



9 February 2021

The Manager, Listings
Australian Securities Exchange
ASX Market Announcements
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Dear Sir

Results for half year ended 31 December 2020 – Investor Presentation

We attach a copy of the investor presentation in respect of Boral's half year results.

This presentation will be webcast on Boral's website at www.boral.com
from 11.00am (Sydney time) today.

For the purposes of ASX Listing Rule 15.5, the Board has authorised the release of this document to the market.

The information contained in this announcement should be read in conjunction with today's announcement of Boral's half year results and Boral's most recent annual financial report.

Yours faithfully

Dominic Millgate
Company Secretary



1H FY2021 results

Building a stronger
Boral

Half year ended
31 December 2020



Agenda

01 Introduction & operational performance

Zlatko
Todorcevski

02 Financial performance

Tino La Spina

03 Financial Framework

04 Portfolio & strategy update

Zlatko
Todorcevski

05 Outlook

06 Questions

01

Introduction & operational performance



Resetting for a stronger Boral

Solid progress to reset the business, improve returns and deliver better operating leverage

Resetting Boral's portfolio & operating model

- ✓ Sale of 50% interest in USG Boral for US\$1.015b, and Meridian Brick for US\$250m¹; both transactions expected to complete in FY21
- ✓ Sale of Midland Brick complete
- ✓ New CEO and CFO, plus Board renewal
- ✓ Established 'Transformation Program Office'
- ✓ Property portfolio opportunities

Boral Australia – good business but more to do

- ✓ Strengthening capability in sales & marketing and major projects
- ✓ Adjacent growth strategies – recycling, waste, SCMs² – and accelerating lower carbon products / technology
- ✓ Transformation program to deliver initiatives including network and supply chain optimisation
- ✓ Centralised Finance, HR, HSE, Operational Excellence

Boral North America – significant value to unlock

- ✓ Structured operational, marketing, cross-business initiatives in Building Products to substantially lift returns
- ✓ Advisors engaged to support value assessment of Building Products
- ✓ Detailed Fly Ash review undertaken – well placed in current market – focused on securing alternative supply sources

Appropriate capital structure defined through a new Financial Framework

1. Equates to US\$125m for Boral's 50% share
2. Supplementary cementitious materials (SCMs)

A Financial Framework aligned with investors

A \$300m EBIT uplift target – supported by identified business opportunities

Financial Framework defined

- Targeting ROFE > WACC throughout the cycle
- Capital allocation and capital management decision making
- Targeting top quartile TSR performance
- On FY20 results \$300m EBIT uplift (net of inflation) required to achieve ROFE > 10%¹

Transformation opportunities and pathways

- **Permanent cost reductions** eg.
 - procurement initiatives
 - supply chain optimisation program
 - network reconfiguration
- **New earnings streams** eg.
 - adjacent growth opportunities – waste, recycled products, lower carbon concrete products / technology
 - product innovation
 - BNA cross selling and distribution channel expansion
- **Optimise use of funds employed**
- **Divest assets**

**\$300m EBIT
Transformation Target
(net of inflation)**

1H FY21 we delivered²:

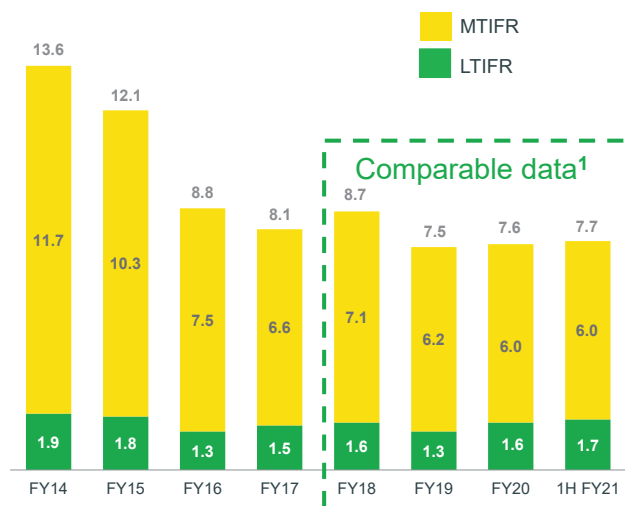
- \$32m EBIT Transformation against target (~\$83m run rate)
- \$65m gross EBIT benefit before inflation (~\$149m run rate)

1. Based on FY20 results for continuing operations (excluding USG Boral, Meridian Brick and Midland Brick)
2. Full year inflation estimate based on doubling 1H FY21 inflation; includes Boral North America contribution of US\$7m before inflation and nil net of inflation

Zero Harm

Company-wide commitment to Zero Harm Today

Employee and contractor RIFR¹



- Boral's safety performance steady with recordable injury frequency rate (RIFR) of 7.7
- Zero Harm Council focused on
 - prioritising efforts to reduce serious harm incidents
 - heavy vehicle safety
 - mental health & wellbeing
 - climate and energy
 - product stewardship
 - contractor management
 - environmental performance
 - water usage
- Efforts to minimise risk of spreading the COVID-19 virus remain a key priority
- On track to complete work to set science-based emission reduction targets in FY21

1. Recordable injury frequency rate (RIFR) per million hours worked is made up of lost time injury frequency rate (LTIFR) and medical treatment frequency injury rate (MTIFR). Includes employees and contractors in all businesses and all joint ventures regardless of equity interest from FY18. Prior years include 100%-owned businesses and 50%-owned joint venture operations only

Continuing to respond to COVID-19

Still not business as usual, with substantial impacts in North America

Target area	Actions / outcomes
Safety focus	<ul style="list-style-type: none"> Measures to help manage the risk of spreading COVID-19 continue to be a key priority: <ul style="list-style-type: none"> strict hygiene & cleaning protocols; social distancing & PPE (where required) tracking suspected and actual cases; wellbeing & support programs 84 current cases among Boral employees and 755 recovered, sadly five employee deaths in North America and one in USG Boral (Indonesia) due to COVID-19 complications¹
Business impacts	<ul style="list-style-type: none"> Focus on safely maintaining customer supply Fly Ash operating at lower available supply due to lower electricity consumption on reduced industrial activity Challenges in increasing staff in USA to support higher production levels due to COVID-related absenteeism <ul style="list-style-type: none"> lead times increased in line with industry experience maintained supply including shipping further distances as required Continued focus on strong cash flows with excellent results in 1H FY21 Stimulus benefits <ul style="list-style-type: none"> major infrastructure work in Australia remains slow to move to execution phase, but strong pipeline exists HomeBuilder program in Australia supportive of detached housing but has finite duration reform of US infrastructure and environmental policies likely to be focus under Biden Administration; awaiting details

1. As at 31 January 2021

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1H FY21 snapshot

Solid earnings result underpinned by challenging conditions and transformation initiatives

A\$m	1H FY21	1H FY20	Var %
Total operations basis			
Revenue	2,716	2,989	(9)
EBITDA ¹	486	493	(1)
EBIT ¹	254	252	1
EBIT ROS ¹	9.4%	8.4%	
Net profit after tax ¹	156	156	-
Statutory profit after tax	161	137	18
ROFE ^{1,2}	7.7%	6.1%	
Underlying EPS ¹ (cents)	12.7	13.3	(5)
Statutory EPS (cents)	13.2	11.6	14
Interim dividend (cents)	Nil	9.5	-
Continuing operations basis			
Revenue	2,703	2,960	(9)
EBITDA ¹	446	473	(6)
EBIT ¹	215	234	(8)

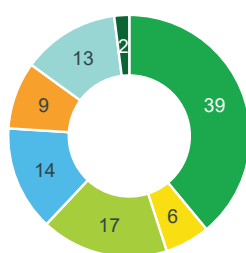
1. Excludes significant items

2. ROFE is six-month EBIT before significant items on proportional funds employed (average funds employed divided by two)

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Mixed underlying market activity

Boral Australia¹, %



- RHS&B
- Other engineering
- Non-residential
- Detached housing
- Multi-residential
- A&A
- Other

Market activity²

RHS&B ³		↑
Non-residential ⁴	9%	↓
Housing starts ⁵	0%	—
- detached	10%	↑
- multi	14%	↓
Alterations & additions ⁴	3%	↑

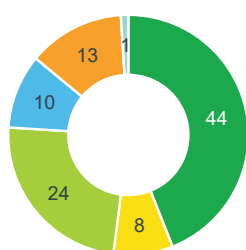
- Increase in RHS&B VWD but impacted by project delays
- Increase in RHS&B not translating into demand for construction materials as materials intensity reduced to <3% of VWD, compared to >5% in pcp, reflecting:
 - change in project activity / phase with increased tunnelling works, utility relocation and earth works
- Non-residential and multi-residential activity down; detached housing stronger
- Broad range of external housing forecasts due in part to uncertainty around stimulus / pull forward impacts
 - average estimated annualised run rate for 1H FY21 ~173,700 starts⁵

NOTES

1. Revenue by end market. Based on 1H FY21 external revenue
2. Market activity based on 1H FY21 versus 1H FY20
3. Roads, highways, subdivisions and bridges (RHS&B)
4. Average of Macromonitor (Nov-20 Outlook) and BIS Oxford Economics (Sep-20 Outlook) forecast
5. ABS original housing starts to Sep-20 quarter. Average of Macromonitor (Nov-20 Outlook), BIS Oxford Economics (Sep-20 Outlook) and HIA (Nov-20 Outlook) forecasts

