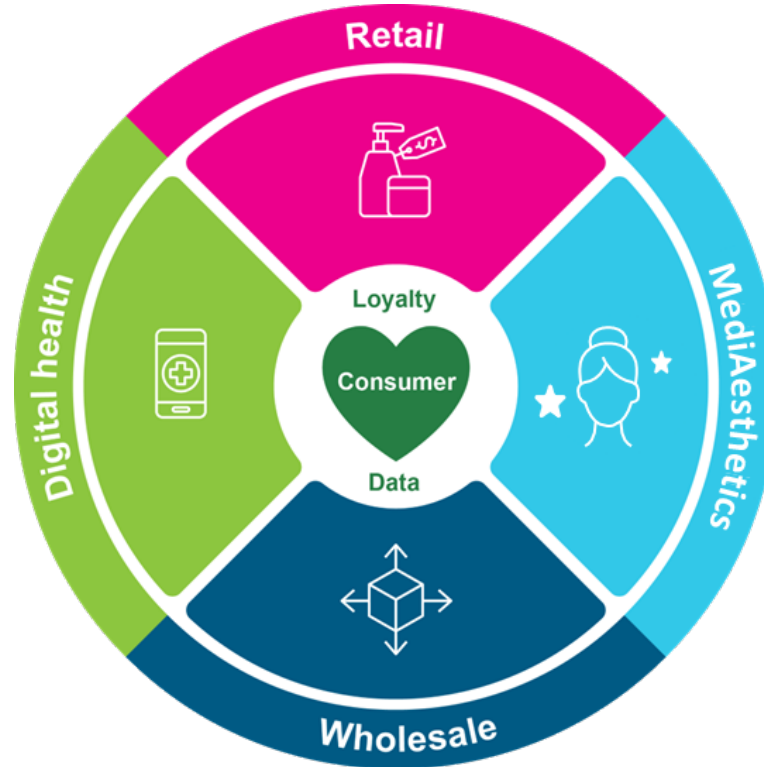
Increasing spend on **beauty and wellbeing products and services**



Increasing **adoption of digital delivery models** and growing expectations for more **personalised and integrated experiences**

Notes: Pharmacy wholesale addressable market includes ethicals, health & beauty products, OTC products, veterinary products and direct-to-pharmacy (DTP) products, distributed to community pharmacies and hospitals. Health & beauty retail addressable market includes health & beauty and OTC products and retail media, excludes ethicals sales in pharmacies. MediAesthetics addressable market includes clinics in Australia, excludes devices. Digital health addressable market includes telehealth, eScripts and tracking devices.

Today we have a strong omnichannel retail business, supported and enabled by digital health assets and wholesale business



Priceline is one of Australia's most loved retail brands



Full-line pharmacy with wide range of **aspirational health and beauty brands** at **affordable prices**



Destination for **beauty and skincare** with **new and exclusive ranges**



Large and growing **national network of 473** pharmacies and company-owned stores



