

24 November 2020

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.

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

Yours faithfully

BRICKWORKS LIMITED



Susan Leppinus

Company Secretary

86th Annual General Meeting

24 November 2020

Mr. Robert Millner
Chairman

Mr. Lindsay Partridge
Managing Director

BRICKWORKS



Today

Agenda

Chairman's Address 01

MD's Address 02

Questions 03

Formal Business 04

Chairman's Address

Section 01



FY2020 Overview

Statutory NPAT up 93% to \$299m

Includes \$169 million profit from significant items & \$17 million loss from discontinued operations

Underlying NPAT down 38% to \$146m

Good progress on sustainability and workplace safety

Property Trust value increasing, strong structural tailwinds

US brick expansion on track

Australian Building Products performance resilient

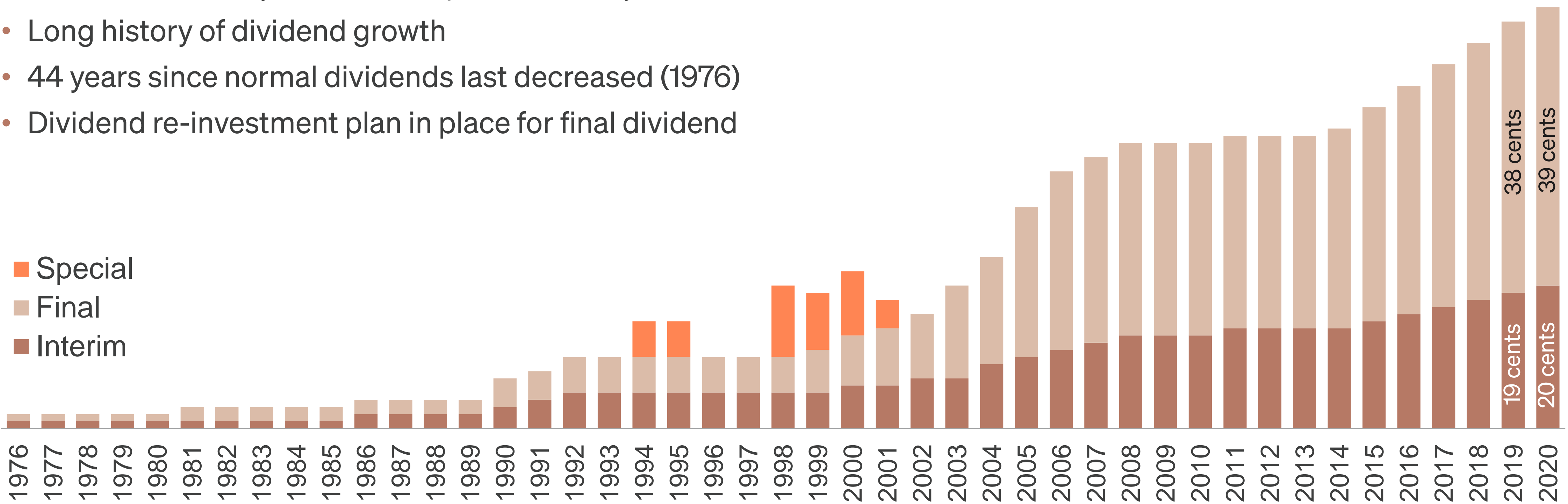
Consistent Dividend Growth

Brickworks normal dividend has been maintained or increased since 1976

Brickworks Dividend History

Cents per share

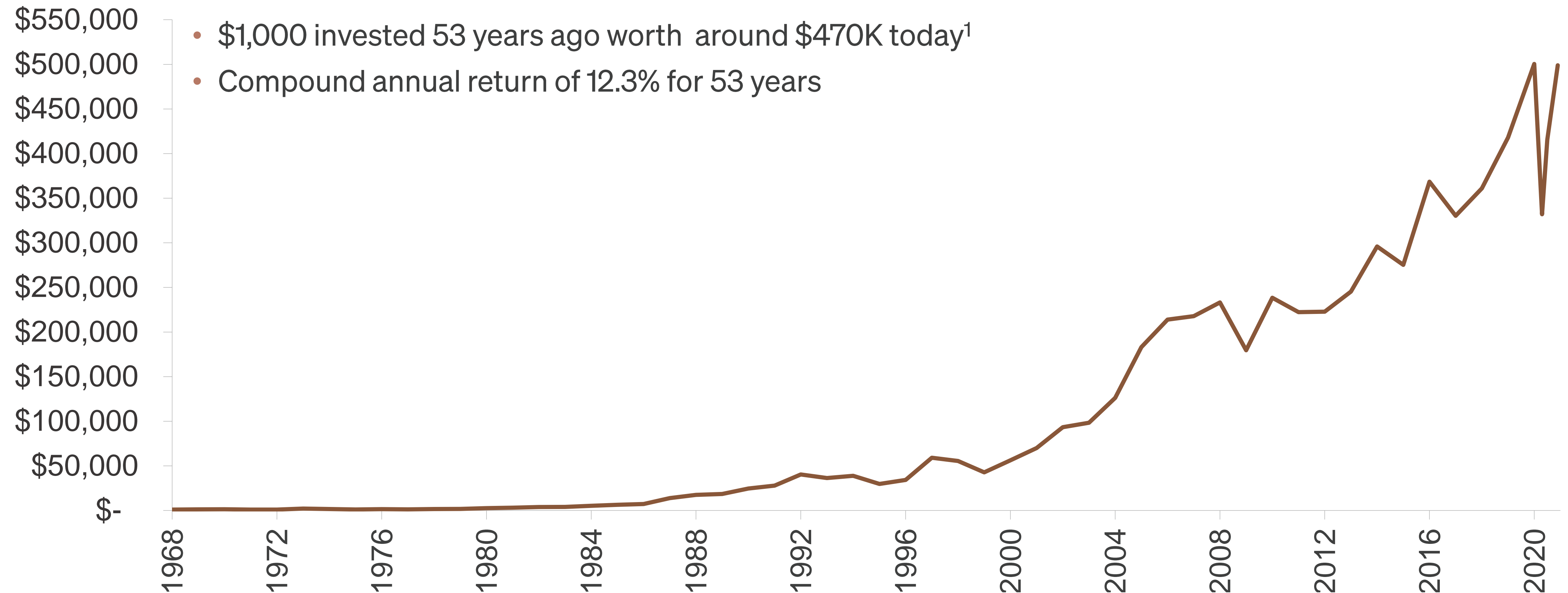
- 39 cents per share fully franked final dividend, up 3% (Record date 15 October, payment 25 November)
- 59 cents total full year dividend per share, fully franked
- Long history of dividend growth
- 44 years since normal dividends last decreased (1976)
- Dividend re-investment plan in place for final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



