

27 November 2018

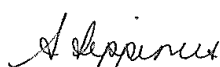
Australian Securities Exchange
Attention: **Companies Department**

BY ELECTRONIC LODGEMENT

Dear Sir / Madam

Please find attached a presentation to be made today at the Brickworks Limited Annual General Meeting for immediate release to the market.

Yours faithfully
BRICKWORKS LIMITED



Susan Leppinus
Company Secretary

BRICKWORKS LIMITED

84th ANNUAL GENERAL MEETING

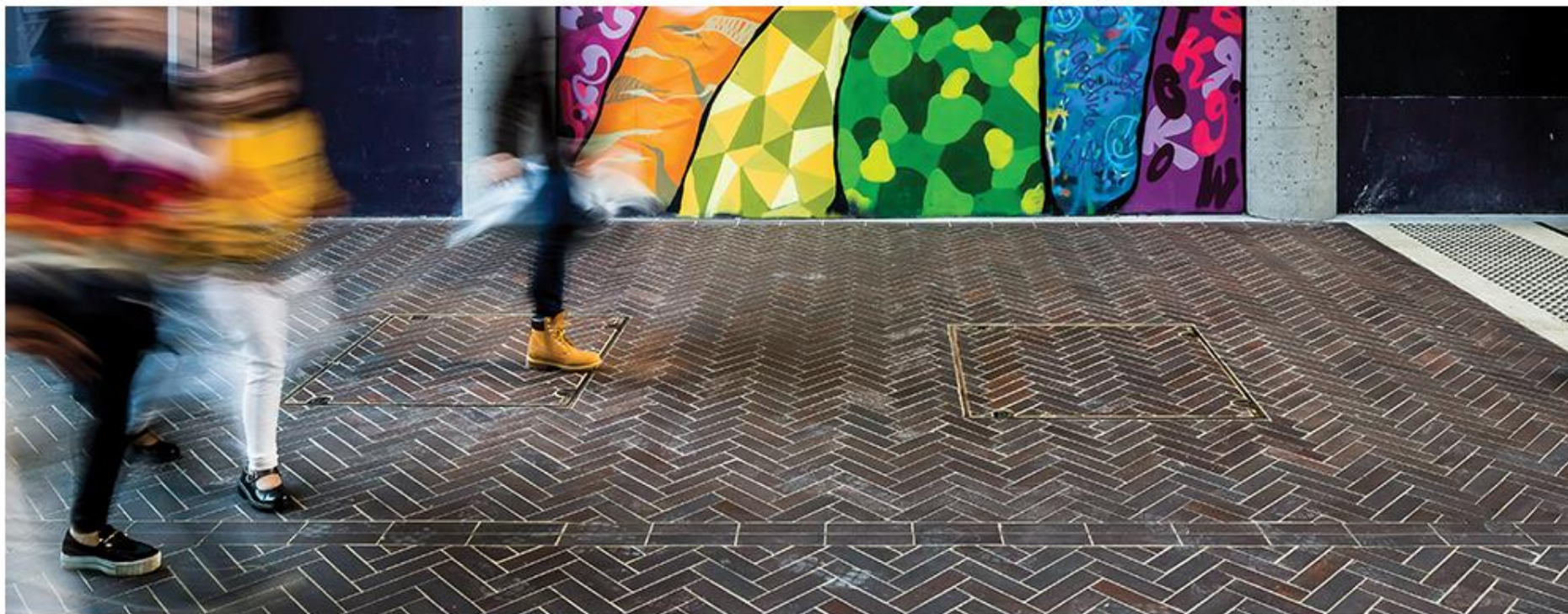
27 November 2018




BRICKWORKS
LIMITED

CHAIRMAN'S ADDRESS

Mr Robert Millner



BRICKWORKS
LIMITED

A modern office interior featuring a brick wall, a wooden bench, and a large window. The text is overlaid on the image in white and yellow.

BUSINESS OVERVIEW

Diversified portfolio

Significant assets in Investments, Property, Building Products

Long term focus

*Formed in 1934 by a group of leading Sydney based brick manufacturers
Listed on the ASX in 1962
Invested in WHSP in 1969*

