



30 October 2025

The Manager
Market Announcements Office
Australian Securities Exchange

Dear Manager

**CHAIRMAN'S ADDRESS AND MANAGING DIRECTOR'S ADDRESS TO
WESFARMERS ANNUAL GENERAL MEETING
THURSDAY 30 OCTOBER 2025, 1:00PM PERTH TIME**

In accordance with Listing Rule 3.13.3, attached is a copy of the Chairman's Address and Managing Director's Address to be delivered at the 2025 Annual General Meeting.

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 Company Secretary.

WESFARMERS 2025 ANNUAL GENERAL MEETING CHAIRMAN'S ADDRESS AND MANAGING DIRECTOR'S ADDRESS

CHAIRMAN'S ADDRESS

As you would be aware from the Notice of Meeting, there are five items of business to be discussed when we move into the formal proceedings; but before that, I'll make some general observations about the last 12 months and the business environment and then our Managing Director Rob Scott will provide us with some reflections on current trading and on the outlook for the Group.

Before we do so, I'd like to take this opportunity to reflect on the past year, provide an overview of Wesfarmers' performance, its contributions to the Australian community and make some observations on the external environment generally.

I'll also provide an update on the outcome of the external audit tender that was initiated by the Audit and Risk Committee and outline recent changes to the Board before handing to our Managing Director Rob Scott who will comment on current trading and the outlook for the Group.

Against a backdrop of ongoing volatility and uncertainty in global and domestic economies, I'm pleased to report that Wesfarmers delivered another year of strong performance.

Your company delivered a record net profit after tax, excluding significant items, of \$2.7 billion, up 3.8 per cent on the prior year.

The Board declared increased fully-franked dividends of \$2.06 per share for the year, up four per cent.

This strong result once again demonstrates the benefit of our diversified conglomerate model, where weakness in one business may be offset by strong performances in other businesses.

For the 2025 financial year, year-on-year profit increases were recorded by Bunnings, Kmart Group, Officeworks and Wesfarmers Health. Returns from the Chemicals, Energy & Fertilisers division and the Industrial and Safety division declined, largely due to reduced international commodity prices and restructuring activities, respectively.

A core strength of Wesfarmers is our disciplined approach to capital allocation and capital management.

Consistent with this focus, and subject to your approval today, in December we will make an additional \$1.50 per share distribution to shareholders. The \$1.50 comprises a capital return of \$1.10 and an additional fully-franked dividend of 40 cents per share.

This distribution has been enabled by recent portfolio actions being the disposal of our remaining 4.9 per cent shareholding in Coles and divestments of Coregas and WesCEF's LPG and LNG distribution businesses.

After the distribution, the Group will retain a strong balance sheet, providing flexibility to navigate a range of economic scenarios and the capacity to invest in our businesses and new opportunities, as they arise.

As you know, the Group's primary objective is to provide a satisfactory return to shareholders – and we have defined satisfactory as being in the top-quartile of companies on the ASX.

We adopted that purpose statement when we listed on the ASX in 1984 and it's really pleasing – to us and, I know, to our faithful long-term shareholders, including many of you here today – that we have achieved it over the 41 years since, with Wesfarmers' returns to shareholders exceeding those of all other companies on the share market at that time – returns of about 20 per cent compound per annum.

For those of you here today who have been with the company since listing it is remarkable that what began as a \$28 million farmers' cooperative could become a company worth about \$100 billion today.

The reason, I think, is not only that we have held fast to that stated corporate purpose but, equally importantly, that we have appreciated the importance of looking after our key stakeholders – our team members, customers, suppliers, as well as the environment and the communities in which we operate.

Our stakeholders have, in turn, been loyal to us, to our mutual benefit.

Of course, people buying shares today are interested in future returns, not those in the past. I'd like to assure you all that, notwithstanding our track record, we are always on guard against suffering from hubris – thinking that we can relax and the returns will keep coming.

The fact is that we operate in a very competitive world and it will only be through constant innovation and reinvention that the company will continue to prosper.