Long Term Value Creation

Brickworks has created significant shareholder value over the long term

Value of \$1,000 invested in 1968 (at the time of the initial investment in WHSP)

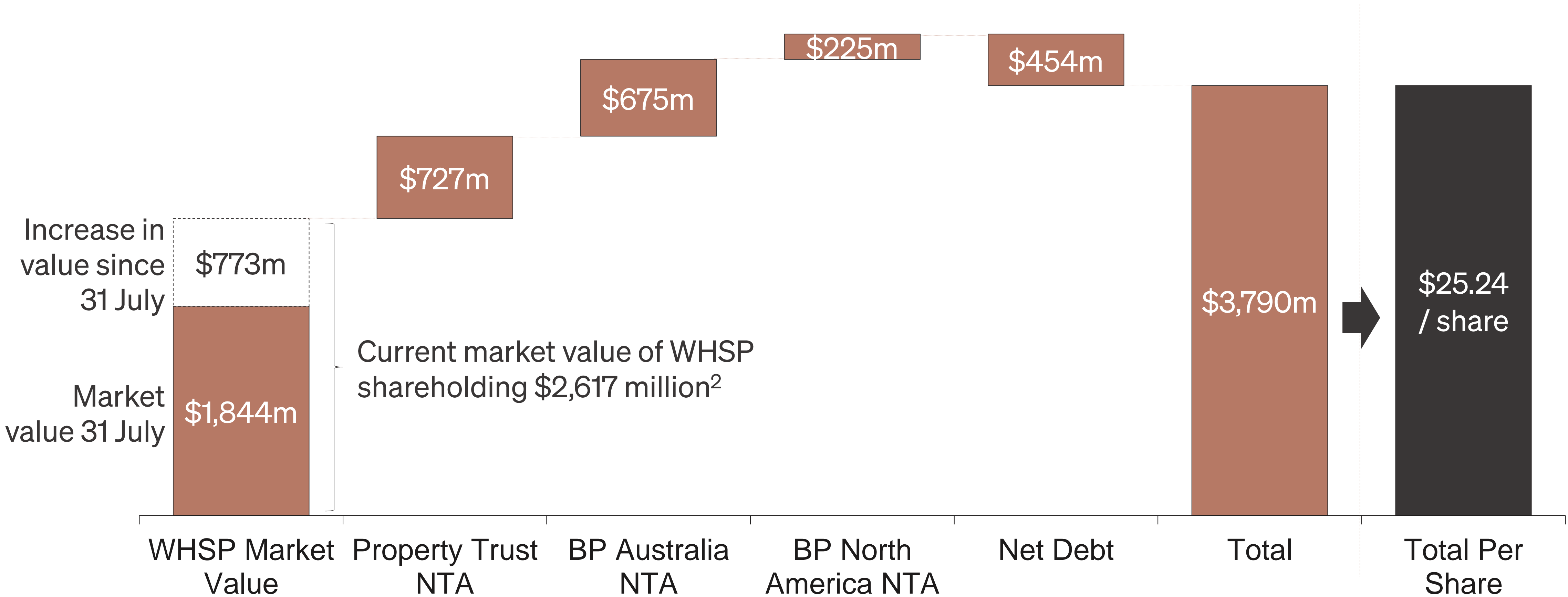


¹. As at the close of trading on 20 November

Asset Backing

Brickworks current inferred asset backing is over \$25 per share

Inferred Asset Value¹



¹. Asset values as at 31 July 2020, except the market value of WHSP, updated as at the close of trading on 20 November. Building Products NTA includes AASB 16 (Leases) right-of-use assets
². Based on a cost base of \$3.44 per share, capital gains tax of around \$688 million would be payable if Brickworks sold its entire shareholding in WHSP at the current market price

Board Governance

- During the year we appointed two new independent non-executive directors
 - Malcolm Bunday joined on 1 October 2019
 - Robyn Stubbs joined on 1 January 2020
- Brendan Crotty will retire following today's AGM
 - Brendan has served on the Board for twelve years, and in that time has made an invaluable contribution to the Company
- Following these changes, the Board will comprise seven directors, including four independent non-executive directors

Managing Director's Address

Section 02



Impacts of COVID-19

Brickworks was well-prepared prior to the onset of the pandemic, and has been resilient throughout

- 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
- \$10 million in COVID-19 related costs recorded as a significant item – primarily related to plant closure costs
- Building products demand remained relatively resilient
- No impact on Property Trust rental collections
- A range of initiatives implemented through COVID-19 period, including staff training, product development, digital investment
- Ambitious capital program maintained and plant rationalisation activities accelerated
- No government support payments received¹ or equity raise required
- Brickworks retains a strong balance sheet with gearing of 19%, and significant financial headroom

