News Release

Wesfarmers

20 February 2025

2025 Half-year results

Highlights

Half-year ended 31 December ($m)	2024	2023	Variance %
Revenue	23,490	22,673	*3.6*
Earnings before interest and tax	2,299	2,195	*4.7*
Net profit after tax	1,467	1,425	*2.9*
Basic earnings per share (cps)	129.4	125.8	*2.9*
Operating cash flows	2,575	2,898	*(11.1)*
Interim ordinary dividend (fully-franked, cps)	95	91	*4.4*
Sustainability highlights			
Total recordable injury frequency rate (R12, TRIFR)	9.9	10.9	
Aboriginal and Torres Strait Islander team members (#)	4,500	4,277	
Scope 1 and 2 emissions, market-based (ktCO_2e)	554	568	
Gender balance, Board and Leadership Team (women % total)	43	43	

Wesfarmers Limited has reported a statutory net profit after tax (NPAT) of $1,467 million for the half-year ended 31 December 2024, an increase of 2.9 per cent.

Wesfarmers Managing Director Rob Scott said the increase in profit in a challenging environment highlights the strong execution across the Group, with the divisions improving their customer propositions and delivering productivity initiatives that drove growth and efficiency.

“During the half, cost of living and cost of doing business pressures continued to significantly impact many households and businesses,” Mr Scott said. “In this environment, the divisions remained focused on long-term shareholder value creation, investing in even greater value, service and convenience for customers. Proactive efficiency and digitisation initiatives helped mitigate higher costs, while enabling divisions to enhance the customer experience.

“The Group’s largest divisions performed well, with Bunnings and Kmart Group’s everyday low prices, market-leading offers and strong execution driving growth in transactions, sales and earnings. The retail divisions benefited from households prioritising value, and from new and expanded ranges and offerings that helped grow their addressable markets.

“Bunnings demonstrated the resilience of its offer, with strong consumer sales growth and continued sales growth in the commercial segment. Kmart Group’s earnings growth was supported by the market-leading value and appeal of its Anko product ranges, and productivity initiatives undertaken in recent years, including the integration of Kmart and Target’s systems and processes. Officeworks benefited from above-market growth in technology, as it continued to evolve its offer.

“WesCEF reported higher earnings, supported by favourable recontracting outcomes in Ammonium Nitrate. Good progress continued at the Kwinana lithium hydroxide refinery, with construction 95 per cent complete as at the end of the half.

“Wesfarmers Industrial and Safety’s revenue and earnings declined, impacted by a softer market environment and restructuring costs to simplify the operating model in Blackwoods and Workwear Group. Consistent with the Group’s focus on enhancing shareholder value through active portfolio management, Wesfarmers agreed during the half to sell Coregas to a subsidiary of Nippon Sanso Holdings Corporation for $770 million. The sale is subject to certain consents and approvals.

“Wesfarmers Health continued to invest in transformation activities, and the focus remains on opportunities to accelerate growth and improve returns. The earnings growth in the Consumer segment, which includes Priceline, MediAesthetics and Digital Health, was offset by the Pharmaceutical Wholesale segment, which faced higher supply chain costs.

“As announced on 21 January 2025, Catch will cease to trade as a standalone operating business in the fourth quarter of the 2025 financial year. Catch’s e-commerce fulfilment centres will be transferred to Kmart Group, while select digital capabilities developed in Catch will be transferred to Wesfarmers’ retail divisions. The decision is in the best interests of shareholders, as it eliminates the losses associated with Catch and strengthens the retail divisions’ omnichannel offers.

“As the largest non-food, omnichannel retail group in Australia, Wesfarmers is committed to leveraging its unique data and digital assets to deepen customer connections and create shareholder value. During the half, OneDigital played an increasingly important role driving incremental sales for the retail and health divisions, supported by the OnePass membership program and the Group’s shared data asset.”

Cash realisation remained strong at 108 per cent, but operating cash flows decreased 11.1 per cent. This decline was due to significant divisional cash flow growth in the prior corresponding period, which benefited from a normalisation in WesCEF's net working capital movement.

