

24 September 2020

Australian Securities Exchange  
Attention: **Companies Department**

**BY ELECTRONIC LODGEMENT**

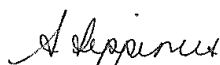
Dear Sir / Madam

Please find attached a presentation and additional comments to be presented to analysts today regarding Brickworks Limited's financial results for the year ended 31 July 2020, for immediate release to the market.

This announcement has been authorised for release by the Brickworks Board of Directors.

Yours faithfully

BRICKWORKS LIMITED



**Susan Leppinus**

Company Secretary

24.09.2020

# Financial Results

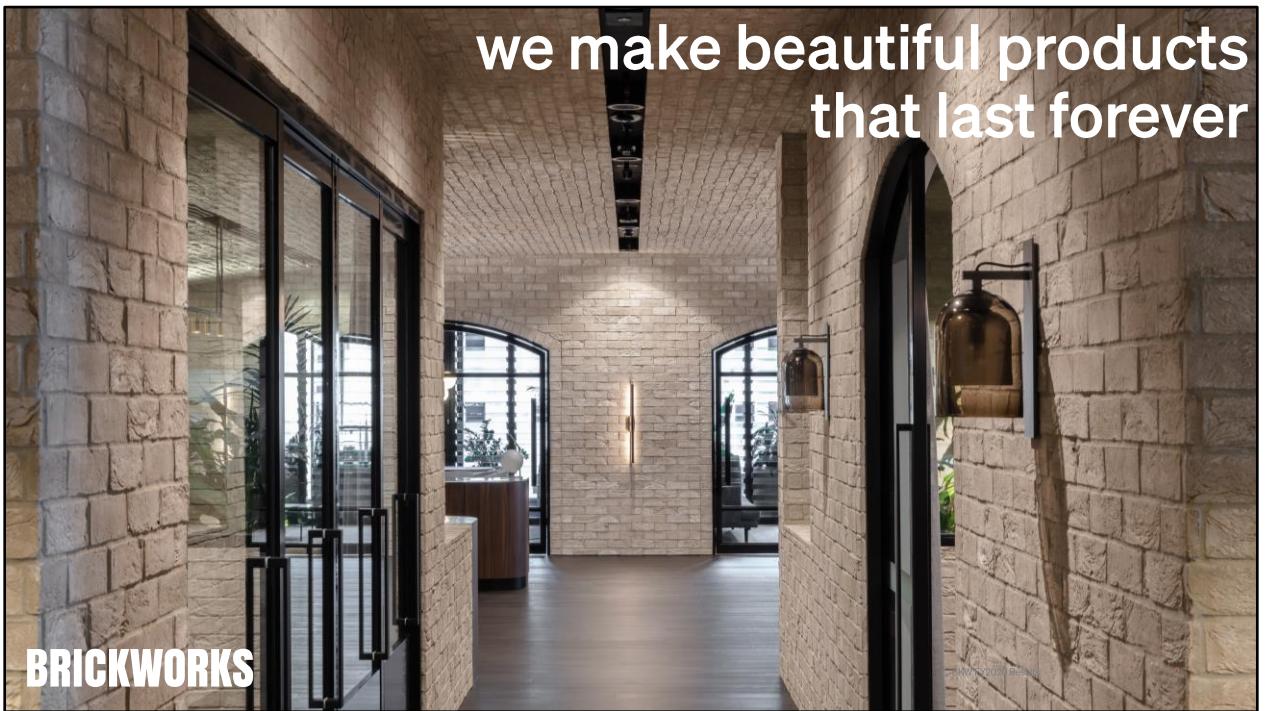
Year ended 31 July 2020

Mr. Lindsay Partridge  
Managing Director

Mr. Robert Bakewell  
Chief Financial Officer

BRICKWORKS





Good Afternoon Ladies and Gentlemen and welcome to the Brickworks analyst briefing for the year ended 31 July 2020.

At Brickworks, we make beautiful products that last forever.

Products with integrity, that can be trusted by our customers to stand the test of time.




Products that are stylish and timeless, that can be used in innovative and modern ways.

Our clay bricks are produced from natural materials and are designed and manufactured to last over 100 years.

Today, we are much more than Australia's largest and most trusted brick manufacturer. Brickworks now comprises a diversified portfolio of attractive assets, spanning two continents.

# Our Values

Our values guide our culture. They are our essence and what we stand for. They remain a constant in everything we say and do. They are what we look for in our people. These foundations will continue to be built upon as our company innovates and grows.

<b>Care</b> — Sustainably Safe	<b>Collaborate</b> — Succeed Together	<b>Exceed</b> — Passionately Play to Win	<b>Innovate</b> — Everyone, Everywhere, Everyday	<b>Integrity</b> — I do what I say	<b>Lead</b> — Inspired People
					
BRICKWORKS				BKW FY2020 Results	3

Across all our operations, we are united by a common set of values that guide our culture.

Whether a factory worker in the United States, or a sales representative in Australia, these values represent the essence of what we stand for and they remain a constant in everything we say and do.

They reflect what we look for in our people.

Over the past 6 months as we faced the challenges of the Coronavirus pandemic together, this set of values has been more important than ever, and re-enforced the importance of sustaining and building on this strong culture as our company innovates and grows.

Today

## Agenda

COVID-19	01
FY20 Overview	02
Divisional Review	03
Financials	04
Outlook	05
Questions	06

Today, I will start by providing an update on how the COVID-19 pandemic has impacted Brickworks.

Then I will move on to our results for the year, including a review of divisional performance, and then discuss the outlook for Brickworks.

Robert Bakewell, our Chief Financial Officer, will take you through the financials in more detail.

We will then be happy to take any questions at the conclusion of the presentation.

# COVID-19

Section 01

BRICKWORKS



## COVID-19: Impacts to date

- Brickworks was well-prepared prior to the onset of the pandemic, and has been resilient throughout
  - Operational: manufacturing continued across most sites with strict protocols in place, IT infrastructure well established, strong local management
  - Financial: strong balance sheet, diversified portfolio. No equity raise required, or government support received<sup>1</sup>
- Government-imposed shutdowns in March impacted manufacturing plants in Pennsylvania
- In subsequent months, several additional plants in Australia and the United States were taken offline to preserve cash and control inventory
- Building products demand remained resilient across most markets throughout the 2<sup>nd</sup> half. The impact in the US was greater than Australia.
- There has been no significant impact on Property Trust rental collections
- Brickworks workplace culture is based on collaboration and personal interactions; however we are maintaining a flexible approach to workplace arrangements to accommodate individual circumstances

1. Excludes a tax benefit that Brickworks is eligible to receive in relation to the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") in the United States of America

Like all businesses, Brickworks has faced significant disruption over the past six months due to the onset of the Coronavirus pandemic. However, the Company has been resilient throughout this period, having been well-prepared to confront the crisis.

From an operational point of view, manufacturing has continued across most sites, albeit with strict protocols in place. The only government-imposed shutdowns of manufacturing operations were in Pennsylvania, for a short period during March.

Whilst other plants in the United States and Australia were shut-down for various periods, these were company decisions, primarily to preserve cash and control inventory.

Although intermittent restrictions in a number of regions have impacted sales to some extent, demand for our building products has remained surprisingly resilient across both countries in the 2<sup>nd</sup> half.

There has been no significant impact on the performance of the Property Trust.

From a financial standpoint, Brickworks entered the crisis with a strong balance sheet and this has been critical to protect shareholders from a dilutive capital raising at a discounted issue price.

## COVID-19: Emerging stronger from the pandemic

- Brickworks has used the opportunity to accelerate the implementation of a range of initiatives to allow the company to emerge stronger post the pandemic
- Infrastructure and development work within the Property Trust continues at pace
- In October, Brickworks will hold its biggest product launch event ever, with an exciting range of innovative new bricks, roof tiles and masonry products
- Transforming our customer reach and interaction
  - A new pilot “Supercentre” retail trade concept being developed
  - A new Enterprise Resource Planning (ERP) system is currently being rolled out
  - Revamped online and digital interfaces, including launch of dedicated architectural news channel
- An extensive on-line training program across the company has been completed, using online channels
- The capital investment program – the largest in the company’s history - has been re-initiated, where we have mobility and availability of engineering crews
  - Includes \$125 million face brick plant at Horsley Park in Sydney
- A more unified and consistent approach to borders is essential in order to maintain industry, support the economy and ultimately preserve the employment and livelihood of many Australians

Whilst uncertainty remains in relation to the short-term outlook, we have been proactive over the past 6 months to accelerate several exciting initiatives across the Group and position the Company to emerge stronger following the pandemic.

Within the Property Trust, infrastructure and development work has continued at pace, in order to meet strong tenant demand.

Next month we will hold the biggest product launch event in our company’s history, with an exciting range of innovative new bricks, roof tiles and masonry products.

We are transforming the way we interact with our customers, with a new pilot “Supercentre” retail trade concept being developed, and a new ERP system currently being rolled out. In addition, we have revamped our online and digital interfaces and launched a dedicated architectural news channel.

During the pandemic, we have taken the opportunity to complete an extensive training program across the Company, using online channels.