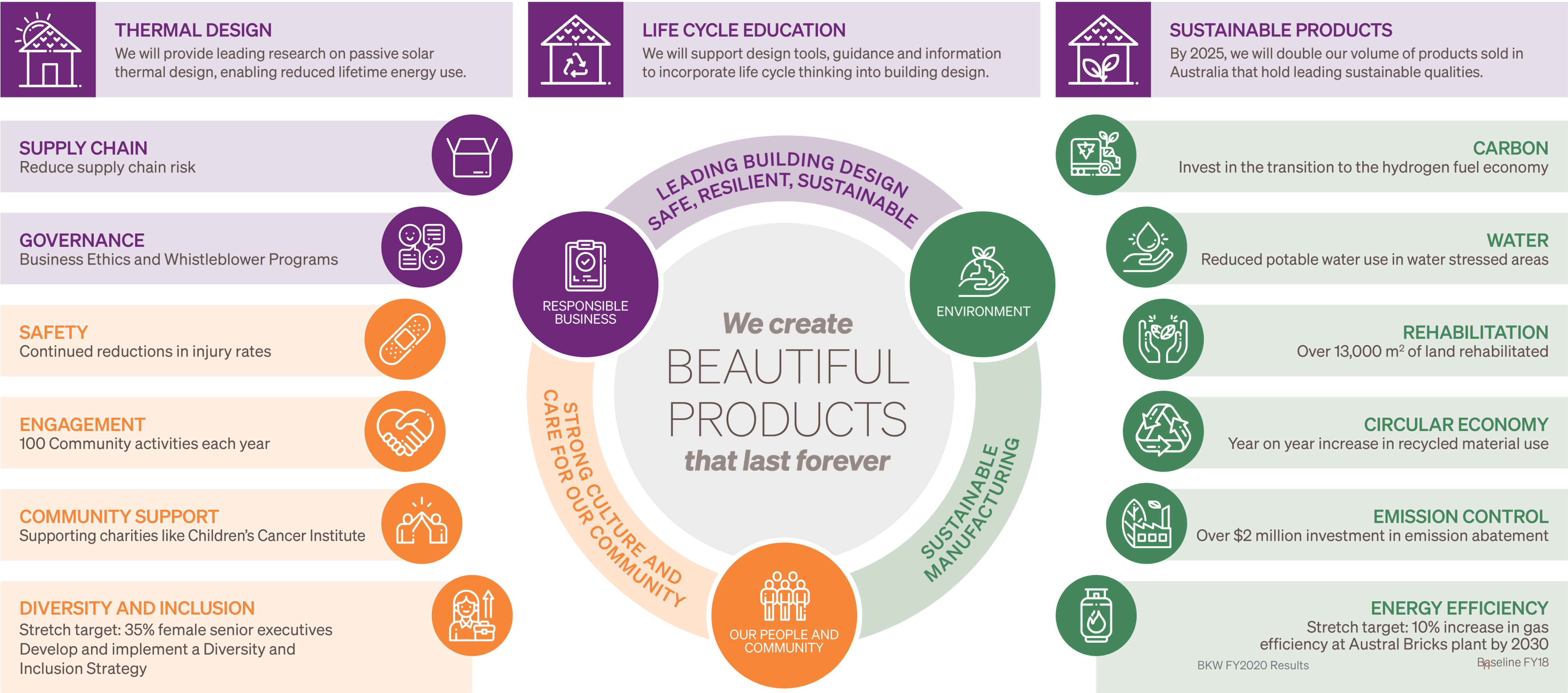
¹. Excludes a tax benefit that Brickworks is eligible to receive in relation to the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) in the United States of America

TOWARDS 2025

Brickworks Sustainability Strategy

Brickworks is one of the world's leading manufacturers of quality building products. Our purpose has sustainability at our core – to create beautiful products that last forever.

The built environment is the fabric of our cities and our lives and Brickworks' products form part of this ever-changing fabric. Our sustainability strategy focuses on the opportunity to make buildings and cities safe, resilient and sustainable. It demonstrates our approach to sustainable manufacturing, incorporating sustainability into buildings to create greater efficiency during their operation. We do this with strong governance and a culture of care for our community.



FY2020 Sustainability Highlights

Brickworks is committed to social and environmental responsibility and continues to make progress against sustainability targets

12%

Total reduction in carbon emissions (AUS)

9%

Total reduction in energy consumption (AUS)