Stable and conservative

*Stable Board and management team
Low gearing level*

FY2018 HIGHLIGHTS

\$309m

Underlying EBITDA

↑13%

\$224m

Underlying profit

↑14%

\$175m

Statutory profit

↓6%

150 cents

Underlying eps

↑14%

Market cap growth
and dividends added

\$433m

to shareholder value

54 cents

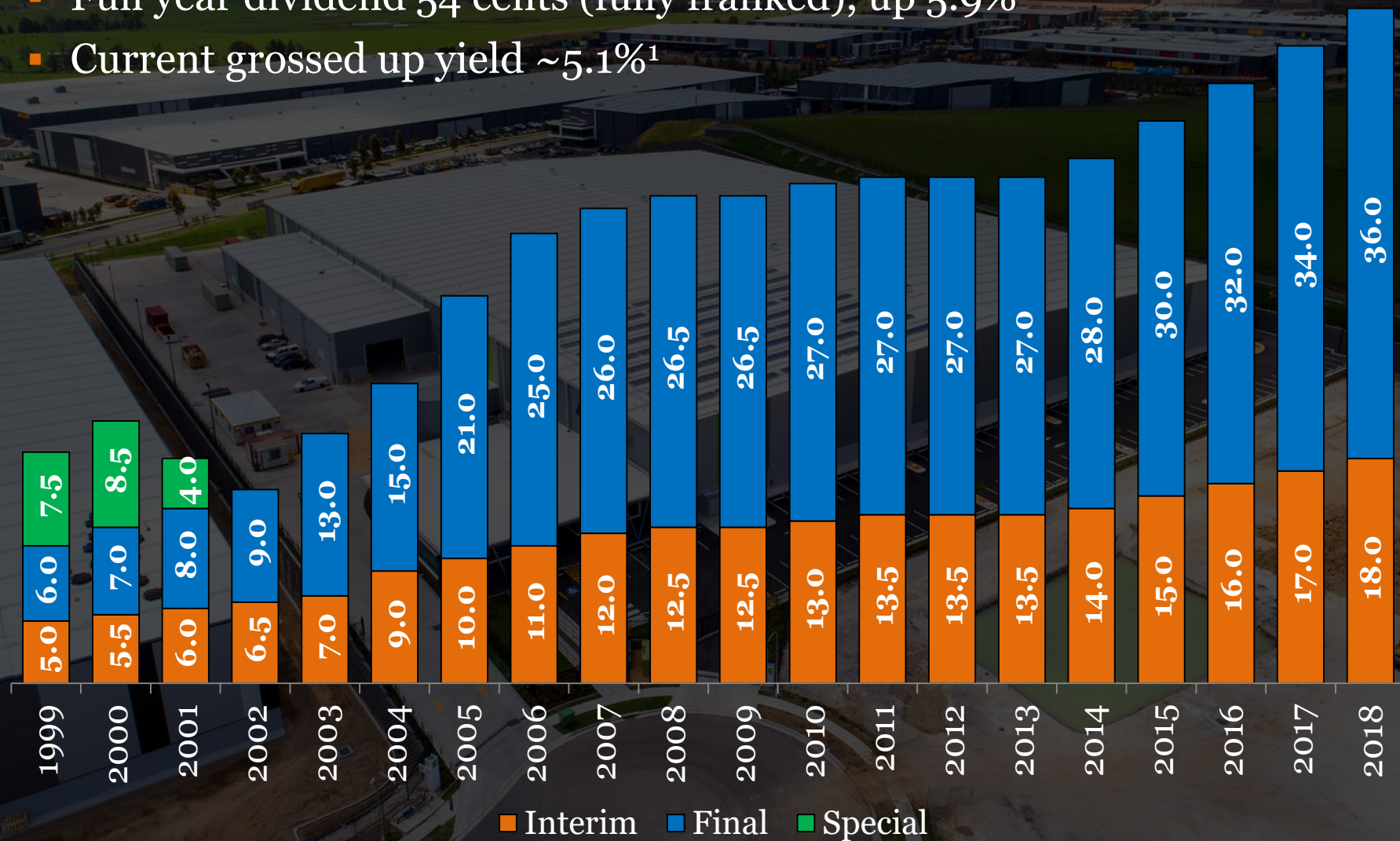
Full year dividends

↑6%

DIVIDENDS

Cents per share

- Full year dividend 54 cents (fully franked), up 5.9%
- Current grossed up yield $\sim 5.1\%^1$



1. Including benefit of franking credits

LONG TERM SHAREHOLDER VALUE CREATION

Value of \$1000 invested in 1968

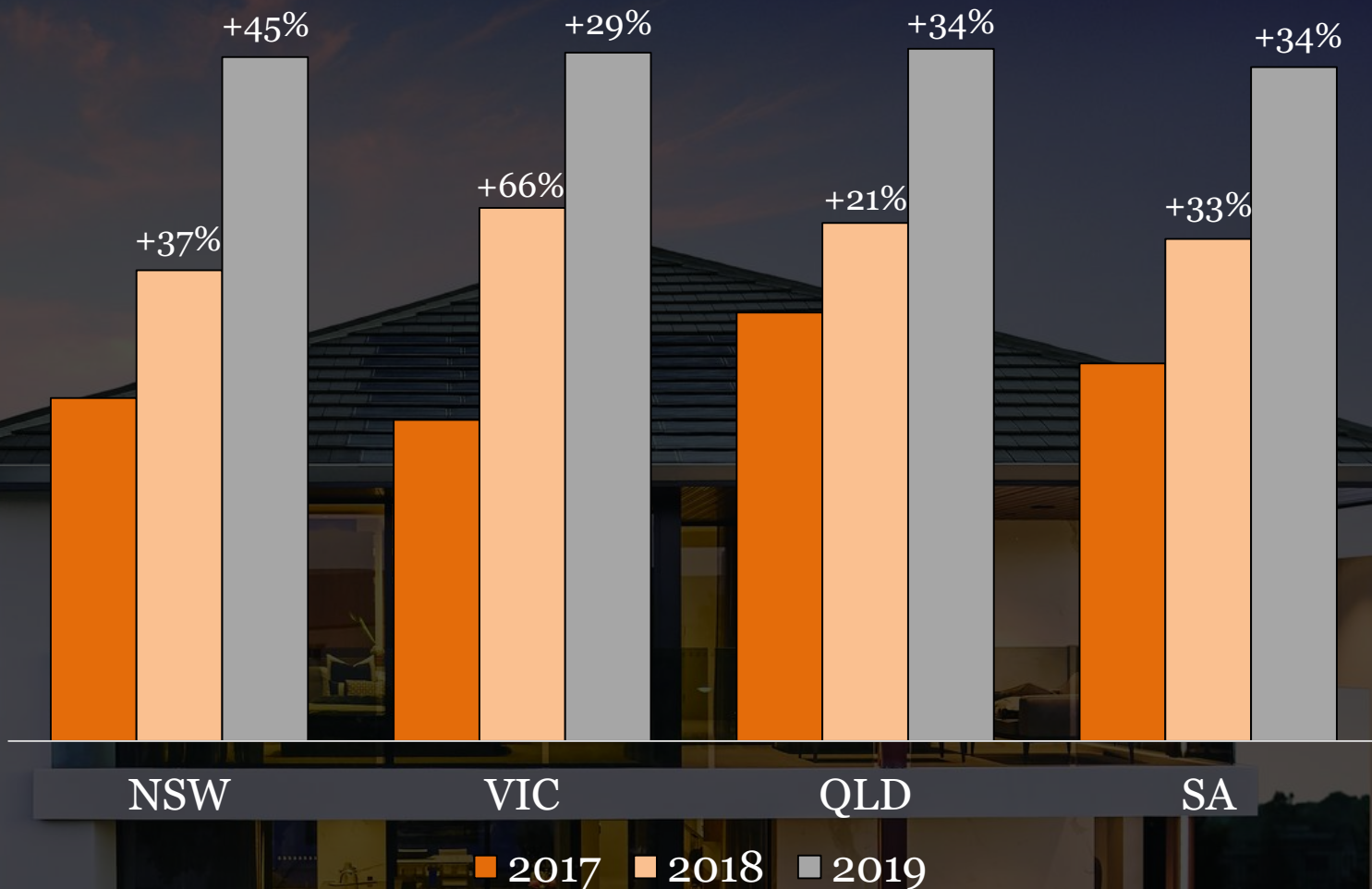
- 22.3% total return in FY2018 (vs 14.9% for the index¹)
- Total return 12.4% p.a. since 1968
- \$1,000 invested 50 yrs ago is now worth \$390K²



1. All Ordinaries Accumulation Index
2. As at 21 November 2018

EAST COAST GAS PRICES

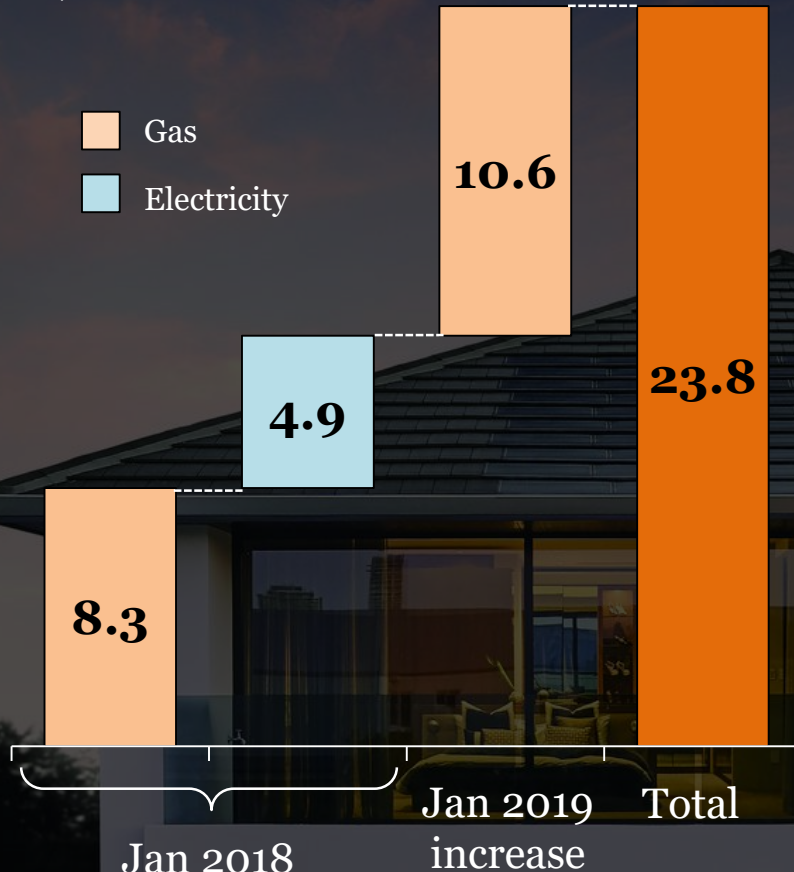
Wellhead Gas Prices by State \$/GJ (East Coast)