I am also pleased to say that after initially pausing a number of capital projects to preserve cash during the peak period of uncertainty, we have now re-initiated our capital program, where we have mobility and availability of engineering crews. Major upgrades to the Hanley plant in Pennsylvania, and the construction of our new \$75 million Austral Masonry plant in Sydney are both expected to be completed during financial year 2021. Focus will then turn towards the construction of a new \$125 million face brick plant at Horsley Park. When complete, this will be the most advanced brick facility ever built.

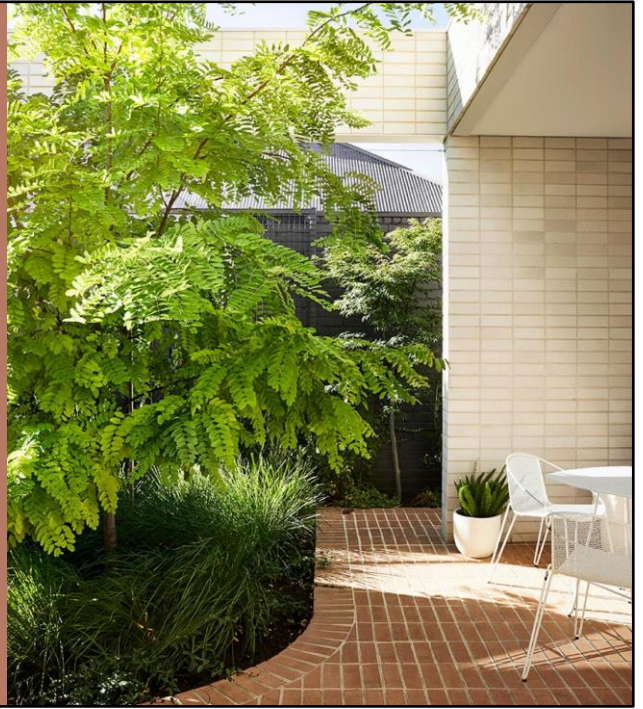
Perhaps the biggest ongoing risk and challenge we now face is the limited mobility of our staff, including our critical engineering crews who are required to complete these major projects.

In Australia we face inconsistent and in some cases unreasonable border policies. I call on state governments across the country to take a more unified and consistent approach and put in place practical measures that allow the safe movement of personnel for critical work-related travel. This is essential in order to maintain industry, support the economy and ultimately preserve the employment and livelihood of many Australians.

# FY20 Overview

## Section 02

BRICKWORKS



I will now move on to Brickworks performance for the year.

## FY2020 Overview

# Statutory NPAT up 93%

Brickworks has delivered another strong performance, underpinned by a diversified portfolio of attractive assets

### US brick expansion on track

- 2 additional bolt-on acquisitions completed during the year
- Integration and rationalisation activities proceeding to plan
- Strong operational performance

### Australian Building Products performance resilient

- Demand resilient, despite COVID-19 headwinds
- Major new plant investments in Bricks and Masonry
- Southern Cross Cement terminal fully commissioned

### Property Trust value increasing, strong structural tailwinds

- \$94 million increase in net value to BKW
- Long term leases secured with Amazon
- Strong tenant demand

### Good progress on workplace safety outcomes

- Record low injury rates in Australia
- Improved safety performance in North America

Brickworks delivered another strong performance in financial year 2020, underpinned by a diversified portfolio of attractive assets.

This is headlined by our statutory profit, up by 93% to a near record result of \$299 million.

The contribution from Property was again a standout, with strong demand for our prime industrial land driving a significant increase in the value of our property portfolio. This was highlighted by the 20-year lease commitment secured with Amazon in June.

Considering the disruption caused by COVID-19, I was also pleased with the performance of our building products businesses during the year.

Our US brick expansion strategy remains on track. With two bolt-on acquisitions completed during the year, we have strengthened our leadership position in the architecturally focussed Midwest and Northeast regions.

In Australia, demand for our products remained resilient throughout the year.

And pleasingly, we have made good progress on workplace health and safety outcomes, with injury rates declining in Australia and the United States.

## FY2020 Financial Highlights<sup>1</sup>

**\$281<sup>m</sup>**

Underlying EBITDA ↓19%  
(continuing operations)

**\$146<sup>m</sup>**

Underlying profit ↓38%  
(continuing operations)

**\$299<sup>m</sup>**

Statutory profit ↑93%

**\$14.08**

Net tangible asset / share ↑6%

**98 cents**

Underlying EPS ↓38%  
(continuing operations)

**39 cents**

Final Dividend ↑3%  
fully franked

1. Note: Comparative numbers for FY19 have not been restated to take into account the impact of AASB 9 (Leases). Restated FY20 numbers that exclude the impact of AASB 9 (Leases) and the resultant like-for-like variances vs FY19 are shown in the supplementary slides

**BRICKWORKS**

BKW FY2020 Results

10

Turning to the financial highlights for the year.

The company delivered EBITDA from continuing operations of \$281 million, down 19% compared to the record earnings achieved in the prior year.

Increased earnings from North American operations were offset by declines across other divisions.

Underlying net profit after tax from continuing operations was down 38% to \$146 million.

This translates to underlying earnings per share of 98 cents.

As I mentioned, statutory profit, including the impact of significant items and discontinued operations, was up 93% to \$299 million. The statutory result benefitted from a significant one-off profit in relation to Brickworks' shareholding in WHSP, triggered by the merger of its associate TPG with Vodafone.

Net tangible assets per share was \$14.08, up by 6% over the year.

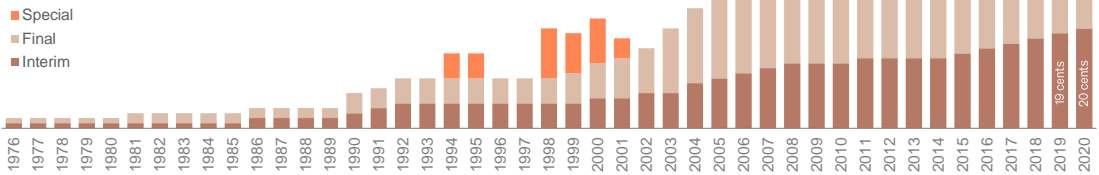
## Dividends

Brickworks normal dividend has been maintained or increased since 1976

### Brickworks Dividend History

Cents per share

- 39 cents per share fully franked final dividend, up 3% (Record date 15 October, payment 25 November)
- 59 cents total full year dividends per share, fully franked
- Long history of dividend growth
- 44 years since dividends last decreased (1976)
- Dividend re-investment plan in place for final dividend



BRICKWORKS

BKW FY2020 Results

11

I am happy to announce that the Directors have resolved to pay a final dividend of 39 cents per share, fully franked. This is an increase of 1 cent, compared to the previous final dividend.

We have also taken the decision to introduce a partially underwritten dividend reinvestment plan for the full year dividend. This will provide existing shareholders with the opportunity to invest the dividend back into the company, without incurring brokerage fees, and will also help to preserve the company's liquidity position as we move through a period of significant capital investment and uncertainty around the global economic outlook.

The record date for the interim dividend is 15 October, with payment on 25 November.

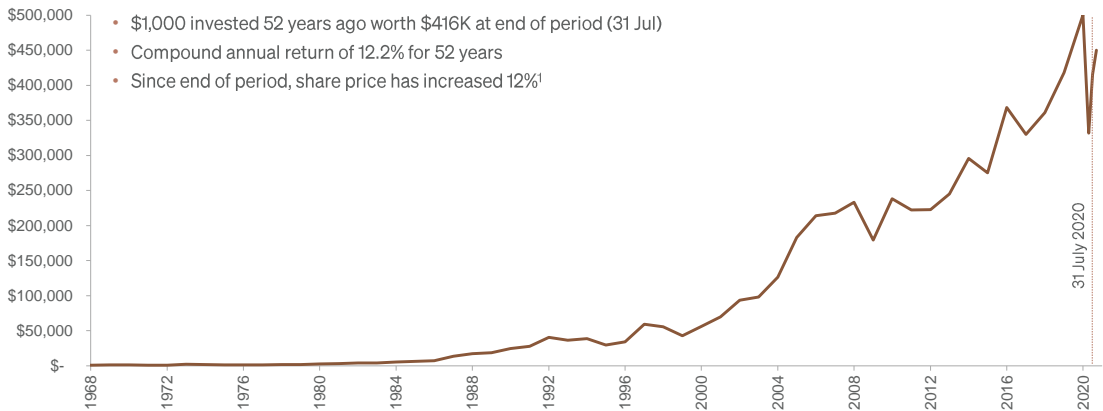
Together with the interim dividend, this brings full year dividends to 59 cents, up by 2 cents.

We are proud to be one of very few ASX200 companies who have increased dividends to our shareholders during the pandemic and have not needed to raise equity or receive government support payments. Including this year's dividend increase, we have now maintained or increased dividends for the last 44 years.

## Total Value Creation

Brickworks has created significant shareholder value over the long term

### Value of \$1,000 invested in 1968



1. As at the close of trading on 22 September

BRICKWORKS

BKW FY2020 Results

12

In addition to dividend growth, Brickworks also has a strong history of total value creation.