27%

Female leadership representation, up from 7% in 2015

\$4 million

Children's Cancer Institute total partner value since 2002

Modern Slavery and Supplier Code of Conduct policies developed

First modern slavery report to be published in FY21

Record low injury rates

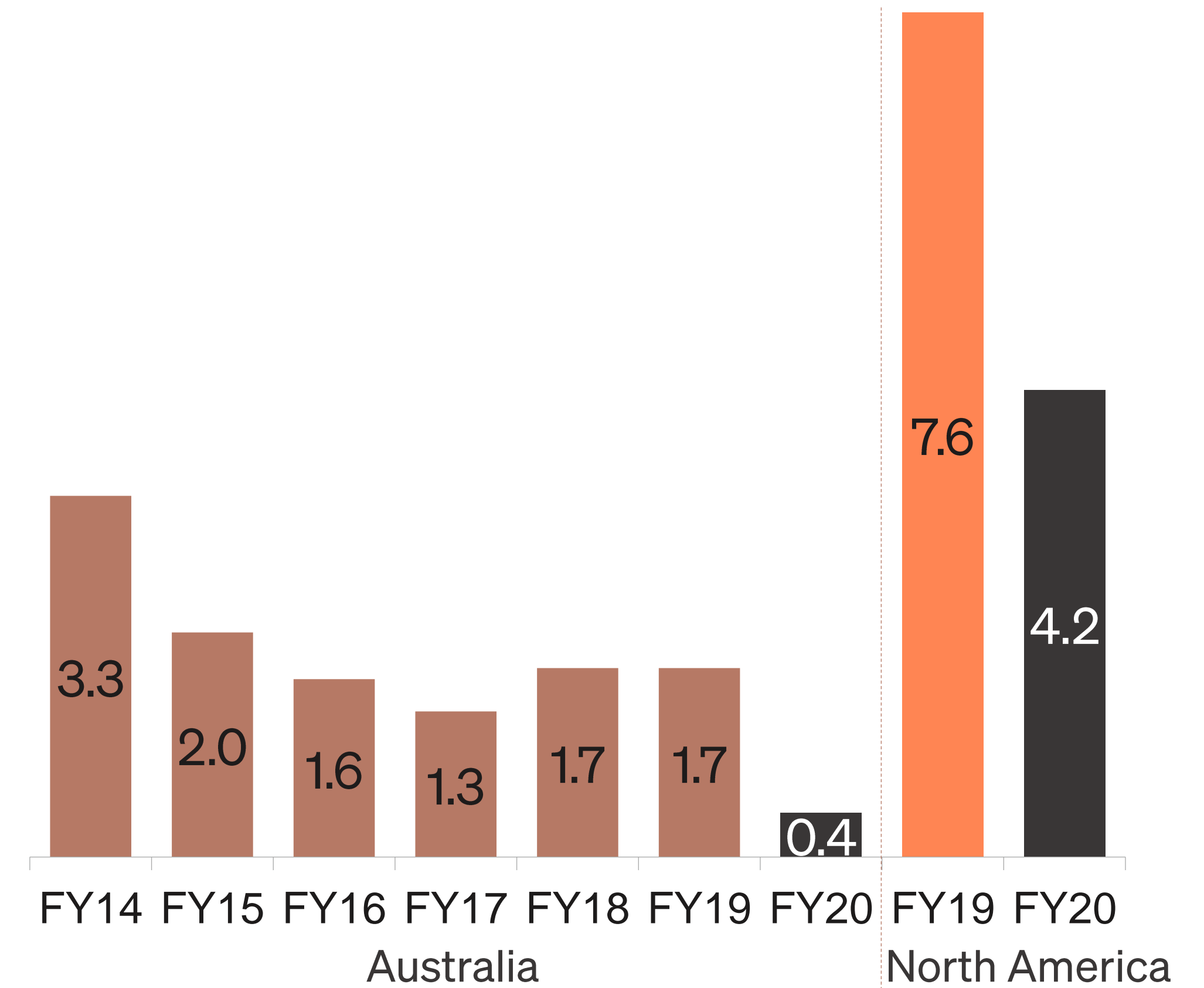
Across Australia and North America

Safety

Good progress on workplace safety across Australia and North America

- 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



FY2020 Financial Highlights¹

Another strong financial result, with statutory profit up by 93%

\$281^m

Underlying EBITDA ↓19%

(continuing operations)

\$146^m

Underlying profit ↓38%

(continuing operations)

\$299^m

Statutory profit ↑93%

\$14.08

Net tangible assets / 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 re-stated to take into account the impact of AASB 16 (Leases)

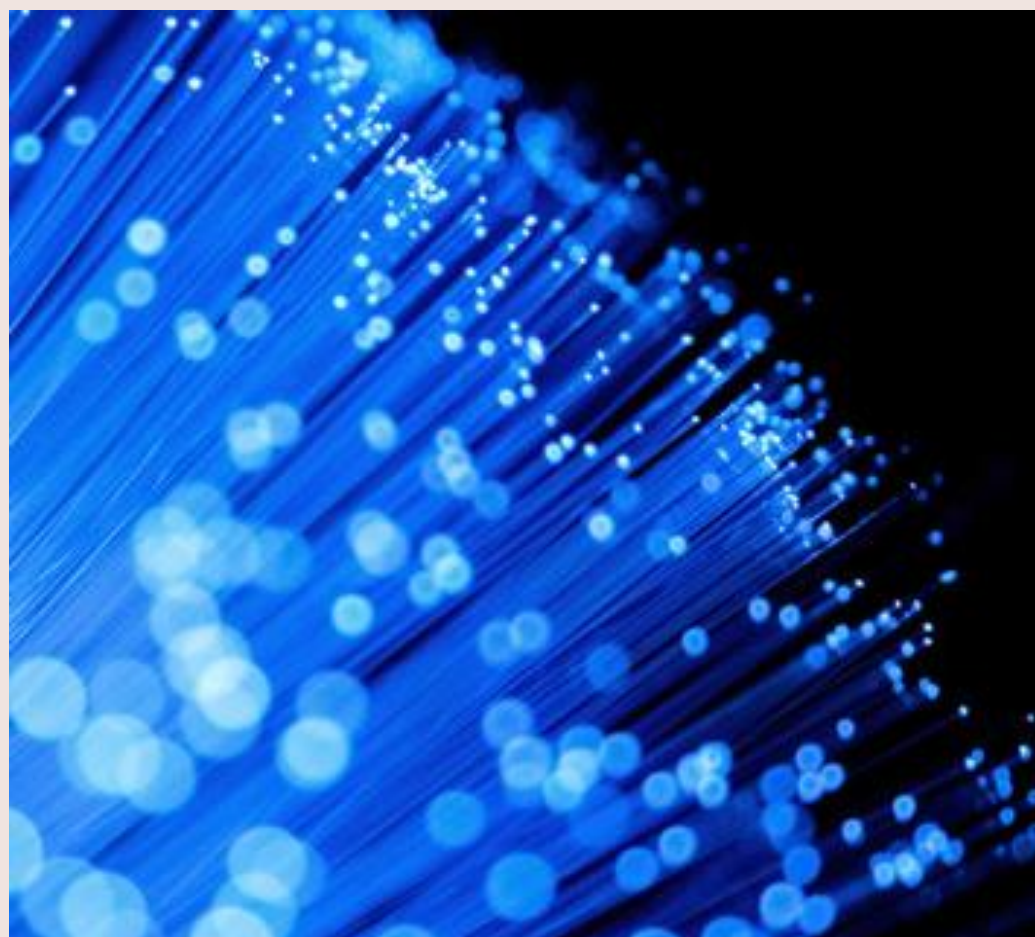
Divisional Overview

Brickworks has a diversified portfolio of attractive assets across four divisions

