Wesfarmers

3 June 2021

The Manager
Market Announcements Office
Australian Securities Exchange

Dear Manager,

2021 STRATEGY BRIEFING DAY PRESENTATION

Following is a presentation that will be given today, Thursday 3 June 2021, at a Strategy Briefing Day in Sydney which is scheduled to commence at 6:30am AWST / 8:30am AEST.

The presentation includes:

- an update on key Group and divisional/business strategies; and
- a high level update on trading conditions and performance.

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

The two videos included as part of the presentation are available at https://www.wesfarmers.com.au/strategy-videos-JUN21.

Yours faithfully,

V. Robinson

Vicki Robinson
Executive General Manager
Company Secretariat

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

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2021 Strategy Briefing Day

To be held on Thursday 3 June 2021

Wesfarmers

Agenda

Time (AEST)	Topic	Presenter
8:00 – 8:30am	Registration	
8:30 – 9:25am	Introduction and Group Overview	Rob Scott and Anthony Gianotti
9:25 – 10:10am	Bunnings	Michael Schneider
10:10 – 10:20am	Break	
10:20 – 11:10am	Kmart Group	Ian Bailey, Richard Pearson and Pete Sauerborn
11:10 – 11:40am	Officeworks	Sarah Hunter
11:40 – 11:50am	Break	
11:50am – 12:20pm	Chemicals, Energy & Fertilisers	Ian Hansen
12:20 – 12:50pm	Industrial and Safety	Tim Bult
12:50 – 12:55pm	Close	Rob Scott
12:55 – 1:30pm	Lunch	

Introduction and Group Overview

Rob Scott
Managing Director, Wesfarmers Limited

Wesfarmers’ primary objective is to provide a satisfactory return to shareholders

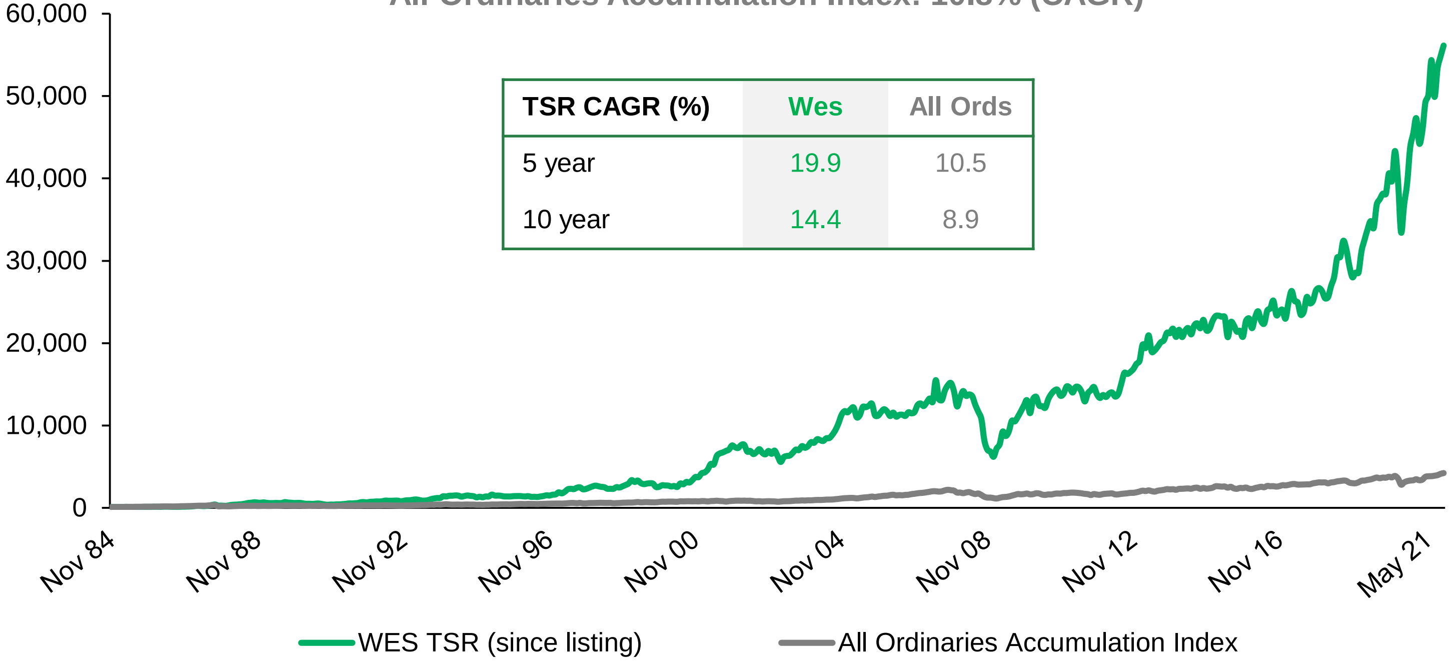
We believe it is only possible to achieve this over the long term by:

- Anticipating the needs of our customers 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

Superior long-term financial performance

TSR index
(November 1984 = 100)

Total shareholder return[1]
Wesfarmers: 18.9% (CAGR)
All Ordinaries Accumulation Index: 10.8% (CAGR)



TSR CAGR (%)	Wes	All Ords
5 year	19.9	10.5
10 year	14.4	8.9

1. Assumes 100% dividend reinvestment on the ex-dividend date and full participation in capital management initiatives; as at 31 May 2021.
Source: Annual reports and IRESS.

Strategies to build trust and drive long-term value creation

Wesfarmers

Climate and environment

Net zero Scope 1 and 2 emissions ambitions for

retailers by **2030**

and industrials by **2050**

Enhanced environmental reporting, 1H FY21 Scope 1 and 2 emissions

⬇ **8%**

Waste diverted from landfill[1]

⬆ **12%**

Ethical sourcing and human rights

Factories covered by the Group's audit program[1]

3,000+

Modern slavery training[1]

10,400+ hours

Working alongside global peers, NGOs and others to mitigate ethical sourcing risks and enhance human rights

Development, diversity and inclusion

Aboriginal and Torres Strait Islander team members in total Aus. workforce[2]

12 months ago **1.8%**

now **2.6%**

Women in senior executive positions[2]

12 months ago **28%**

now **34%**

Employee engagement[3]

⬆ **3 - 10 ppts**

1. Statistics relate to the 2020 financial year.
2. As at 30 April 2021.
3. Represents range of year-on-year increase in divisional employee engagement scores based on employee engagement surveys in 2021. Excludes corporate office as 2021 employee engagement survey not yet completed.

Wesfarmers' value-creating strategies

Wesfarmers

OUR 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 initiatives**	**Renew the portfolio through value-adding transactions**	**Ensure sustainability through responsible long-term management**

Significant progress in areas of focus in last three years

Wesfarmers

FY18 key priorities	Progress
Accelerate data and digital capabilities	• Establishment of the Advanced Analytics Centre (AAC) and employment of 400+ data, digital and analytics specialists across the Group • Group data platform operational – enabling customer data insights across divisions • Acquisition and development of Catch.com.au • Formation of Flybuys joint venture • Expanded online presence – over 100m digital interactions with customers each month[1] • Wesfarmers now a top two non-food ecommerce retailer in Australia (online sales $2b in 1H FY21[2])
Reposition the portfolio for growth	• Successful demerger of Coles delivering great outcomes for Wesfarmers and Coles shareholders • Monetisation and exit of coal mining businesses – Curragh and interest in Bengalla JV • Investment in strategic lithium opportunity and final investment decision for the Mt Holland lithium project • Acquisition of Catch.com.au • Strategic investment and collaboration with Square Peg • Sale of KTAS and Quadrant Energy • Maintained a strong balance sheet whilst increasing investment in strategic initiatives
Address areas of underperformance	• Divestment of Homebase – maintain an entitlement to 20% of any equity distributions • Simplification of Target business, including through store support restructure • Successful conversion of 81 Target stores to Kmart and K Hub stores to date, with initial trading results above expectations • Blackwoods performance improvement in 1H FY21 – on track to implement the new ERP system in CY21

Note: KTAS refers to Kmart Tyre and Auto Service.
1. Represents monthly average over the last twelve months to 30 April 2021. Includes retail businesses only.
2. Includes gross transaction value from Catch.

Evolution of key priorities

Wesfarmers

FY18 key priorities

Accelerate data and digital capabilities

Position the portfolio for future growth

Address areas of underperformance

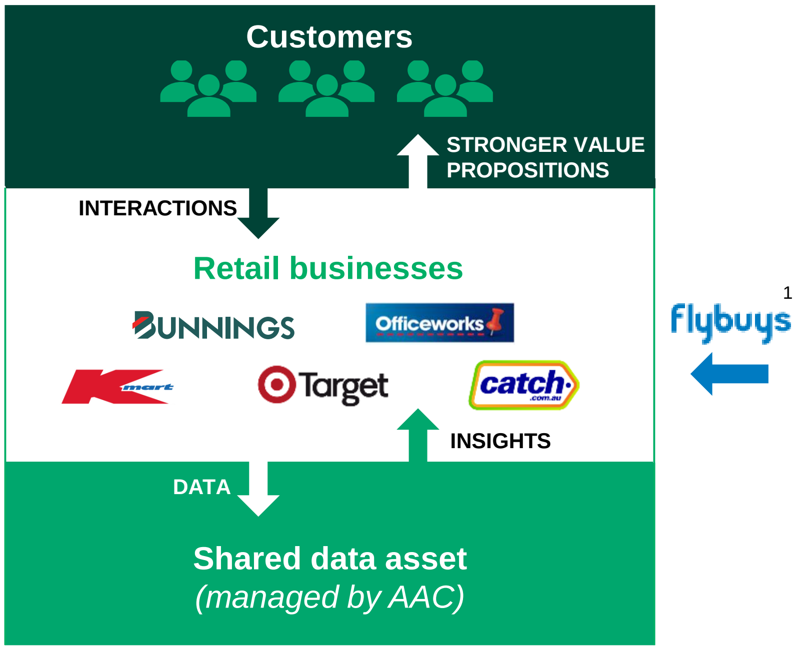
Renewed priorities

1. **Develop a market-leading data and digital ecosystem**
2. **Invest in platforms for long-term growth**
3. **Accelerate the pace of continuous improvement**

1 Develop a market-leading data and digital ecosystem

- Opportunity to establish a market-leading digital ecosystem that spans the retail businesses
  - Leverage scale and unique assets, including trusted brands, leaders on value, store networks and team
  - Enhance the customer experience and make it easier to shop across multiple Wesfarmers businesses
  - Deliver personalisation at scale
  - Opportunities to further leverage Flybuys
- Development of Group shared data asset
  - Deepen understanding of customers through cross-divisional customer insights
- Further investment in AAC – specialist skills, robust data governance, digital talent incubator
- Approach to ecosystem development will ensure each division retains their own customer data and digital capabilities to support their future success, consistent with divisional autonomy
- Incremental investment of ~$100m expected across Group and divisional initiatives to develop the ecosystem

Data and digital ecosystem



1. Kmart, Target and Catch are Flybuys participants.

2 Invest in platforms for long-term growth

Investments across:

Portfolio of existing businesses	Adjacent opportunities	Value-accretive transactions

Examples:

Catch

- Building a scalable platform and leading Australian marketplace
- Investing significantly in fulfilment, talent and marketing to accelerate GTV growth
- Focus on large addressable market beyond existing Wesfarmers retail brands and offer
- Continue to leverage Catch's digital expertise and capabilities across the Group

Mt Holland lithium project

- Leverages WesCEF's chemical processing capabilities and track record of project delivery
- Construction to commence 2H CY21 with first production expected 2H CY24
- Investigating project expansion to improve returns, and further step out opportunities in electric vehicles value chain

Bunnings' commercial offering

- Improving commercial offer to better service builders, tradespeople and organisations
- New format Adelaide Tools store in Parafield, South Australia (March 2021) and will open first stores outside South Australia in 1H FY22
- Agreement to acquire Beaumont Tiles in April 2021, subject to conditions

Supply chain capabilities

- Ensuring supply chain operations continue to support in-store and online growth
- Focused on improving efficiency, lowering costs and supporting higher volumes
  - Optimisation of pick and pack processes
  - Leverage new technologies to support digitisation and exploration of automation opportunities

3 Accelerate the pace of continuous improvement

Wesfarmers

- Experience through COVID-19 shows that the Wesfarmers model enables rapid responses to changes in customer behaviour and operating environments – focus on maintaining momentum and agile approach
- Accelerate investment to reinforce price leadership, adjust to changes in customer demand and deliver business process improvement
- Sustainability to be further integrated into divisional strategies to build further trust and support customers, suppliers and communities, and develop new business opportunities

Customer experience

- Strengthening and maintaining lowest price positioning
- Product innovation through own-brand and exclusive brand products
- Seamless and personalised shopping experiences both in-store and online
- Competitive fulfilment offerings

Operational excellence

- Productive store networks
- Supply chain improvements
- Strong sourcing capabilities
- Renewed IT systems and infrastructure
- Expanded production capacity
- Increased efficiency and disciplined cost control

Sustainability

- Progress against net zero ambitions by 2030 (retailers) and 2050 (industrials)
- Development and retention of top talent
- Supporting the communities in which the businesses operate
- New business opportunities in emerging industries

Looking forward

- Wesfarmers' portfolio of cash-generative businesses with trusted brands and leading market positions remains well-placed to deliver satisfactory shareholder returns over the long term
- Renewed set of key priorities for the Group
  - Developing a market-leading data and digital ecosystem
  - Investing in platforms for long-term growth
  - Accelerating the pace of continuous improvement
- Leverage the strength and agility of the Wesfarmers operating model to accelerate strategic agenda
  - Enhancing digital capabilities and leveraging valuable store networks to support long-term growth
  - Delivering even greater value for customers, both in-store and online
  - Expanding addressable markets
  - Increasing production and processing capabilities in the industrials businesses
  - Attracting and developing top talent
- Continue to deliver progress against our comprehensive sustainability agenda, making a positive impact on the communities and environments in which we operate to create long-term value for shareholders

Group Balance Sheet and Cash Flow

Anthony Gianotti

Chief Financial Officer, Wesfarmers Limited

Recent trading performance

- The Group’s retail businesses began to cycle the impacts of COVID-19 in the prior year from mid-March, leading to significant volatility in monthly sales growth results
- On a two-year basis, all of the retail businesses have continued to record strong sales growth, reflecting their ability to provide safe and trusted environments while delivering greater value, quality and convenience for customers
- Customer demand has remained resilient, but year-on-year growth has generally moderated and been negative in some months for some businesses, due to elevated activity in the prior year
- Online growth has moderated as customer traffic to stores has increased, and online penetration has reduced but remains above pre-COVID levels
- Good operating performances and pleasing trading has continued in the industrials businesses

Approach to delivering satisfactory returns

Long-term earnings growth and strong cash flow generation

Portfolio of well-positioned businesses

Bunnings | Kmart | Target | catch.com.au
Officeworks | Wesfarmers Chemicals, Energy & Fertilisers | Wesfarmers Industrial and Safety

Adjacent opportunities

Value-accretive transactions

Flexible, opportunistic and disciplined approach to all investment decisions

Maintain an appropriately strong and flexible balance sheet

Strong cash generation and working capital discipline

Optimise funding costs, sources and maturities

Strong credit metrics and headroom

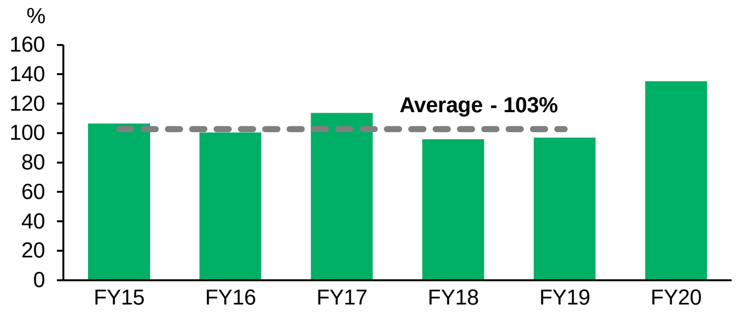
Capital allocation decisions are independent of funding decisions

Strong commercial capabilities across corporate office and divisions

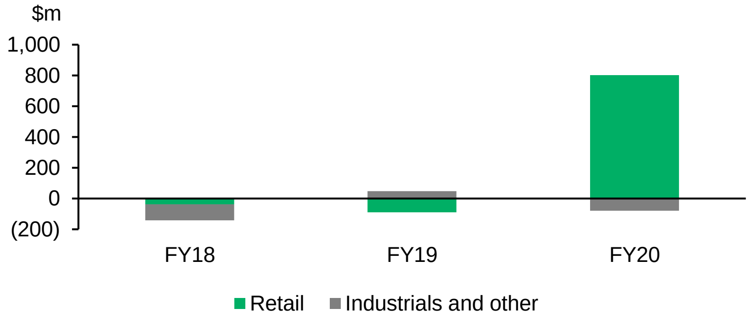
Cash flow generation

- Portfolio of cash-generative businesses with strong returns on capital
- Cash generation underpinned by strong earnings growth
- Divisional cash generation from continuing operations averaged 103% over the 5 years to FY19
- Favourable but temporary $723m working capital inflow in FY20 driven by retail divisions
  – Ongoing normalisation of working capital across retail businesses expected to impact FY21 divisional cash generation
- Adapting inventory management to support availability while maintaining working capital disciplines

Divisional cash generation (cont. ops)[1]



Working capital cash movement (cont. ops)



1. Divisional operating cash flows before tax after net capital expenditure and repayment of finance leases divided by divisional EBT. FY15 to FY19 includes contributions from KTAS and Quadrant Energy.

Investing for growth

- Focused on strengthening core businesses and driving long-term returns
- Strong capital allocation discipline
  - Robust business case development
  - Focused on NPV in investment appraisal
  - Hurdle rates reflective of project risks
  - Detailed assessment of ESG considerations and risks, including shadow carbon pricing
- Accelerated investment in digital transformation
  - Mix of digital investment increasingly flowing through operating expenditure
- FY21F net capital expenditure of $650m to $700m expected, subject to net property investment
  - Inclusive of the conversion of Target stores to Kmart stores and purchase of long lead items for the development of the Mt Holland project

~$2.8b of growth capital expenditure invested from FY16 to 1H21, including the acquisitions of Kidman, Catch and Geeks2U[1]

Over $200m of data and digital investment (opex and capex) across the Group in FY20

Data and digital investment across the Group's businesses will continue to increase through FY21 and FY22

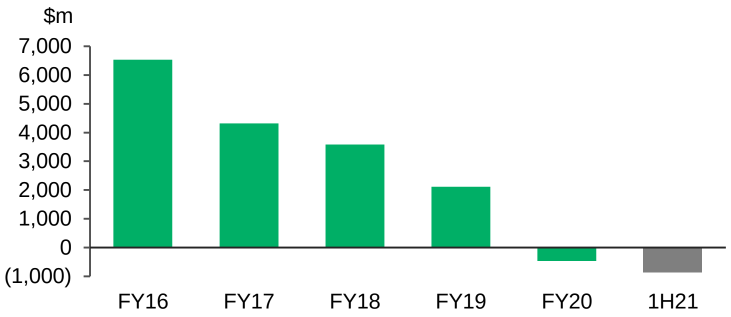
~$100m of additional investment in the medium term to support the development of the Group's data and digital ecosystem

1. Calculated as gross capex less depreciation and amortisation excluding right-of-use asset. Excludes discontinued operations. Includes contributions from KTAS and Quadrant Energy.

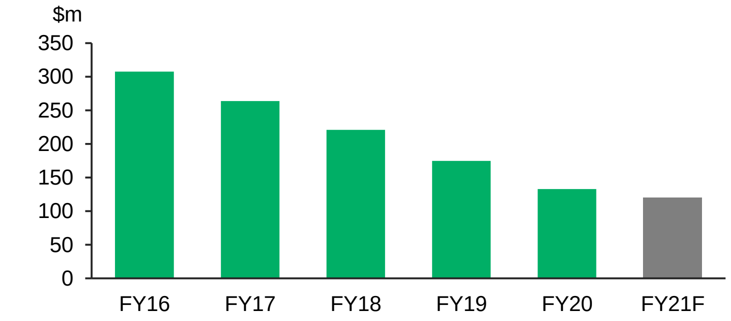
Balance sheet and debt management

- Maintained an appropriately strong and flexible balance sheet to support continued investment
- Access to diverse funding markets with limited maturities in any given year
  - Well-established issuance capability across domestic and offshore bond markets
- Maturity of two Euro bonds in October 2021 ($866m) and August 2022 ($764m) provides opportunity to optimise borrowing costs
- FY21F finance costs of $115m to $125m expected, reflecting lower average debt balances
- Continue to consider opportunities to enhance the Group's capital structure and return surplus capital to shareholders in a tax-effective manner, if appropriate
- Strong credit metrics and stable credit ratings
  - Moody's A3 (stable outlook)
  - Standard & Poor's A- (stable outlook)

Net financial debt[1]



Finance costs[2]

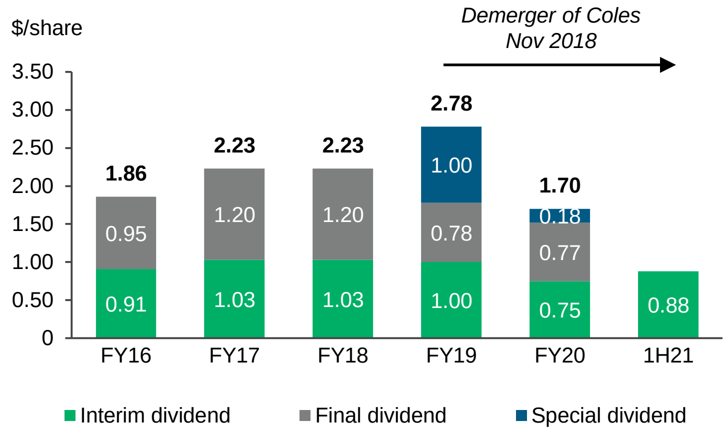


1. Interest bearing liabilities less cash at bank and on deposit, net of cross-currency interest rate swaps and interest rate swap contracts. Excludes lease liabilities.
2. Excludes interest on lease liabilities.