Over the last 12 months we have seen Wesfarmers' share price rise significantly. While some of this increase has been due to increased exuberance in the stock market, Wesfarmers' reputation and historical performance has no doubt also been an important factor.

The state of share markets at any time is out of our control; but there are things we can control:

- running our businesses as effectively as we can
- seeking out and creating new ways for them to operate, with new products, or in new fields or geographies
- managing our portfolio of businesses – acquiring new ones or disposing of existing ones where we believe that will add shareholder value
- keeping abreast of global trends and changes which could represent threats to our businesses or new opportunities – artificial intelligence being one current example.

And we shall keep on doing these things. They are what keeps us busy every day.

Providing good returns to our shareholders is our focus, but those returns are dwarfed by the huge contribution your company makes to Australian communities and the economy: something that I think is not generally well-appreciated. This is no better illustrated than by considering what happened to the \$46 billion of revenues we received in the 2024/25 financial year.

The answer is that \$43 billion (or 93 per cent) went out of the company to other parties: suppliers, team members, governments and the community; and the remaining seven per cent went to our shareholders or was retained to fund future growth.

This breakdown of our financial performance highlights the importance of large companies to our economy. It is a fact that is not well-enough recognised by many external parties.

A good example is the recommendation of Australia's Productivity Commission for an additional five per cent cash flow tax on large companies. As it is, Wesfarmers pays corporate tax of 30 per cent on its Australian profits plus another eight per cent in payroll tax and other Government taxes and charges. Including an additional cash flow tax of five per cent, our total adjusted tax take of about 43 per cent, which would make Australia's taxation regime one of the most onerous in the world; and have no doubt – it would drive investment offshore.

A lot is said about the need to improve Australia's productivity performance. Innovation and new investment lead to productivity increases. Driving investment away would have the opposite effect.

It is widely accepted by economists that Australia's corporate and personal income tax levels are too high. They need to be reduced but, given the state of fiscal policy, that can only be achieved through wholesale tax reform: standing back and considering all state and federal taxes and restructuring them in a more efficient way.

Piecemeal approaches will not do the trick and it is very disappointing that our political leaders seem unwilling to address this. It's time to think about the long-term needs of Australia and stop worrying about near-term political risks.

A similar issue is the cost of over-bearing regulation on economic development. It was heartening to see general agreement on this at the recent Commonwealth economic roundtable event; but doing something material about it will require strong political will in the face of some stakeholders' protests. In that respect, it is very encouraging to hear of the discussions between the Commonwealth and Western Australian Governments about streamlining major project approvals, removing current duplication which increases costs and delays investment.

Meanwhile, instability at the international level threatens economic growth around the world. In response to China's recent actions on rare earths and their derivatives, President Trump's announcement of an additional 100 per cent tariff on Chinese exports to apply from this Saturday, if implemented, could cause huge disruption to trade and to the global economy. Every company would feel the effect of that in some way. Hopefully, the talks scheduled to take place in South Korea today will help avoid such an outcome.

Faced with such uncertainties, our strategy at Wesfarmers is, firstly, to maintain a strong balance sheet and, secondly, to focus on the things we can control, as I described earlier. Uncertainties bring opportunities as well as threats and we are confident that we are well equipped to take advantage of and counter them, respectively.

As mentioned in this year's Annual Report, the Audit and Risk Committee of the Board initiated an external audit tender process given the long-standing tenure of our existing external auditor, Ernst & Young (EY). As a result of a thorough process, I can announce an intention to appoint KPMG as external auditor from 1 July 2027, subject to shareholder approval at the 2027 AGM and ASIC consenting to the resignation of EY. This timing will allow for an orderly handover of the external audit and permit KPMG to complete an existing consulting engagement to ensure the firm's independence on commencing as external auditor.

I would like to acknowledge and thank EY for the contribution the firm has made to Wesfarmers. On retirement in 2027, EY will have been the firm's auditor since the Company listed, a period of almost 49 years. They have done an outstanding job.