Mixed underlying market activity

Boral North America¹, %



- Single-family
- Multi-family
- R&R
- Non-residential
- Infrastructure
- Other

Market activity²

Housing starts ³	11%	↑
- single family	22%	↑
- multi family	12%	↓
Repair & remodel ⁴	18%	↑
Non-residential ⁵	23%	↓
Infrastructure ⁶	3%	↓

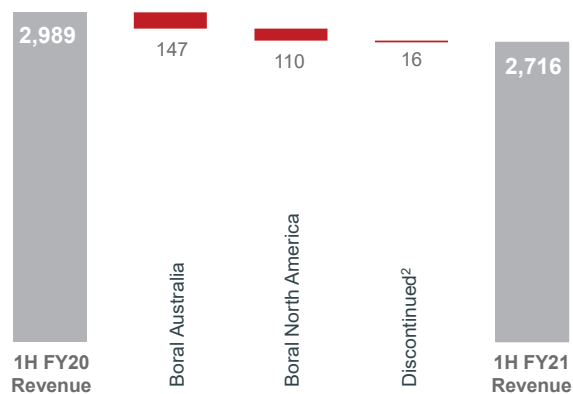
- US housing starts underpinned by strong growth in single-family starts, with 1H FY21 annualised run rate estimated at ~1.5m total housing starts
- US repair & remodel sector buoyed as quarantine orders encouraged home improvements
- Industry remains constrained due to tight labour market and high levels of absenteeism caused by the COVID pandemic
- Building products lead times remain challenging
 - ~75% of manufacturers and distributors report lead times are above normal⁷

NOTES

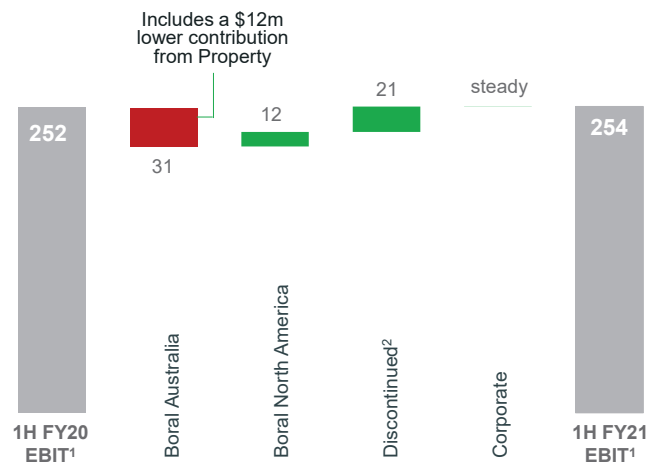
1. Revenue by end market. Based on 1H FY21 external revenue
2. Market activity based on 1H FY21 versus 1H FY20
3. US Census seasonally adjusted annualised housing starts (January 2021). Based on data up to December 2020
4. Moody's retail sales of building products, December 2020
5. Management estimate of square feet area utilising Dodge Data & Analytics December 2020 report
6. Management estimate of ready-mix demand utilising Dodge Data & Analytics December 2020 report and other industry sources
7. Building Products survey report, Zelman & Associates, January 2021

Revenue and earnings

Revenue variance, A\$m



EBIT¹ variance, A\$m



1. Excluding significant items

2. Discontinued includes Midland Brick and Boral's 50% post-tax equity accounted income from USG Boral JV and North America Meridian Brick JV

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Financial performance

Group financial performance

Solid earnings result – uncertain market conditions but underpinned by transformation initiatives

Total operations basis (A\$m) (figures may not add due to rounding)	1H FY21 ¹	1H FY20	Var %
Revenue	2,716	2,989	(9)
EBITDA ²	486	493	(1)
Depreciation and amortisation	(232)	(241)	4
EBIT²	254	252	1
Net interest	(58)	(61)	5
Tax ²	(40)	(34)	(18)
Net profit after tax²	156	156	-
Significant items (gross)	(2)	(24)	
Tax on significant items	7	4	
Statutory net profit after tax	161	137	18
Effective tax rate ²	20.6%	18.0%	

1. Refer to slides 60 to 61 for reconciliation to reported results and explanation of these items
2. Excluding significant items

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Boral Australia

Revenue and earnings impacted by lower volumes and softer prices

Continuing operations A\$m	1H FY21	1H FY20	Var %
Revenue	1,605	1,752	(8)
EBITDA ¹	250	287	(13)
EBITDA ¹ ROS	15.6%	16.3%	
EBIT ¹	128	160	(20)
EBIT ¹ ROS	8.0%	9.1%	
<i>Property</i>	17	29	(40)
EBIT ¹ excluding Property	111	131	(15)
EBIT ¹ ROS excluding Property	6.9%	7.5%	
Average funds employed	2,443	2,585	
ROFE ^{1,2}	10.5%	12.4%	

Revenue declined 8%

- lower volumes and pricing, particularly in NSW and Qld where major project work declined, and in NSW where multi-residential and non-residential activity has significantly declined
- selling prices on a like for like basis stabilised at lower levels; quarry external average selling prices were steady benefiting from a more favourable product mix

EBIT declined 20%

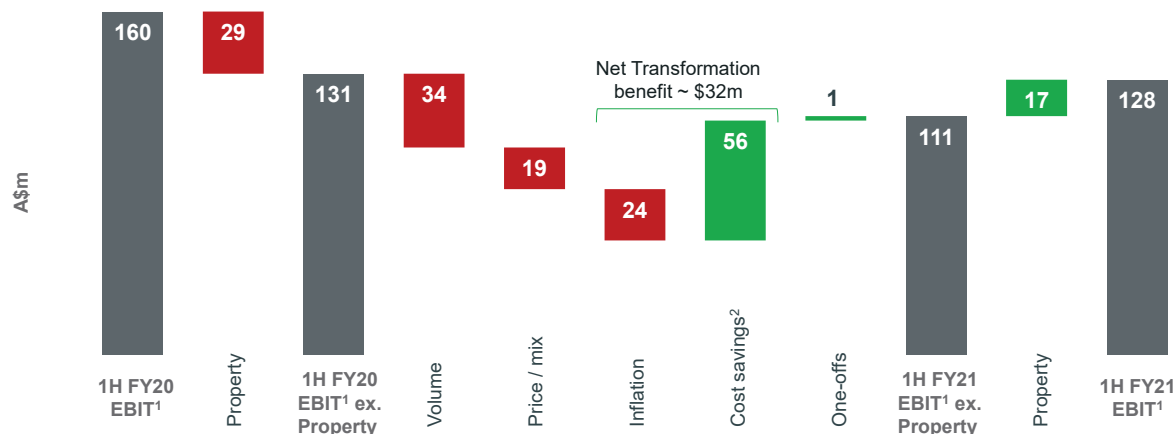
- lower volumes, due to a significantly lower contribution from major projects, especially in the December quarter
- Property contributed \$17m with the sale of the Alexandria land
- benefits from Transformation cost improvements contributed ~\$32m to EBIT net of inflation, which helped to mitigate lower volumes and pricing

1. Excluding significant items
2. Divisional ROFE is six-month EBIT before significant items on proportional funds employed (average funds employed divided by two)

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Boral Australia

Good early progress on delivering cost improvements, while lower volumes and price impacted



1. Excluding significant items
2. Cost savings delivered by Boral Australia in 1H FY21 were from permanent cost reduction initiatives

Boral North America

Margin recovery delivered through improvement initiatives and a lift in market demand

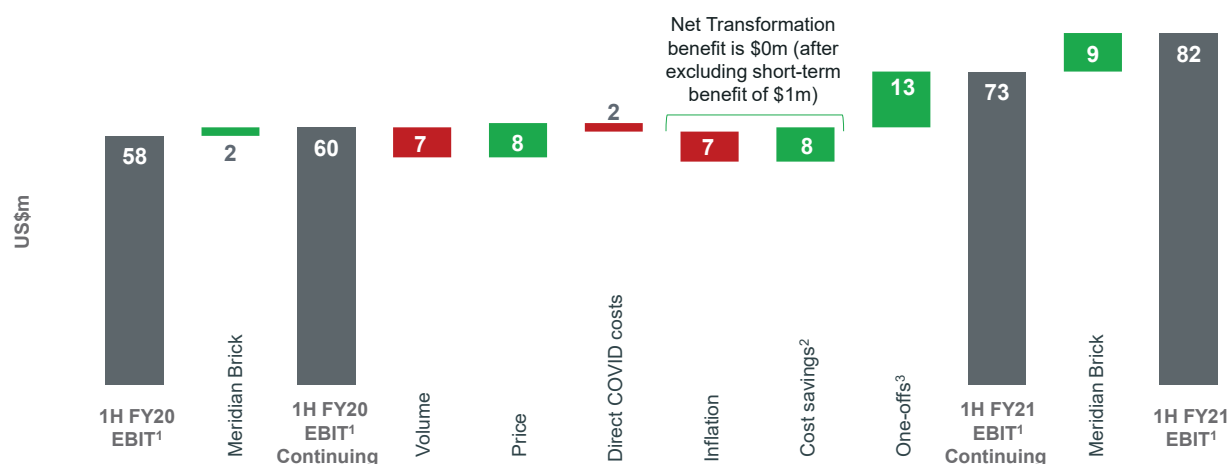
Continuing operations A\$m	1H FY21	1H FY20	Var %
Revenue	1,098	1,208	(9)
EBITDA ¹	209	199	5
EBIT ¹	100	88	14
US\$m			
Revenue	801	825	(3)
EBITDA ¹	153	136	12
EBITDA ¹ ROS	19.0%	16.5%	
EBIT ¹	73	60	22
EBIT ¹ ROS	9.1%	7.3%	
Average funds employed	2,253	3,076	
ROFE ^{1,2}	6.5%	3.9%	