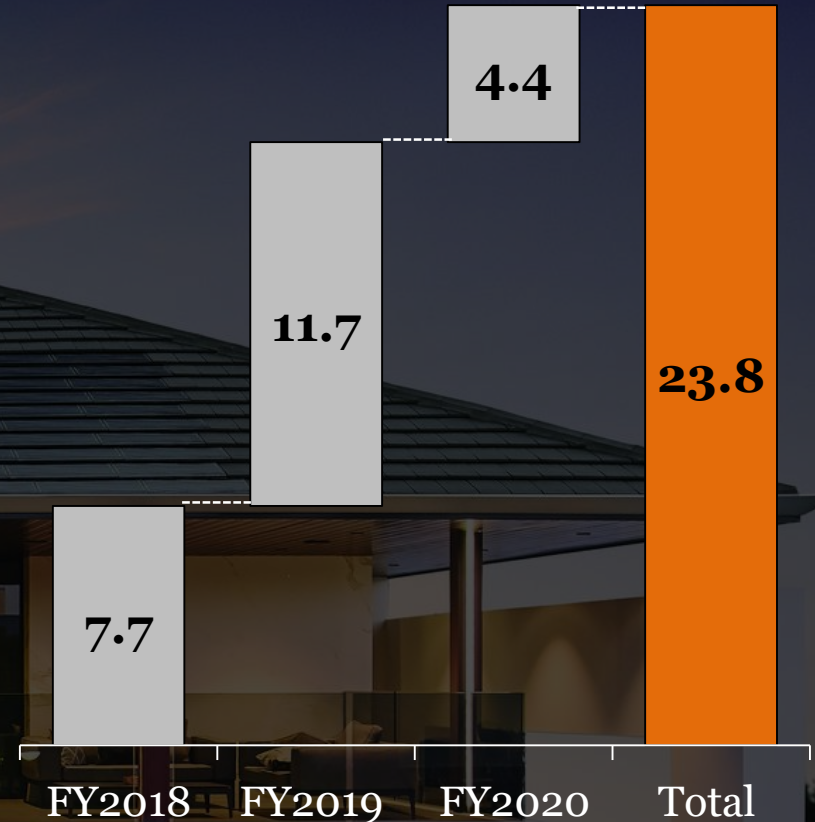
ENERGY COST IMPACT

Increase in Energy Costs¹ by *Calendar Year* \$million

Gas
Electricity




Increase in Energy Costs¹ by *Financial Year* \$million



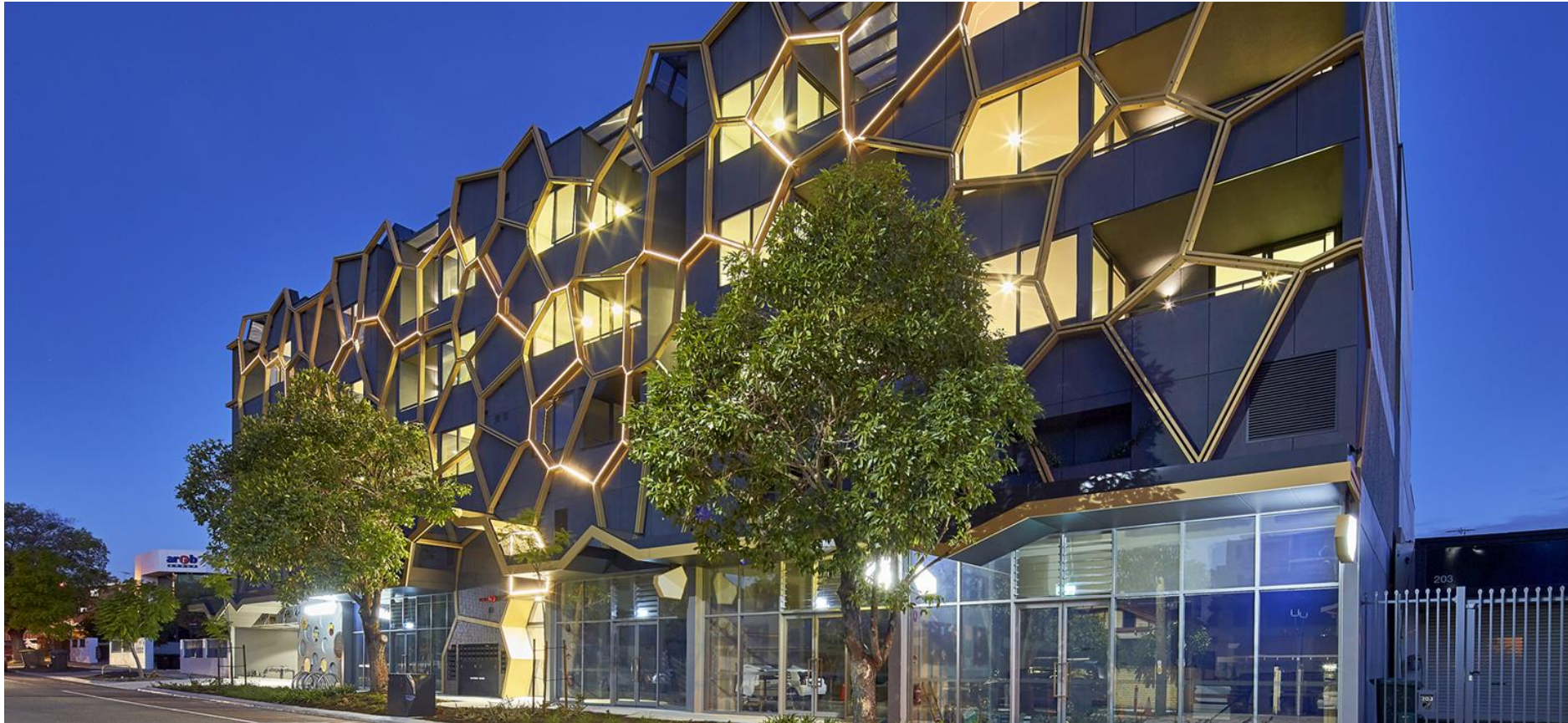
1. Based on contracted wellhead gas price increases and electricity price increases only. Assumes constant energy consumption (as per FY2018)

BOARD GOVERNANCE

- 
- David Gilham is not seeking re-election at today's meeting
 - Joined the Board following the acquisition of Bristle in 2003, where he was Managing Director
 - 15 years of service on the Board
 - The company has engaged external consultants to assist with the appointment of an additional Director
 - Any new appointment will be an independent non-executive Director, preferably with international experience

