News Release

19 February 2026

2026 Half-year results

Highlights

Half-year ended 31 December ($m)	2025	2024	Variance %
Revenue	24,212	23,490	*3.1*
Earnings before interest and tax	2,493	2,299	*8.4*
Net profit after tax	1,603	1,467	*9.3*
Basic earnings per share (cps)	141.4	129.4	*9.3*
Operating cash flows	2,491	2,575	*(3.3)*
Interim ordinary dividend (fully-franked) (cps)	102	95	*7.4*
Sustainability highlights			
Total recordable injury frequency rate (R12) (TRIFR)	9.6	9.9	
Aboriginal and Torres Strait Islander team members (#)	4,707	4,500	
Scope 1 and 2 (market-based) emissions (ktCO_2e)	400	554	
Gender balance, Board and Leadership Team (women % total)	43	43	

Wesfarmers Limited has reported a statutory net profit after tax (NPAT) of $1,603 million for the half-year ended 31 December 2025, an increase of 9.3 per cent.

Wesfarmers Managing Director Rob Scott said the result reflects strong operational performance and disciplined execution of the Group's strategies to create shareholder value.

"Wesfarmers' increase in profit was supported by strong earnings contributions from our largest divisions – Bunnings, Kmart Group and WesCEF," Mr Scott said.

"During the half, Wesfarmers' divisions benefited from productivity initiatives to navigate ongoing challenging market conditions. Despite a modest improvement in consumer demand, higher costs continued to weigh on many households and businesses, and residential construction activity remained subdued. The divisions performed well, driving productivity to mitigate cost pressures and keep prices low for customers.

"The divisions continued to progress key growth and efficiency opportunities this half. Initiatives included expanding addressable markets, improving instore sales density, advancing expansion projects in WesCEF and leveraging data and digital capabilities to accelerate growth instore and across digital channels.

"Bunnings and Kmart Group's everyday low prices and leading offers continued to support sales and earnings growth, with a sustained focus on productivity enabling operating leverage. Bunnings demonstrated the strength of its offer, with higher sales across all product categories, operating regions and in both consumer and commercial segments. Kmart Group's increased earnings were supported by the market-leading value of its Anko product ranges and focus on productivity and cost control. Sales across Kmart Group's brands saw relatively stronger performance in Kmart partially offset by Target, which was impacted by more difficult trading conditions in Apparel, particularly in seasonal categories.

"WesCEF's earnings benefited from a positive contribution from its lithium business, supported by the strong performance of the mine and concentrator and a significantly improved pricing environment later in the half. Construction of the Covalent Lithium joint venture's refinery was completed below cost estimates and performance during commissioning has been pleasing, with the refinery producing high-quality lithium hydroxide. Production ramp-up plans have been extended to address intermittent odour issues, and while the ramp-up continues excess spodumene concentrate is being sold profitably.

"Officeworks' earnings were in line with previous guidance, impacted by costs associated with its transformation program which commenced during the half. Successful execution of the program is expected to support Officeworks' transition to a low-cost operating model and improved performance over the long term. Wesfarmers Industrial and Safety was effective at navigating challenging trading conditions and delivered earnings broadly in line with the prior corresponding period, after adjusting for the sale of Coregas and restructuring costs.

"Wesfarmers Health delivered higher earnings as the transformation gains momentum, supported by strong network sales growth in Priceline Pharmacy, which benefited from improved retail execution, and better performance in Wholesale in a competitive market.

"During the half, Wesfarmers increased the use of AI to accelerate key strategies, with a focus on enhancing the customer experience, supporting team member productivity and engagement and driving long-term earnings growth. The Group continued to progress work in the areas of agentic and conversational commerce, AI assistants for team members, merchandising efficiency, marketing effectiveness, contact centre efficiency and supply chain optimisation.

"Following the end of the half, Wesfarmers entered partnerships with leading global technology companies to accelerate progress on AI solutions across the Group. New strategic partnerships with Microsoft and Google Cloud will provide access to new technologies and expertise to upskill team members and transform key business processes to accelerate the Group's strategic agenda.