- US\$ revenue declined 3%
 - higher revenues in Light Building Products and Stone, were offset by lower Fly Ash and Windows revenue
 - strong volume growth in Light Building Products, Stone and Roofing primarily in the December quarter
- EBIT grew 22%
 - a property sale and higher one-off costs in prior year. Excluding these, underlying EBIT was broadly steady on lower revenues
 - focus in 1H FY21 was on ramping up production to supply growing demand
 - Transformation benefits of US\$7m offset inflation with strengthening opportunities in the pipeline for Transformation
 - Building Products benefited from good like-for-like price outcomes

1. Excluding significant items and Boral's equity accounted income from Meridian Brick joint venture
2. Divisional ROFE is six-month EBIT before significant items on proportional funds employed (average funds employed divided by two)

Boral North America

1H FY21 focus was on meeting higher market demand by increasing production volumes



Note that the indirect impacts of COVID as a result of low inventories and labour constraints dampened revenue and EBIT growth in 1H FY21

1. Excluding significant items. Note that 1H FY21 does not include the indirect market impacts of COVID
2. Cost savings delivered by Boral North America in 1H FY21 split between transformation (US\$7m) and short-term / temporary benefits (US\$1m)
3. Primarily relates to ~US\$5m profit on sale of property and prior period one-off costs previously disclosed

USG Boral

A\$m	1H FY21	1H FY20	Var %
Reported result			
Equity income ^{1,2}	28	23	22
Underlying result			
Revenue	730	812	(10)
EBITDA ²	134	127	5
EBITDA ² ROS	18.3%	15.7%	
EBIT ²	79	75	6
EBIT ² ROS	10.8%	9.2%	
Average funds employed	2,001	2,092	
ROFE ^{2,3}	7.9%	7.1%	

- Boral's 50% interest in USG Boral included as part of discontinued operations
- USG Boral contributed \$28m of EBIT compared with \$23m in the prior year first half
- Sale of 50% interest in USG Boral for US\$1.015b, expected to close in FY21

1. Post-tax equity income from Boral's 50% share of USG Boral JV
2. Excluding significant items
3. Divisional ROFE is six-month EBIT before significant items on proportional funds employed (average funds employed divided by two)

Cash flow

Strong cash flow performance contributes to strengthened balance sheet

A\$m (figures may not add due to rounding)	1H FY21	1H FY20
EBITDA ¹	486	493
Change in working capital and other	21	(102)
Property development receivable	-	(30)
Interest and tax	(69)	(90)
Equity earnings less dividends	2	(6)
Other items - including profit on sale of assets	(25)	(3)
Restructuring, transaction & integration payments	(24)	(25)
Operating cash flow	391	237
Repayment of lease principal	(43)	(46)
Capital expenditure	(123)	(189)
Proceeds on disposal of assets	108	33
Free cash flow	333	35
Dividends paid	-	(158)
Cash flow	333	(123)

Free cash flow higher with strong focus on cash flow generation continuing through 1H FY21

- Steady underlying business performance
- Net working capital inflow of \$21m primarily resulting from lower inventories and debtors partially offset by a reduction in payables
- Capital expenditure \$66m lower
- Net proceeds of \$108m includes \$69m received on disposal of Midland Brick and \$24m from Alexandria property sale

1. Excludes significant items

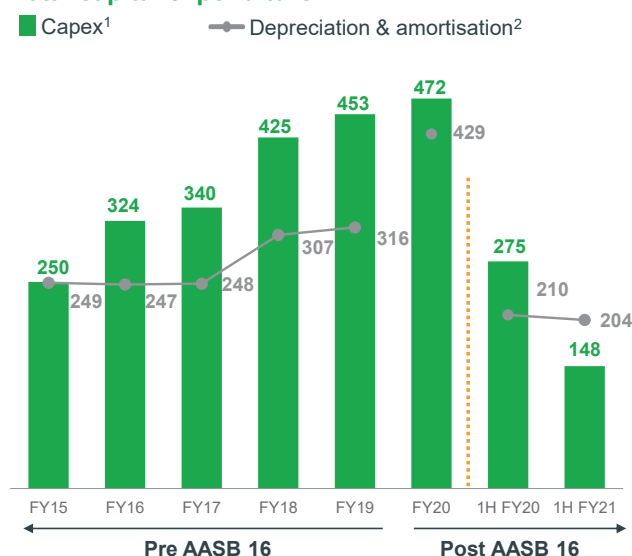
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Capital expenditure

Disciplined reinvestment in the business

- 1H FY21 total capital expenditure of \$148m
 - \$123m of capital acquisitions
 - \$25m of lease additions
- Boral Australia
 - Port of Geelong clinker grinding & storage
 - Tarong Fly Ash
- Boral North America
 - Kirkland natural pozzolan grinding
 - Miller ash collection upgrade
- FY21 capital expenditure outlook ~\$350m, including lease additions

Total capital expenditure



1. Capital expenditure for FY20 and 1H FY21 includes lease additions
2. Excluding amortisation of acquired intangible assets

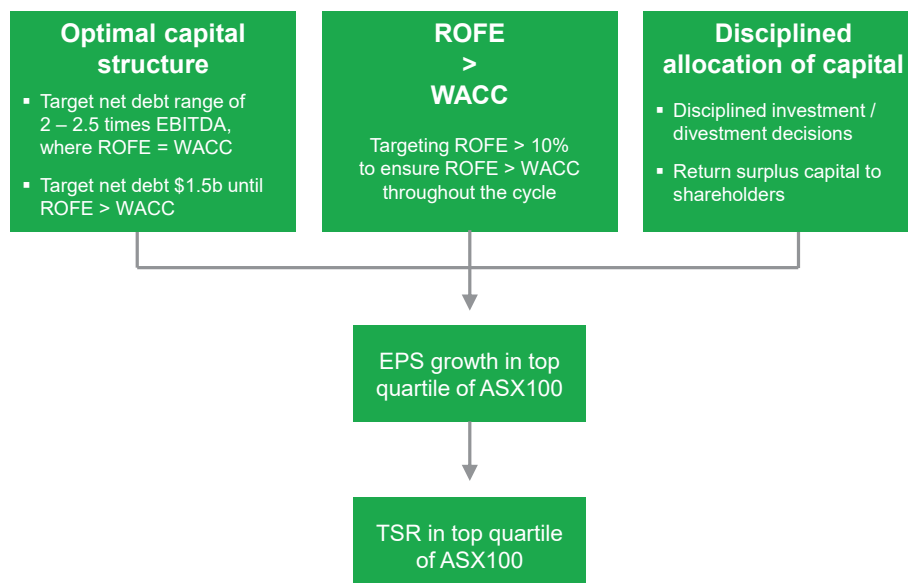
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03

Financial Framework

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Disciplined Financial Framework aligned with investors

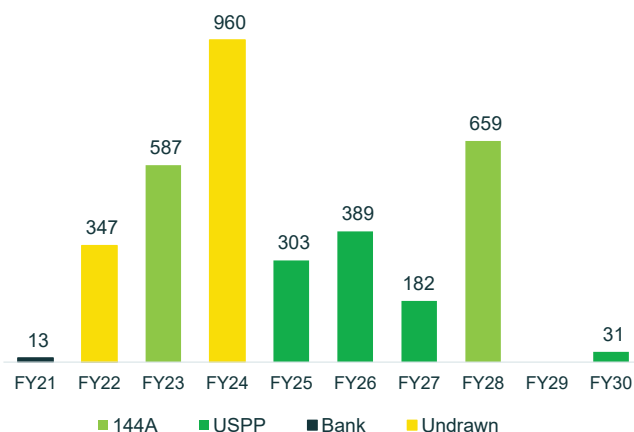


Optimal capital structure

Target net debt of 2 – 2.5 x EBITDA including leases

- Optimal net debt range (including leases) is 2 – 2.5 x EBITDA, equivalent to \$2.0 - \$2.5b where ROFE = WACC
- Targeting bottom of the range for flexibility
- Current targeted net debt of \$1.5b as ROFE is currently less than WACC
 - Target based on the last 12 months of continuing operations EBITDA of around \$750m
- Net debt (incl. leases) at 31 Dec 2020 of \$1.94b is above target net debt target of \$1.5b
 - continue to reduce leverage to bottom of the range
 - proceeds from USG Boral divestment will reduce net debt below bottom of the net debt range
- Short-term liquidity at 31 Dec 2020 of ~\$1.87b, including cash of \$558m

Debt maturity profile at 31 Dec 2020
A\$m

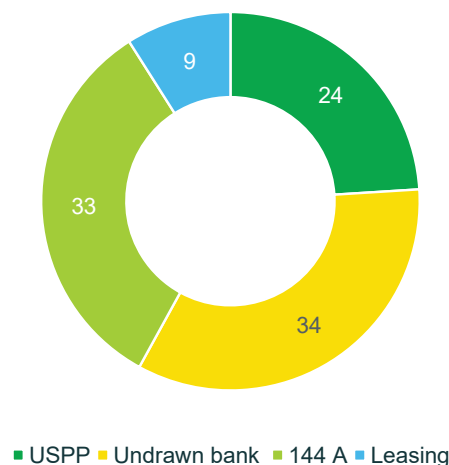


Debt capital

Diverse sources of long-term funding

- Weighted average tenor of 4.2 years
 - next debt maturity US\$450m Nov 2022
- Undrawn committed bank facilities ~US\$1b
 - ~US\$268m due to refinance in May 2022, currently undrawn
- Financial covenants at 31 Dec 2020:
 - gross gearing¹ of 34%, well below 60% limit
 - minimum tangible net worth of \$2.5b, above \$1.75b minimum required
- Will consider restructuring debt to:
 - optimise liquidity and minimise cost of holding higher cash and higher gross debt
 - minimise costs of early termination of debt (make whole), to allow efficient gross debt reduction

