

27 June 2025

BWP internalisation and reset of Bunnings leases

Wesfarmers today announced that ASX-listed BWP Trust (**BWP**) will internalise its management, through the sale of Wesfarmers' 100 per cent interest in BWP Management Limited (**BML**) to BWP for \$142.6 million (**internalisation**). As part of the transaction, Bunnings and BWP have also agreed to an extension and variation of Bunnings' leases with BWP (**lease reset**, and together with the internalisation, **the transaction**).

BWP will pay Wesfarmers a cash component of \$100.0 million, with \$42.6 million payable in BWP units. New units will be issued to Wesfarmers at BWP's net tangible asset value per unit as at 31 December 2024 of \$3.92, a 9.2 per cent premium to BWP's closing unit price as at 26 June 2025. The total consideration of \$142.6 million represents 10.6 times BML's forecast earnings before interest and tax in the 2026 financial year.

Wesfarmers currently owns 22.3 per cent of BWP's units on issue. Following completion of the transaction, Wesfarmers' holding will increase to 23.5 per cent of BWP's units on issue.

BWP is a listed real estate investment trust that invests in and manages commercial properties, the majority of which are Bunnings warehouses. BML was established as the external responsible entity to manage BWP, receiving a management fee based on the gross asset value of BWP. Post completion, Wesfarmers will no longer receive earnings from BML which are currently reported in Wesfarmers' Other segment.

The internalisation provides an attractive value for Wesfarmers' management rights in BWP and, for BWP, allows it to proceed as an independently managed trust.

Separately, for Bunnings, the lease reset delivers significantly longer tenure for 62 of the BWP-owned sites in its store network. The lease reset also provides an opportunity for additional capital investment to upgrade and expand select sites in the portfolio.

Bunnings Group Managing Director Michael Schneider described the lease reset as strategically important.

"We are pleased with the outcome of the lease reset, which has secured extended tenure and more flexible lease terms at key sites. This provides greater certainty and supports investment to enhance the instore customer offer and drive long-term growth."

The transaction is subject to the receipt of certain consents and approvals, including approval by BWP unitholders. Subject to satisfying the conditions precedent, Wesfarmers expects the transaction to complete in the first half of the 2026 financial year.

For more information:

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