Shareholder distributions

- Disciplined investment over the long term, with ongoing focus on shareholder returns
- Approach underpinned by maximising the value of franking credits for shareholders
- ~$14.2b of fully-franked cash shareholder distributions paid between FY16 and FY21 (excludes Coles demerger)
- Dividend distributions subject to franking credit availability, current earnings, current liquidity position, credit rating and cash flow requirements

Shareholder distributions[1]



1. Represents dividends resolved to pay in each period.

Q&A
Group Overview, Balance Sheet and Cash Flow

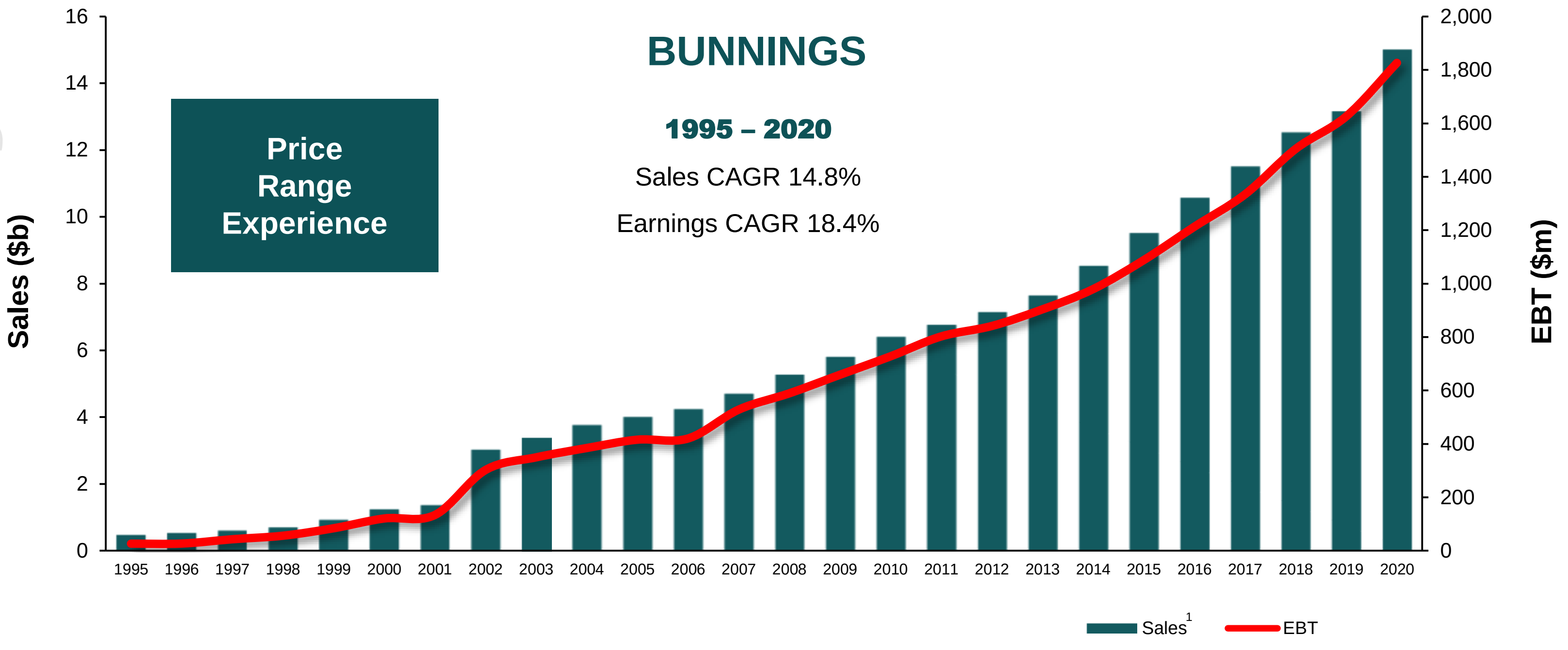
Rob Scott
Managing Director, Wesfarmers Limited

Anthony Gianotti
Chief Financial Officer, Wesfarmers Limited

Bunnings

Michael Schneider
Managing Director, Bunnings Group

Committed to long-term sustainable growth and performance



Note: Chart presented on a financial year basis and includes Bunnings Australia and New Zealand only.

1. Includes cash and trade sales, excludes property income.

Staying relevant to customers’ changing lifestyle needs

*Estimated market size: $A79.0b in Australia and $NZ15.0b in New Zealand

Competitive landscape and dynamics

Multiple drivers

- Household disposable income
- Renovation activity
- Housing churn, value and formation
- Weather
- Lifestyle and demographic trends
- Technology

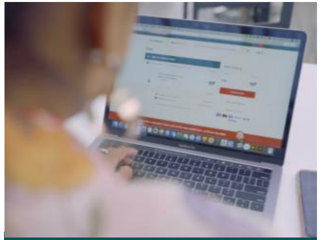
Varied formats

- Category specialists
- Hard goods mass merchants
- Traditional hardware
- Suppliers direct-to-market
- DDS and supermarkets
- Home Improvement and Outdoor Living category killer
- Multi-category, online only

Bunnings' strategic agenda

Building and Retaining the Best Team

Deliver on Price, Range and Experience



Data and Digital

Growing Commercial

Making a Positive Difference

Building the best team

BUNNINGS

Safety and wellbeing

- Consistent improvement in safety over the long term
- Using insights and simplified reporting to improve safety
- Increased support for team wellbeing
- Ongoing focus on keeping everyone safe in a COVID-19 environment

Building the best team

Best team and culture

- Ongoing recruitment of a diverse team with the right skills
- Deepening engagement and strengthening culture
- Industry-leading retention
- Stronger learning and development
- Investment in technology making it easier for our team




Deliver on our lowest prices policy

BUNNINGS

Delivering more value

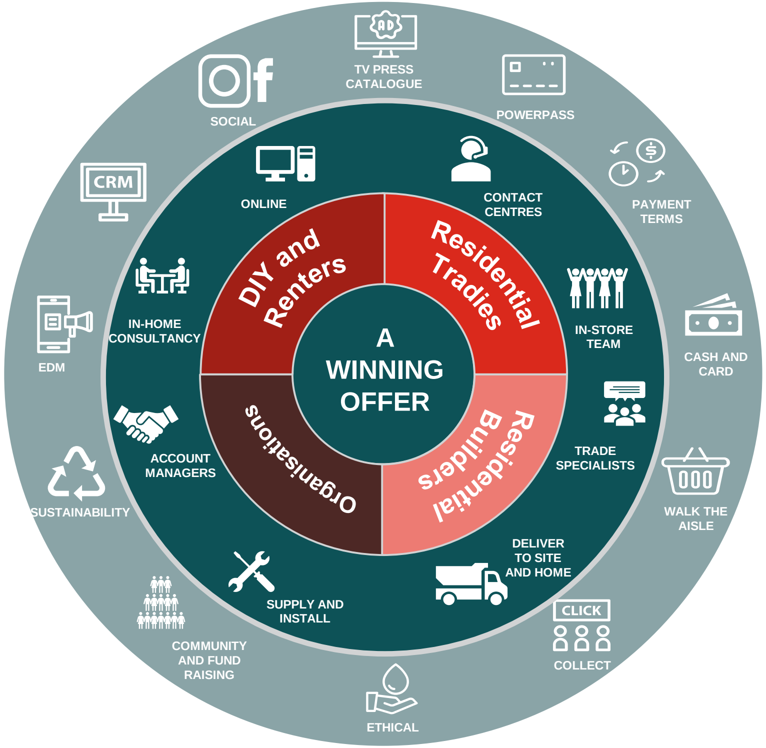
- Continue to reinvest in price
- Backed by the Bunnings no fuss price guarantee
- Disciplined focus on lowest costs to support delivery of lowest prices
- Continue to invest in supply chain to meet changing customer needs and deliver more value both in-store and online

Deliver widest range

Continuing to drive a relevant, winning offer

- Expanding products and services in line with customer needs and product innovation
- True ranging diamond: category-leading brands
- More on-trend products, shift to selling room or project
- Investing in the right technology to optimise stock and store design
- Space optimisation, refreshed layouts

Deliver best experience



Digital acceleration

BUNNINGS

Continue to accelerate technology that helps us to know our customers better, and develop and implement tools to improve their shopping experiences

Continue to increase the ways customer information is captured, using a strong governance framework

Continue to upgrade core technology platforms

Use our data more effectively to improve the customer experience

Build team capability further to enable ongoing improvement

Uplift business and fulfilment capabilities

Growing commercial: customer segments

- Whole of build
- Deeper customer engagement
- Fulfilment

- Home modification
- Business-to-business
- Umbrella organisations (e.g. Hire a Hubby)

- Easiest to deal with
- Specialist service
- Trusted brands

Growing commercial: core propositions

BUNNINGS

Be the easiest to deal with in every channel

Delivering solutions that help customers run their business better, and that help them grow

Be consistent and reliable, doing what we say we will do

Value
By delivering a unique solution-based combination of price and activities that customers highly value

Brand
By bringing products and services to market that help businesses take on more work and serve existing customers better

Experience
By our team understanding customers better and providing seamless shopping experiences

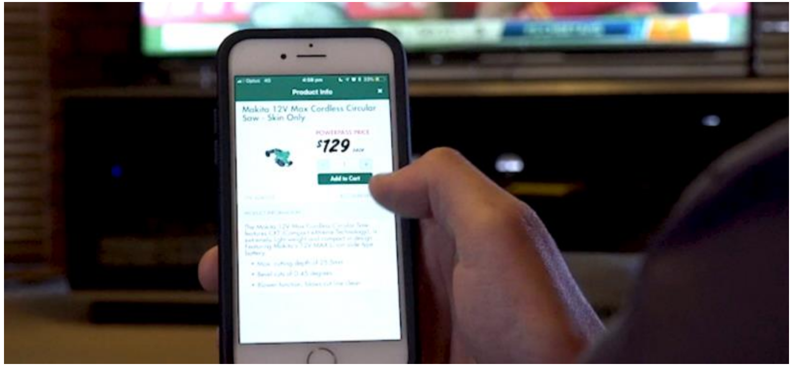
Growing commercial: Bunnings Trade

Drive the basics better

- In-store and on-site experience
- Range, assortment and brands
- In-store execution
- Deliver in full and on time

Leverage technology to serve better

- Online and mobile technology
- Link PowerPass to all trade brands and formats
- Customer Relationship Management platform



Growing commercial: catering to 'share of ute' and whole of build

BUNNINGS

- New Parafield store opened in March
- Test and learn approach
- First stores outside SA will open in 1H FY22

- A trusted hard surfaces and bathroomware business
- Caters to both builders and trade segments
- Subject to regulatory approval

Making a positive difference: community

Making a positive difference: sustainability

- Transitioning to 100% renewable electricity by 2025
- Committed to net zero Scope 1 and 2 emissions by 2030
- Solar currently installed at 74 sites, planned to expand to over 100 sites by June 2022
- 50% of network upgraded to LED, with more to come
- Reducing waste and packaging, increasing recycling
- 100% sustainable packaging by 2025

Key messages and outlook

- Continued transformation and evolution of our business to stay connected to customers, team and community
- Significant investments in our offer and enabling technologies to drive growth
- Rapid acceleration of our digital and data assets and capabilities
- Staying true to our culture and building trust with all stakeholders remains at the heart of who we are and what we do
- Disciplined capital investment and a focus on quality execution over the long term

Q&A
Bunnings

Michael Schneider
Managing Director, Bunnings Group

Justin Williams
Chief Financial Officer, Bunnings Group

Kmart Group

Ian Bailey

Managing Director, Kmart Group

Kmart Group scale

$9.2B
revenue

$1.2B
online sales[1]

461
stores[2]

~1.2B
units sold

~255M
transactions

Note: statistics relate to the 2020 financial year unless noted otherwise.
1. Includes gross transaction value from Catch.
2. As at 3 June 2021.