Debt sources as 31 Dec 2020, %



1. Gross gearing calculated and presented as defined by gearing covenant

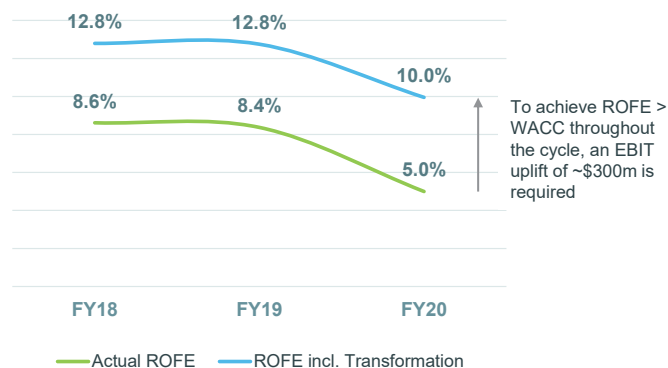
ROFE > WACC throughout the cycle creates value

With FY20 ROFE < WACC, targeting an EBIT uplift of ~\$300m (net of inflation)

Current priorities

- Become leaner, more nimble, more cost efficient
- Optimise performance of existing assets
- Invest in ROFE accretive opportunities
- Generate above WACC returns to create value
 - targeting ROFE > 10% to ensure ROFE > WACC throughout the cycle
 - operating leverage to deliver mid teens ROFE mid cycle and high teens ROFE at top of cycle
- Transformation to bridge FY20 EBIT gap and inflation
 - EBIT shortfall of ~\$300m (net of inflation)
 - ~\$300m of transformation required to deliver ROFE > WACC throughout the cycle

FY18 – FY20 ROFE^{1,2}

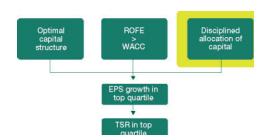


1. Excluding significant items
2. EBIT and funds employed exclude USG Boral joint venture. Funds employed are as at 30 June in relevant financial year

Disciplined capital allocation

Surplus capital to be returned to shareholders

- Balance sheet strength is a priority
 - net debt is currently above the target of \$1.5b
 - focus remains on debt reduction
- Post receipt of proceeds from USG Boral and Meridian Brick divestments, net debt will fall below the target, creating surplus capital
 - on a proforma basis after expected net proceeds from USG Boral and Meridian Brick, Boral's surplus capital is in the vicinity of \$1b¹ at 31 December 2020
- Subject to any additional ROFE accretive opportunities, surplus capital will be available for distribution to shareholders
- Manner of distributing surplus capital to shareholders will consider the circumstances at the time:
 - availability of franking credits
 - share price



1. Assumes USD/AUD of 0.77 on a proforma basis at 31 December 2020

04

Portfolio & strategy update

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Building a stronger Boral

Solid progress made to strengthen Boral's competitive advantage and improve returns

Target area	Actions / outcomes
Portfolio actions & operating model	<ul style="list-style-type: none">▪ Comprehensive portfolio review completed – identified opportunities and priority areas▪ Divestments of 50% interest in USG Boral; 50% interest in Meridian Brick; and Midland Brick, will result in streamlined portfolio and substantially strengthened balance sheet▪ Will test third party interest in North America Building Products▪ Detailed Fly Ash review undertaken – maturing plans to grow targeted alternative supply sources▪ Improving operating rhythm and structure including centralisation of functions in Australia to streamline business, reduce duplication, strengthen capability and better serve our customers▪ Property portfolio – review underway to explore opportunities and long-term network plan
Transformation	<ul style="list-style-type: none">▪ Financial Framework – provides a clear guide for disciplined capital allocation and decision making▪ Targeting \$300m of EBIT Transformation benefits to deliver ROFE > WACC throughout the cycle▪ Boral Australia – business improvement program including network and supply chain optimisation; adjacent growth strategies prioritised▪ Boral North America – structured operational, marketing, cross business initiatives in Building Products to substantially lift returns

Divestments

Divestments in 1H FY21 resulted in a more focused geographic footprint & product portfolio

USG Boral – substantial value creation

- Announced 27 October 2020
- Boral to sell its 50% interest in USG Boral for US\$1.015b
- Attractive multiple of 15.1x FY2020 normalised EBITDA¹ and ~11.3x FY2019 EBITDA¹ (based on Boral's 50% share of 2019 EBITDA for JV)
- Agreement is binding, and only subject to typical conditions precedent including Australian / New Zealand regulatory approvals
- Transaction expected to close in FY2021

Meridian Brick – divestment in line with strategy

- Announced 18 December 2020
- Boral and JV partner Lone Star to sell its North American based Meridian Brick business to Wienerberger for US\$250m; equates to US\$125m for Boral's 50% share
- Transaction subject to customary adjustments
- Transaction targeted to close in FY2021

Final cash proceeds from divestments will be applied to reduce net debt to target level. Subject to prevailing conditions and other reinvestment opportunities, surplus capital will be available for distribution to shareholders

1. Excluding significant items and the impact of IFRS leasing standard (AASB 16). FY20 multiple based on reported EBITDA for USG Boral of A\$190m 'normalised' to adjust for A\$10m reported COVID related production impacts and converted at FY20 AUD/USD exchange rate of 0.6703. FY19 multiple based on reported EBITDA for USG Boral of A\$252m converted at FY19 exchange rate of 0.7145.

Fly Ash review outcomes

Boral's fly ash business is well positioned as industry transitions away from coal energy

Key conclusions of detailed study

- **Strong demand for fly ash**, continued growth expected
- **Supply of fresh fly ash is falling** as US energy market transitions from coal; fly ash shortages may occur in some regions
- **Fly ash sold as a proportion of fly ash produced has grown and should continue to grow**, helped by beneficiation, storage and grinding & blending (from ~25% in 2005-10 to ~38% in 2020)
- **Fly ash prices should continue to outperform** cement, and will help to mitigate higher costs and volume declines in transition years
- **~2 billion tons of viable ash buried**, with ~220m tons identified as being within Boral's key regions
- **Harvested fly ash and imports are alternatives**; **natural pozzolans** also viable but at lower, regionally focused volumes

An attractive cash generating business

- **Boral has ~ 50% of total marketed fly ash but has 61% of fly ash contracts with utilities on the lowest third of the plant cost curve¹**
- **Attractive opportunities** for supply alternatives in geographies **where Boral has good networks**: harvesting, importing and natural pozzolans



Boral North America's landfill reclaim operation at Montour, Pennsylvania

1. Utility cost curve developed by Wood Mackenzie

Fly Ash business priorities

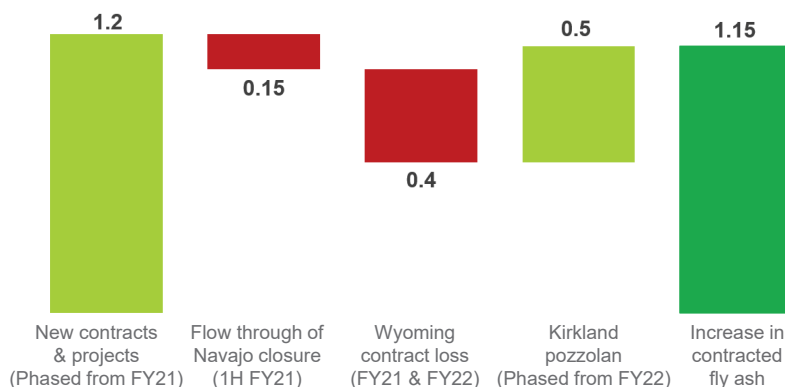
Our strategy is to strengthen the Fly Ash business and to leverage opportunities for the long term

Priorities

- **Strengthen and manage portfolio** of contracts
- Focus on **margins / price** as supply reduces and demand strengthens
- Progress **Kirkland natural pozzolan** project (US\$35m capital project due to complete Jun-21)
- **Expedite** plans to secure **alternative fly ash supply** sources particularly harvesting and imports

New Fly Ash contracts and sources will grow current volumes, million tons per annum

Note that volume movements associated with temporary utility outages and periods of lower energy demand and recovery of these volumes are not captured below



Transformation improvements

Target to achieve \$300m of EBIT Transformation improvements (net of inflation)



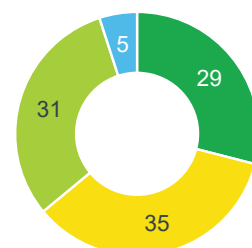
1. Full year inflation estimate based on doubling 1H FY21 inflation