MANAGING DIRECTOR'S ADDRESS

Mr Lindsay Partridge

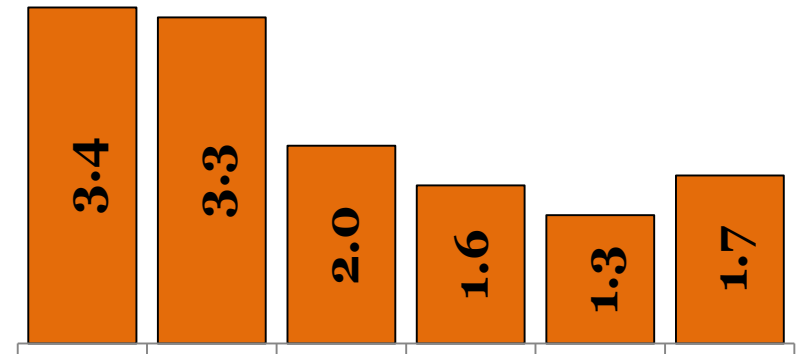


BRICKWORKS
— BUILDING PRODUCTS —

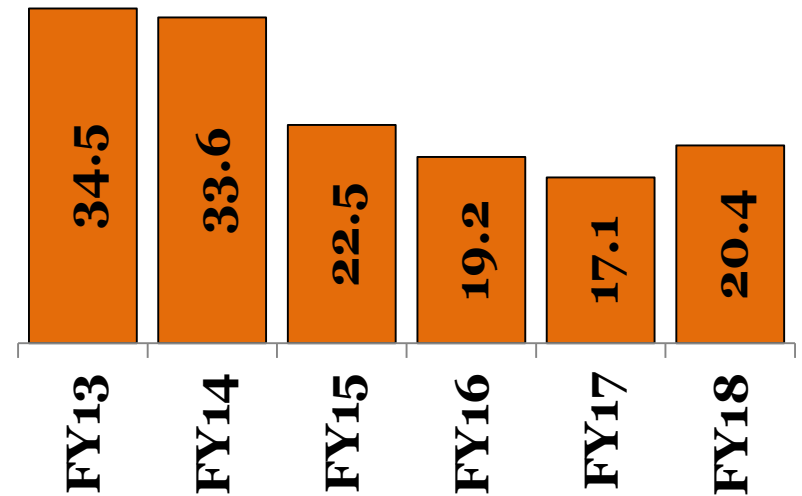


SAFETY PERFORMANCE

Lost Time Injury Rate



Recordable Injury Rate



CORPORATE STRUCTURE

Investments

- 42.7% share of WHSP (ASX: SOL, market cap \$6.8 billion)

Property

- Development of non operational land
- 50% share of \$1.5 billion Industrial Property Trust

Building Products

- Austral Bricks
- Bristle Roofing
- Austral Masonry
- Austral Precast
- Auswest Timbers
- Glen-Gery



INVESTMENTS



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INVESTMENT IN WHSP (ASX: SOL)

- SOL is a diversified investment house with interests in a wide range of companies such as TPG, New Hope, API and Brickworks
- SOL has a market capitalisation of around \$6.8 billion
- BKW holds a 42.7% stake in SOL
- Held by BKW for almost 50 years



INVESTMENTS PERFORMANCE

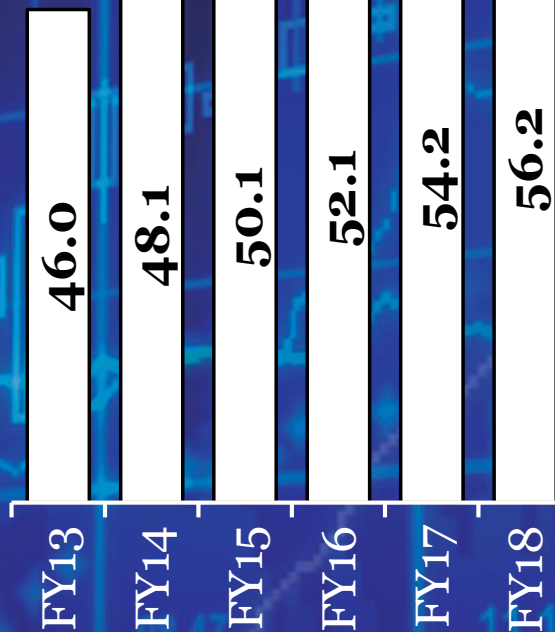
EBIT (\$m)

Contribution to BKW



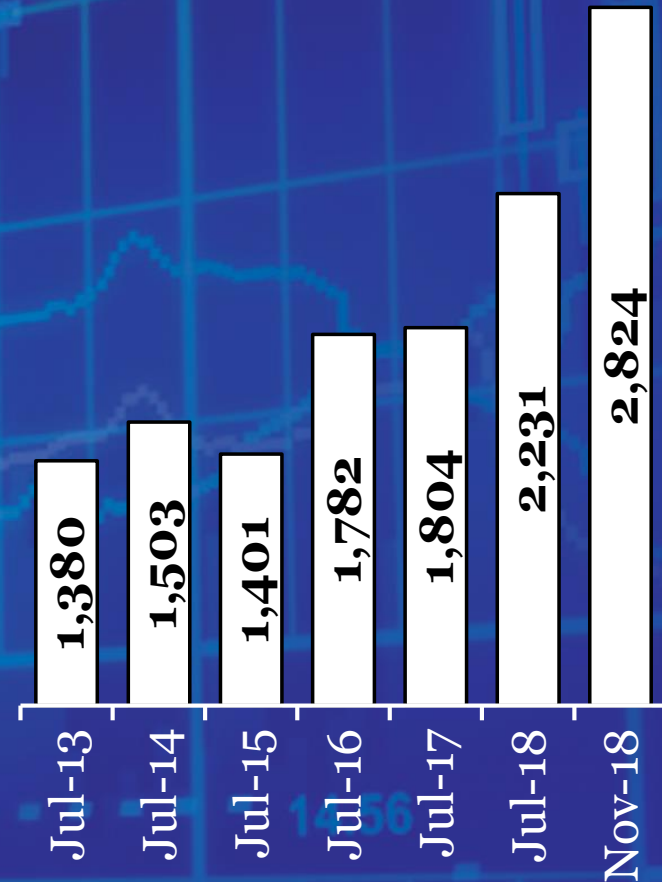
Dividends (\$m)

Received by BKW



Market Value (\$m)

BKW 42.7% Share of SOL



ACTIVE M&A ACROSS WHSP PORTFOLIO ADDS VALUE

- 
- WHSP investment approach is proven, and capitalises on key strengths:
 - Disciplined
 - Long Term
 - Opportunistic
 - Major transactions across WHSP and Group companies continues to add value:
 - TPG merger of equals with Vodafone (subject to approvals)
 - New Hope Corporation acquisition of Bengalla
 - Sale of Pitt St building
 - Stable and trusted business partner