Kmart Group overview

Three iconic Australian retail brands with differentiated customer propositions

Kmart	Target	catch.com.au
Leading product development company and trusted brand offering everyday products at lowest prices	Destination for apparel and soft home products, with 'affordable quality' the key differentiator	Online marketplace offering branded products on both a first-party and third-party basis

Supported by alignment and common focus areas across Kmart Group functions

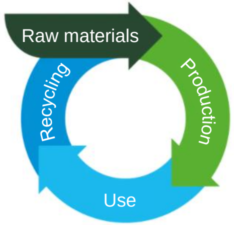
Technology and Data	People and Capability	Property and Network Planning	Joint Sourcing and Procurement	Corporate Affairs and Sustainability	Commercial, Strategy and Risk

Unique scale positions us to drive meaningful change

- Scale and breadth of operations across Kmart, Target and Catch provides a unique position to drive meaningful change in emission and waste reduction, ethical sourcing and other sustainability priorities
- Kmart Group's relationships with global sustainability partners, suppliers and peer retailers enable it to lead change in Australia
- A full list of Kmart Group's collective commitments is available at:
  - **Kmart:** www.kmart.com.au/bettertogether
  - **Target:** www.target.com.au/company/better-together
  - **Catch:** www.catch.com.au/stories/guides/ethical-sourcing

Kmart Group has committed to using 100% renewable energy by FY25 across all businesses.

At **Kmart**, 100% of cotton is sustainably sourced[1] for own-brand clothing, bedding and towels. **Target** is on track to achieve this by July 2021.



Kmart's commitment to banning single-use plastic shopping bags and 10 priority own-brand products by July 2021 will remove over 500m single-use plastic items per annum from the environment.

Alannah & Madeline Foundation

Target has supported the Alannah and Madeline Foundation since 2008.

1. Sustainably sourced means cotton that is ordered as 'Better Cotton', organic or recycled

Kmart

Ian Bailey

Managing Director, Kmart Group

Kmart vision

The fundamentals of Kmart are unlike other multi-category stores

Competitive advantages underpinned by market-leading scale	A strong brand with a sustainable lowest-price position, underpinned by a lowest-cost operating model, market-leading scale and unique product development capabilities
A large and growing addressable market	Number 1 or number 2 market position in every major category, with a highly-fragmented and substantial addressable market
A valuable store network at the centre of the business	Consistent fleet of standardised, high sales density stores with flexible layouts designed to evolve in line with category changes
Technology-enabled growth	Technology and data will deliver further improvements in customer experiences and strengthen Kmart's lowest-cost position
A sustainable development leader in Australian retail	Leveraging scale and global expertise to create meaningful and industry-leading impacts across the planet and people that Kmart touches

Kmart priorities

Leverage market-leading size and scale

- Expand market share in existing categories
- Leverage product development capability to opportunistically enter new product categories

Improve the online offer

- Deliver range of initiatives to significantly improve the online customer experience while realising improved efficiency

Build digitally-enabled supply chain

- Increase efficiency and resilience of sourcing and supply chain operations through a range of initiatives enabling faster product development, greater demand sensing and increased flexibility

Develop digitally-enabled store operating model

- Invest in multi-year program to transform the in-store customer experience and deliver operational efficiencies
- Delivery of in-store RFID equipment allowing real-time inventory tracking

Personalise the customer offer

- Increase the level of personalisation of the customer offer, helping customers discover new products and experiences, and better anticipate their needs

Continue to pursue sustainability commitments

- Leverage scale and global expertise to meet public commitments and ambitions regarding emission and waste reduction, ethical sourcing and other sustainability priorities

Note: RFID refers to radio-frequency identification.

Target

Richard Pearson
Managing Director, Target

Target vision and strategy

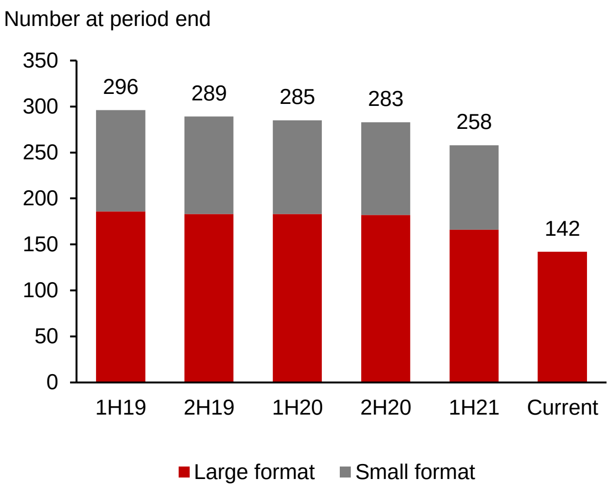
- Target's vision is to inspire families to live better by making it easy to afford quality and style
- Clear proposition as a destination for apparel and soft home
- Key strengths:
  - Iconic brand with strong awareness
  - 'Affordable quality' the key differentiator
  - Digitally-led proposition supported by a national store network
  - Leverage sourcing, technology, data, digital and sustainability advantages from Kmart Group and Wesfarmers ownership

Significantly simplified operating model

Target

- Commercial model reset
  - Significant reduction in cost base, targeting a higher proportion of variable costs
  - Reduction in Target's lease liability from $1.1b in June 2020 to $0.8b as at April 2021
- Target is now a smaller and simpler business
  - Single large format network of 142 stores[1]
  - Rationalised supply chain (three Target DCs to two)
  - >30% reduction in support office costs following restructure

Target stores



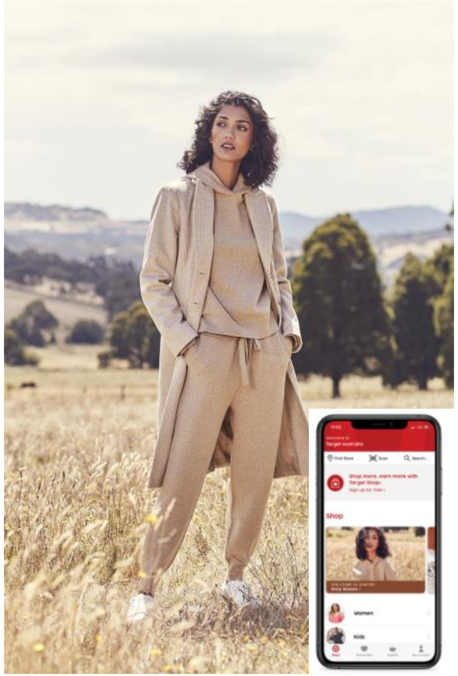
1. As at 3 June 2021.

Near-term priority to embed and stabilise the operating model

- Priority for FY22 is to maintain momentum and achieve consistent and sustainable profitability:
  - Accelerate online growth through new customer acquisition, improved app and website experience, and improved fulfilment
  - Build customer data asset
  - Continue to differentiate the product offer and improve customer perceptions of quality, value and style
  - Relentless focus on execution and customer experience to increase customer transactions

Accelerating digital capability will drive future growth

- Digital platform showcasing brand assets founded in quality, value and style
- Investing in capabilities to better leverage customer and operational data, and deliver personalised experiences
- Clear plan to improve operational efficiency, supported by technology investment
  - Improved margin mix through apparel focus
  - Improved inventory management
  - Optimisation of in-store and DC picking processes



Key messages

- Reset of commercial model is complete; near-term priority is to stabilise, and achieve consistent and sustainable profitability
  - Smaller and simpler business with a significantly reduced fixed cost base
- Iconic brand with strong awareness
- Clear proposition as a destination for apparel and soft home, with ‘affordable quality’ the key differentiator
- Future growth will be supported by accelerating digital capability
  - Investing in data and digital capabilities to improve the customer experience and deliver personalised experiences
  - Plans in place to improve operational efficiency

Catch.com.au

Pete Sauerborn
Managing Director, Catch.com.au

Catch overview

Catch's vision is to be the trusted place where Australians start their shopping journey

- Online general merchandise marketplace
  - Category agnostic
  - Over 2m SKUs
  - App and web-based platforms
  - ~3m active customers
- 62,000 sqm automated fulfilment centre in Melbourne
- GTV of ~$1.0b for 12 months to 31 December 2020

Building a strong and differentiated customer value proposition

A wide and growing product range...

- ~2m SKUs from over 1,900 marketplace (3P) sellers
- ~70,000 in-stock (1P) SKUs from over 500 vendors
- Leading brands
- Legacy “deals” business is reducing, ~44% of GTV in FY21 YTD, down from ~67% in FY19

…with flexible shopping and fulfilment options…

- #1 rated retail app in Australia[1]
- ~45% sales via Catch app
- Click and Collect currently available through over 400 Kmart, K Hub and Target stores

…supported by an established subscription program

- Growing Club Catch subscriber base
- Free shipping, exclusives, discounts
- Shopping frequency of subscribers a multiple of non-subscribers’ frequency

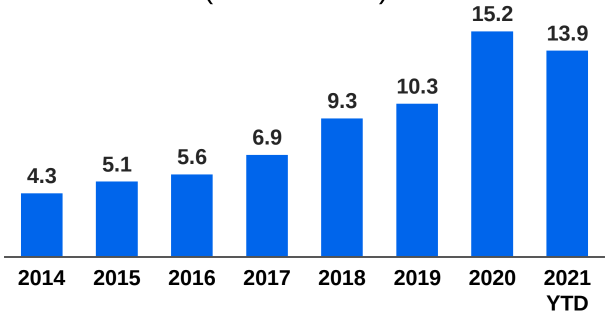
Note: 3P refers to third party. 1P refers to first party.

1. Source: Power Retail.

Strong growth potential in a large and fragmented market

- Online penetration is increasing across the $192b[1] Australian retail market
- Marketplaces are capturing an increasing share of the total online market
- Catch GTV growth levers:
  - Acquiring new customers and increasing the frequency of shop for existing customers
  - Expansion into new categories, brands and ranges
  - Reducing customer friction points
- Growth discipline through focus on customer lifetime value vs. customer acquisition cost

Australian non-food online penetration[2]
(% total sales)



1. Based on R12 (March 2021) total Australian retail sales per ABS, excluding supermarkets and grocery stores, and cafes, restaurants and takeaway food services categories.
2. Source: ABS. Calendar year basis. 2021 year to date to March 2021.