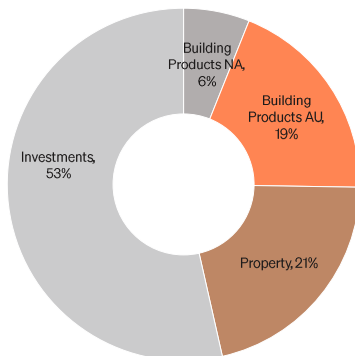
Based on the share price at the end of the financial year, the Company has delivered shareholder returns of over 12% per annum for 52 years, incorporating both dividends and share price appreciation.

This means that \$1,000 invested in Brickworks in 1968 would have been worth around \$416,000 at the end of the period.

Since the end of the reporting period the Brickworks share price is up a further 12%.

## Diversification

**Asset Exposure**  
Split by BKW Operating Division

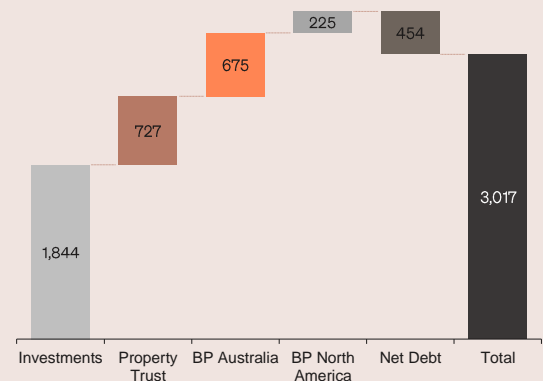


1. Investments: market value of BKW shareholding on 31 Jul 2020. Property: BKW 50% share of net property trust assets FY20. BP Australia: NTA FY20. BP North America: NTA FY20. Building Products NTA includes AASB 95 (Leases) right-of-use assets

**BRICKWORKS**

## Asset Backing

**Inferred Asset Value<sup>1</sup>**  
\$million



BKW FY2020 Results

13

Our diversification is highlighted by the chart on the left of screen, showing our broad asset exposure across multiple businesses, consisting of:

- Building Products in Australia;
- Building Products in North America;
- Industrial Property; and
- Our investment in WHSP

Each of these businesses is underpinned by considerable asset value, which has consistently increased over time and through cycles.

Currently, the total inferred asset backing is over \$3.0 billion.

This value comprises the market value of Brickworks' stake in WHSP (\$1.8 billion), Brickworks share of net asset value within the Property Trust (\$727 million), the net tangible assets held within Building Products Australia (\$675 million) and North America (\$225 million), offset by net debt.

It is worth noting that the Building Products asset value includes some parcels of surplus land, currently held at book value, but with a significantly higher market value.

## Safety

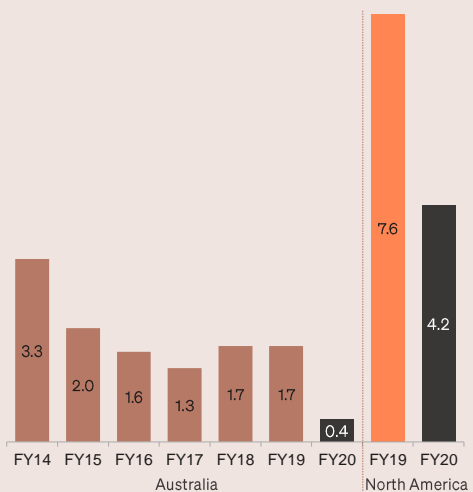
### Record low injury rates achieved in Australian operations

- 1 lost time injury translated to a lost time injury frequency rate of 0.4

### Additional health and safety initiatives are being implemented in the United States to improve performance

- Injury rates are currently higher in acquired US operations
- 6 lost time injuries translated to a lost time injury frequency rate of 4.2

Total Lost Time Injury Frequency Rate  
Injuries per million work hours



BRICKWORKS

BKW FY2020 Results

14

Looking now at safety, our number one priority.

At Brickworks, we believe there is no task that is so important we can't take the time to find a safe way to do it.

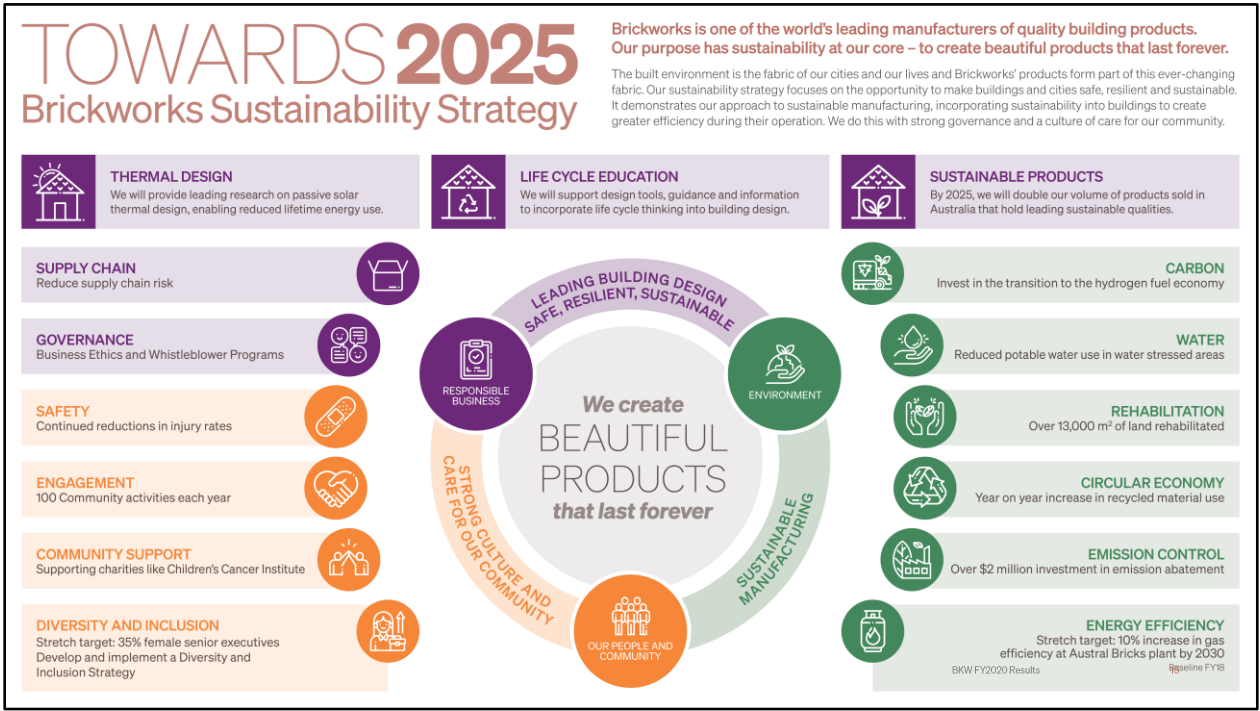
I am pleased to report that we continue to make steady progress in reducing the number of workplace injuries.

In 2020, the workplace injury rate in our Australian operations reduced again, with just one lost time injury recoded across our workforce. This represents a record low of 0.4 lost time injuries per million hours worked.

The injury rates in our acquired United States operations are considerably higher than Australia. As such, we have invested significant time and resources into behavioural safety leadership training and incorporated key health and safety programs across this business. Although this has helped to reduce injury rates in the United States, there remains more work to do in order to ensure our core value of creating a "Sustainably Safe" workplace is embedded and reflected across all our operations.

We will not be satisfied until we have achieved our ultimate goal of zero harm across the business.





During the year we developed our new sustainability strategy, “Build for Living: Towards 2025”. This strategy focuses on the opportunity to make buildings and cities safe, resilient and sustainable.

It sets a clear pathway with 15 measurable targets and commitments across three pillars: Responsible Business, Environment, and Our People and Community.

We are achieving pleasing progress across many aspects of sustainability. During the year we rolled out our improved Environmental Management System in Australia and the United States.

We have consistently reduced carbon emissions over many years, through a range of initiatives including investment in fuel efficient kilns, product redesign and utilisation of alternative fuels such as landfill gas.

We also continue our focus on inclusion and diversity. Gender diversity has significantly improved, with 27% of the Senior Executive team being female. This compares to 7% in 2015.

Brickworks is active in the community and has a long-standing partnership with the Children’s Cancer Institute, having made direct and indirect contributions of over \$3.5 million since 2002.

During the year Brickworks also offered a bushfire support package, for homeowners impacted by the devastating fires that swept across the east coast of the country in December and January.