Boral Australia

Permanent cost reductions contributing to Transformation benefits

Focus areas	Example initiatives
Cost efficiencies	<ul style="list-style-type: none"> Centralisation of functions to reduce duplication, focus operations and reduce overheads Labour and human capital programs delivering cost savings Additional procurement initiatives delivering benefits and more to come Quarry performance improvement program commenced to lift OEE¹
Supply chain	<ul style="list-style-type: none"> Supply chain initiatives delivering improving productivity of tippers, tankers and concrete agitators and contributed to 1H FY21 cost reductions
Network optimisation	<ul style="list-style-type: none"> 17 under-utilised plants / sites mothballed or closed Concrete network portfolio review commenced, to be completed in 2H
Customer focus	<ul style="list-style-type: none"> Strengthening sales & marketing capability Enhancing customer experience – including Boral Connects
Sustainable products	<ul style="list-style-type: none"> Accelerate marketing of lower carbon and recycled products / technology Strengthening alignment of innovation initiatives / R&D with customer needs
Adjacent growth	<ul style="list-style-type: none"> Development of recycling and waste strategies underway including SCM Acceleration of lower carbon products / technologies

~\$56m of gross Transformation benefits in 1H FY21, %



- Labour costs
- Value Improvement Program²
- Procurement
- Supply chain

1. Overall Equipment Effectiveness

2. Value Improvement Program (VIP) includes Operational Excellence and site-based improvement initiatives, and site closures

Boral North America

While focus has been on capturing market upside and rebuilding inventories, plans in place to deliver significant transformation benefits

Focus areas	Example initiatives
Operational improvements	<ul style="list-style-type: none"> Lean driven operational improvements in Light Building Products, Stone, Roofing and Windows to strengthen production efficiencies and reduce costs Execution of plans being impacted by COVID disruptions Continued network optimisation in Fly Ash
Cost efficiencies	<ul style="list-style-type: none"> Recruitment strategies to attract and retain staff and reduce turnover External support engaged to strengthen processes and coordinate identified initiatives Expanded procurement program underway
Customer focus and marketing	<ul style="list-style-type: none"> Expanding trim & siding distribution channels and pull through activities Enhancing customer experience Improved go-to-market strategies in Stone to fully address post-integration channel and brand opportunities and challenges New component products and an expanded offering for customers in Roofing, including targeted sales growth strategy in stone coated metal Piloting cross-selling efforts with national builders
Product innovation	<ul style="list-style-type: none"> Collaboration with Innovation Factory to develop lower cost production scenarios Innovation through new to market products – both Boral and third party manufactured

05

Outlook

BORAL

FY2021 outlook

- While there is continued uncertainty in Australia, expect **strong housing demand in North America to continue**
- With Transformation initiatives delivering \$65m of gross benefits in 1H FY21, **expect full year FY21 Transformation benefits to be around \$170-\$190m before inflation**

Boral Australia

- **Underlying market conditions are uncertain** for remainder of FY21 with continued weakness in multi-residential and non-residential activity
- **Housing approvals in December were strong**, however, it is unclear whether increase in approvals is sustainable or a stimulus-driven pull forward of demand
- **FY21 expected to be a transitional period for major projects** as current projects have relatively low concrete and asphalt intensity and new projects are slow to move into execution
- At this stage, **do not expect EBIT margins (excluding Property) in 2H FY21 to grow relative to 1H FY21**
 - Benefits from Transformation initiatives (net of inflation) expected to offset impacts of adverse market conditions in 2H relative to 1H
- **FY21 Property earnings** expected to be below long-term average of ~\$35m EBIT

Boral North America

- **COVID-related disruptions expected to be considerably less** compared with 2H FY20 when impacted by mandated closures
- **Order book at the end of December looks good**; Building Products volumes expected to increase to better meet strong market demand, resulting in reduced lead times
- **Price increases** announced late in 1H FY21 **expected to deliver benefits in 2H FY21**
- **In 2H FY21, Fly Ash expected to be impacted by:**
 - continued COVID-related utility slowdowns and intermittent shuts
 - **typical 2H seasonality impacts** that result in lower earnings and margins relative to 1H, **exacerbated by loss of high margin Wyoming contract lost** in Oct-20
 - lower site services revenue on pcq
- **In FY21, Fly Ash volumes** expected to be lower than FY20 ahead of new volumes available from FY22

BORAL

FY2021 outlook (continued)

- Contribution from **discontinued operations** is expected to be **significantly lower in 2H FY21** relative to 1H FY21 due to lower underlying earnings. We continue to expect that the **divestments will close in FY21**
- Boral's effective tax rate¹ expected to be in the range of 21–22%
- Boral's total **financing costs** expected to be **~4.5–4.7% pa** on gross debt value (including leases)
- Boral's **corporate costs** in 2H FY21 expected to be broadly in line with 1H FY21, at ~\$14m
- **Capital expenditure** for FY21 expected to be around \$350m (including new leases)

1. Excluding significant items

06

Questions

07

Supplementary information

BORAL

Boral Group: snapshot

Australian based, ASX listed international building and construction materials group

A\$6.6b

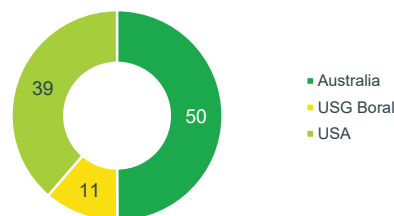
market capitalisation¹
S&P/ASX 100 company

17
countries²

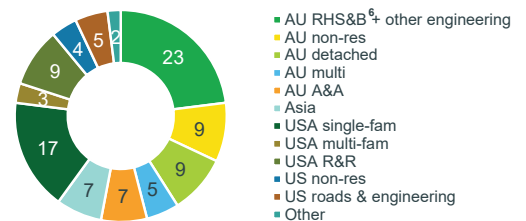
~646
operating sites²

15,899
employees³

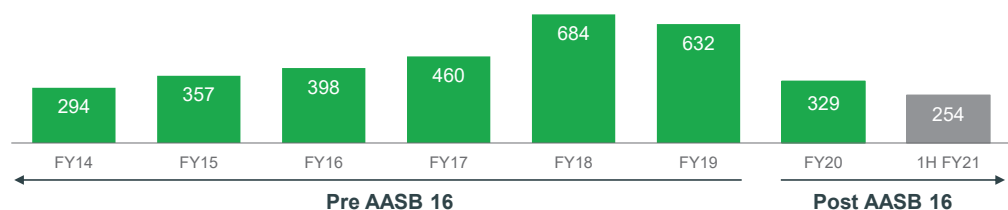
1H FY21 revenue by division⁴, %



1H FY21 revenue by end market⁴, %



EBIT⁵, A\$m



1. As at 8 February 2021

2. As at 30 June 2020

3. Full-time equivalent employees, including in joint ventures, as at 31 December 2020

4. Includes Boral's 50% share of underlying revenue from USG Boral and Meridian Brick joint ventures, which are not included in Group reported revenue

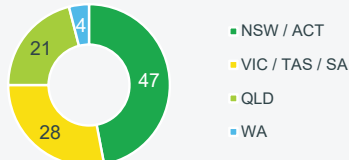
5. Excluding significant items

6. RHS&B: Roads, highways, subdivisions & bridges

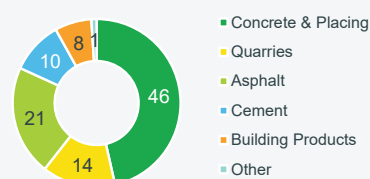
Boral Australia

Diversified geographic exposure across construction materials

1H FY21 revenue by region¹, %

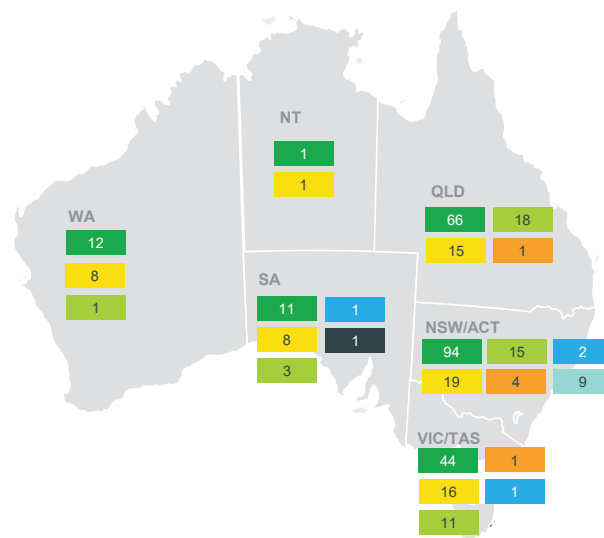


1H FY21 Revenue by business^{1,2}, %



379 operating sites³

Concrete & Placing	228
Quarries	67
Asphalt	48
Cement ⁴	6
Roofing	4
Timber ⁵	9
Masonry	1

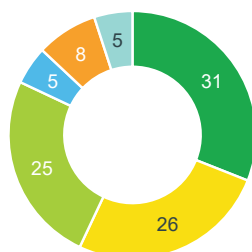


1. Boral Australia external revenue for the half year ended 31 December 2020
2. Other includes transport and landfill revenues
3. At 30 June 2020. Includes transport, recycling, fly ash and R&D sites. Concrete and asphalt sites include mobile plants. Excludes mothballed plants

4. Includes cement manufacturing, grinding, bagging and lime plants in NSW, a clinker plant in Victoria and a clinker grinding JV in Queensland
5. Includes eight Boral Hardwood mills and one JV softwood operation

Boral Australia

Boral Australia \$1.4b 1H FY21 cash cost base, %



- Raw materials
- Payroll
- Logistics
- Other costs
- Repairs & maintenance
- Energy & fuel

- **Inflationary cost impacts:** ~\$24m
- **Raw material costs:** internationally traded clinker prices increased in line with Asian markets and FX
- **Logistics:** supply chain optimisation program delivered ~\$3m of savings in 1H FY21
- **Energy and fuel:** benefited from lower electricity, gas and diesel prices