Investing to drive and support long-term growth

- Ongoing investment to accelerate growth through customer-focused initiatives including:
  - Brand marketing to drive improved awareness
  - Expanded product selection and exclusive brands
  - Free shipping for Club Catch members
- Investments in FY21 in infrastructure and capabilities to support current growth trajectory and long-term ambition
  - Increased fulfilment centre automation
  - Head office headcount increased >65% with a focus on product selection and technology talent
- Investment in foundational capability build and long-term growth initiatives will accelerate in FY22

Strategic priorities

- Develop a customer proposition that is truly designed for the Australian market
- Become a trusted business that suppliers choose first
- Accelerate growth of subscription
- Continue to invest for the long term and scale fulfilment network to improve speed to customer
  - NSW fulfilment centre to launch in FY22
- Continue to leverage access to Wesfarmers' retail brands, including expansion of Anko product selection

Kmart Group

Ian Bailey

Managing Director, Kmart Group

Key messages and outlook

- Kmart Group remains well-positioned to deliver sustainable growth over the long term
- Continue to drive the growth of Kmart by leveraging scale and product development capabilities, completing the store conversion program and delivering digital initiatives
- Embed and stabilise the Target operating model while accelerating online and continuing to differentiate the product offer
- Leverage Kmart Group assets to deliver incremental value through fulfilment initiatives, including Click and Collect, enhanced understanding of customers and expanded channels to market
- Develop a Catch customer proposition that is truly designed for the Australian market
  - Accelerated investment ahead of GTV growth to build a scalable model and grow customer base
- Catch GTV growth has been negative since mid-March as the business has begun to cycle the significant shift to online channels that occurred through 2020
- Kmart Group now expects to incur pre-tax, one-off non-operating costs of approximately $60 to $70m in the 2021 financial year relating to Target store closures and conversions, a reduction from the previous estimate of $90 to $110m

Q&A
Kmart Group

Ian Bailey
Managing Director, Kmart Group

Aleksandra Spaseska
Chief Financial Officer, Kmart Group

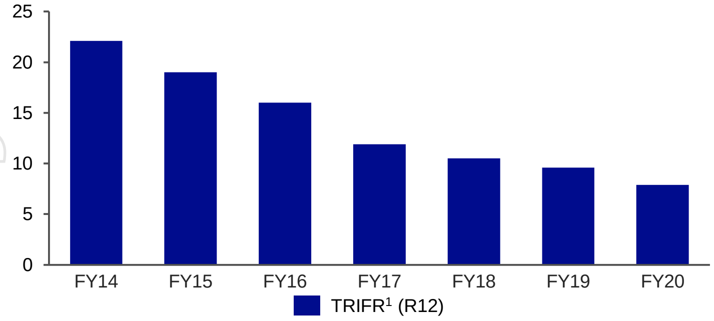
Officeworks

Sarah Hunter

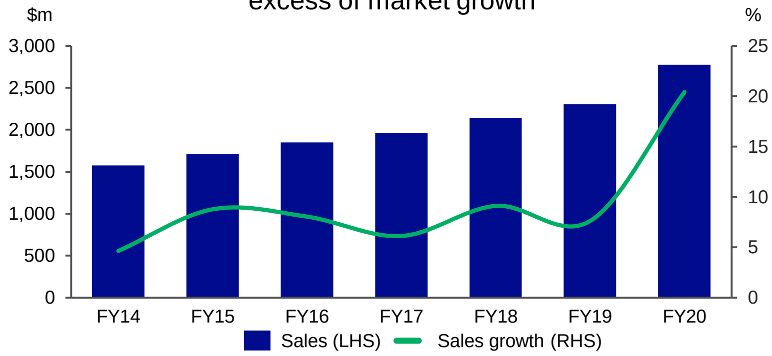
Managing Director, Officeworks

Historical performance

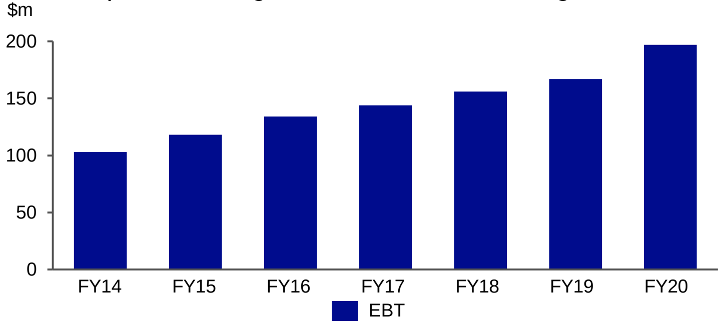
We have a strong focus on the health, safety and wellbeing of our team and customers



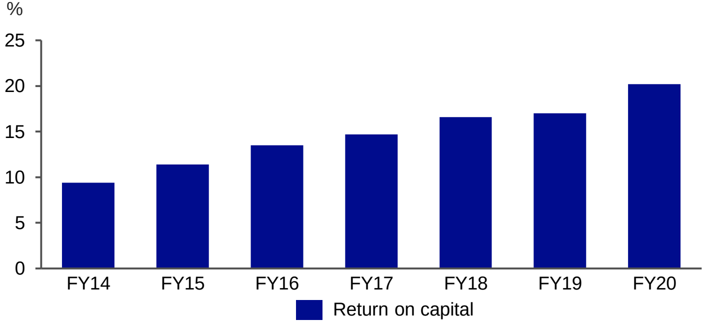
We have a track record of delivering sales growth in excess of market growth



Earnings growth has been driven by sales growth and disciplined management of the cost of doing business



Strong earnings growth coupled with disciplined capital management has delivered consistent RoC growth



1. Total Recordable Injury Frequency Rate.

Our customers

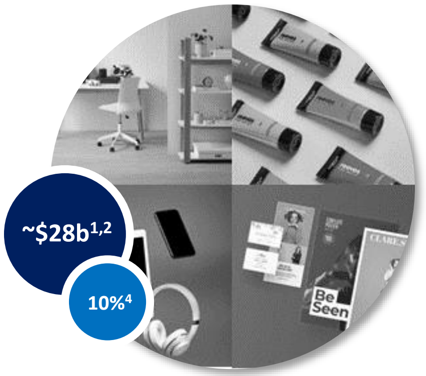
Households
Work and learn from home, creative hobbies, home technology

Small businesses
Micro, Small, Medium

Education
Parents, students, teachers and schools

Addressable market

Current



Office Supplies, Furniture, Technology, Print and Create

Potential

\+ Extended Print and Create, Extended Technology, Education, Business, and Connected Customer

1. Based on market analysis conducted by Penfold Research (2021 Market Update). Includes core and non-core office supplies.
2. Based on market analysis conducted for Officeworks by L.E.K. in 2021.
3. Based on market analysis conducted for Officeworks by Deloitte in 2021.
4. Market share based on FY20 sales.

Our roadmap


Our Purpose
To help make bigger things happen
Officeworks
Inspiring Australia to work, learn, create and connect
Our team
Growing our business
Customer experience
Connecting with our communities
Operational excellence

Our team

- Invest in team member safety, health and wellbeing
  - Increase focus on mental and physical health
  - Improve safety for customers and team members by using data to identify and address safety risks
- Strengthen Officeworks as an employer of choice for all Australians
  - Flexible work policies to increase productivity, team retention and widen available talent pool
  - Investment in training and development to retain and attract talent, and deliver the best customer service
  - Enterprise Agreements in place for store and supply chain teams providing pay and conditions certainty

Customer experience

- Offer great service across every channel
  - Enhance online shopping experience through ongoing improvements to the website and mobile app
  - Refresh the brand and create more inspiring experiences online and in-store that engage customers
- Increase customer spend, frequency and convenience through personalisation
  - Convert more ‘unknown’ customers into ‘known’ customers
  - Complete development and rollout of the data and analytics platform
  - Provide customers with more personalised and relevant experiences and offerings

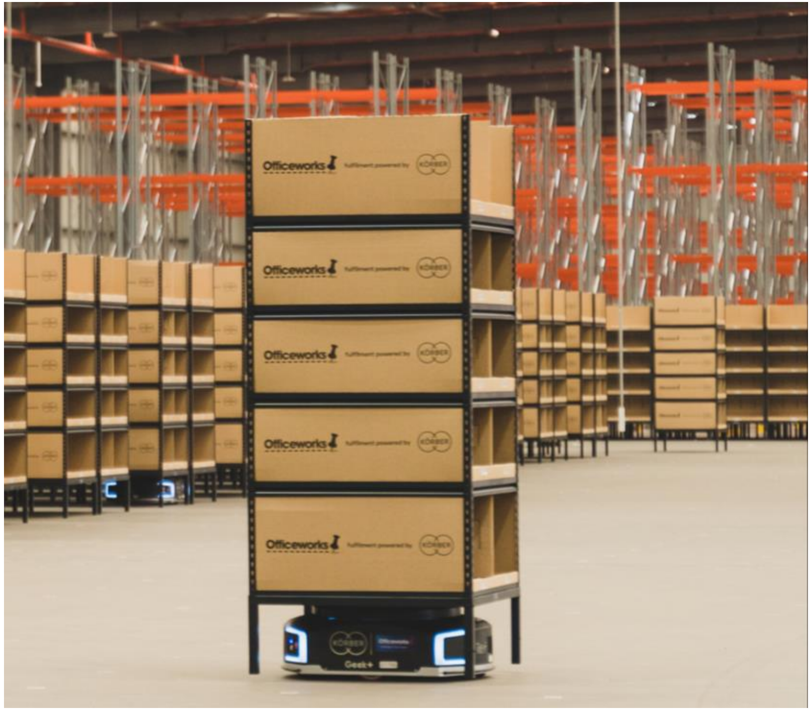
Connecting with our communities

- Address climate change
  - Rollout of energy efficiency and on-site solar generation initiatives
  - Transition to 100% renewable energy by 2025
  - Net zero on Scope 1 and 2 emissions by 2030
- Help our customers shop more ethically and sustainably
  - Increase customer recycling of technology and stationery through in-store recycling units
  - Expand offer of Greener Choices range
  - Work with our suppliers towards eradicating modern slavery in our supply chains
- Connecting with our communities
  - Helping Australian students who need it most through partnerships with The Smith Family and ALNF[1], donations and volunteering
  - Continue to support local and national partnerships that matter most to our customers and team