# Building resilient, safe and sustainable cities

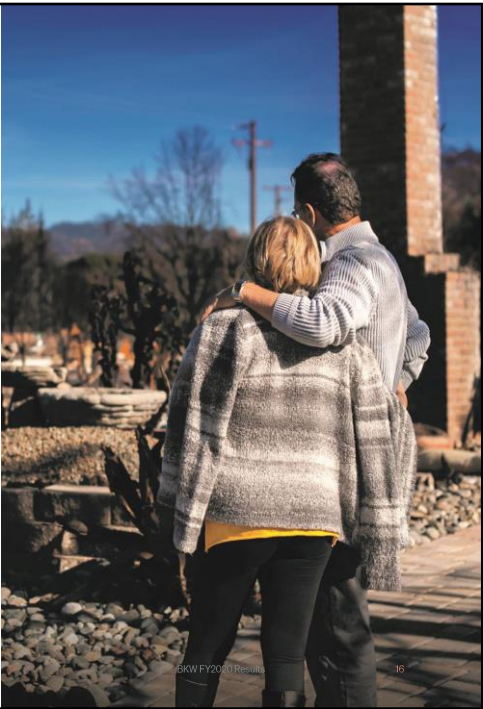
1	2	3	4	5
Bricks last forever	Bricks can be reused or recycled	Bricks are maintenance free, they don't fade, rot or rust	Bricks are fireproof, unlike glass & fibre cement that shatter and fall	Bricks are known for their outstanding durability and colourfastness for life
6	7	8	9	10
Bricks are a thermal battery keeping your home cooler in summer and warmer in winter	Brick homes are more energy efficient than those constructed with lightweight materials	Bricks have excellent sound reducing qualities	Bricks are the natural healthy choice as they breathe and allow moisture to escape. Bricks emit no VOC's	Only Austral Bricks are guaranteed for 100 years
				100 Year PRODUCT WARRANTY

BRICKWORKS

BKW FY2020 Results

24.06.2020

16



BKW FY2020 Results

36

As I mentioned earlier, at Brickworks our purpose is to make beautiful products that last forever. We take pride in the timeless appeal and durability of our products.

There can be no better example of this than our bricks.

This year we published the new Bricks for Living Brochure “Sustainable Living with Bricks”. The brochure highlights the reasons why bricks are the best building material for building resilient, safe and sustainable cities.

Unlike some materials, bricks do not rot, rust, fade, fuel flames, or disintegrate in a fire.

In addition, brick homes have many features and advantages:

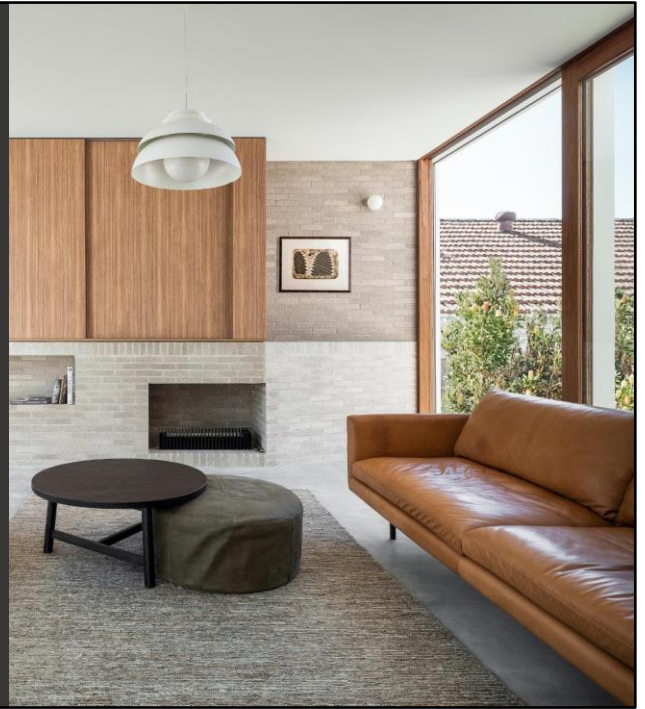
- They are more energy efficient;
- They require less maintenance; and
- They have excellent thermal and acoustic properties.

Bricks produced by our Company are guaranteed for 100 years, and many installed almost 100 years ago still remain in service today. Those same bricks will go on to outlive most lightweight materials currently being installed.

# Divisional Review

## Section 03

BRICKWORKS



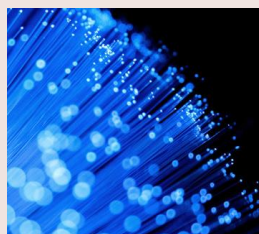
Taking a look now at each of our divisions.

## Divisional Overview

### Investments

53% of Group assets

39.4% interest in WHSP, an ASX100 diversified investment house



BRICKWORKS

### Property

21% of Group assets

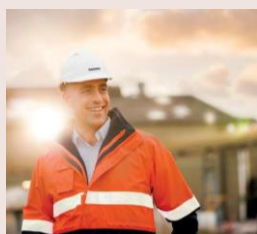
Joint Venture Industrial Property Trust with Goodman Group



### Building Products Australia

19% of Group assets

Australia's leading brickmaker + strong positions in other building products



### Building Products North America

6% of Group assets

Leading brickmaker in north east USA



BKW FY2020 Results

18

As I have mentioned, we have a strong portfolio of businesses.

WHSP has a diversified portfolio of assets and has a proven investment approach that has delivered outstanding returns over the long term.

Our Property business consists primarily of an industrial property portfolio, held within a 50/50 joint venture property trust with the Goodman Group. These industrial property assets are located in prime locations, and leveraged to the growth of the new economy.

Within Building Products Australia, our heritage Austral Bricks business is the country's leading brickmaker. We also have leading positions in other trusted and established building products, through brands such as Bristle Roofing, Austral Masonry and Austral Precast.

Within our North American brick business, we have quickly established a leadership position in the Northeast region of the country. Our brick business is differentiated from other major players, with a focus on architectural products for the non-residential and multi-residential sectors.

## Investments – FY2020 Result

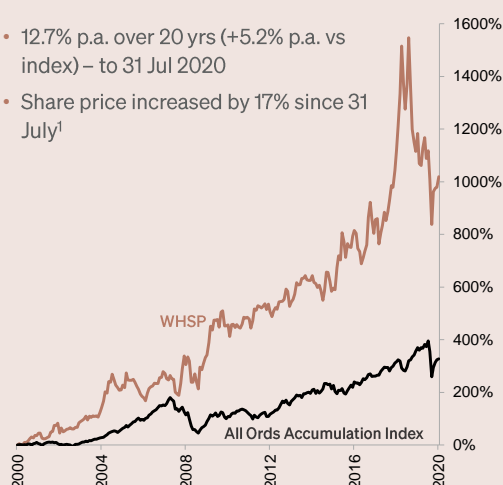
YEAR ENDED JULY (\$M)	FY2020	FY2019	CHANGE
Underlying earnings	51	104	(51%)
Dividends from WHSP	56	56	-
WHSP share price	19.55	22.71	(14%)
WHSP market cap	4,679	5,434	(14%)
BKW market value	1,844	2,141	(18%)

1. As at close of trading on 22 March

BRICKWORKS

### WHSP Total Shareholder Return 20 years, cumulative

- 12.7% p.a. over 20 yrs (+5.2% p.a. vs index) – to 31 Jul 2020
- Share price increased by 17% since 31 July<sup>1</sup>



BKW FY2020 Results

19

Investments delivered an underlying contribution of \$51 million for the year, down 51%. Within WHSP, the main driver of the decline was the lower earnings from New Hope Corporation as a result of significantly weaker coal prices.

In addition, a \$244 million profit (post tax) was recorded by Brickworks in relation to WHSP significant items. This primarily relates to a one-off profit triggered by the merger of its associate TPG with Vodafone, resulting in a change in accounting treatment of this investment.

During the year cash dividends of \$56 million were received, in line with the prior year. An increase in the dividend per share was offset by the decline in shares held following the sale of 7.9 million shares in November and December 2018.

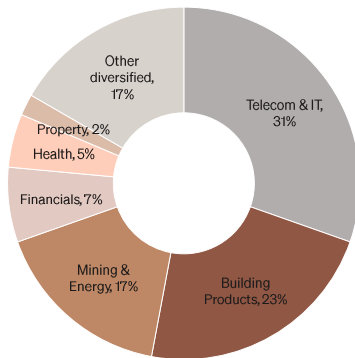
The market value of Brickworks shareholding in WHSP was \$1.8 billion at 31 July 2020. Since that time the share price has increased by 17%, and as a result the value of our share has increased by over \$300 million to around \$2.1 billion.

Over the long term WHSP has delivered outstanding returns, with annualised total returns of 12.7% per annum for the past 20 years. This represents outperformance of 5.2% per annum versus the ASX All Ordinaries Accumulation Index.

## Investments

WHSP is a diversified investment house with an attractive portfolio of assets

WHSP Asset Exposure



### Telecom / IT



### Financial Services



### Mining & Energy



### Health / Pharmaceutical



BRICKWORKS

BKW FY2020 Results

20

Looking more closely at WHSP's asset exposure and key holdings.

WHSP holds a significant investment portfolio in a number of listed and unlisted companies. Major investments include Brickworks, TPG Telecom, New Hope Corporation and Australian Pharmaceutical Industries.

This provides WHSP with a diversified asset exposure, including telecom and IT, financial services, mining and energy and pharmaceuticals, as shown in the chart on the left of screen.

WHSP is a stable and trusted business partner to Brickworks, and we are confident that it will continue to add value and deliver a growing stream of earnings and dividends over the long term.