Investments

53% of Group assets

39.4% interest in WHSP,
an ASX100 diversified
investment house



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



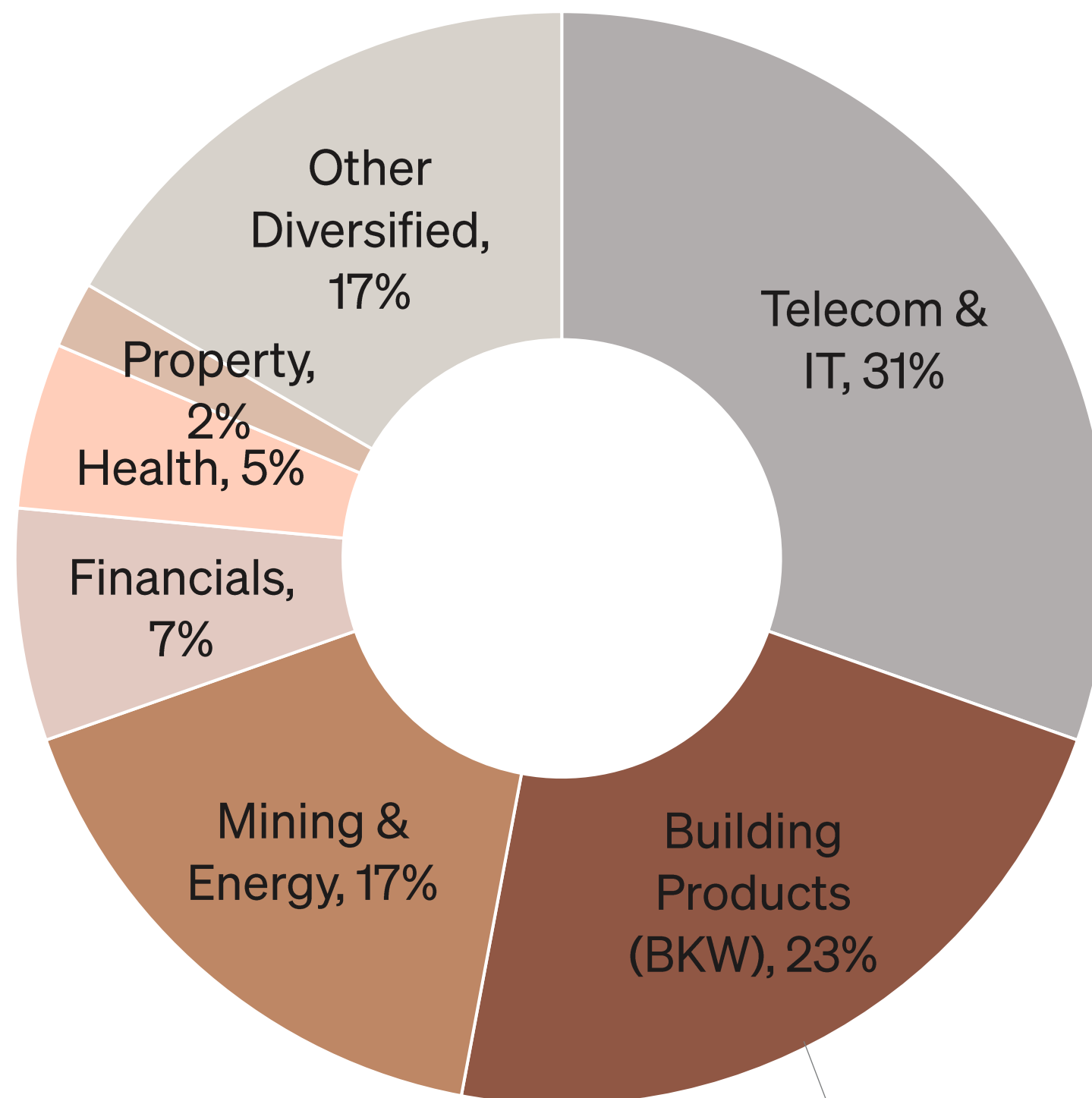
Investments

WHSP is a diversified investment house that has delivered strong returns over many years

\$51m

FY20 Underlying EBITDA

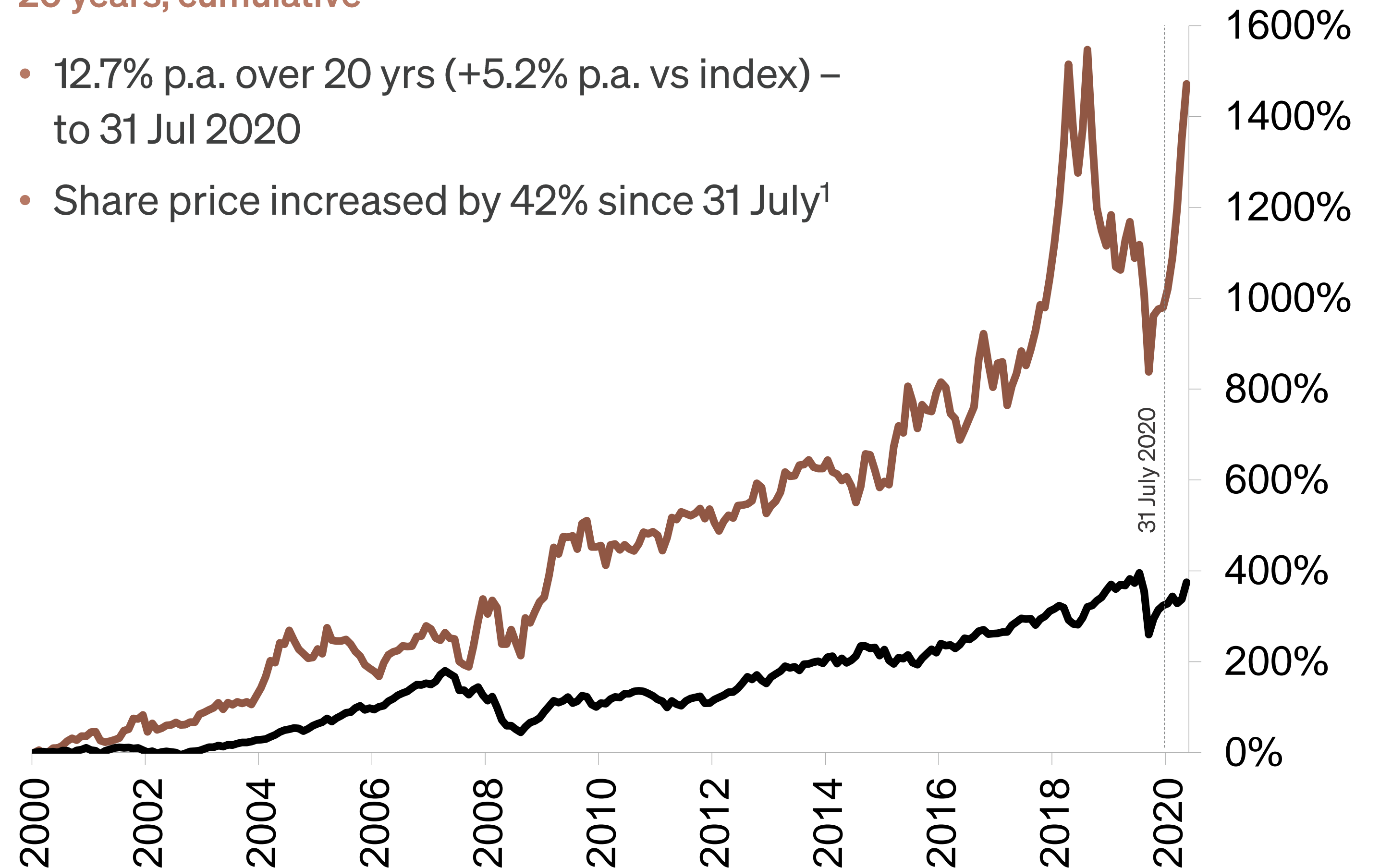
WHSP Asset Exposure



Note: Reported profit from WHSP is based on equity accounting, and excludes that part of WHSP earnings that are attributable to 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 42% since 31 July¹