Boral Australia

Vertically integrated positions in key regions, especially in large East Coast states

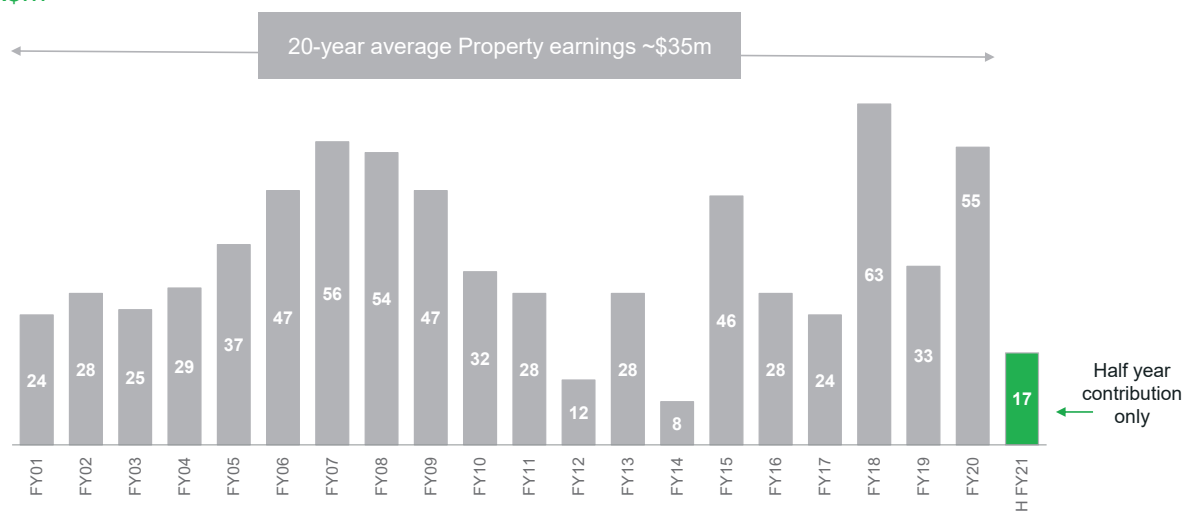


- Includes Boral's share of 1.5m tonnes of grinding capacity in 50% owned Sunstate Cement JV
- Based on recent historical average
- For sand and aggregates only

Property is an ongoing contributor to earnings

Boral has a strong track record of delivering returns from property assets

Property EBIT¹ A\$m

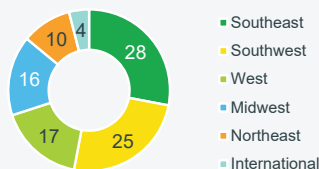


1. Excluding significant items (e.g. divestment proceeds from Deer Park Landfill) and ongoing landfill royalties

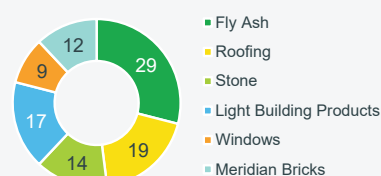
Boral North America

Strong national networks in building products and fly ash

1H FY21 revenue by region^{1,2} %

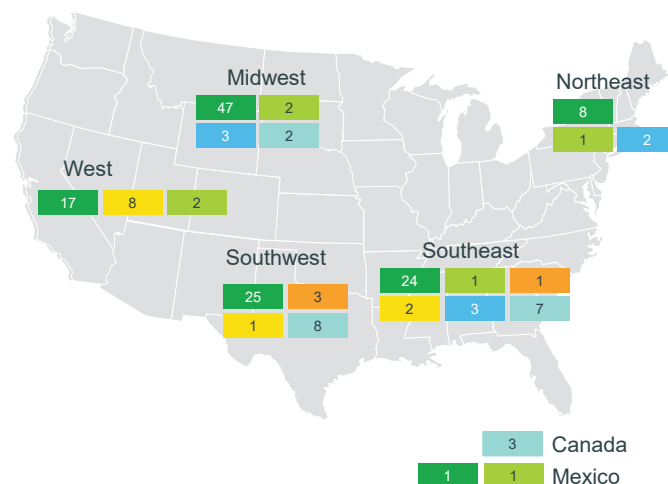


1H FY21 revenue by business¹ %



214 operating sites³

Fly Ash	122
Roofing	11
Stone	7
Light Building Products	8
Windows	4
Meridian Brick	20

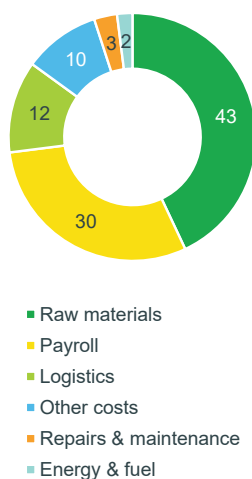


1. Based on external revenue, including Boral's 50% share of Meridian Brick JV revenue, which is not included in reported revenue
2. Southeast – AL, FL, GA, KY, MS, NC, SC, TN, VA, WV; Southwest – AR, LA, OK, TX; West – AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY; Midwest – IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI; Northeast – CT, DC, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VT.
3. At 30 June 2020. Includes 38 clay mines and four R&D sites. Excludes mothballed plants and distribution locations

BORAL | 45

Boral North America

Boral North America US\$676m 1H FY21 cash cost base, %¹



- Overall cost inflation of ~US\$7m
- Raw materials costs:** Increased raw material inflation due to capacity constraints across the entire value chain
- Labour:** Tight labour market conditions due to increased demand for labour in manufacturing, coupled with COVID-19 related absenteeism resulted in higher costs
- Logistics:** High demand across the entire industry driving freight and transportation costs up ~3% yoy
- Energy and fuel:** Moderate energy consumption offset by favourable diesel prices bringing costs in-line with prior year

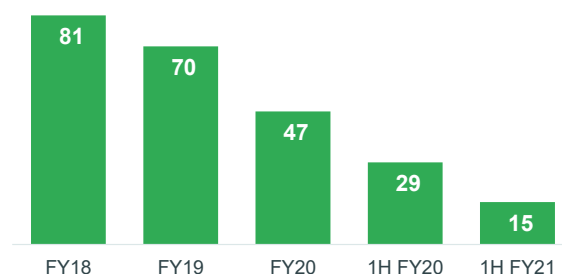
1. Excluding Meridian Brick JV. Total cost base represents continuing operations less depreciation

BORAL | 46

Boral North America – Building Products overview

Financial overview US\$m	FY18 ¹	FY19 ¹	FY20	1H FY20	1H FY21
Revenue					
Roofing	320	367	332	174	174
Stone	268	269	244	125	128
Light Building Products	276	277	279	143	151
Windows	150	157	185	93	81
Building Products Revenue	1,014	1,070	1,040	535	534
Building Products EBITDA²	169	186	161	88	106
EBITDA² margins, %	16.7	17.4	15.5	16.4	19.9

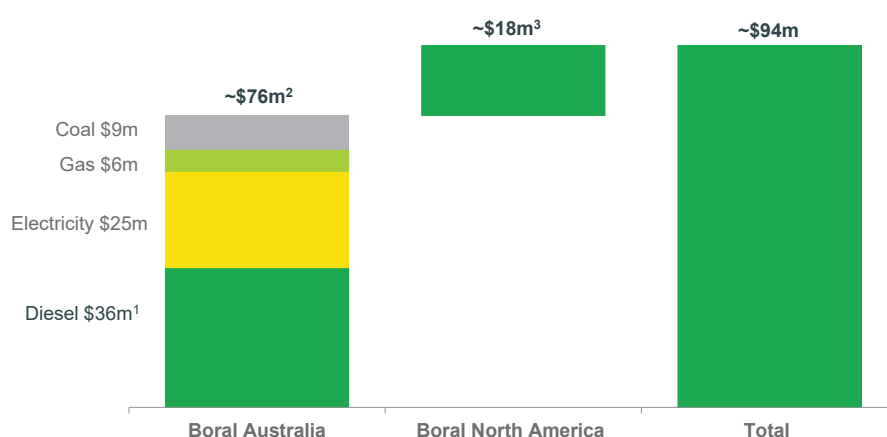
Capital expenditure³, US\$m



1. FY18 and FY19 includes Windows adjustment
2. Excludes divisional overheads
3. Capital expenditure based on reported investing cash flows to ensure comparability between periods

Boral's energy and fuel costs

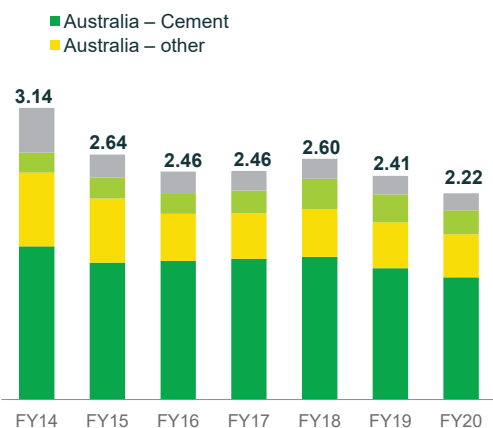
Total energy and fuel costs (continuing operations) – 1H FY21 A\$m



1. Net of fuel tax rebates
2. Excludes Midland Brick
3. Excludes the Meridian Brick JV energy costs. US energy costs converted at 1H FY21 AUD/USD exchange rate of 0.7295