## Property – FY2020 Result

- Industrial real estate resilient through the COVID-19 pandemic
- Net trust income higher, on rent reviews and addition of new developments
- Revaluation profit driven by 25 to 50 basis point reduction in cap rates in NSW
- 2 developments completed at Oakdale South
- Sale of 10 hectares at Oakdale East to the Property Trust in the second half

YEAR ENDED JULY (\$M)	FY2020	FY2019	CHANGE
Net trust income	30	26	15%
Revaluation of properties	53	70	(24%)
Development profit	25	19	29%
Sale of assets	0	12	(100%)
<b>Property Trust</b>	<b>108</b>	<b>127</b>	<b>(15%)</b>
Land sales	26	35	(27%)
Property admin and other	(4)	(4)	-
<b>Total</b>	<b>129</b>	<b>158</b>	<b>(18%)</b>

Property delivered another great result in 2020, generating EBIT of \$129 million.

Property Trust earnings were again strong.

Unlike some other property sectors, industrial real estate has been particularly resilient throughout the COVID-19 pandemic. This is reflected in Property Trust rent collections which have experienced negligible rental arrears or deferments. For the year, net trust income increased by 15% to \$30 million.

All Property Trust assets were revalued during the year and this resulted in another strong revaluation profit of \$53 million. This reflects an average 25 to 50 basis point compression across the portfolio, and follows the 50 basis points tightening that occurred in financial year 2019.

A development profit on the completion of facilities at Oakdale South contributed \$25 million in earnings.

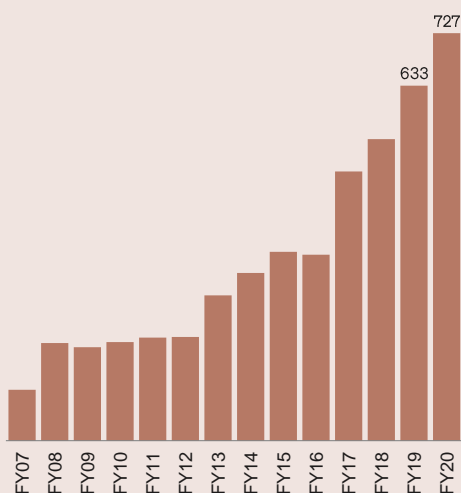
In addition, a \$26 million profit was generated from land sales, with the major transaction during the period being the sale of Oakdale East into The Property Trust.



## Property Trust Asset Value

YEAR ENDED JULY (\$M)	FY2020	FY2019	CHANGE
Leased properties	1,663	1,411	18%
Land to be developed	397	345	15%
<b>Total Property Trust assets</b>	<b>2,060</b>	<b>1,756</b>	<b>17%</b>
Borrowings	(606)	(490)	24%
Net Property Trust assets	1,455	1,266	15%
<b>BKW 50% share</b>	<b>727</b>	<b>633</b>	<b>15%</b>

BKW 50% share of Property Trust Assets  
\$millions



The total value of leased assets held within the Property Trust was \$1.7 billion at the end of the year. Including \$397 million worth of land to be developed, the total value of assets held within the Property Trust was \$2.1 billion. After including borrowings of \$606 million, total net asset value is over \$1.5 billion. Brickworks' 50% share of net asset value was \$727 million as at 31 July 2020, up by 15%, or \$94 million during the period.

The continued capitalisation rate compression over many years has crystallised the value that the Property Trust was specifically set-up to capture. Since its inception over a decade ago, Brickworks net asset value has increased at 17% per annum, generating significant value for shareholders.

The current Property Trust value is well supported by comparable recent sales in the area, and reflects the strong demand for well-located prime industrial property.

The growth in value allowed the Property Trust to release \$70 million in capital during the year (Brickworks' share \$35 million), whilst maintaining gearing at 36%.





As I mentioned earlier, a major highlight for the year was securing a lease pre-commitment for 20 years with Amazon at the Property Trust's Oakdale West Estate in Western Sydney. This is the second major pre-commitment secured at this site, following the announcement of Coles Group in January 2019.

Amazon is well known around the world as a symbol of the accelerating trend to online shopping. Securing this tenancy demonstrates how Brickworks is well positioned to benefit from the ongoing ecommerce revolution, with our facilities playing a pivotal role in helping our customers meet the supply chain needs of this new economy.

Construction progress of this facility is shown in the photo (as at early September).

We are also excited by the design of the facility, which responds to the increasing need for technology and innovation from our customers.

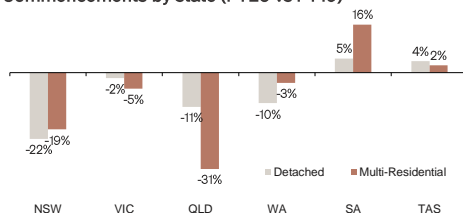
This multi-level high bay facility has a total floor area of 190,000m<sup>2</sup>, on a base floor area of 53,500m<sup>2</sup>.

This project will deliver profit during the development phase and further rental income for the Property Trust once complete.

## Building Products Australia – FY20 Result

- Demand resilient, despite 12% decrease in total residential building activity
- First half impacted by numerous plant shutdowns on the east coast to complete significant maintenance and upgrades
- Additional unplanned shutdowns in the second half in response to COVID-19
- Continued intense competition in Western Australia

Commencements by state (FY20 vs FY19)



BRICKWORKS

YEAR ENDED JULY (\$M)	FY2020	FY2019	CHANGE
Revenue	687	755	(9%)
EBITDA	91	88	3%
EBIT	33	57	(43%)
EBITDA margin	13%	12%	13%
EBIT margin	5%	8%	(37%)

Comparative numbers for FY2019 have not been restated to take into account the impact of AASB 16 (Leases). Excluding the impact of AASB 16, the comparable FY2020 EBIT is \$28 million and EBITDA is \$61 million.

BRW FY2020 Results

24

Turning to Building Products Australia.

Revenue from continuing operations for the year was \$687 million, down 9% on the prior corresponding period.

EBIT was \$33 million, down 43%, and EBITDA was \$91 million.

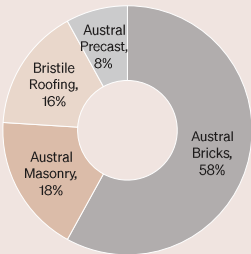
Demand was resilient throughout the year, despite the impact of the COVID-19. In response to the uncertainty caused by the pandemic, several unplanned shutdowns across the plant network were implemented in March and April to prevent stock build. This followed planned shutdowns at major brick kilns in the first half in order to complete significant upgrades and maintenance work.

Offsetting the adverse profit impact of plant closures, the transition to wholesale gas supply on the east coast from 1 January 2020 resulted in significant cost savings vs the prior corresponding period.

## Building Products Australia – Business Unit Performance

- Austral Bricks east coast performance was resilient, with improvements in Qld, SA and TAS offset by declines in NSW and Vic where prolonged plant shutdowns were incurred. Conditions in WA remain very challenging.
- Austral Masonry revenue up following ACP acquisition in the prior year. Landscape product sales were resilient but grey block sales were impacted by the downturn in apartment construction in Sydney and Brisbane
- Bristile Roofing impacted by strong competition, particularly in Qld
- Austral Precast launched “Double Wall” a cost effective permanent structural framework that offers significant advantages over alternative systems. Exit from WA and Qld markets in the second half.

Building Products Australia Revenue FY2020  
\$687 million



FY20 vs FY19	Revenue	EBIT
Austral Bricks	↓	↓
Bristile Roofing	↓	↓
Austral Masonry	↑	↓
Austral Precast	↓	↓

Austral Bricks earnings on the east coast proved particularly resilient, with improved earnings recorded in Queensland, South Australia and Tasmania.

In Western Australia production was reduced to one plant at Bellevue. With building activity now at 30-year lows in this state, the industry remains in a state of flux amidst excess capacity and corporate restructuring activity.

Austral Masonry revenue was up following the ACP acquisition in the prior year. Sales of landscape products such as pavers and retaining walls were resilient, but grey block sales were impacted by the steep downturn in apartment construction in Sydney and Brisbane.

Bristile Roofing earnings were down, impacted by the decrease in detached house construction activity and strong competition, particularly in Queensland.

Austral Precast earnings were also lower. Following a strategic review of this business, we have exited our operations in Queensland and Western Australia.

Precast operations will continue in NSW, where we believe our prospects for success are strong, due to our highly automated plant that is able to produce unique and differentiated products. An example of these products is “Double Wall”, a cost effective permanent structural framework that offers significant advantages over alternative systems.

Following the launch of this product during the year, the market response has been extremely strong.

## Southern Cross Cement Terminal Fully Commissioned



A major highlight of the year was the successful commissioning of Southern Cross Cement, our Joint Venture cement terminal in Brisbane. Brickworks holds a 33% interest in this business, alongside our Joint Venture partners, the Neilsen Group and the Neumann Group.

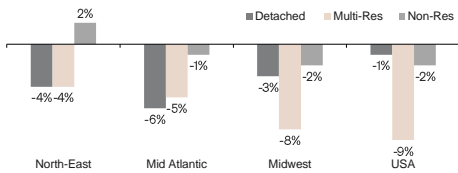
Southern Cross Cement is now providing quality, cost effective cement to Austral Masonry and Bristle Roofing operations in Brisbane, as well as to other Joint Venture shareholders.

Having now unloaded six ships, we are confident that Southern Cross Cement has the lowest cost position, and the lowest capital invested, of all south-east Queensland suppliers.