¹. As at the close of trading on 20 November

Property

Property Trust value increasing, strong structural tailwinds

\$129m

FY20 Underlying EBITDA

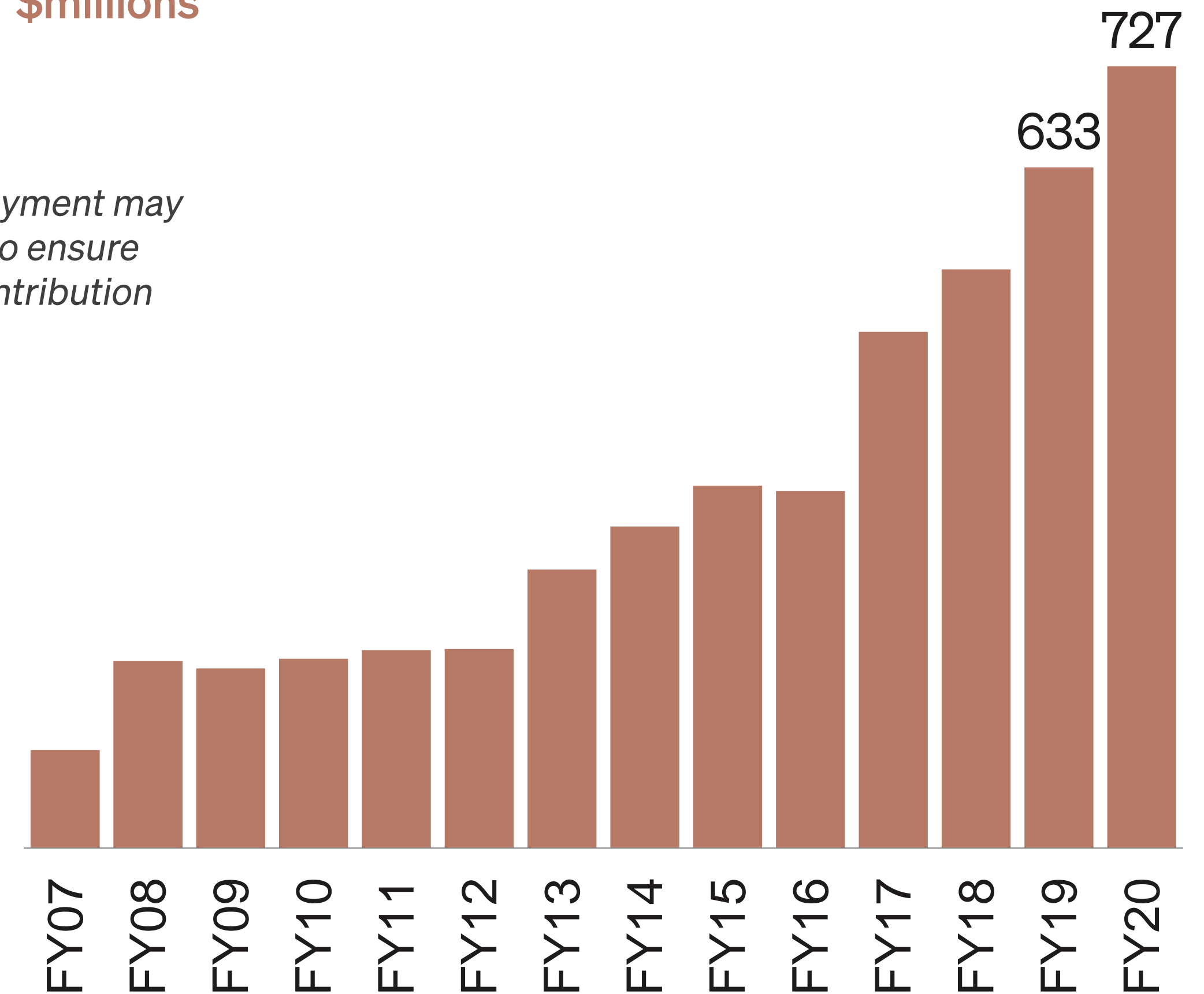
Overview of Property Trust

- The Property Trust was established in 2006 and is a 50/50 joint venture between Brickworks and Goodman
 - BKW provide land (surplus to operations) for development, at market value
 - Goodman fund infrastructure works
 - Pre-lease agreement signed with tenant
 - Facility constructed, funded by debt (with serviced land as security)
- Mutually beneficial partnership
- Prime industrial property in western Sydney and Brisbane
- Total gross assets \$2.1 billion, gearing of 36%
- Structural tailwinds, driven by industry trends to online shopping

Balancing payment may be required to ensure equitable contribution

BKW 50% share of Property Trust Assets

\$millions



Construction of at Oakdale West (Amazon facility in distance)
As at 10 November 2020

