

## Wesfarmers 2023 AGM report

ASX code	WES
Meeting date	26 October 2023
Type of meeting	Hybrid
Monitor	Geoff Read with Ian Berry
Pre AGM-meeting	Yes, with Chairman Michael Chaney, director Michael Roche and others.

### Meeting Statistics

Number of holdings represented by ASA	1300
Number of shares represented by ASA	3M (Equivalent to the 13th largest shareholder)
Value of shares represented by ASA	\$150M
Total number attending meeting	769 voting shareholders/proxies and 500 visitors
Market capitalisation	\$58B
ASA open proxies voted	ASA voted in favour of the resolutions.

### Donation to the YES campaign causes many AGM questions

Wesfarmers meeting in Perth is always well attended with over 1,000 attendees. The complimentary showbags of products sold by various group companies may have contributed to the attendance. Additionally, it is possible to have a health check promoted by the newly acquired Health division.

Prior to the AGM, there were two presentations by the CEOs of the new Health Division and the Chemical, Energy and Fertilisers (CEF) Division. The first outlined all the services of the Health division and its innovation, particularly as to clients obtaining and filling prescriptions electronically. The CEO CEF concentrated on progress with the lithium hydroxide manufacturing facility at Kwinana WA.

Financially, Wesfarmers produced earnings of \$3.86 billion with PAT of \$2.5 billion up 4.5% on 2022. Revenue at \$43.5 billion was up 18.2%. Overall return on equity was 31.4%. Gearing improved to 48.4 debt to equity. Net debt was \$4.6 billion. ROCE ranged from 65.4% in Bunnings operation to 8% in Industrial and Safety, excluding the new Health division, which was marginally profitable and the loss-making Catch, a technological innovator of various customer support activities.

The Chair introduced a novel way that questions would be treated. Many covered the same topic and an external moderator had been appointed to consolidate similar questions into a single question. This action was probably instigated in response to controversy over Wesfarmers

donation of \$2 million to the failed Voice Yes campaign. Some questions from the floor, both adverse and supportive, were allowed. Mr Chaney defended the donation and noted that Wesfarmers supported many good Aboriginal causes, such as the Clontarf Foundation and that 3% of its employees were Aboriginal.

Michael Chaney expressed concern about the Government's proposed Same Job Same Pay industrial relations changes and particularly their impact on casual labour utilised extensively by Wesfarmers retail businesses.

The Managing Director referred to the advantages of the conglomerate model and the positive contributions from diverse businesses with strong value credentials made. In terms of outlook Wesfarmers traded strongly in the current four months and challenges were being addressed.

The ASA Monitor noted that plans to expand the lithium facilities prior to the mine and lithium hydroxide being in full production with costs not finalised and the volatility of lithium prices were perhaps premature. The Chair responded that no final decision would be made for a year. Regarding quarterly reporting with the renewed mining focus, the Chair reiterated that Wesfarmers was a conglomerate not a mining company.

All resolutions were carried with large majorities. They concerned the re-election of three directors and the approval of a grant of deferred and performance shares under the KEEP scheme to the Group Managing Director.

The addresses to the meeting may be found here: -

<https://announcements.asx.com.au/asxpdf/20231026/pdf/05wjtp44mx6pfb.pdf>

The full voting results may be found here: -

<https://announcements.asx.com.au/asxpdf/20231026/pdf/05wjtp44mx6pfb.pdf>

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