As a result of the increase in profit, the Wesfarmers Board has determined to pay a fully-franked interim dividend of $0.95 per share, an increase of 4.4 per cent on the prior corresponding period.

Wesfarmers retains significant balance sheet flexibility, supporting continued investment activity across the Group and providing capacity to manage potential risks and opportunities under a range of scenarios.

Wesfarmers recognises the alignment between long-term shareholder value and sustainability performance, and good progress was made during the half on key metrics, including safety and emissions reduction.

Wesfarmers is committed to providing a safe and fulfilling work environment for team members and TRIFR at a Group level improved to 9.9. Bunnings' TRIFR improved, benefiting from a multi-year program to prevent injuries.

The Group's Scope 1 and Scope 2 (market-based) emissions reduced 2.5 per cent, with the divisions making continued progress towards their interim and long-term targets. Reductions in Scope 2 (market-based) emissions were supported by the continued uptake of renewable energy across the retail divisions.

Outlook

Wesfarmers remains focused on long-term value creation and continues to invest to strengthen its existing divisions and develop platforms for growth. Recent portfolio actions, including the sale of Coregas and the decision to wind down Catch and transition its assets and capabilities, demonstrate the Group's financial discipline and focus on shareholder returns. These actions are in the best interests of shareholders and will improve the Group's financial performance.

Australian consumer demand remains supported by low unemployment and continued population growth, but higher costs remain a challenge for many households and businesses. Cost of living and cost of doing business pressures are expected to continue, despite the recent easing of interest rates. Geopolitical developments will continue to present uncertainties to Australia's economic outlook and market conditions in the 2025 calendar year.

The retail divisions are expected to continue to benefit from their strong value credentials and by expanding their addressable markets. Bunnings, Kmart Group and Officeworks will maintain their focus on meeting customer needs and delivering even greater value, service and convenience for customers.

The Group's retail divisions continued to trade well in the first six weeks of the second half of the 2025 financial year. Bunnings and Officeworks maintained solid sales momentum, with sales growth broadly in line with the first half of the 2025 financial year. Kmart Group's sales growth was stronger compared to the first half of the 2025 financial year, supported by its unique Anko product offer.

Domestic cost pressures are likely to persist, driven by labour, energy and supply chain costs, and weakness in the Australian dollar. To mitigate these impacts, the divisions will continue executing productivity initiatives, including investments in technology to digitise operations. The Group actively monitors foreign exchange rates, and maintains appropriate hedging positions to help mitigate potential short-term currency risks.

OneDigital continues to accelerate the Group's data and digital ambitions, offering customers a more rewarding omnichannel experience across the Group's retail and health divisions, while leveraging data analytics to support each division's growth agenda. Work is underway to accelerate the development of a Group retail media network across these businesses.

Wesfarmers and its joint venture partner remain focused on the development of the Covalent lithium project, an integrated lithium mine, concentrator and refinery. Covalent is expected to complete construction and commissioning of the refinery with first product in mid-calendar year 2025, in line with the guidance provided at the 2024 full-year results. WesCEF's share of capital expenditure for the project remains in line with the guidance provided at the 2023 half-year results.

The performance of the Group's industrial businesses remains subject to international commodity prices, foreign exchange rates, competitive factors and seasonal outcomes.

Wesfarmers Health is well positioned to improve earnings and returns by executing its transformation program and capitalising on long-term sector tailwinds. The division is focused on accelerating earnings in its growing, higher-margin and less capital-intensive Consumer segment, and driving growth and efficiency in Pharmaceutical Wholesale.

The Group expects net capital expenditure of between $1,100 million and $1,300 million for the 2025 financial year, subject to net property investment and the timing of project expenditures.

For further information:

More detailed information regarding Wesfarmers' 2025 Half-year results can be found in the Wesfarmers 2025 Half-year Report incorporating Appendix 4D for the six months ended 31 December 2024.

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