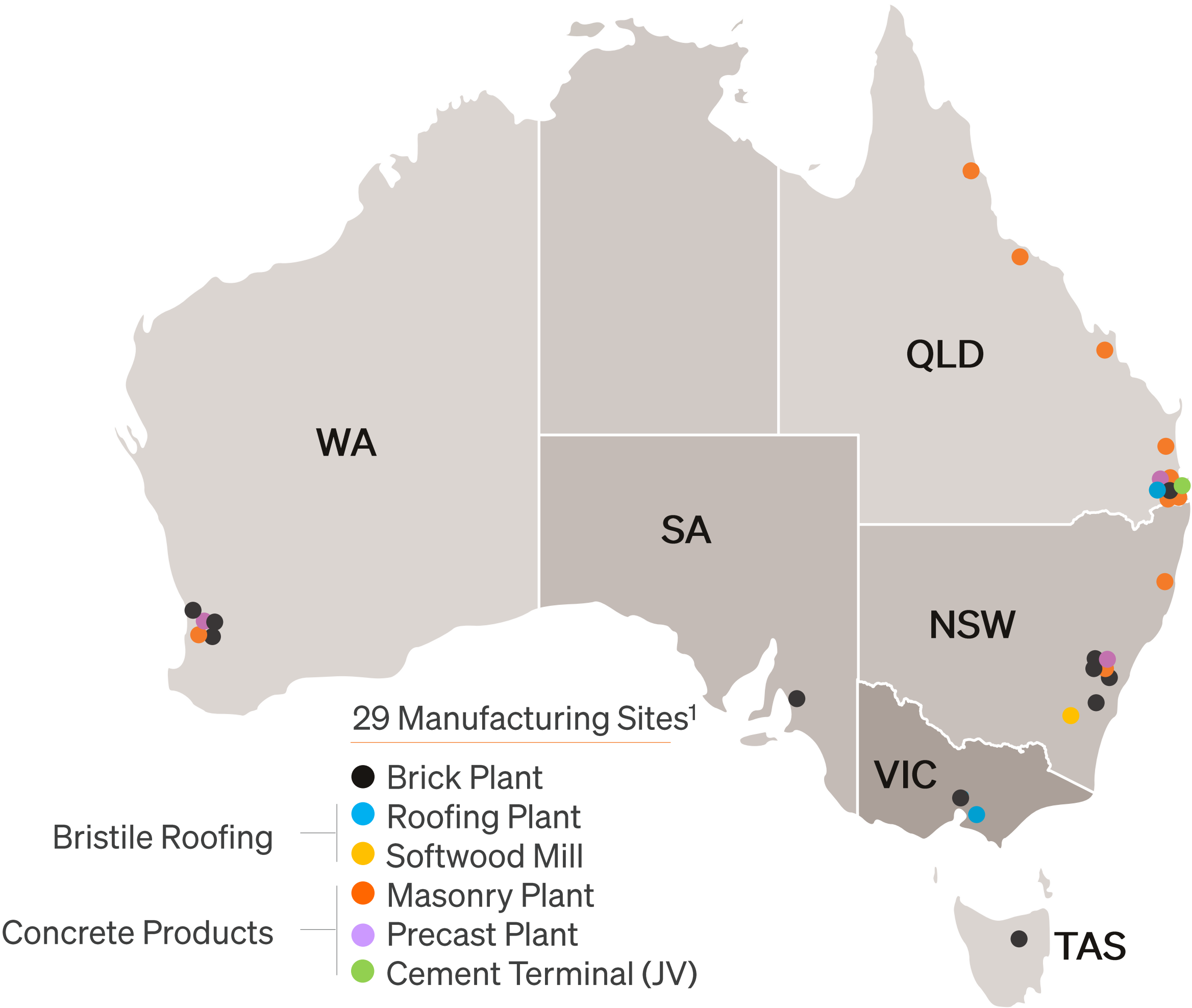


Building Products Australia

A resilient performance in FY2020, considering the impacts of COVID-19 and cyclical low building activity