1. The Australian Literacy and Numeracy Foundation.

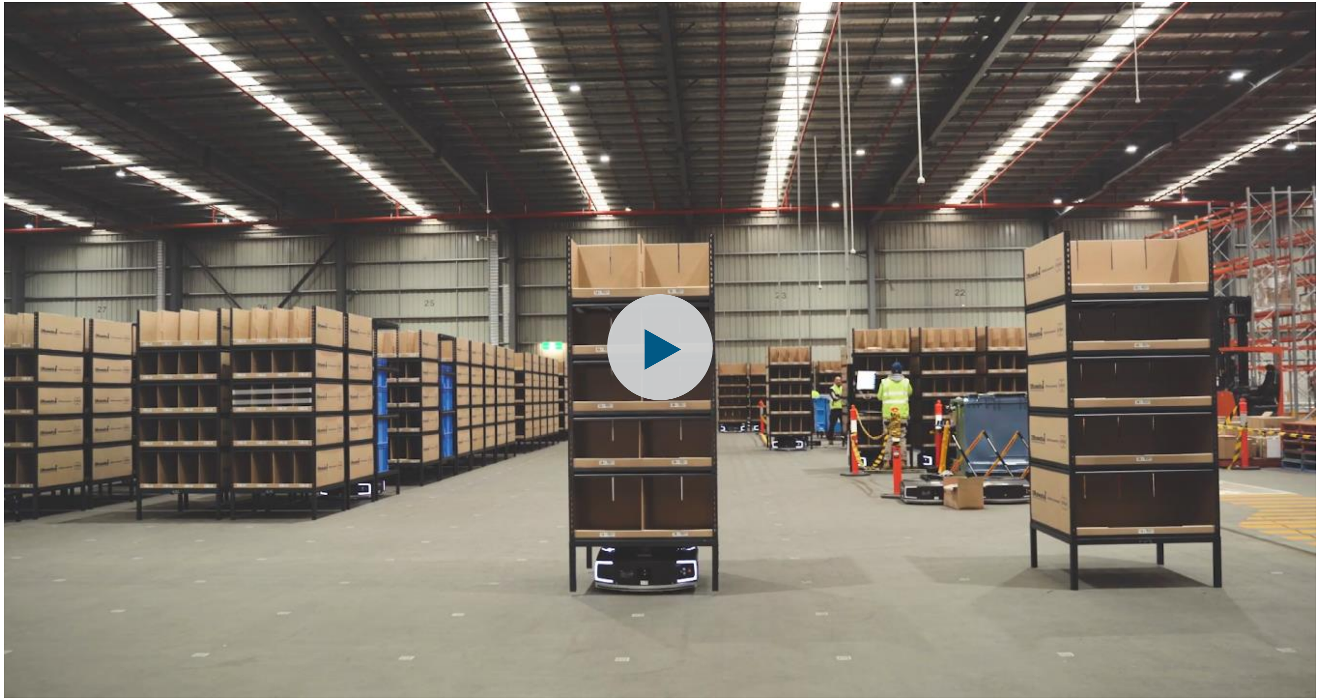
Operational excellence

- Utilise technology to improve customer experience and productivity
  - Invest in inventory planning and stock management to improve availability and speed of delivery
  - Invest in digital solutions to improve customer experience and productivity (e.g. Print and Create self-service offer)
  - Simplify and modernise IT systems, architecture and infrastructure
  - Invest in operational capability, capacity and productivity of our distribution centres



Customer Fulfilment Centre (CFC) – Briggs Drive, Victoria

Operational excellence



Available from: https://www.wesfarmers.com.au/strategy-videos-JUN21

Growing our business

Stationery, Education and Art

Print and Create

Furniture

Technology

Geeks2U

Growing our business

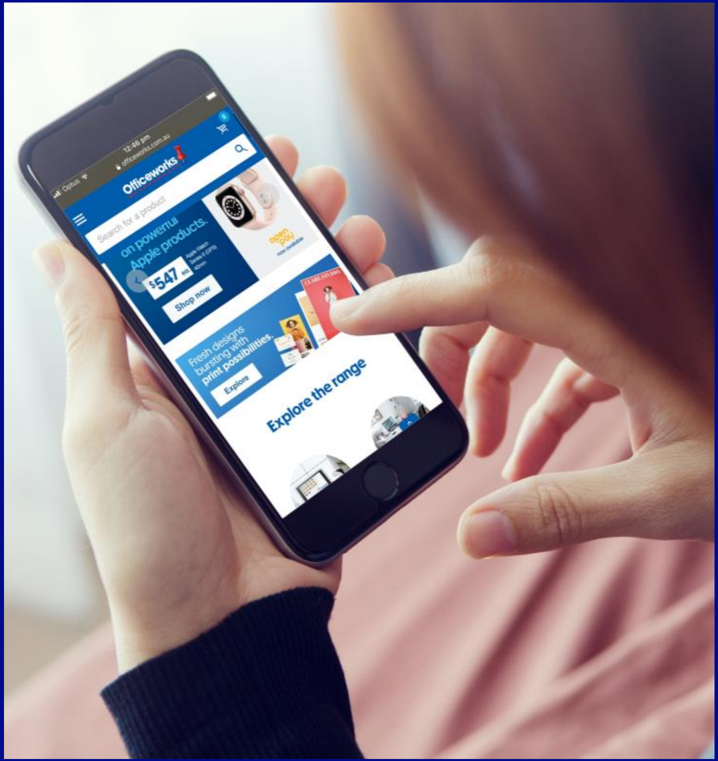
Broaden SME offer focusing on areas that help customers start, run and grow their businesses (e.g. marketing capability)

Make working from home easy and engaging for both the employer and employee

Expand presence in education focused on schools and education institutions

Key messages and outlook

- Officeworks remains well-positioned for the future enabled by our 'every-channel' model and will continue to focus on anticipating and meeting the changing needs of customers
- Execution of strategy to deliver long-term growth for shareholders
  - Embrace the best practice technology to deliver an improved customer experience and reduce costs
  - Investment in opportunities to grow our position in our core market and increase our addressable market
  - Facilitate work from home and flexible working changes for employers and employees



Q&A
Officeworks

Sarah Hunter
Managing Director, Officeworks

Michael Howard
Chief Operating Officer, Officeworks

Wesfarmers Chemicals, Energy & Fertilisers

Ian Hansen

Chief Executive Officer, Wesfarmers Chemicals Energy & Fertilisers

Wesfarmers Chemicals, Energy & Fertilisers

Operating Model

Ammonia/AN
To be a leader in chemical and mining solutions

CSBP

Sodium Cyanide
To contribute to the success of our customers with an uncompromising focus on people, safety and the environment

CSBP

AGR

Fertilisers
Trusted to deliver the best for growers

CSBP

The Operating Model defines WesCEFS's vision and how it adds value to Wesfarmers. It also outlines the role Shared Services play in enabling WesCEF business success.

Kleenheat

EVOL LNG

Kleenheat
Energy for today's customers and tomorrow's opportunities

Australian Vinyls

MODWOOD

Modwood/Australian Vinyls
Identify growth opportunities in respective businesses

QNP

covalent LITHIUM

Non-operationally Controlled Joint Ventures
Queensland Nitrates (50%)

Covalent Lithium (50%)

WesCEF overview

Wesfarmers Chemicals, Energy & Fertilisers

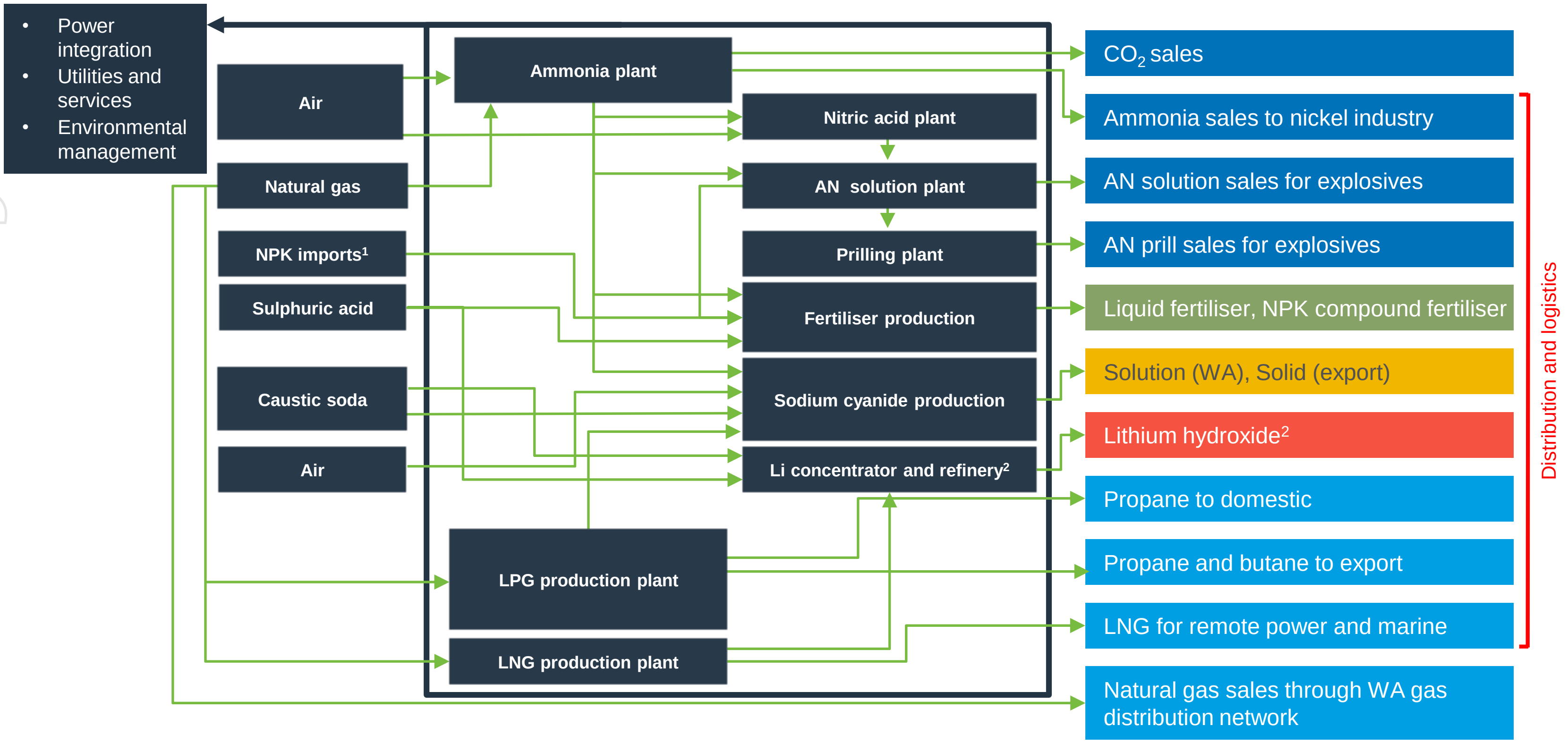
	Chemicals	Energy	Fertilisers	Lithium
Description	Production and distribution of ammonia, ammonium nitrate (AN), sodium cyanide, composite decking and other industrial chemicals including PVC and specialty products	Production and distribution of LPG and LNG and retailer of natural gas and electricity	Import, production and distribution of fertilisers and nutrition-related services	Construction of a mine and co-located concentrator and a lithium hydroxide refinery with 50:50 JV partner SQM
Competitive position	• #1 WA AN • #1 AU sodium cyanide • #1 AU PVC distribution	• #1 WA LPG • #1 WA LNG • #2 WA natural gas retail	• #1 WA fertiliser	• Vertically integrated mine to refinery process in WA • High-grade reserves
Competitive advantage	• Operational excellence delivering reliable supply • Suite of contracts with high-quality customers	• Trusted local brand • Customer service • Natural gas wholesale position	• Expertise-based value-add services • Trusted local brand • Only WA bulk production	• Proven capabilities in project development, sustainable chemical processing and product distribution from WA
Market dynamic	• WA AN market competitive • Increased global demand for sodium cyanide	• Mature WA LPG market • Competitive natural gas retail market • New entrants likely in LNG	• Strong competition in WA fertiliser market	• Emerging market supported by strong forecast demand for battery electric vehicles

Kwinana location

- Over 50 years of continuous WesCEF operations
- Strategically located industrial complex with access to:
  - Dampier to Bunbury natural gas pipeline
  - Rail corridor
  - Priority berthing rights
  - Water and electricity infrastructure
  - Highly skilled workforce
  - Reagents produced by neighbouring chemical plants

Divisional integration

Wesfarmers Chemicals, Energy & Fertilisers



1. Nitrogen, phosphorus and potassium imports.
2. Construction of concentrator and refinery to commence in 2H CY21 with first production of lithium hydroxide from refinery expected from 2H CY24.