PROPERTY

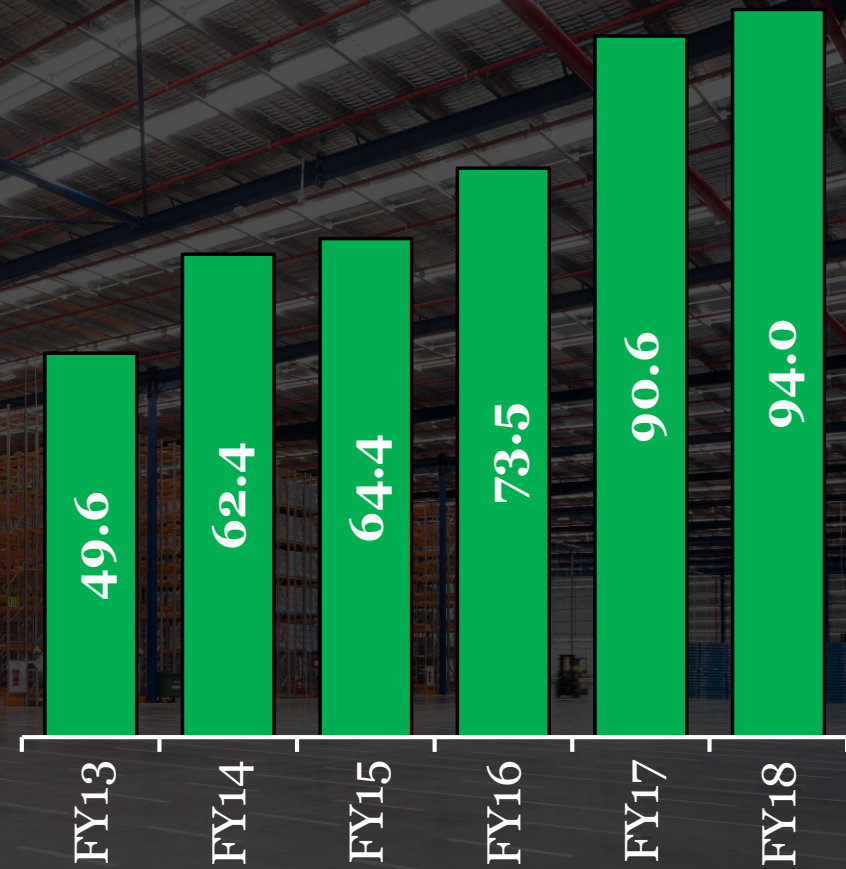


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PROFIT GENERATION FROM PROPERTY

- Property earnings up 3.8% to \$94.0 million in FY18
- Steadily growing rental and revaluations within Property Trust:
 - Net Trust Income
 - Revaluations of Trust Assets
- Irregular but significant sale and development profits:
 - BKW asset sales
 - Trust asset sales
 - Trust development profits

Property EBIT (\$m)

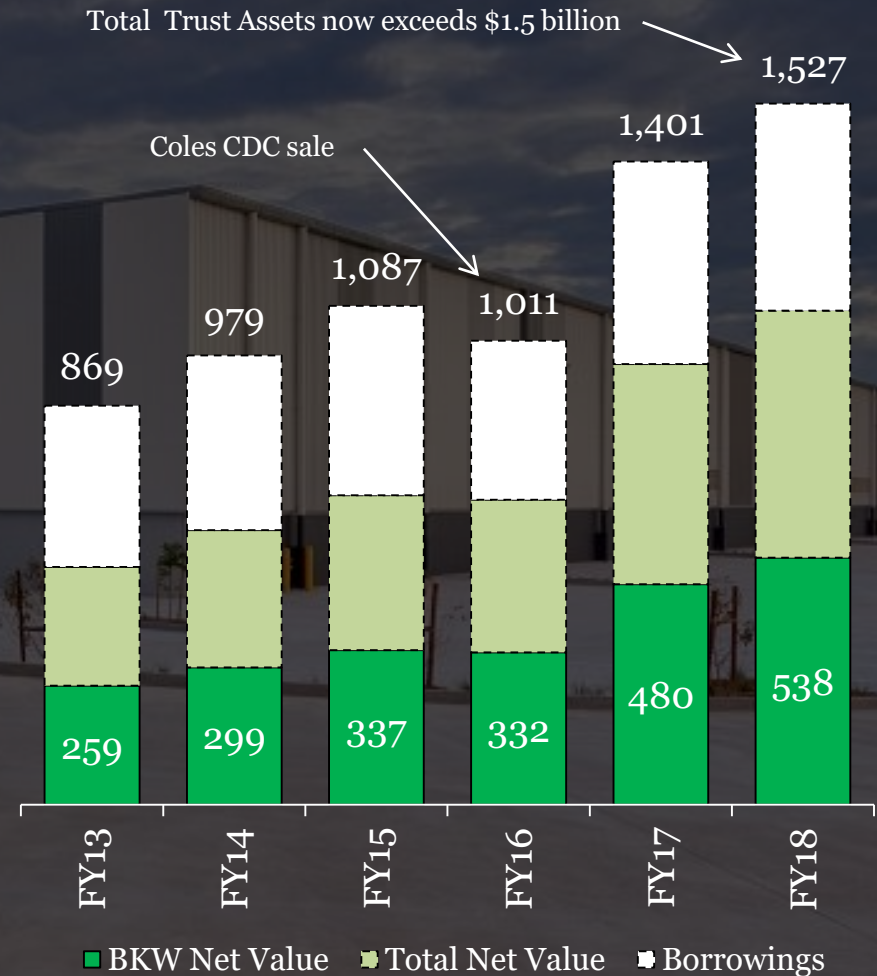


ASSET GROWTH FROM PROPERTY

- Total trust assets now exceed \$1.5 billion
- BKW share of net Property Trust assets up 12.1% to \$538 million in FY18
- Steady growth in asset value driven by:
 - Sale of surplus operational land into the Trust
 - Development of assets
 - Rental growth and capitalisation rate movements drive revaluations

Property Trust Net Asset Value (\$m)

Brickworks 50%



PROPERTY PIPELINE

PROPERTY TRUST

Rochedale



Southern section of the Rochedale North Estate is now complete. Final 6 hectare lot, including over 35,000m² of mixed use buildings now under development

Oakdale Central

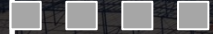
Fully completed in April 2018 following the delivery of the 37,000m² facility for Reckitt Benckissor

Oakdale South

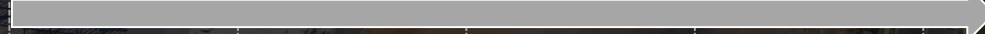


Infrastructure works now completed and construction work commenced. Development expected to continue for a number of years

Oakdale West



Once development approval is achieved, expected in the coming months, development of this site is likely to extend for up to a decade

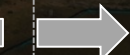
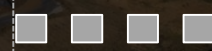


BRICKWORKS

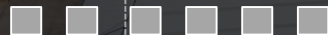
Oakdale East
(Plant 3 site)



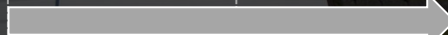
Possible stage 1 development of a limited area. Potential for further development beyond 2030. Any development land to be sold into the JV Trust.