\$91m

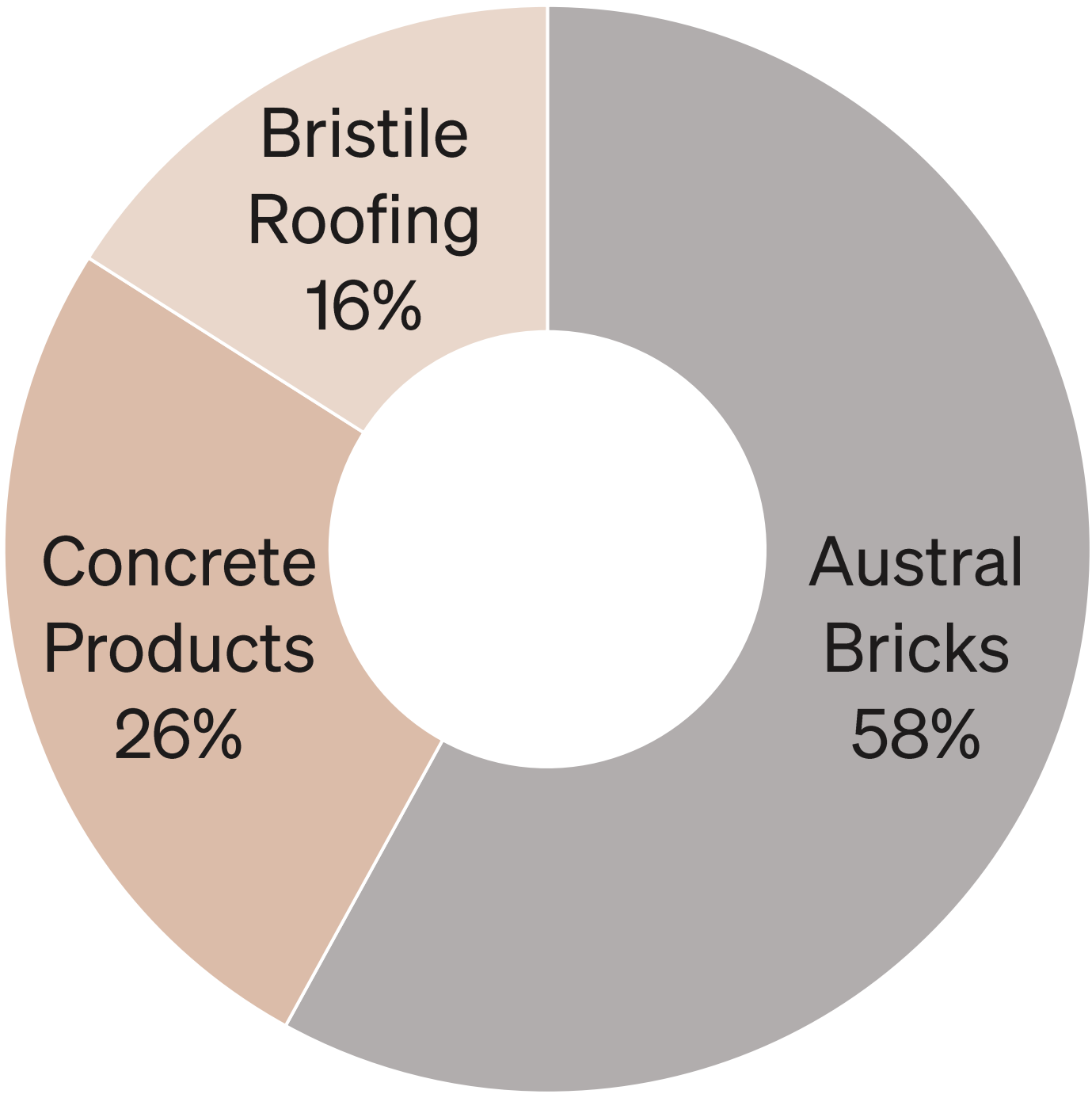
FY20 Underlying EBITDA



¹. As at 31 July 2020

Building Products Australia FY2020 Revenue

\$687 million





Southern Cross Cement Terminal
Commissioned in FY2020

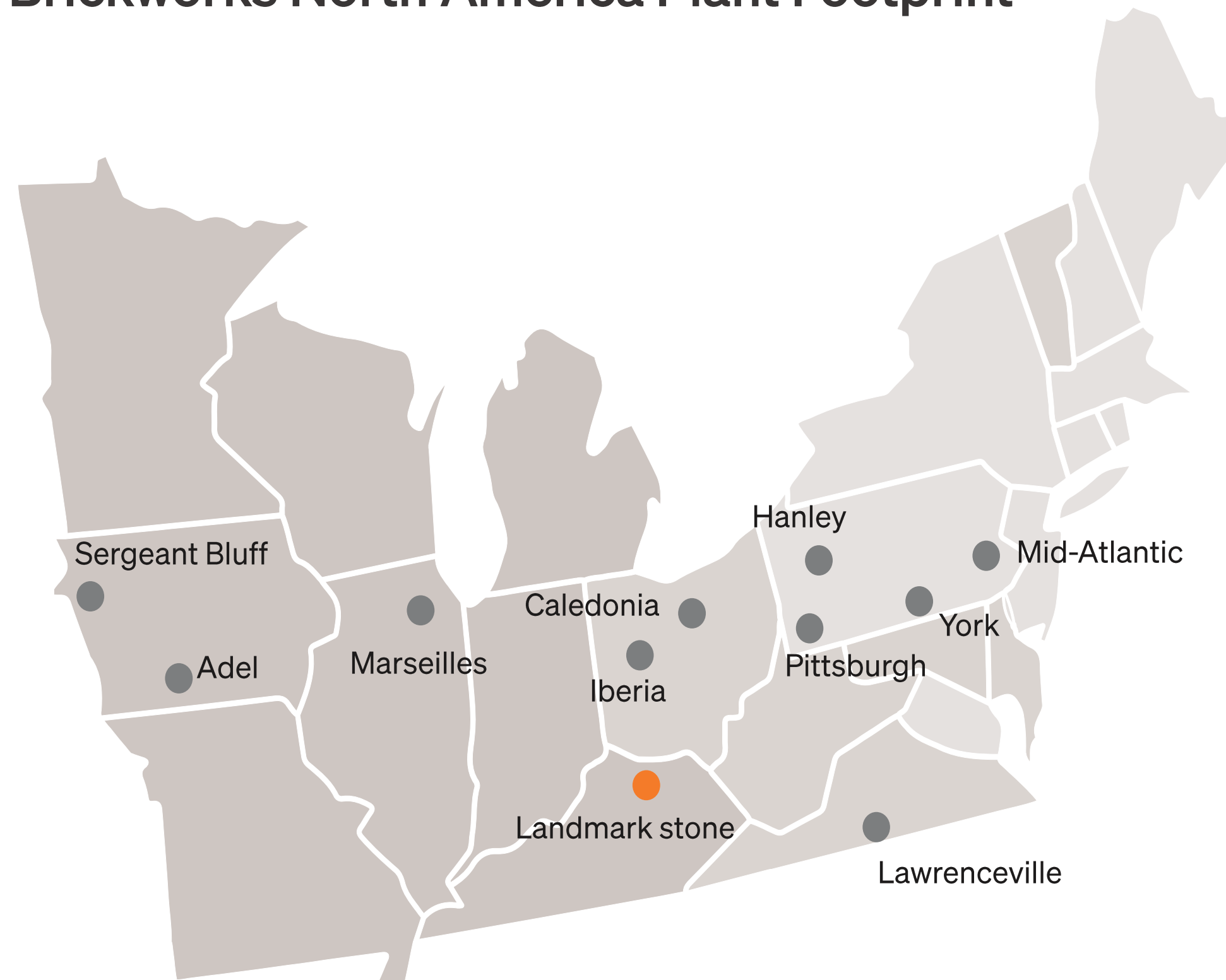
Building Products North America

North American expansion strategy on track

\$27m

FY20 Underlying EBITDA

Brickworks North America Plant Footprint¹



Glen-Gery

Sioux City Brick
Since 1913

Lawrenceville
BRICK

- Combination of three strong businesses (two bolt-on acquisitions completed during FY2020)
- 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
- FY2020 revenue AU\$230 million
- Extensive reseller network and company operated retail outlets

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



Philadelphia Design Studio
Opened August 2020



Emerging stronger following COVID-19

Investing for the future

Brickworks has used the opportunity to accelerate the implementation of a range of initiatives to allow the Company to emerge stronger post the pandemic

Prioritising investment in the Property Trust in response to increasing tenant demand

Investing in our manufacturing plants: the largest capital program in the Company's history

Investing in our products and our customers

Investing in our people: training and development

First Quarter Update and FY2021 Outlook

Investments

53% of Group assets

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

Property

21% of Group assets

- Development activity at Oakdale West continues at unprecedented scale
- The first facility at Oakdale East (Austral Masonry plant) to be completed this financial year
- Trend towards online shopping, and demand for more sophisticated facilities to drive growth

Building Products Australia

19% of Group assets

- First quarter earnings well ahead of the prior corresponding period, on steady sales revenue
- Solid pipeline of work for the remainder of FY21, buoyed by government stimulus measures
- Major capital projects on schedule - will improve competitive position in key markets

Building Products North America

6% of Group assets

- Sales below expectations in the first quarter of FY21
- There remains significant uncertainty in this market, with COVID-19 causing ongoing disruptions to sales activity and manufacturing operations
- Growth strategy remains on track, improved earnings expected once conditions normalise

Thankyou



Questions

Section 03



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Disclaimer

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

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