Building a sustainable business for the long term

Greenhouse gas emissions from operations¹ (million tonnes CO₂-e)



Scope 1 and 2 GHG emissions reduced by 8% to 2.2 million tonnes CO₂-e

FY2020 reports published



FY2021

- Continued focus on improving safety
- Setting further sustainability objectives and targets
- Completing work to set science-based emission reduction targets aligned with Paris Agreement
- Strengthening culture around innovation and customer solutions, and ensuring Boral is a great place to work

External recognition

MEMBER OF
Dow Jones Sustainability Indices
In collaboration with S&P Global

FTSE4Good
Constituent of FTSE4Good Index Series

MSCI
ESG RATINGS
 AA
As of 2020, Boral received an MSCI ESG Rating of AA

1. GHG emissions from operations excludes some joint ventures, which in aggregate are not deemed to have material emissions

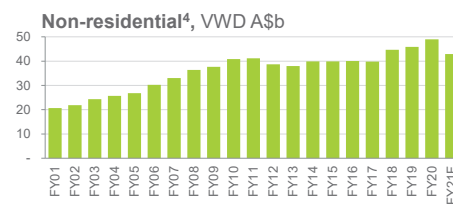
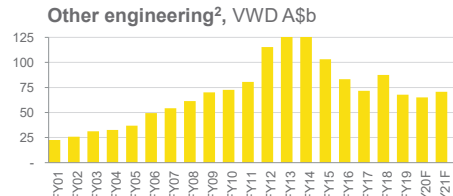
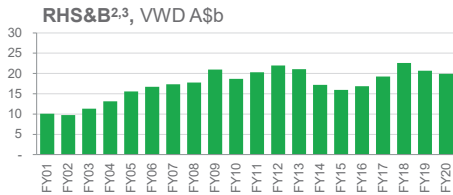
08

Market data

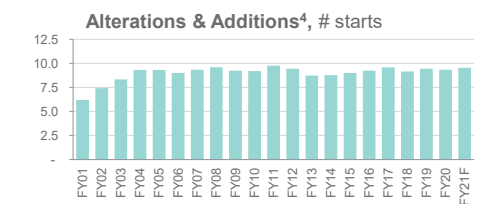
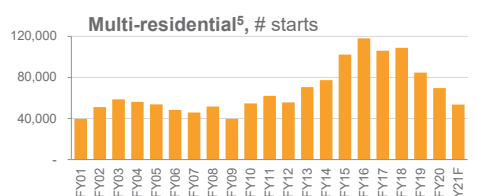
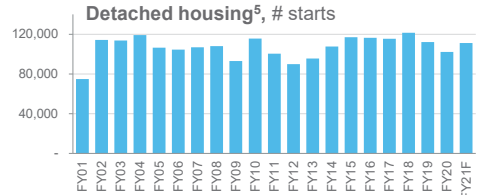
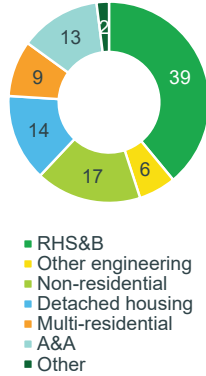
Australia and US

Boral Australia's market segments

Revenues are derived from various market segments



1H FY21 External revenue by end-market¹, %

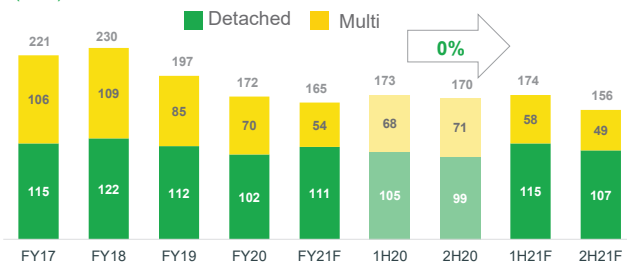


1. Based on split of 1HFY21 Boral Australia external revenue
2. Source: ABS, BIS Oxford Economics (Sep-20 Outlook) and Macromonitor (Nov-20 Outlook) forecasts
3. Roads, highways, subdivisions and bridges

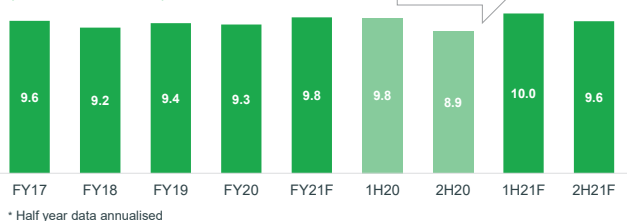
4. Source: original series from ABS to Sep-20, BIS Oxford Economics (Sep-20 Outlook) and Macromonitor (Nov-20 Outlook) forecasts
5. Source: ABS, BIS Oxford Economics (Sep-20 Outlook) and Macromonitor (Nov-20 Outlook) forecasts and HIA forecasts (Nov-20 Outlook)

Australian residential construction decline

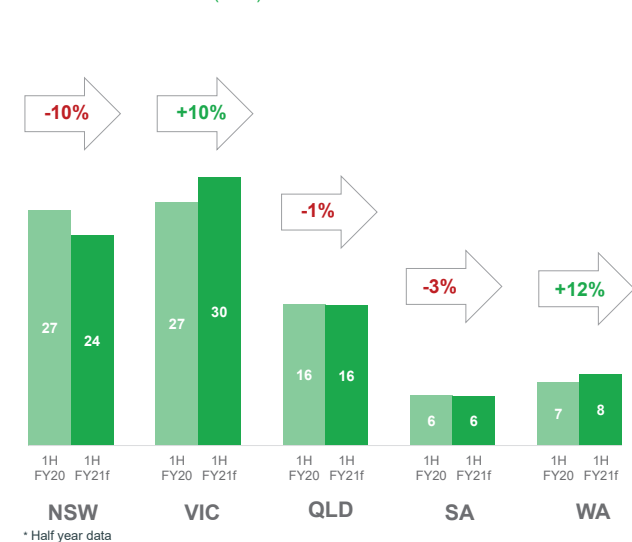
Total housing starts¹
(‘000)



Alterations & additions²
(value of work, \$b)



Housing starts – by state¹
1H FY21F vs 1H FY20 ('000)



1. Original series housing starts from ABS to Sep-20 quarter. Average of BIS Oxford Economics, Macromonitor and HIA forecast for Jun-21 year
 2. Original series from ABS. Average of BIS Oxford Economic and Macromonitor forecast for Jun-21 year. % change 1H20F vs 1H21F
- Note: Figures may not add due to rounding
Note: Macromonitor (Nov-20 Outlook), BIS (Sep-20 Outlook) & HIA (Nov-20 Outlook)

Selection of Aus. project work and potential pipeline

Project¹

Status²

Norfolk Island Airport	
Melbourne Metro Rail Project (Precast), Vic	
RAAF East Sale, Vic	Complete H1 FY21
Karratha Tom Price Road, WA	
Queens Wharf – resort development, Qld	
Mordialloc Bypass, Vic	
West Gate Tunnel, Vic	Est. completion FY22
Snowy Hydro 2.0, NSW (precast)	
Sydney Metro (Martin Place Station), NSW	
WestConnex 3B (above ground), NSW	Est. completion FY24
Road Asset Management Contracts, Qld	
Bruce Highway Upgrade (Various), Qld	
Gold Coast Light Rail, 3A, Qld	
Golden Plains Wind Farm, Vic	Tendering
Kidston Hydro Project	
Inland Rail Project, Qld, NSW, Vic	

Project¹

Status²

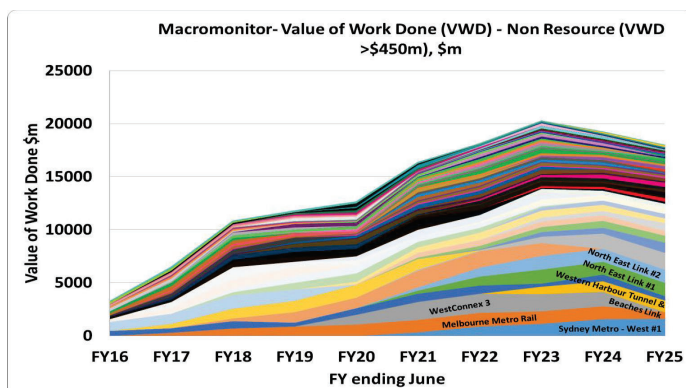
M6 – Kogarah, NSW	
Monash Freeway Upgrade – Stage 2, Vic	
North East Link, Melbourne, Vic	
Pacific Motorway M1 (various), SE Qld	
Snowy Hydro 2.0, NSW	Tendering
Sydney Gateway Project, NSW	
Tonkin Highway extension, WA	
Western Sydney Airport, NSW	
Bunbury Outer Ring Road, WA	
Coffs Harbour Bypass, NSW	
New M12 Motorway, NSW	Pre-tendering
Sydney Metro, West extension, NSW	
Warringah Freeway Upgrade, NSW	

1. Boral's major projects are generally defined as contributing >\$15m of revenue to Boral
2. As at December 2020

A strong medium term pipeline

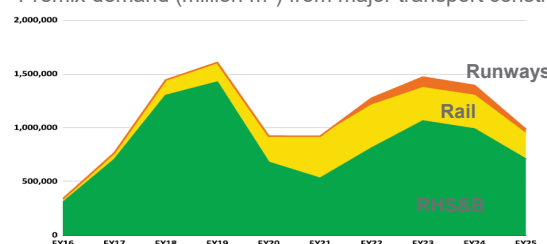
While the pipeline is strong, the shifting nature of work is changing materials intensity