Strategic focus areas

Utilising existing chemical processing expertise to deploy technology to deliver satisfactory investment returns and reduce emissions

Considering opportunities to leverage existing infrastructure and expand capacity in Chemicals and Energy businesses

Supporting Covalent in ensuring successful project execution and considering opportunities to support the electric vehicle and battery market

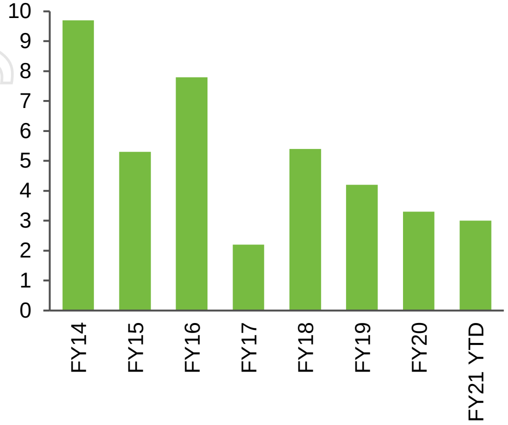
Investigating opportunities in renewable power and related technologies

ESG perspectives

Wesfarmers Chemicals, Energy & Fertilisers

Safety

Total Recordable Injury Frequency Rate (TRIFR, R12)



Climate and environment

- Use of abatement catalysts in chemicals manufacturing processes to reduce greenhouse gas emissions
- Climate Opportunities team created to investigate technologies to provide a roadmap to achieve aspiration of net zero Scope 1 and 2 emissions by 2050
- Mt Holland lithium project expected to play an important role in supporting trend toward battery electric vehicles compared to internal combustion engines
- Revitalisation of three hectares of purpose-built wetlands at Kwinana to improve wastewater management

Social

Indigenous engagement

- Indigenous employees grown to 2.9% of headcount
- Concerted effort to engage with Indigenous suppliers
- Long-term support and engagement with local Indigenous communities

Gender balance

- 27% of leadership roles held by women

Community engagement

- Over $500,000 invested in FY20 across WA including community grants, partnerships and disaster relief
- STEM and environment partnerships

Ethical sourcing

- Ethical sourcing framework extended to include all suppliers, with a risk-based approach applied

Business update and current priorities: Chemicals

Business update

- Strong demand for EGAN[1] by WA customers resulting in lower exports and fertiliser sales
- Weakened sodium cyanide export demand in line with expectations as a result of international gold mine closures due to COVID-19
- Planning the ammonia plant five-yearly shutdown in FY22, duration approximately one month

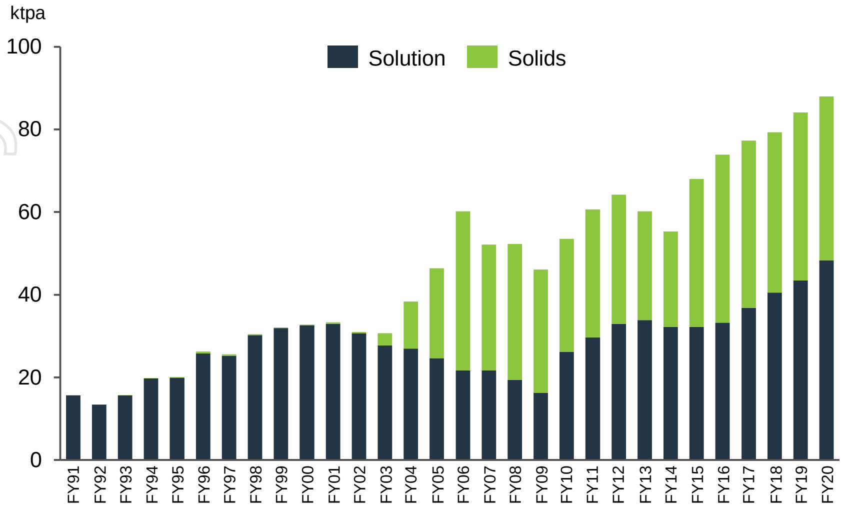
Current priorities

- Optimising volume and margin mix, and extending existing long-term customer contracts
- Investigating the feasibility of expanded ammonia production capacity, including assessment of new technologies
- Evaluating opportunities to leverage existing infrastructure to expand ammonium nitrate and sodium cyanide capacity

1. Explosive grade ammonium nitrate.

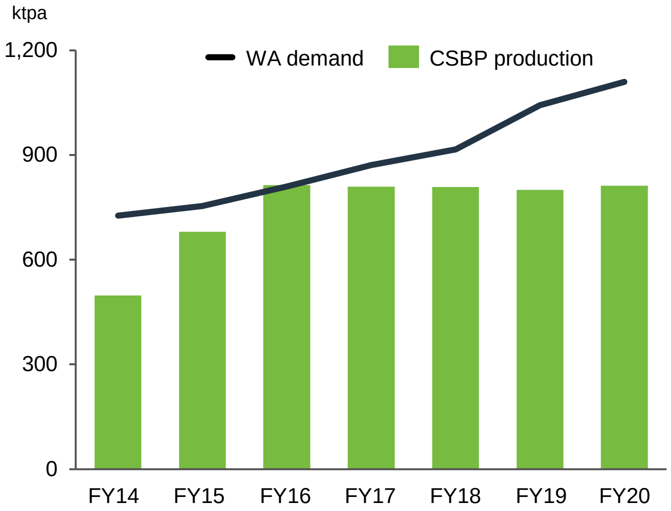
Strong track record in expanding production

Sodium cyanide annual sales



Annual sales have increased by an average of 3.3ktpa since 2003, which has been achieved through disciplined investment over time in plant debottlenecking and data and digital capability to optimise plant availability

CSBP AN production and WA demand[1]



Strong nitric acid plant performance driven by optimisation and investment in data and digital capabilities, with FY21 YTD average plant availability of 92.5% achieved

1. WA demand is based on AN used in explosives and fertilisers.

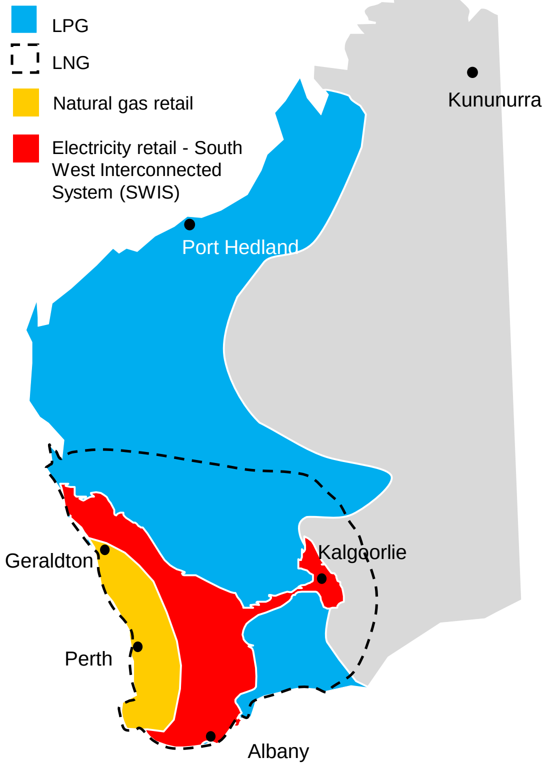
Kleenheat market overview

Kleenheat

	LPG	LNG	NATURAL GAS	ELECTRICITY
Competitive position	#1 Only WA domestic manufacturer	#1 55% share	#2 28% share	#4 In contestable market in WA[1]
Market dynamic	Mature, increased domestic market sales with closure of the BP Refinery	New entrants in Mid and North West WA	Active competition, maturing market	Contestability limitations in retail market, Synergy with majority share
Competitive advantage	Production facility, established infrastructure	Production facility, transport economics, expertise	Trusted and strong local brand, customer service	Challenger brand, leverage long wholesale market

Upstream gas availability underpins these segments

Kleenheat customer areas



1. Electricity market is currently contestable for customers consuming more than 50 MWh of electricity per year.

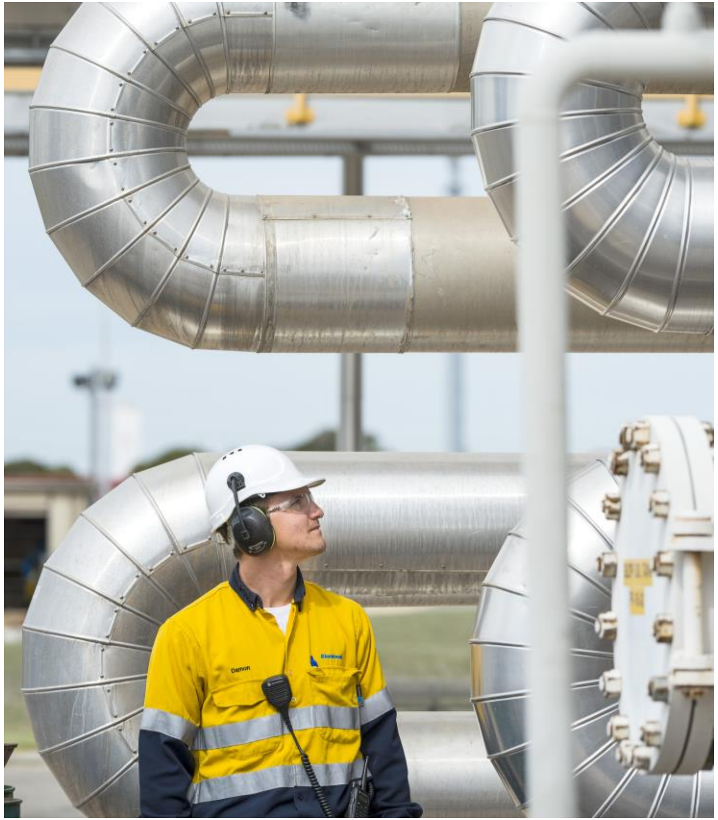
Business update and current priorities: Energy

Business update

- Market opportunity for increased domestic LPG sales due to closure of the BP Refinery at Kwinana
- Strong focus on customer service to drive continued growth and customer retention in natural gas retail
- Completed four-yearly major production facility shutdown in March, with the production facility offline for 10 days

Current priorities

- Investigating opportunities in renewable power and related technologies
- Evaluating LNG expansion opportunities



Business update and current priorities: Fertilisers

Business update

- Positive grower sentiment following a strong 2020 harvest and early 2021 season rainfall
- Increased competition due to investment in storage infrastructure by competitors
- Recent investments to improve customer experience in despatch and systems