Turning now to the Board, I'd like to report changes that have taken place in the past year and those that will happen in the coming year.

In 2024, we welcomed Kate Munnings and Tom von Oertzen to the Board and Julie Coates joined us in July 2025. With their qualifications and experience, I'm sure they will all make valuable contributions to the Board's deliberations.

At today's meeting, we farewell Jennifer Westacott, after 12 years as a Director. The Board has benefited greatly from Jennifer's background and experience in business, government and the community. We thank Jennifer for her great contribution to the success of Wesfarmers and wish her well in her future endeavours.

In 2023, I announced that I will retire after next year's AGM, at the end of my current term.

It has been a privilege to serve this remarkable company, first in an executive then non-executive capacity, and I'm deeply grateful for the support of my fellow directors, our leadership team, and our team members. I look forward to my final year.

I'm delighted that Ken MacKenzie will join the Board on 1 June 2026 and assume the role of Chairman, following the 2026 AGM. Ken and his wife Dorothee are with us today: Ken would you mind standing please?

Ken brings extensive experience as a chairman and senior executive in large, complex businesses operating across multiple industries and jurisdictions. Most recently, he served as Chair of BHP Group Limited and, prior to that, as Managing Director and Chief Executive Officer of Amcor Limited, a global packaging company.

Based on my conversations with Ken, it's clear that he shares the same views about corporate governance, management and philosophy as those which have underpinned Wesfarmers' success for more than four decades.

We look forward to him becoming our twelfth Chairman.

In closing, I would like to acknowledge the outstanding contribution of our 118,000 team members, led so ably by our Managing Director and CEO Rob Scott, to whom I will now hand over for his remarks.

MANAGING DIRECTOR'S ADDRESS

Thank you, Chairman, and thank you Dr Walley for your welcome.

As the Chairman outlined, our result in the 2025 financial year highlights the quality and resilience of our portfolio and teams.

A focus on operating excellence and our disciplined approach to capital allocation enabled us to keep prices low, support our teams, partner responsibly with suppliers, invest in our local communities and pay tax to governments.

Strong execution of our strategic agenda this year, positions the Group well for the future, and supports the continued delivery of satisfactory long-term returns to shareholders.

Today I'd like to talk to you about three key points:

- How Wesfarmers is adapting for the future
- How we are improving lives and livelihoods
- How we are driving productivity.

Adapting for the future

I'm really pleased with the progress made to strengthen our portfolio. Investments and portfolio actions have positioned the Group for long-term growth and returns.

Our businesses continued to drive product innovation and range expansion, to meet changing customer needs and grow addressable markets.

Bunnings continued to invest in its store network, enhancing the omnichannel customer experience. This included the rollout of a new tool shop format to 175 stores, showcasing a wider range of leading brands and products, and contributing to higher sales and earnings.

Kmart implemented its new store format in five stores, with positive early trading results. Investments in Kmart Group's digital platforms grew customer engagement and omnichannel spending, with monthly active app users doubling this year to 1.3 million.

Officeworks acquired Box of Books to complement its education offer and upgraded 25 stores with a new technology layout to enhance offer presentation and customer experience.

At WesCEF, our Covalent joint venture achieved a major milestone, delivering first product at the Kwinana lithium hydroxide refinery in July. The 2026 financial year will be a transitional year for Covalent, with production expected to ramp up over the next 18 months. The refinery will be a unique asset globally, expected to support satisfactory long-term returns with its attractive cost structure.

In Health, Priceline Pharmacy achieved strong sales growth, through network expansion and further investment into key value lines to lower prices for customers. Health continued to explore new formats to expand its addressable market, including through atomica and InstantScripts Pharmacy Health Hub.

Our investment in the OnePass membership program continued to support incremental sales and earnings in our retail divisions, and this year we launched our Group retail media network, which is well positioned to deliver new revenue streams.

I'm also pleased with the actions taken this year to renew our portfolio.