### Building Products North America – FY20 Result

- Strong increase in revenue and earnings driven by acquisitions
- FY2020 result includes
  - 11 months operation of Sioux City Brick plants
  - 5 months operation of Redland Brick plants
- Sales activity across a number of states restricted for various periods during the second half

Building activity by region (FY20 vs FY19)



BRICKWORKS

YEAR ENDED JULY (\$M)	FY2020	FY2019	CHANGE
Revenue (\$US)	155	80	94%
EBITDA (\$US)	18	8	125%
EBIT (\$US)	7	4	75%
Revenue (\$AU)	230	121	91%
EBITDA (\$AU)	27	12	122%
EBIT (\$AU)	10	6	63%
EBITDA margin	12%	10%	17%
EBIT margin	4%	5%	(15%)

Comparative numbers for FY2019 have not been re-stated to take into account the impact of AASB 16 (Leases). Excluding the impact of AASB 16, the comparable FY2020 EBIT is AU\$10 million (no significant impact) and EBITDA is AU\$23 million.

BKW FY2020 Results

27

Turning to our performance in Building Products North America.

In February, Brickworks completed the acquisition of assets from Redland Brick. This marked the Company’s third US brick acquisition, following the purchase of Sioux City Brick in August 2019 and Glen-Gery in November 2018.

On revenue of \$230 million, Building Products North America delivered EBIT of \$10 million, up 63% on the prior year. EBITDA was \$27 million, an increase of 122%.

The uplift reflects the benefit of a full year of operation (vs around 8 months in the prior year), and the benefits of the recent acquisitions.

Operations in the United States were more significantly impacted by the COVID-19 pandemic compared to Australia, with sales activity across a number of states being restricted for various periods during the second half.

The imposition of manufacturing restrictions in Pennsylvania during March prompted the acceleration of already planned plant closures in this state. The Bigler plant was permanently closed, and the York plant was reduced to one kiln, producing premium handmade bricks.

These closures were part of a methodical plant rationalisation program that has been implemented over the past 18 months, resulting in a current operating footprint of 10 brick plants, and an increase in plant utilisation to almost 80% (from around 50%). This smaller network of more efficient, modern kilns also offers production flexibility, with three facilities having mothballed kilns with additional capacity.



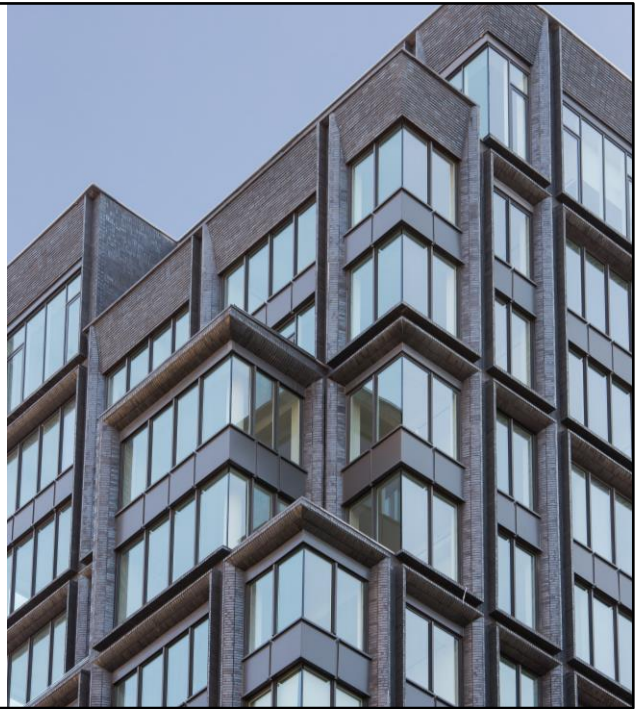
## Building Products North America – FY20 Achievements

- Successful integration of acquired businesses including IT systems and organization structure
- Reduced unit manufacturing costs in most plants
  - Rationalised plant footprint with closures of Bigler, Redfield, Cushwa and extrusion kiln at York
  - Completed “Engineering blitz” at Marseilles and Hanley
  - Major projects at Iberia and Hanley
- Finished goods reduction of over 30 million bricks
- Dedicated pricing team established
- Revamp of product brochures, websites and other marketing material
- New design studios under construction and will soon launch in Philadelphia and New York

BRICKWORKS

BKW FY2020 Results

28



The installation of a new extruder at Iberia, in Ohio, was completed during the period and will support increased efficiency and an expanded product range going forward. In addition, significant upgrade works are ongoing at the Hanley plant and Mid-Atlantic plant, both in Pennsylvania.

These plant rationalisation activities and capital upgrades contributed to significant unit cost reductions compared to the prior year.

With finished goods stock at elevated levels upon acquisitions, a strong focus on inventory reduction saw a destock of over 30 million bricks during the year.

Some changes to the organisational structure have been implemented as a result of the increasing size and scale of the business.

These changes include a dedicated pricing team to drive new revenue opportunities and roll-out new pricing policies and procedures. In addition, a new business development team and wall systems division has been established, both targeting the high value architectural segment.

A revamp of product brochures, websites and other marketing material has also been completed and new design studios will soon be opened in central Philadelphia and New York.

## Building Products North America

Brickworks North America Plant Footprint<sup>1</sup>



- Combination of three strong businesses
- Market share leadership in key states across Northeast, Midwest and Mid-Atlantic regions
- Portfolio of well recognised, premium brands
- Over 700 employees
- 10 operating brick plants and one manufactured stone plant
  - Brick plants now operating at almost 80% utilization rate (up from 50%)
- Circa 400 million brick sales per annum
- Extensive reseller network and company operated retail outlets



1. Additional mothballed plants at Cushwa and Rocky Ridge not shown

BRICKWORKS

BKW FY2020 Results

29

Having now completed 3 acquisitions in the past 2 years, we have quickly established a business of significant scale in North America, able to make a meaningful contribution to Group earnings, and a platform for growth.

Building Products North America now has:

- Market leadership in key states across the Northeast, Midwest and Mid-Atlantic regions;
- A portfolio of well recognised, premium brands;
- Over 700 employees;
- 10 operating brick plants and one manufactured stone plant, with these plants now operating at much improved utilization rates;
- Annualised sales of approximately 400 million bricks; and
- An extensive reseller network and company operated retail outlets.

# Financials

## Section 04

BRICKWORKS



I will now hand over to Robert, to review the financials in more detail.



## Financials – FY2020 Overview

- For FY20, AASB 16 (Leasing) resulted in:
  - +\$34 million EBITDA impact
  - +\$5 million EBIT impact
- Increase in Building Products North America earnings offset by decreases across other divisions
- Underlying tax decreased due to lower earnings
- Significant items contributed net \$169 million to NPAT from continuing operations
- Auswest hardwood operations at Greenbushes (WA) and East Gippsland (Victoria) classified as discontinued operations during the first half (these assets were sold in October 2019)

\$MILLION	FY2020	FY2019	CHANGE
Total EBITDA	281	310	(19%)
Depreciation <sup>1</sup>	75	37	104%
<b>EBIT</b>	<b>206</b>	<b>310</b>	<b>(34%)</b>
Borrowing costs	(26)	(24)	10%
Underlying income tax	(33)	(52)	(35%)
<b>Underlying NPAT (from continuing operations)</b>	<b>146</b>	<b>234</b>	<b>(38%)</b>
Significant items	169	(37)	NA
<b>NPAT (from continuing operations)</b>	<b>315</b>	<b>197</b>	<b>60%</b>
Discontinued operations	(17)	(42)	(61%)
<b>Statutory NPAT</b>	<b>299</b>	<b>155</b>	<b>93%</b>

Comparative numbers for FY19 have not been re-stated to take into account the impact of AASB 16 (Leases). Re-stated FY20 numbers that exclude the impact of AASB 16 (Leases) and the resultant like-for-like variances vs FY19 are shown in the supplementary slides.

<sup>1</sup> Includes \$29 million related to leased assets in accordance with AASB 16 (Leasing)

BRICKWORKS

BRW FY2020 Results

31

Thankyou Lindsay.

As Lindsay mentioned, total underlying Group EBITDA for the year was \$281 million, down 19%. Including depreciation, the underlying Group EBIT was down 34% to \$206 million.

The new AASB 16 accounting standard for leases now incorporates amortisation costs associated with leased assets. Re-stating earnings on a like-for like basis, EBITDA was \$247 million, down 29% and EBIT was \$201 million, down 35%.

Total borrowing costs were \$26 million, including \$4 million of interest on lease liabilities in accordance with AASB 16, and tax was \$33 million. This resulted in the underlying net profit after tax from continuing operations of \$146 million, down 38%.

Significant items increased NPAT by \$169 million, and I will discuss these in a moment.

As a result, net profit after tax from continuing operations was \$315 million, up 60% on the prior year.

Auswest Timbers hardwood assets were classified as discontinued operations, and were sold in October 2019, contributing a \$17 million loss.

Including these operations, statutory NPAT was \$299 million, up 93% for the year.