"Wesfarmers continued to leverage its unique data and digital capabilities, including the Group's shared data asset, to deepen customer connections and create shareholder value. OnePass drove incremental sales and earnings in the retail and health divisions, supported by strong new member growth and improved engagement in the program."

Cash realisation remained solid at 99 per cent, but reported operating cash flows decreased 3.3 per cent as higher tax paid offset divisional cash flows that were broadly in line with the prior corresponding period.

As a result of the increase in profit, the Wesfarmers Board has determined to pay a fully-franked interim dividend of $1.02 per share, an increase of 7.4 per cent on the prior corresponding period.

During the half, the Group paid a capital management distribution of $1.50 per share, totalling $1.7 billion, reflecting Wesfarmers' focus on effective capital management and enhancing returns to shareholders. The distribution supported a more efficient capital structure while maintaining balance sheet capacity to take advantage of value-accretive opportunities as they arise.

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. Group TRIFR improved to 9.6, supported by Bunnings' multi-year program to prevent injuries. The Group's Scope 1 and Scope 2 (market-based) emissions reduced by 27.8 per cent, driven by the retail divisions achieving their 100 per cent renewable electricity targets in the 2025 calendar year.

Outlook

Wesfarmers remains well positioned to deliver satisfactory returns to shareholders over the long term, supported by its portfolio of cash generative businesses with market-leading positions, strong balance sheet and commitment to invest to strengthen its existing divisions and develop platforms for growth.

Wesfarmers recognises the impact of inflation on households and businesses, and the retail divisions play an important role in the community through offering everyday low prices. Bunnings and Kmart's well-established everyday low price operating models deliver sustainable growth in earnings through a relentless focus on productivity and low prices.

Australian consumer demand remains solid, but cost of living pressures are being felt unevenly across the economy and impacting many households. The recent interest rate rise and uncertainty regarding the outlook for inflation and interest rates are affecting consumer sentiment, while higher operating expenses are weighing on business confidence and spending.

The Group's retail divisions are well positioned to drive profitable growth, supported by their expanding addressable markets, strong value credentials and focus on improving customer experience. The retail divisions will continue to leverage investments in omnichannel assets and capabilities to drive growth in sales and earnings.

The retail divisions continued to trade well in the first six weeks of the second half of the 2026 financial year. Bunnings' and Officeworks' sales growth were both broadly in line with the first half of the 2026 financial year, while Kmart Group's sales growth was stronger compared to the first half.[1]

Higher operating expenses, especially domestic costs, continue to present challenges for many Australian businesses. To mitigate these impacts, the divisions will continue to maintain cost discipline and execute productivity initiatives, including ongoing investments to digitise operations and increase the use of data and AI. As indicated, new strategic partnerships with leading global technology companies are expected to accelerate the Group's progress in these areas.

As indicated, the performance of the Covalent Lithium joint venture's refinery during commissioning has been pleasing, with the refinery producing high-quality lithium hydroxide, demonstrating the underlying process is operating as intended. The timing of the production ramp-up phase is now expected to be extended, with work underway to address intermittent odour issues. In the interim, WesCEF retains flexibility to sell spodumene concentrate volumes in excess of refinery requirements. Based on customer contracts for the majority of WesCEF's share of spodumene concentrate production in the second half of the 2026 financial year, lithium earnings in the second half are expected to be slightly ahead of the first half.

[1] Sales growth in the first half of the 2026 financial year was 4.0 per cent for Bunnings, 3.2 per cent for Kmart Group and 4.7 per cent for Officeworks.

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 continue to improve earnings and returns, and is building on its positive momentum by growing share in its higher-margin, less capital-intensive Consumer business, and expanding on recent improvements in Wholesale.

The Group expects net capital expenditure of between $1,000 million and $1,300 million for the 2026 financial year, subject to net property investment and the timing of project expenditures. This amount excludes the $274 million of proceeds received from the sale and leaseback of five Bunnings properties during the half following the wind up of the BPI No 1 Pty Ltd (BPI) property structure.

For further information:
More detailed information regarding Wesfarmers' 2026 Half-year results can be found in the Wesfarmers 2026 Half-year Report incorporating Appendix 4D for the six months ended 31 December 2025.

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