In Industrial and Safety, we sold the Coregas business for \$770 million, delivering significant value for shareholders and supporting, in part, the proposed \$1.50 capital management distribution.

The decision to wind down Catch and redeploy its assets and capabilities has eliminated operating losses and strengthened Kmart Group through improved centralised online fulfilment capability.

Improving lives and livelihoods

Wesfarmers' success is built on customer trust, team member commitment and our connection to local communities.

We're committed to improving lives and livelihoods in our communities – providing well-paid jobs to team members and supporting their development with rewarding careers.

Our retailers are committed to delivering value and helping customers manage cost of living pressures without compromising on quality or service.

We support thousands of suppliers, fostering ethical and sustainable sourcing.

The Chairman has spoken to our broader economic contribution including taxes paid to governments and investments in local communities.

Around 13 million Australians have an interest in Wesfarmers through their superannuation.

We also recognise the critical importance of taking care of the environment, for businesses and future generations. This year we reduced Group Scope 1 and Scope 2 emissions by 9.3 per cent and Bunnings, Officeworks and now Kmart have achieved their 100 per cent renewable electricity targets.

Together, these contributions evidence the critical role Wesfarmers plays in supporting Australia's prosperity and resilience.

Driving productivity

Recent public debate has focused on productivity, which must remain a priority if we are to improve our future national prosperity.

At Wesfarmers, we're committed to finding more efficient ways of working. We know this requires sustained investment, disciplined execution and, importantly, the mindset of managing businesses for the long term – not optimising for short-term profits. Across the Group, we're driving productivity and improving service by simplifying how we work, digitising operations and leveraging AI and data.

In Bunnings, improved team member productivity and inventory efficiency have been enabled through investment in instore technology and a new demand and replenishment system.

Kmart Group has benefited from the integration of Kmart and Target systems and processes. Kmart Group has also continued to digitise operations, for example by expanding its RFID capabilities to improve product availability and customer service.

In Industrial and Safety, the operating model reset was enabled by recent systems investments, materially improving customer service and costs which are expected to support long-term earnings growth.

Our businesses increasingly use AI – including in demand forecasting, to enhance team and customer experience, in marketing and in maintaining product availability.

Bunnings and Officeworks have launched voice-enabled AI tools that help team members access product information to better serve customers.

We have made great progress and there are further opportunities ahead.

Team

I'd like to now comment on our 118,000 team members.

We recognise the value of a workforce that reflects the communities where we operate.

With our diverse teams, we access the best available talent, connect to our customers and harness creativity and problem-solving skills.

Our Leadership Team and Board remain in gender balance and we maintain Indigenous employment parity.

In the last year, some of our talented leaders stepped into key roles within our Leadership Team including Aleks Spaseska as Managing Director at Kmart Group, Aaron Hood as Managing Director of WesCEF and, more recently, John Gualtieri at Officeworks and Leah Balter at OneDigital.

I'd like to recognise and thank Ian Bailey, who retired as Managing Director of Kmart Group. Ian has been pivotal in Kmart's growth, and remains with the Group as Chairman of Anko Global.

Our thanks also go to Sarah Hunter and Nicole Sheffield, who transitioned out of their roles as Managing Director of Officeworks and OneDigital respectively.

As always, safety comes first at Wesfarmers. We take our responsibility to create safe, inclusive and respectful workplaces very seriously.

While Group total recordable injury frequency rate improved to 9.5, during the year we experienced a significant worsening of retail crime and customer threatening situations.

Over 12 months, we recorded 13,500 customer threatening incidents in our retail stores – including more than 1,000 instances of physical assault and several hundred threats of serious harm, often with a weapon.

Customer threatening incidents at Kmart Group increased 29 per cent.

At Bunnings, incidents involving threats of serious harm increased 66 per cent.

In response, we've strengthened security in higher-risk locations, increased training for team members including in de-escalation and deployed body worn cameras where appropriate.