## Financials – Significant items

- \$317 million from WHSP primarily relates to a one-off profit triggered by the merger of TPG with Vodafone, resulting in a change in accounting treatment of the TPG investment
  - This also resulted in a significant tax cost
- \$32 million non-cash impairment, primarily in relation to Australian Building Products business, in accordance with AASB 136
- \$29 million restructuring cost, primarily in relation to stock write-downs and redundancy costs associated with plant closures and rationalisation activities in the Australian and North American Building Products divisions
- \$10 million in unabsorbed fixed costs primarily related to the temporary closure of plants in response to the COVID-19 pandemic
- Net acquisition costs of \$9 million
- \$5 million tax benefit from the "CARES Act" in the USA

\$MILLION	GROSS	TAX	NET
Significant items relating to WHSP	317		317
Income tax arising from the carrying value of WHSP		(73)	(73)
Asset impairment	(46)	14	(32)
Restructuring activities	(41)	12	(29)
COVID-19 costs	(10)		(10)
Acquisition costs, net of "bargain purchase"	(9)		(9)
Tax benefit in relation to the CARES Act in the USA		5	5
<b>TOTAL</b>	<b>211</b>	<b>(42)</b>	<b>169</b>

The table on the screen shows the significant items in more detail. They comprise:

- A \$317 million profit in relation to WHSP significant items. This primarily relates to a one-off profit triggered by the merger of its associate TPG with Vodafone, resulting in a change in accounting treatment of this investment;
- A \$73 million cost related to deferred taxes on the WHSP holding;
- A non-cash impairment of \$32 million, net of tax, primarily in relation to property, plant and equipment in the Australian Building Products business;
- After tax restructuring costs of \$29 million, primarily in relation to stock write-downs and redundancy costs associated with plant closures and rationalisation activities in the Australian and North American Building Products divisions;
- COVID-19 related costs of \$10 million, reflecting the unabsorbed fixed costs primarily related to the temporary closure of plants in response to the COVID-19 pandemic;
- Net acquisition costs of \$9 million; and
- A \$5 million income tax benefit related to the Coronavirus Aid, Relief, and Economic Security Act in the United States of America

## Financials – Cash Flow Reconciliation

- Decrease in operating cash flow, primarily due to:
  - \$54 million in tax paid in January 2020, following the sale of WHSP shares in December 2018
  - Lower Building Products Australia earnings
- Acquisition payments of \$102 million: Sioux City Brick and Redland Brick assets
- Increased capital expenditure of \$104 million reflects several major projects underway
- Cash dividend payments of \$87 million

\$MILLION	FY2020	FY2019
<b>Statutory net profit after tax</b>	<b>299</b>	<b>155</b>
Depreciation, amortisation	75	37
Non cash revaluations within Property Trust	(78)	(89)
Share of profits of associates not received as dividends	(312)	(18)
Non cash impairments	46	56
Non cash profit on sale of land held for resale	(28)	-
Non cash losses on discontinued operations	12	49
Working capital movements	36	(12)
Losses / (gains) on disposal of PPE	4	(2)
Gain on sale of WHSP shares (investing activity)	-	(109)
Changes in tax provisions	17	53
Other items	5	4
<b>Operating cash flow</b>	<b>75</b>	<b>123</b>
Proceeds received from WHSP share sale	-	208
Acquisitions (net of cash)	(102)	(142)
Capital expenditure	(104)	(49)
Dividends paid	(87)	(82)

Turning to cashflow.

The total operating cash flow for the year was \$75 million. The decrease on the prior year was mainly a result of lower earnings from Building Products Australia and the payment of \$54 million in tax on the December 2018 sale of 7.9 million WHSP shares (which delivered proceeds of \$208 million in the prior period).

Spending on acquisitions totalled \$102 million during the year, representing the Sioux City Brick and Redland Brick completion payments.

Capital expenditure of \$104 million was incurred, significantly higher than previous years, with the company midway through several major projects. These projects include the deployment of a new enterprise resource planning (ERP) system across Australia and the United States, a new masonry plant at Oakdale East in New South Wales, and upgrades to brick plants at Golden Grove in South Australia, Iberia in Ohio and Hanley in Pennsylvania.

Dividends of \$87 million were paid during the year.

## Financials – Key Indicators

- Total shareholder's equity increased by \$237 million during the year, or \$1.56 per share
- Net debt decreased in the second half, but increased over the full year due to:
  - Payments for the Sioux City Brick and Redland Brick acquisitions (\$98 million)
  - Lower operating cashflow, including the tax payment on the WHSP share sale
- Gearing increased to 19% for the full year (but was lower than Jan 20 level of 21%)

	FY2020	FY2019	CHANGE
NTA per share	\$14.08	\$13.28	6%
Shareholder's equity	\$2,404m	\$2,167m	11%
Shareholder's equity per share	\$16.04	\$14.48	11%
<b>Return on shareholder's equity<sup>1</sup></b>	<b>6.1%</b>	<b>10.8%</b>	<b>(44%)</b>
<b>Operating cash flow</b>	<b>\$75m</b>	<b>\$123m</b>	<b>(39%)</b>
Net debt <sup>2</sup>	\$454m	\$253m	80%
Gearing (net debt / equity) <sup>2</sup>	19%	12%	62%
Interest cover <sup>2</sup>	8x	18x	(55%)

Comparative numbers for FY19 have not been re-stated to take into account the impact of AASB 16 (Leases). Re-stated FY20 numbers that exclude the impact of AASB 16 (Leases) and the resultant like-for-like variances vs FY19 are shown in the supplementary slides.

<sup>1</sup> Based on underlying NPAT from continuous operations  
<sup>2</sup> Net debt, gearing and interest cover excludes the impact of AASB 16 (Leases), in line with banking covenant calculations

BRICKWORKS

BRW FY2020 Results

34

Looking now at a range of key financial indicators.

As Lindsay mentioned, net tangible assets per share was up 6% over the year, to \$14.08. On a like for like basis, excluding the impact of AASB 16, net tangible assets per share was up 11% to \$14.79.

Shareholders equity increased by \$237 million to \$2.4 billion, which represents \$16.04 per share.

Underlying return on shareholders equity was 6%, down from 11% in financial year 2019.

As I mentioned a moment ago, operating cash flow was \$75 million for the period.

Over the year, net debt increased to \$454 million, due primarily to a number of significant cash payments including the settlement payment for the Sioux City Brick acquisition (AU\$47 million), the up-front payment in relation to the Redland Brick acquisition (AU\$54 million) and the \$54 million tax payment in relation to the WHSP share sale.

Net debt decreased in the second half, with most of these one-off payments being incurred in the first half. This resulted in a decrease in gearing to 19%, vs 21% at end of the first half.

Interest cover remains at a relatively conservative 8 times.

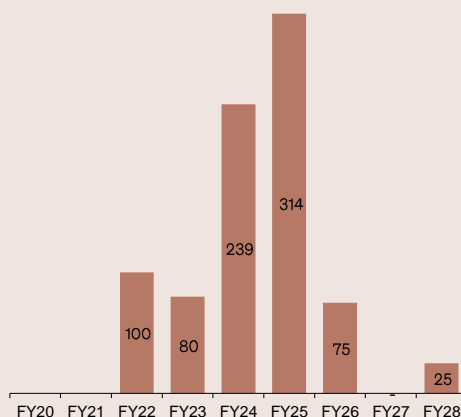
## Debt Maturity and Metrics

- Circa \$832 million in debt facilities committed
  - Syndicated multi-currency facility ~\$632 million
  - Bilateral cash advance facility \$100 million
  - Institutional term loan facility \$100 million
- Syndicated multi-currency facility established in May 2019
- Next maturity in FY2022
- Net debt of \$454 million<sup>1</sup> at 31 Jul 2020:
  - Total drawn debt \$641 million
  - Offset by cash of \$187 million
- Brickworks has around \$380 million in funding headroom
- Significant headroom within existing covenants:
  - Gearing 15%<sup>2</sup> (vs covenant <40%)
  - Interest cover 8.9x<sup>2</sup> (vs covenant of >3.5x<sup>3</sup>)
  - Leverage ratio 2.2x<sup>2</sup> (vs covenant of <3.5x<sup>3</sup>)
- Additional lease liabilities of \$113 million

1. Net debt excludes the impact of AASB W8 assets, in line with banking covenant calculations.  
2. Gearing, interest cover and leverage ratio outlined here are based on the Group's banking covenant calculation (and differ from standard calculations used to calculate these metrics, as noted elsewhere in this report)  
3. Covenant only applies if gearing > 12.5%

**BRICKWORKS**

**Debt Maturity Profile**  
Total \$832 million facilities



BKW FY2020 Results

35

Looking now at our debt maturity profile.

Brickworks currently has a total of around \$830 million in committed debt facilities. This includes:

- A Syndicated multi-currency facility of around \$630 million;
- A bilateral cash advance facility of \$100 million; and
- An institutional term loan facility of \$100 million

The syndicated multi-currency facility was secured in May 2019 and is a revolving facility on an unsecured basis consisting of a \$355 million Australian dollar tranche and a \$200 million US dollar tranche.

Each tranche has varying tenor, with the next maturity not due until financial year 2022.

As I mentioned a moment ago, net debt was \$454 million at 31 July 2020.