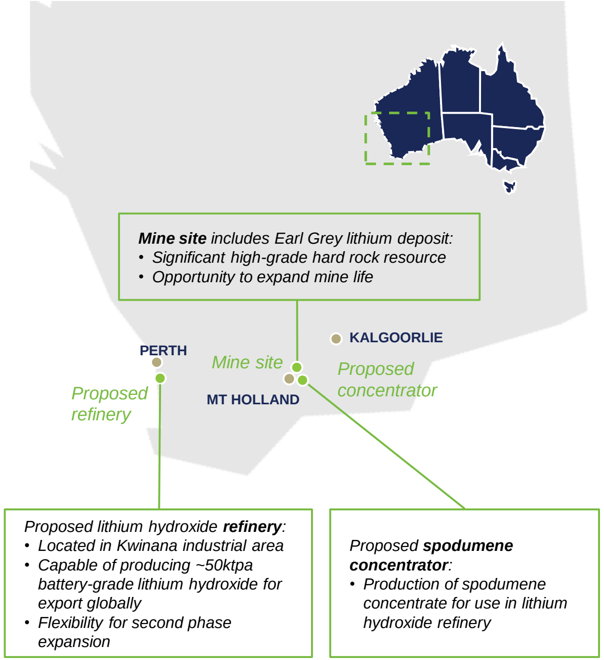
Current priorities

- Defend and grow market position with investment in customer service offerings
- Increased investment in major maintenance across all key assets

Mt Holland lithium project

- Wesfarmers' expected share of total project capital expenditure estimated at approximately $950m[1], with capital commitment contingent on receiving all relevant approvals
- Indicative construction timeline, subject to approvals:
  – Project construction to commence: 2H CY21
  – First production from refinery: 2H CY24
- Covalent is currently focused on establishing project team, procurement and project governance
- WesCEF is focused on supporting Covalent to ensure successful project execution
- Improved market dynamics for electric vehicle adoption worldwide following increased focus on climate and government support
- Investigating expansion opportunities of mine and refinery to improve investment returns

Overview of Mt Holland lithium project



CY = calendar year

1. Real 2021 terms.

Key messages and outlook

Strategic focus areas

- Utilising existing chemical processing expertise to deploy technology to deliver satisfactory investment returns and reduce emissions
- Considering opportunities to leverage existing infrastructure and expand capacity in Chemicals and Energy businesses
- Supporting Covalent in ensuring successful project execution and considering opportunities to support the electric vehicle and battery market
- Investigating opportunities in renewable power and related technologies

Outlook

- Chemicals business is likely to be adversely impacted in the short term by the rising ammonia index pricing on imports
- Planned ammonia plant five-yearly shutdown in FY22 for approximately one month
- Production and demand for AN expected to remain stable
- Continued subdued export demand for sodium cyanide, driven by ongoing disruption to international gold mines due to COVID-19
- Kleenheat earnings expected to benefit from increased LPG domestic sales following the closure of the BP Refinery at Kwinana
- Positive grower sentiment expected to benefit Fertilisers earnings following early rainfall
- Earnings will continue to be impacted by international commodity prices, exchange rates, competitive factors and seasonal outcomes

Q&A
Wesfarmers Chemicals, Energy & Fertilisers

Ian Hansen
Chief Executive Officer, WesCEF

Aaron Hood
Chief Financial Officer, WesCEF

Wesfarmers Industrial and Safety

Tim Bult
Managing Director, Wesfarmers Industrial and Safety

Wesfarmers Industrial and Safety · Blackwoods · NZ Safety Blackwoods · WORKWEAR GROUP · coregas · GREENCAP

Divisional overview

Wesfarmers Industrial and Safety

	Blackwoods / NZ Safety Blackwoods	coregas	WORKWEAR GROUP	GREENCAP Going Further in Managing Risk
Description	Provider of safety, workwear and industrial supplies	Industrial, medical and specialty gas supplier	Manufacturer and supplier of workwear and uniform solutions	Risk management and compliance service provider
Competitive position	#1 Australia #1 NZ	#3 challenger	#1 for uniforms and industrial workwear	Mid-tier / niche player
Market dynamic	Fragmented market	Stable market with increasing competition	Evolving market	Fragmented market
Competitive advantage	Established position, broad SKU count and diverse customer base	Expertise and innovative solutions	Strong market position, leading brands – Hard Yakka, King Gee, NNT	Breadth of offer and online platforms

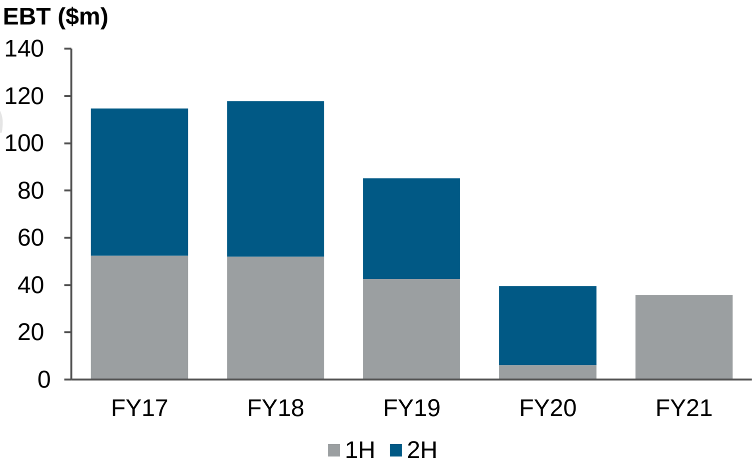
Providing confidence in the products and services we deliver

Anticipating customer needs	Acting with integrity and honesty	Sourcing ethically	Safe work environment, develop teams and inclusive culture	Supporting communities	Environmental performance

Historical earnings and safety performance

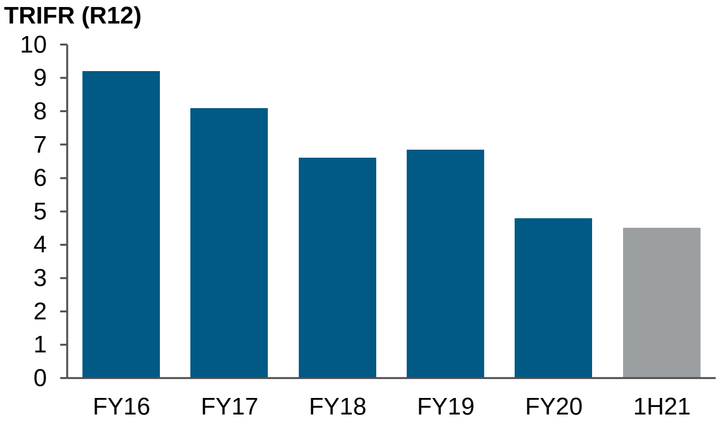
Wesfarmers Industrial and Safety

Earnings performance[1]



- Disappointing performance in recent years, which included investment in business turnaround initiatives
- Earnings growth in 1H FY21 primarily driven by Blackwoods, reflecting an improvement in operational performance due to the investment made in prior years

TRIFR[2] (R12)



- TRIFR has improved significantly as a result of the actions and initiatives implemented across all teams
- Safety and wellbeing of all team members has remained a key priority during COVID-19

1. Excludes significant items and includes payroll remediation costs.
2. Total Recordable Injury Frequency Rate.

Business update and priorities: Blackwoods

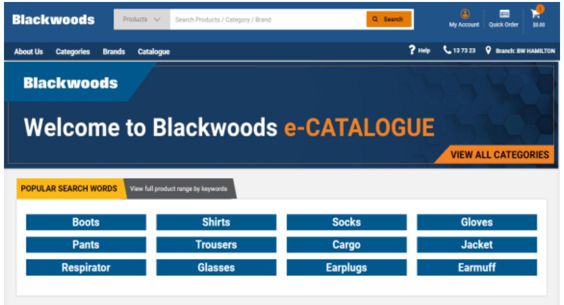
Blackwoods
NZ Safety Blackwoods

Business update

- Closer-to-Customer initiatives, including through regional sales structure
- Integrated supply program delivering end-to-end procurement solution
- Improved operating efficiency supported by enhanced capability

Current priorities and growth

- Enhance customer value proposition through unbeatable range, reliability, expertise and ease to do business
- Strengthen relationships with strategic customers
- Data and digital focus, including implementation of the ERP[1] system



1. Enterprise resource planning.

ERP implementation update

Blackwoods
NZ Safety Blackwoods

Status update

- First deployment live for operations in Victoria and Tasmania
- National deployment completed across the finance function
- Remaining regional rollout of the Microsoft Dynamics ERP system during CY21

Benefits

- Remove constraints from legacy systems
- Process efficiencies that will reduce costs and improve the customer experience
- Enabler for Blackwoods to underpin a market-leading offer

Customer value proposition

Available from: https://www.wesfarmers.com.au/strategy-videos-JUN21

Business update and priorities: Coregas

Business update

- Continued to expand presence in healthcare sector
- Ensured critical oxygen supply to hospital groups during COVID-19
- Tailored offers to major customers supporting increased market share
- Strength in Trade N Go Gas disruptor offer

Current priorities and growth

- Leveraging expertise in hydrogen
  - Involved in the Hydrogen Energy Supply Chain (HESC) project – a world-first pilot project to ship liquefied hydrogen to Japan
  - Developing a heavy-vehicle hydrogen refueling station at the existing Port Kembla hydrogen production facility, expected to be operational in 2022

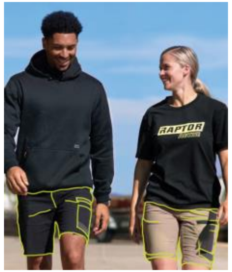
Business update and priorities: Workwear Group and Greencap

WORKWEAR GROUP

- Growth from key brands of c. 10% per annum since FY17, supported by new product innovation and development
- Targeted uniform growth, with key customers impacted by COVID-19 restrictions
- Simplifying operating model and investing in technology to further enhance customer offer

GREENCAP Going Further in Managing Risk

- Growing pipeline of tender activity
- New COVID-19 risk consulting services
- Consistently growing online sales at c. 20% per annum
- Further investing in Cm3 online Contractor Management product



Sustainability update

Wesfarmers Industrial and Safety

Providing confidence that all aspects of the products and services we deliver are backed by our sustainability credentials

2.6%

of Australian headcount represented by Indigenous employees

Digitisation of compliance program, nil own-brand recalls

Workwear Group 'all' rating by Baptist World Aid

BAPTIST WORLD AID AUSTRALIA

Privacy training and data protection

Blackwoods

Awarded the CareerTrackers Corporate Plus Award 2021

Packaging reduction opportunities

Exceeding 2025 emission reduction targets

Developing cyber-resilient workforce and enhancing security monitoring

33%

of our leaders are women

Offering and conducting leadership training and mentoring programs

NET ZERO

Aspiring to be net zero Scope 1 and 2 emissions by 2050

The Fred Hollows Foundation

Blackwoods continues its decade-long support of the Fred Hollows Foundation

Coregas, with Tata Steel and the Indian Consulate in Perth, secured, prepared and delivered 4 ISO containers to an Indian Airforce C17 transport plane for transfer to India.

The ISOs combined carry 80 tonnes of liquid medical oxygen, enough to support 100 patients for a month, each time they are filled.

Key messages and outlook

- Strategy focused on continuing to improve the customer value proposition, enhance operational capabilities and execute new growth opportunities
  - Providing confidence in the products and services offering by having the right product with reliable supply
  - Investing in data and digital capabilities to improve efficiency and value of offer
- Market conditions remain uncertain
  - Continued subdued demand in some segments, particularly Workwear Group
- Focused on building market share and integrating sustainable practices to ensure long-term profitability

Q&A
Wesfarmers Industrial and Safety

Tim Bult
Managing Director, WIS

Dan McArtney
General Manager Finance, WIS

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