Craigieburn



Potential for rezoning to residential, followed by development



2018

2020

2022

2024

2026

2028

2030+

DA Approved

Development approval required

BUILDING PRODUCTS



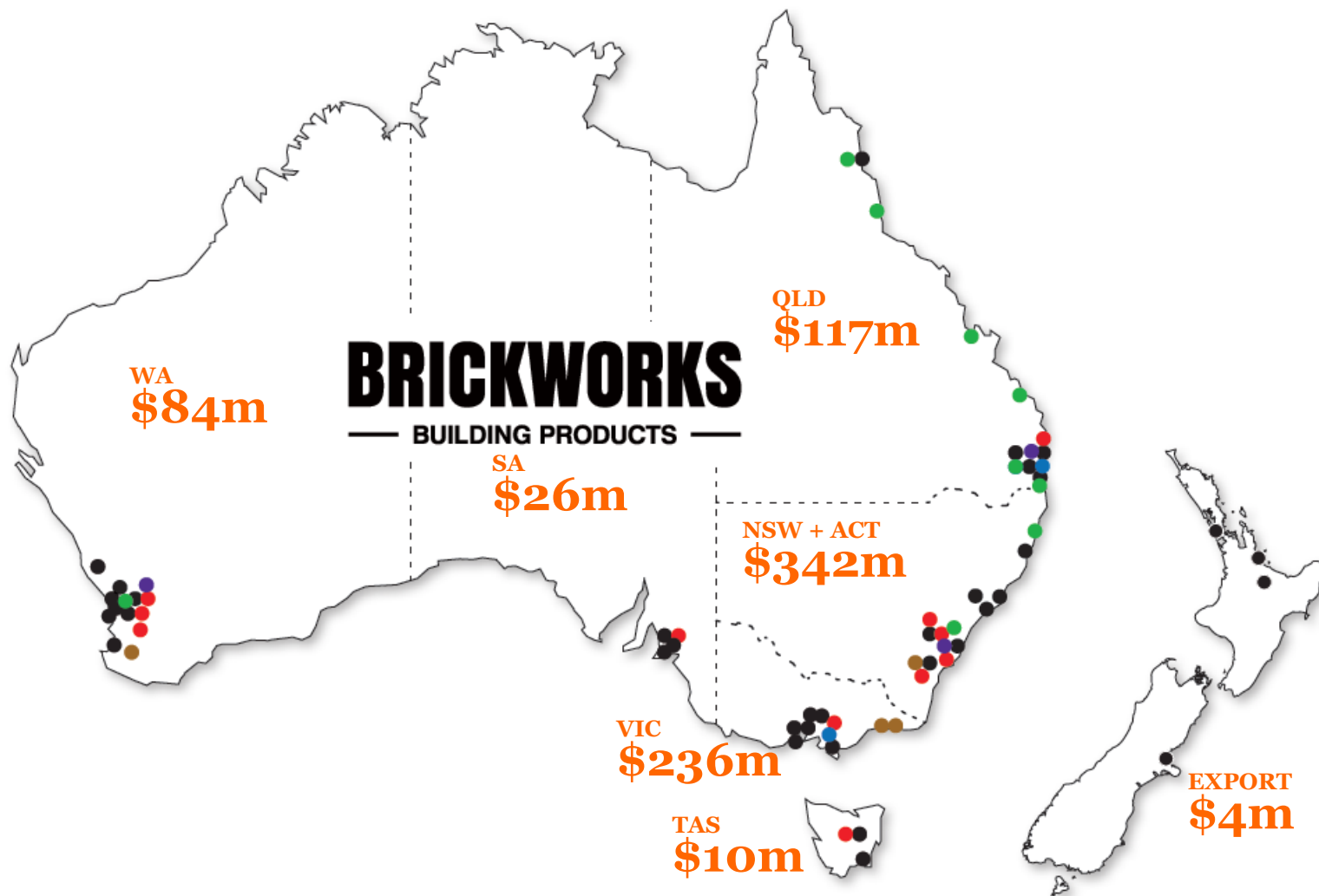
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KEY

- DISPLAY CENTRES
- BRICK PLANTS
- ROOFING PLANTS
- MASONRY PLANTS
- TIMBER MILLS
- PRECAST PLANTS

AUSTRALIA AND NEW ZEALAND

Display Centre and Plant Locations



australbricks

australprecast

australmasonry

bristileroofting

auswesttimbers

southern cross
cement

terraçade™
TERRACOTTA FACADE SYSTEMS

DANIEL
ROBERTSON

nubrik
ROOFING SYSTEMS



BOWRAL BRICKS

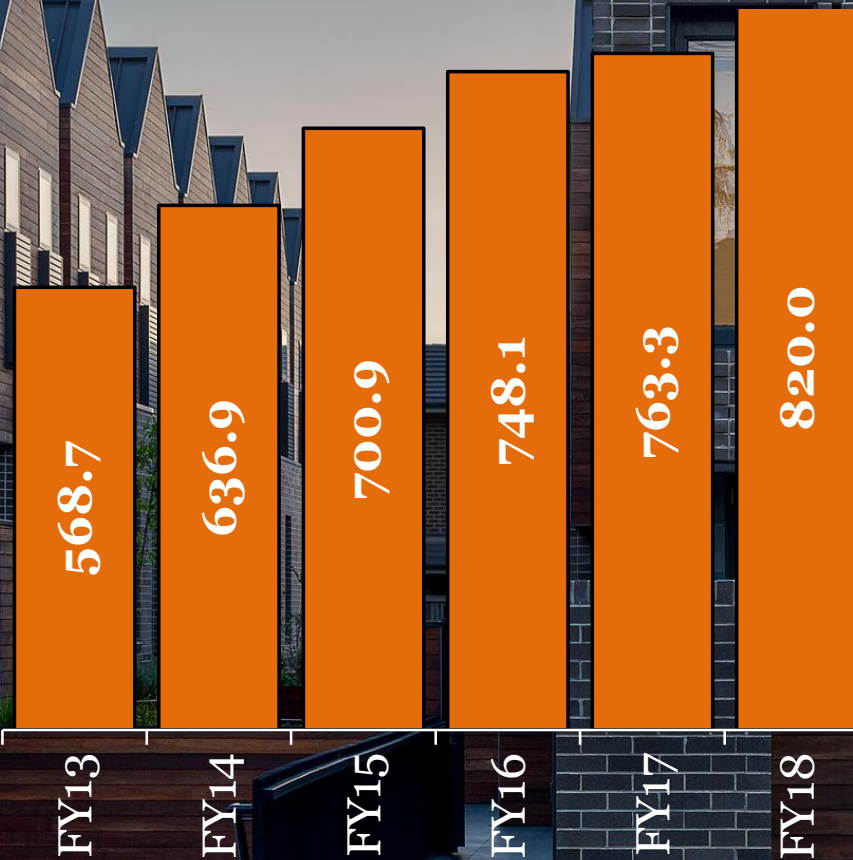
Pronto Panel™

INEX® BOARDS™

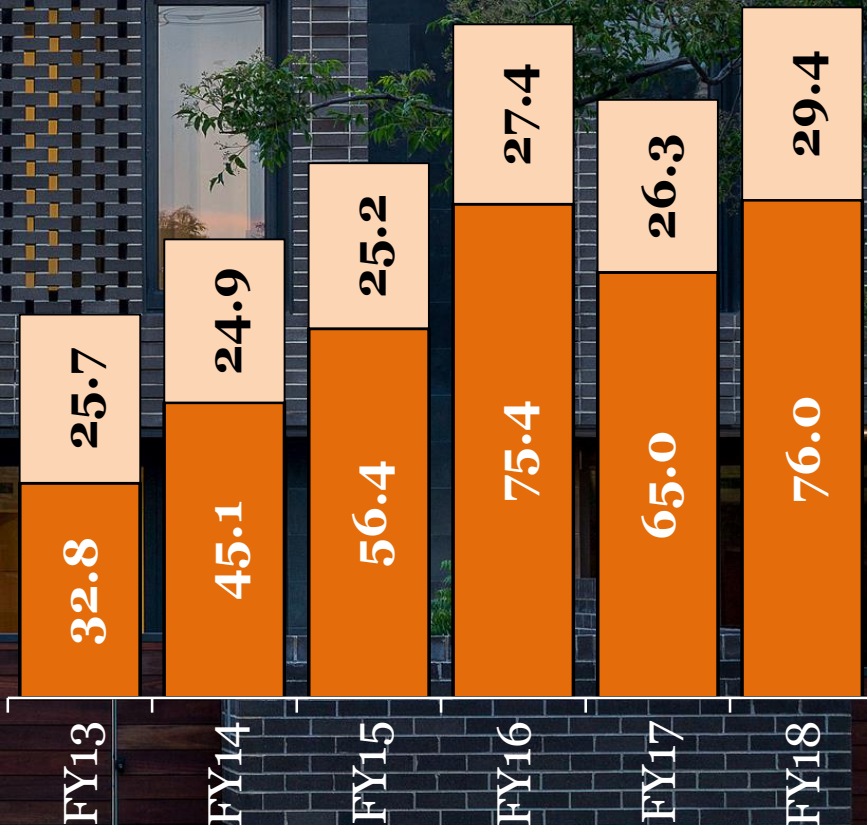
URBANSTONE

BUILDING PRODUCTS OVERVIEW

Revenue (\$m)