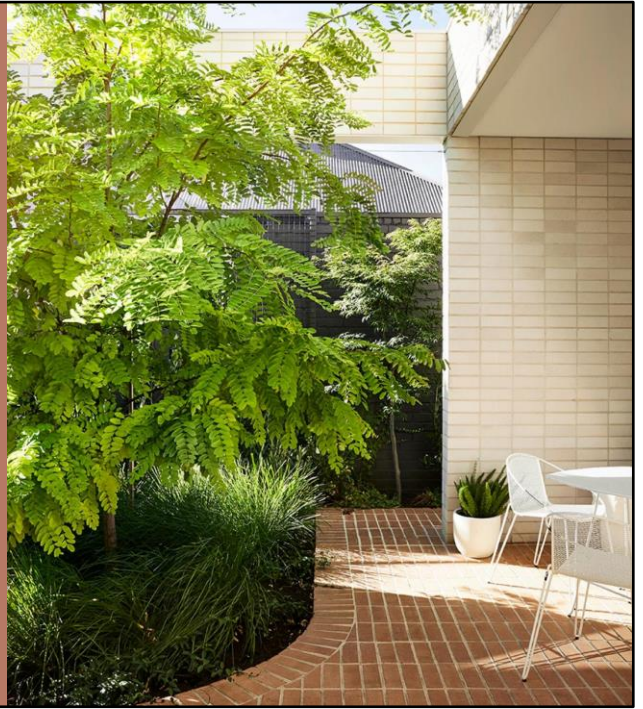
We currently have around \$380 million in funding headroom, based on committed debt facilities and cash on hand, and significant headroom within our banking covenants.

I will now hand back to Lindsay to discuss the outlook.

# Outlook

Section 05

BRICKWORKS



Thankyou Robert.

## Outlook

### Investments

53% of Group assets

- Strong history of outperformance over the long term and across business cycles

### Property

21% of Group assets

- Discussions well underway with several parties for leasing opportunities within the Property Trust
- Trend towards online shopping, and more sophisticated and specialised industrial facilities to drive medium and longer term growth

### Building Products Australia

19% of Group assets

- Orders and sales have increased in September across most businesses, reflecting the various government stimulus measures in place
- Building approvals data is encouraging, but Sydney and Melbourne markets are critical (and the most uncertain)
- Major capital projects in Sydney to underpin competitive position in this key market longer term

### Building Products North America

6% of Group assets

- Building approvals and starts data indicate improving activity, albeit variable across regions and market segments
- Broad based increase in housing activity expected to offset non-residential weakness (particularly New York)
- Completed plant rationalisation activities have improved efficiency and will drive higher margins

### Group

- Diversified portfolio of assets and robust balance sheet provides stability in short term
- Major projects across the portfolio to provide medium and longer term growth

BRICKWORKS

BKW FY2020 Results

BKW FY2020 Results

24.09.2020

387

Looking now at the outlook.

The investment in WHSP is expected to continue to deliver a stable and growing stream of earnings and dividends over the long term.

The COVID-19 pandemic has only accelerated industry trends towards online shopping, and this is fuelling demand for the Company's prime industrial property. Interest from potential new tenants is strong, with discussions well underway with several parties in relation to leasing opportunities within the Property Trust.

As always, Property earnings will depend on the timing of development activity and land sale transactions. At this stage there are no major land sales planned in financial year 2021.

Within Building Products Australia, orders and sales have increased in September across most businesses, reflecting the various government stimulus measures in place. Feedback from home builders suggests that the pipeline of orders across Australia is building. However, with stimulus measures less effective in Sydney due to higher land prices and lockdowns still in place in Melbourne, conditions in these regions are expected to be more challenging.

In North America, the COVID-19 pandemic has impacted short term demand and may continue to cause rolling delays across the network for some time. However, the improved efficiency and cost reductions delivered by plant rationalisation activities, together with plant upgrades to enhance performance, are expected to result in improved earnings as building conditions normalise post the pandemic.

More broadly, as I have mentioned, Brickworks has a diversified portfolio of attractive assets and a robust balance sheet. This provides the resilience to combat any short-term challenges and economic uncertainty caused by the COVID-19 pandemic, whilst also providing strong growth prospects over the long term.

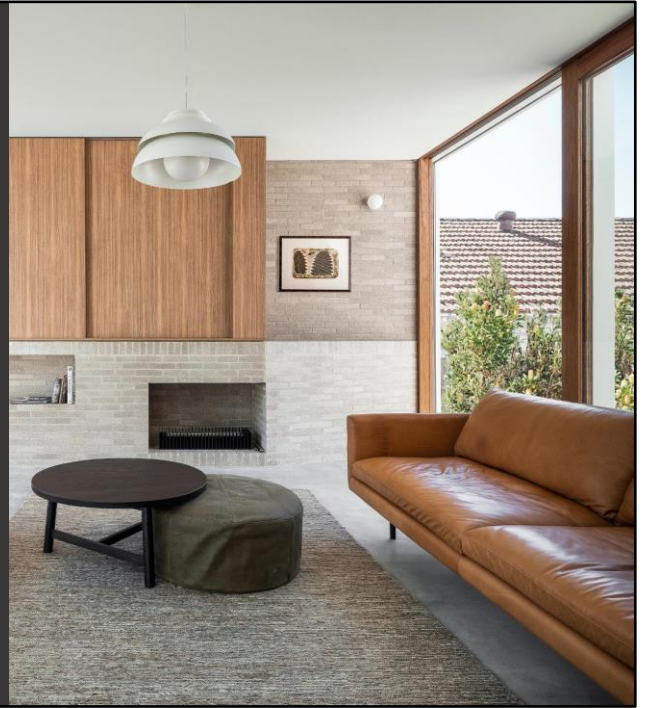
Finally, I would like to acknowledge all staff at Brickworks, who have remained positive and committed over this very challenging period for us all.



# Questions

## Section 06

BRICKWORKS



I will now take any questions.

# Supplementary Slides

BRICKWORKS



# Financials – AASB 16 (Leases)

AASB 16 (Leases) had an impact on comparative financials in 1H20

Balance Sheet	Income Statement	Cashflow
Assets + \$106 million	EBITDA + \$34 million	Operating cashflow +\$28 million
Liabilities + \$113 million	EBIT + \$5 million	Investing cashflow No change
	NPAT No change	Financing cashflow -\$28 million
	Depreciation + \$29 million	
	Interest +\$4 million	

## Financials – AASB 16 (Leases)

AASB 16 (Leases) had an impact on comparative financials in FY20

\$MILLION	FY2020 (INC AASB 16)	CHANGE (INC AASB 16)	FY2020 (EX AASB 16)	CHANGE (EX AASB 16)	FY2019
Total EBITDA	281	(19%)	247	(29%)	346
Depreciation	75	104%	45	(24%)	37
Total EBIT	206	(34%)	201	(35%)	310
Underlying NPAT (From continuing operations)	146	(38%)	146	(38%)	234
Cashflow from operations	75	(39%)	47	(62%)	123
NTA / share	\$14.08	6%	\$14.79	11%	\$13.28

## Dividend Reinvestment Program (DRP)

- Directors have adopted a Dividend Reinvestment Plan (“DRP”)
- The Plan will commence in respect of the forthcoming dividend, and full details will be sent to shareholders and published on the ASX
- WHSP will not participate in the DRP
- Brickworks has entered into an agreement with UBS AG Australia Branch (the “Underwriter”) to underwrite \$20 million in relation to the forthcoming dividend (“Underwritten Amount”)
- The Underwriter will receive an underwriting fee of 0.15% of the Underwritten Amount

Thank you

BRICKWORKS

Sydney  
Tel. 02 9611 4216  
Lvl 9, 60 Carrington St  
Sydney NSW 2000

Follow us @Brickworks



Visit

Brickworks.com.au

## Disclaimer

The Board has authorised the release of this announcement to the market

IMPORTANT: The information in this document has been provided to you for information only by Brickworks Limited ("BKW") and is subject to change without notice. Nothing contained in this document constitutes investment, legal, tax or other advice. The information in this does not take into account your investment objectives, financial situation or particular needs. Before making an investment decision, you should consider, with or without the assistance of a professional securities adviser, whether an investment in BKW is appropriate in the light of your particular investment needs, objectives and financial circumstances.

Nothing in this document should be considered a solicitation, offer or invitation to buy, subscribe for or sell any security in any jurisdiction. The distribution of this document outside Australia may be restricted by law. Persons who come into possession of this document who are not in Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Neither this document nor any copy hereof may be transmitted in the United States of America ("US") or distributed, directly or indirectly, in the US or to any US person including (1) any US resident, (2) any partnership or corporation or other entity organised or incorporated under the laws of the US or any state thereof, (3) any trust of which any trustee is a US person, or (4) an agency or branch of a foreign entity located in the US.

By accepting this document you agree to be bound by these limitations. BKW has prepared this document based on information available to it. Although reasonable care has been taken to ensure that the facts stated and opinions given in this document are fair and accurate, the information provided in this document has not been independently verified. Accordingly, no representation or warranty, expressed or implied is made as to the reliability, fairness, accuracy, completeness or correctness of the information and opinions contained in this document. To the fullest extent permitted by law, none of BKW, its related bodies corporate, directors, employees or agents nor any other person accepts any liability for any loss whatsoever arising from any use of this document or its contents, or otherwise arising in connection therewith.