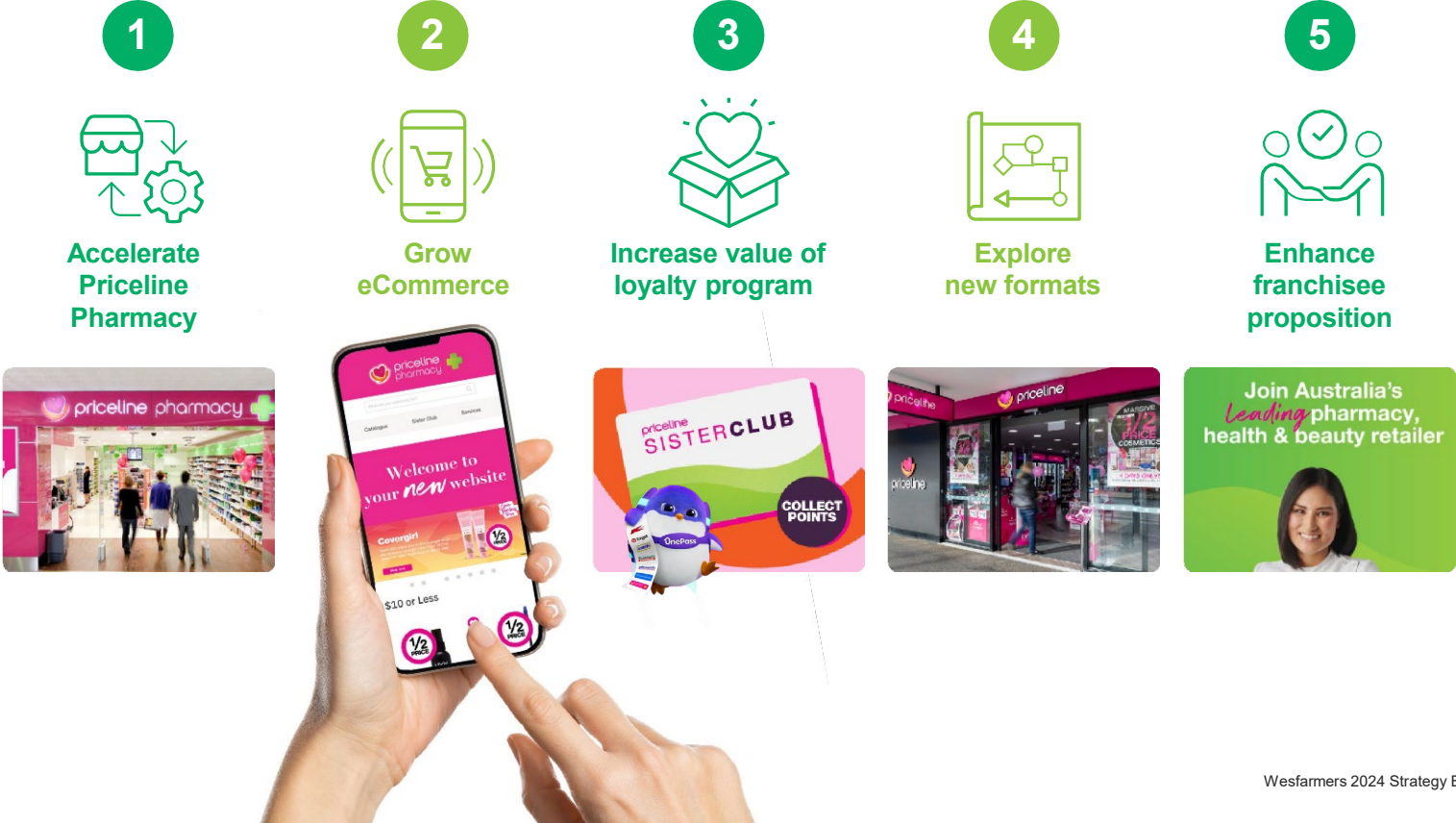
Largest health and beauty **loyalty program** in Australia with **>8.8m** total members¹



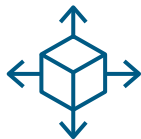
Market-leading service, in-store and online in health and beauty

1. Of total members, 3.8 million have been active in the last 12 months. Data as at 31 March 2024.

Five drivers of accelerated retail growth



Key priorities across Wholesale, MediAesthetics, and Digital Health



Wholesale

**Pharmaceutical
wholesaler of choice**

- Improve service levels (availability, accuracy, on-time delivery)
- Reduce supply chain costs through automation
- Simplify processes and invest in technology to improve customer experience



MediAesthetics

**Leading
MediAesthetics business**

- Capture supply chain and back-office synergies
- Grow market share in existing brands
- Expand addressable market through new product lines



Digital Health

**One-stop-shop for consumers'
health and wellbeing needs**

- Integrate assets into digital platform
- Expand SiSU Health and InstantScripts
- Build and grow health data asset

Key messages

- Division operates in **attractive markets** with strong growth trends
 - Growing retail pharmacy market and increasing role of community pharmacists in primary care
 - Growing consumer demand for beauty and wellbeing products
 - Increasing consumer expectations for digital, integrated and personalised experiences
- Wesfarmers Health has **unique assets** and is well positioned to capitalise on these trends:
 - One of Australia's most loved retail brands in Priceline
 - Vertically-integrated wholesale business
 - Large MediAesthetics business with multiple brands
 - Unique digital and loyalty assets (Instant Scripts, SiSU, Sister Club)
- Division has established **clear priorities** to win:
 - Execute the retail growth plan
 - Grow in high-margin MediAesthetics market
 - Continue to explore expansion opportunities in logical adjacencies





PANEL Q&A

WesCEF, Industrial and Safety, and Wesfarmers Health

IAN HANSEN

Managing Director,
Wesfarmers Chemicals,
Energy & Fertilisers

AARON HOOD

Deputy Managing Director,
Wesfarmers Chemicals,
Energy & Fertilisers

TIM BULT

Managing Director,
Wesfarmers Industrial and Safety

EMILY AMOS

Managing Director,
Wesfarmers Health