Earnings (\$m)



EBIT

EBITDA



- Earnings significantly higher, up 12.8%
- Sales revenue of \$447.3 million, up 8.1%
- Particularly strong performance in New South Wales and Victoria
- WA result much improved following restructuring
- Focus on premium products driving higher margins
- Rochedale upgrade completed
- Next phase of capital upgrades to focus on New South Wales



 **australmasonry**[®]



Revenue



EBIT



 **bristileroofting**[®]



Revenue



EBIT



 **australprecast**[®]



Revenue



EBIT



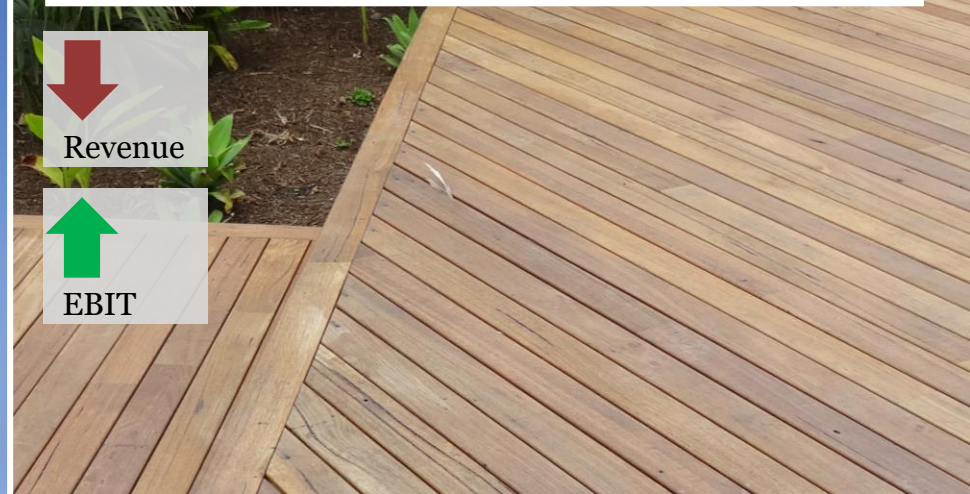
auswesttimbers[®]



