

28 August 2025

Capital management of \$1.50 per share

Wesfarmers today announced a proposed capital management initiative for shareholders of \$1.50 per share. The form of the distribution is subject to a final ruling from the Australian Taxation Office (ATO), but is expected to comprise a capital component of \$1.10 per share and a fully-franked special dividend component of \$0.40 per share.

The recommended return of capital is subject to shareholder approval at the 2025 Annual General Meeting on 30 October 2025, with payment of the fully-franked special dividend subject to shareholders approving the return of capital. If approved, the total amount of the distribution will be approximately \$1.7 billion.

Wesfarmers Chief Financial Officer Anthony Gianotti said the proposed distribution is consistent with Wesfarmers' focus on providing a satisfactory return to shareholders and commitment to efficient capital management.

"The proposed distribution reflects the strength of the Group's balance sheet and, following completion, we expect to maintain the Group's current strong credit ratings and balance sheet capacity to take advantage of value accretive opportunities as they arise," Mr Gianotti said.

"This initiative has been made possible by cash flow from the sale of certain assets in recent years, being the sale of Wesfarmers' residual interest in Coles, the divestment of Coregas and the divestment of WesCEF's LPG and LNG distribution businesses."

An application for a Class Ruling has been lodged with the ATO in relation to the form of the proposed distribution, with the Class Ruling to be published following payment of the distribution. If the Class Ruling is issued in line with the application, there should be no immediate tax liability for most Wesfarmers shareholders relating to the return of capital component of \$1.10 per share. Instead, the cost base of shares for capital gains tax purposes will be reduced by the capital component. For shareholders with a cost base of less than the capital component, an assessable capital gain could arise. The Class Ruling is also expected to confirm that the fully-franked special dividend component of the distribution will be taxed as a normal dividend to shareholders.

It is intended that the Wesfarmers Dividend Investment Plan will apply to the dividend component of the distribution for those shareholders who participate in the Dividend Investment Plan.

A detailed explanation of the proposal will be included with the Notice of Meeting which will be sent to shareholders in September 2025. Further information will also be provided on Wesfarmers' website, and a Tax Information Guide will be issued to shareholders following the Class Ruling.

If approved, shareholders are expected to receive their payments on 4 December 2025.

For more information:

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

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