We share intelligence with our retail peers, Governments and police – because they also have important roles to play in addressing this growing hazard.

We support sensible reform – including tougher, nationally consistent penalties for violent retail crime and a national conversation to enable controlled, responsible use of technology to exclude known violent offenders from retail environments, which is in the community interest.

Our position is clear – our team members must be safe and respected at work. We will keep investing, partnering and advocating until we see sustained improvement.

Trading update

I would now like to provide an update on the Group's recent trading performance.

The Australian economy remains resilient, supported by a growing population, low unemployment and rising household disposable income.

At our full-year results in August, we noted a modest improvement in consumer demand to start the 2026 financial year. Since then, consumer demand has remained positive, but cost of living pressures remain a challenge for some households and consumers maintain a cautious outlook.

Cost pressure, especially in relation to domestic costs, presents challenges for many businesses and is weighing on business demand and investment. These pressures are reflected across Wesfarmers' divisions through higher domestic supply chain, labour, energy and regulatory costs and subdued business-to-business sales growth.

The Group's businesses continue to invest in productivity initiatives to help offset these higher costs and maintain competitive prices for customers.

In this economic environment, the Group's retail divisions are well positioned with their strong value credentials and product range that has broad customer appeal. They remain focused on disciplined execution, with performance for the first half of the 2026 financial year subject to trading during the important Black Friday and Christmas trading periods.

Bunnings' year-to-date sales growth is ahead of the growth recorded in the second half of the 2025 financial year, supported by solid trading in the consumer segment. The commercial segment also delivered positive sales growth despite soft sales to builder customers which reflects ongoing supply side challenges resulting in weak residential construction activity.

Kmart Group is benefiting from the strong value credentials and quality of its Anko product range, with year-to-date sales growth broadly in line with the second half of the 2025 financial year. The business continues to invest in various projects that are expected to deliver long term cost and operational benefits, such as improving supply chain capabilities, including its Next Gen omnichannel fulfilment centre, upgrading digital platforms, including the launch of a marketplace, and further digitising operations.

Officeworks' sales momentum has continued since the full-year results in August. Earnings for the first half of the 2026 financial year will be impacted by lower operating margins, costs associated with resetting the operating model and restructuring initiatives and the ERP replacement program. As a result of these additional cost and margin impacts, earnings for the half are expected to be between \$15 million to \$25 million lower than the prior corresponding period. While the reset of the operating model and restructuring initiatives will impact earnings this financial year, the benefits of the changes are expected to result in lower costs of doing business and improved financial performance in the years ahead.

In the Health division, Priceline Pharmacy continues to deliver strong network sales growth, supported by improved retail execution, network expansion, price reductions on key value lines and the introduction of new and exclusive brands. Performance in the Wholesale segment continues to improve but trading conditions remain competitive.

Strong online sales growth in the retail and health divisions has been supported by investment in omnichannel capabilities in recent years. The insights provided by the Group shared data asset and the continued growth of the OnePass membership program are contributing to incremental sales and earnings in the retail and health divisions.

In WesCEF, the ramp up activity at Covalent's lithium hydroxide refinery continues to progress well. As previously indicated, earnings in Chemicals and Energy this year are expected to be impacted by higher contracted Western Australian natural gas costs, as well as lower expected LPG content in processed gas and remain subject to global commodity prices.

In the Industrial and Safety division, trading conditions remain challenging, with earnings impacted by subdued demand across the mining and resources sectors. Following the reset of the operating model, key operational metrics in Blackwoods – including customer net promoter scores and new customer win rates – are ahead of expectations.

In closing, Wesfarmers is well positioned for the future.

Our strong balance sheet ensures we have capacity to invest in our businesses, adapt in dynamic markets and take advantage of opportunities as they arise.

Compared to this time last year, our businesses are more productive and efficient, and they have more growth opportunities.

I want to thank our Board for their continued advice and support, and our Leadership Team and team members for their commitment to our corporate objective.

I now hand back to you, Chairman.

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