Revenue



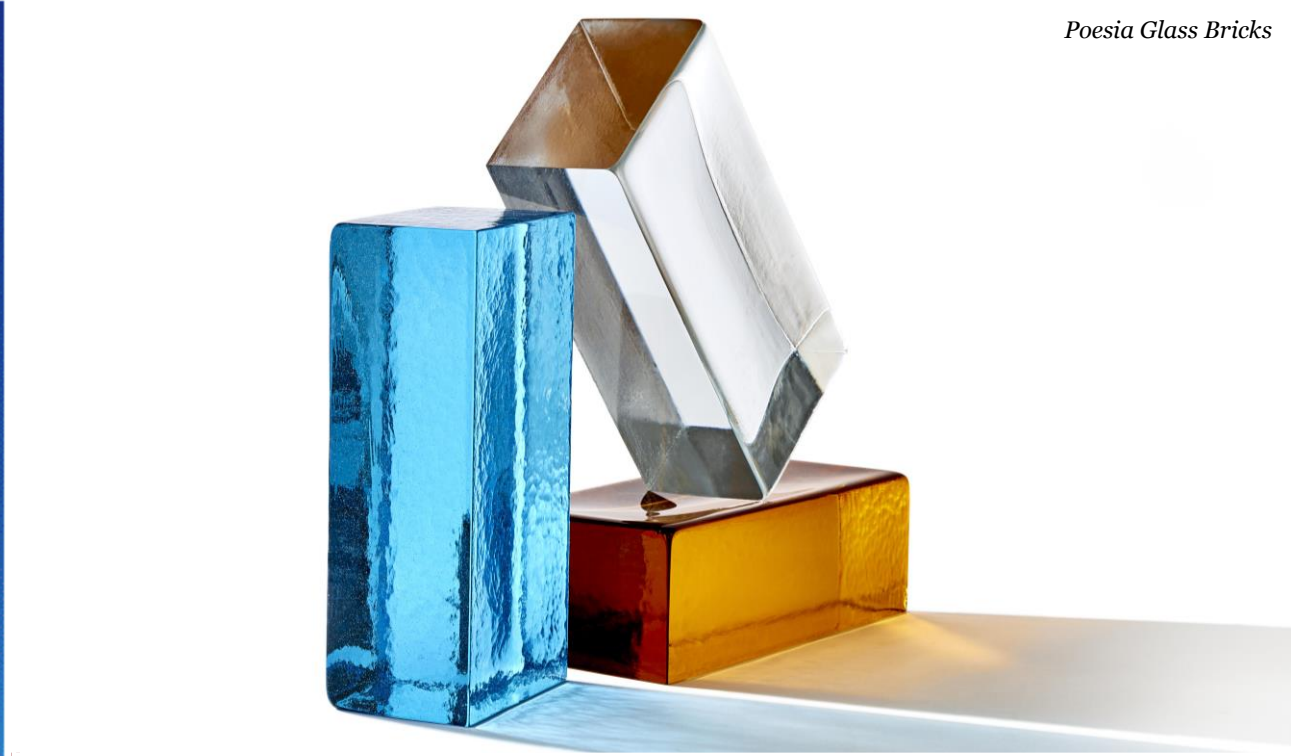
EBIT



Darling Square, Sydney



Poesia Glass Bricks



Bristle Solar

ACQUISITION OF GLEN-GERY



The Sutton, New York, NY

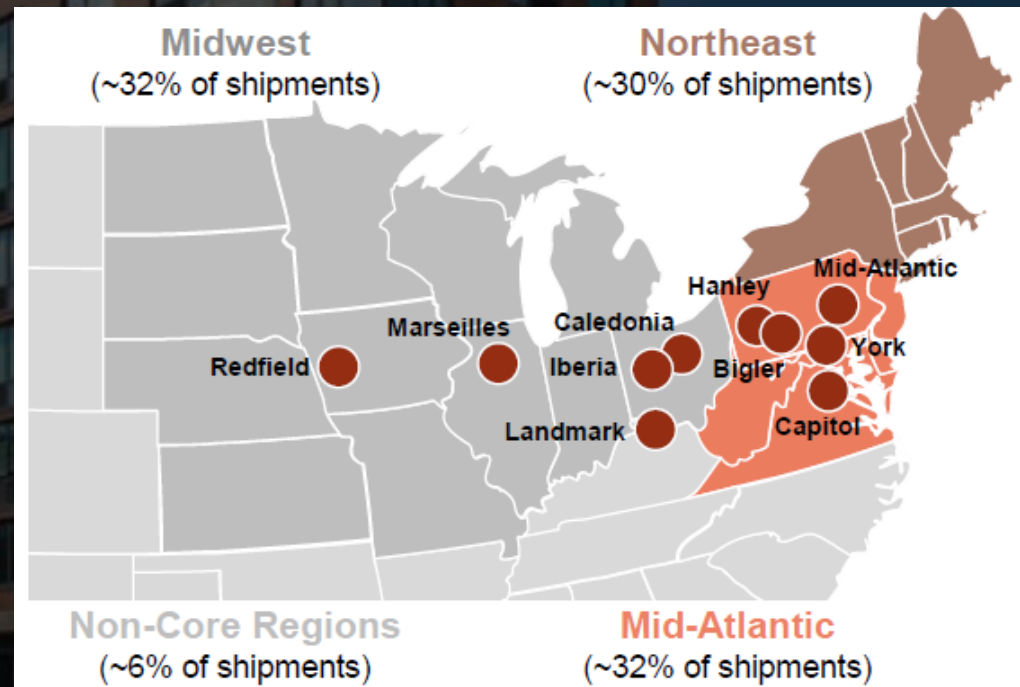
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BUILDING PRODUCTS

 **Glen-Gery**

OVERVIEW OF GLEN-GERY

- Founded in 1890
- 4th largest brick manufacturer in the US
- 10 manufacturing plants (9 brick + 1 manufactured stone)
- Leading market position in key north east states
- 655 employees
- For twelve months to August 2018:
 - Circa 230 million US bricks sold
 - Revenue AU\$162 million (US\$118 million)¹
 - Normalised EBITDA AU\$18 million (US\$13 million)¹

Map of Glen-Gery Manufacturing Plants

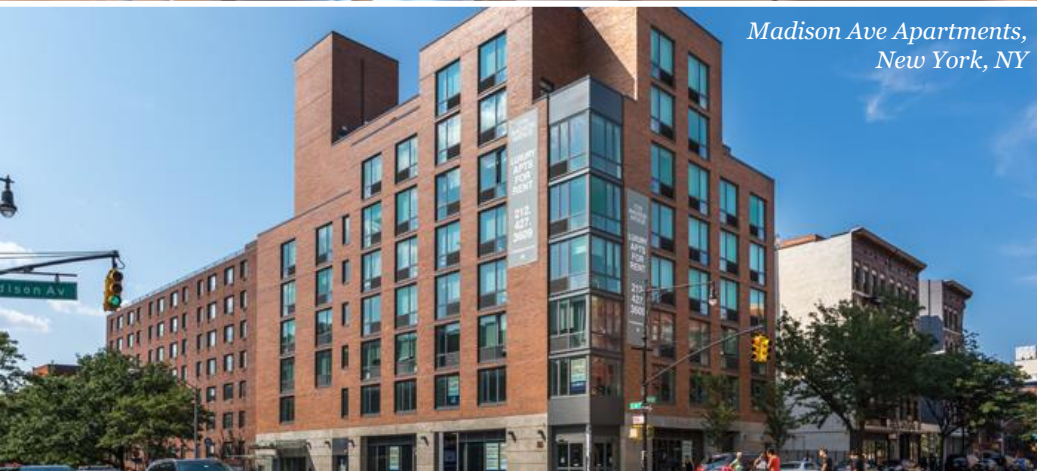




Apple Store, Brooklyn, NY



Residence Inn, Baltimore, MD



*Madison Ave Apartments,
New York, NY*

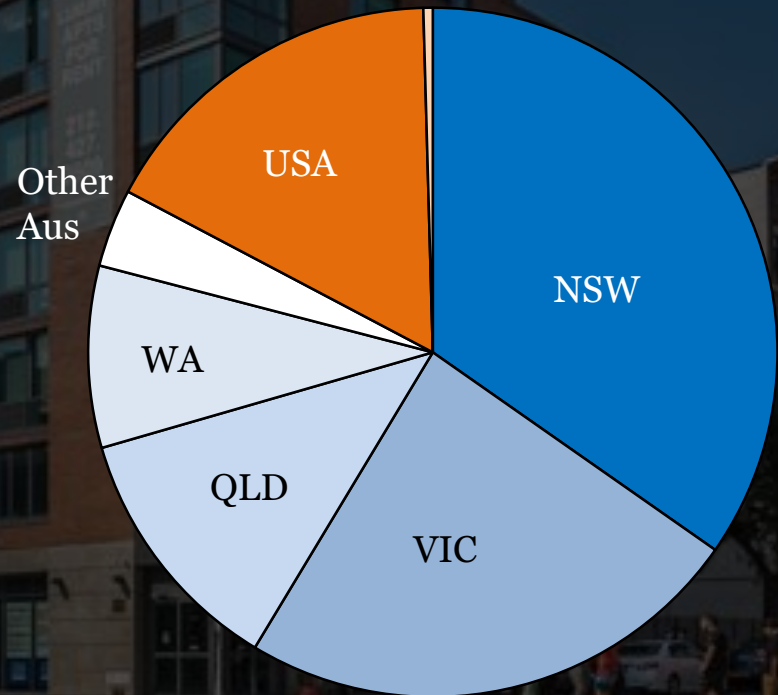


Google Corporate office, Ann Arbor, MI

STRATEGIC RATIONALE

- Access to large market with favourable demand drivers
- Initial opportunities to create value through operations and sales best practice, and leveraging relationships
- Strategic platform for growth
- Brings geographic diversity to sales
 - Housing market cycles not aligned
- Underlying EPS accretion in year 1 (not including any cost or operational synergies)

Building Products Pro-Forma Sales
Circa \$985 million



USA

- ✓ Pro-business environment
- ✓ Tax policies encourage business investment
- ✓ Proactive energy policy places downward pressure on prices
- ✓ Greater workplace flexibility
- ✓ Efficient transport infrastructure
- ✓ Relatively quick approval processes

AUSTRALIA

- ✗ High company taxes (including taxes on wages)
- ✗ Lack of proactive energy policy creating exorbitant prices
- ✗ Excessive union influence
- ✗ Excessive red tape
- ✗ Inadequate infrastructure and expensive transportation
- ✗ Lengthy and costly approval processes

OUTLOOK



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1st QUARTER UPDATE AND FY2019 OUTLOOK

- Investment earnings and asset value expected to grow over the long term
- Property earnings in 1H2019 are expected to be similar to FY2018:
 - Sale of Punchbowl site, completed in October
 - Continued capitalisation rate compression is driving revaluation profits
 - Strong development profits on completed developments at Oakdale South
- Building Products revenue marginally lower in the first quarter:
 - Wet weather in October, particularly in New South Wales
 - Tightening credit availability resulting in project delays
- Building Products earnings materially lower in the first quarter, due to the impact of the lower revenue and:
 - Significantly higher energy prices
 - One-off production issues
- It is anticipated that increased Property earnings and the contribution from Glen-Gery will offset any decline in Building Products earnings in FY2019

THANKYOU



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QUESTIONS



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