Major transport infrastructure projects¹ (A\$m)



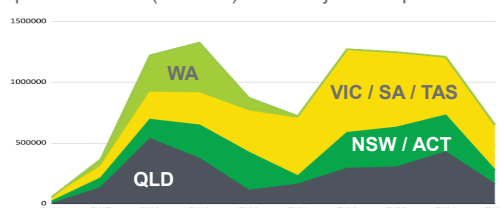
Softer concrete volumes driven by more tunnelling

Premix demand (million m³) from major transport construction¹



Growing asphalt volumes driven by Vic demand

Asphalt demand (million t) from major transport construction¹

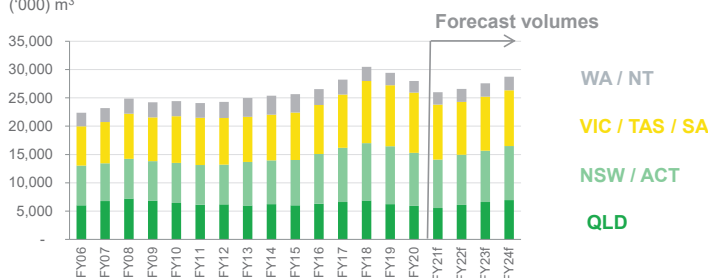


1. Macromonitor Major Projects (Non Resource), VWD >\$450M - October 2020 Final Forecasts

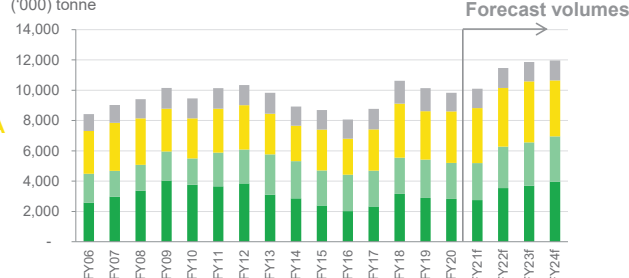
Concrete and asphalt demand in Australia

Macromonitor forecast¹ demand across all Australia construction markets

Pre mix concrete demand¹
(‘000) m³



Asphalt demand¹
(‘000) tonne



- Macromonitor forecasts Concrete volumes to soften before moderating back to FY17 levels by FY24
- ~0.7% CAGR² in concrete volumes forecast FY20 to FY24

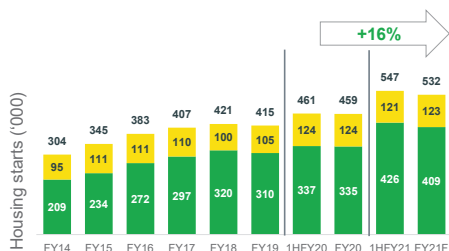
- Macromonitor forecasts Asphalt volumes to be steady in FY21 and remain at high levels to FY24
- ~5.1% CAGR² in asphalt volumes forecast FY20 to FY24

Depending on phasing of projects and given Boral's large share of major projects, Boral's change in FY21 volumes on FY20 could be different to what Macromonitor is forecasting

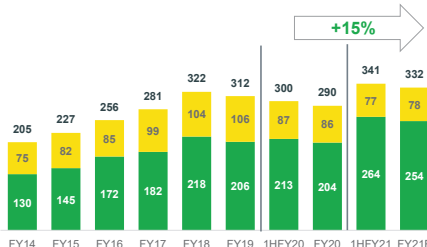
1. Macromonitor Construction Materials forecast (Nov 2020 outlook)
2. Compound annual growth rate

US housings starts by region

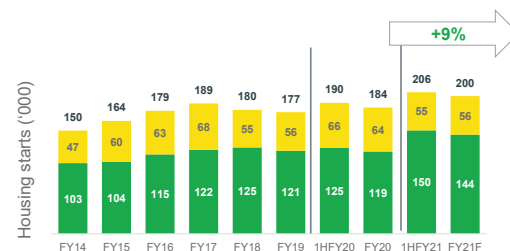
Southeast – 28% of Boral's US revenue^{1,2}



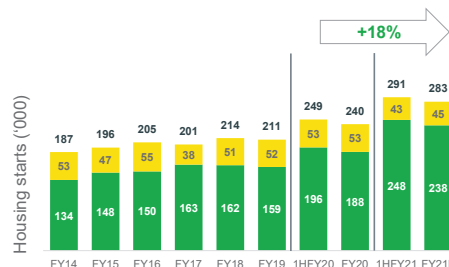
West – 17% of Boral's US revenue^{1,2}



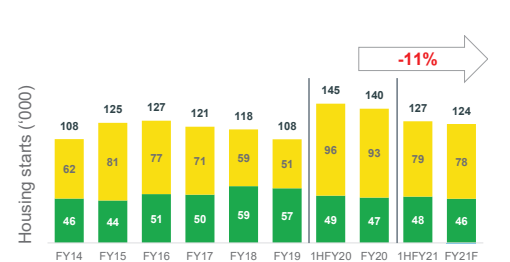
Midwest – 16% of Boral's US revenue^{1,2}



Southwest – 25% of Boral's US revenue^{1,2}



Northeast – 10% of Boral's US revenue^{1,2}



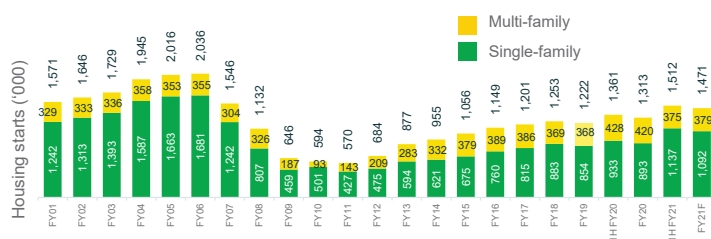
Multi-family
Single family

1. US Census seasonally adjusted annualised housing starts (January 2021)
2. Based on FY2020 external revenue, including Boral's 50% share of Meridian Brick JV revenue, which is not included in reported revenue.
Southeast – AL, FL, GA, KY, MS, NC, SC, TN, VA, WV; Southwest – AR, LA, OK, TX; West – AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY; Midwest – IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI; Northeast – CT, DC, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VT; international sales comprise the remainder of the revenue split

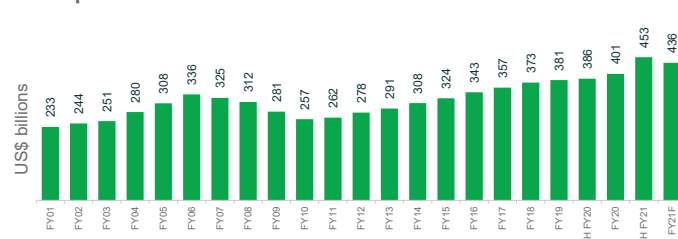
Boral North America market segments

Solid outlook across all segments

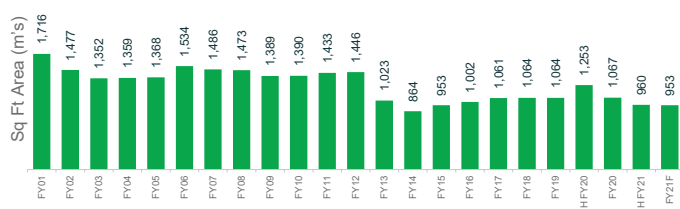
USA new residential: 52% of BNA revenue¹



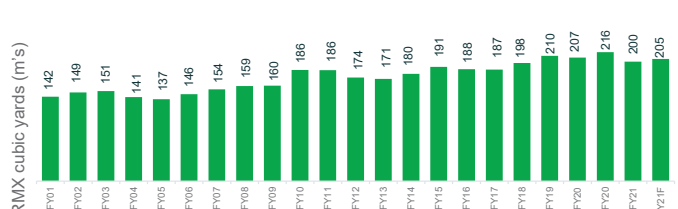
USA repair & remodel: 24% of BNA revenue²



USA non-residential: 10% of BNA revenue³



USA infrastructure: 13% of BNA revenue⁴



1. US Census seasonally adjusted annualised housing starts, January 2021 release. Forecasts based on an average of analysts' forecasts sourced from NAHB, MBA, Wells Fargo, NAR, Fannie Mae and Freddie Mac. Various release dates between Sept 2020 and January 2021
 2. Moody's Retail Sales of Building Products as of December 2020
 3. Dodge Data & Analytics, Non-Residential Area (December 2020)
 4. Dodge Data & Analytics, Infrastructure Ready Mix Demand (December 2020)

09 Financial data

1H FY21 segment revenue, EBITDA and EBIT

	External revenue, A\$m		EBITDA ¹ , A\$m		EBIT ¹ , A\$m	
	1H FY21	1H FY20	1H FY21	1H FY20	1H FY21	1H FY20
<i>Figures may not add due to rounding</i>						
Boral Australia	1,605	1,752	250	287	128	160
Boral North America	1,098	1,208	209	199	100	88
Discontinued Operations²	13	29	40	20	39	18
Corporate	-	-	(13)	(13)	(14)	(14)
Total	2,716	2,989	486	493	254	252

1. Excluding significant items

2. Discontinued Operations includes Midland Brick, Boral's 50% post-tax equity accounted income from the USG Boral joint venture and Meridian Brick joint venture

Non-IFRS information

Boral Limited's statutory results are reported under International Financial Reporting Standards. Earnings before significant items is a non-IFRS measure reported to provide a greater understanding of the underlying business performance of the Group. Significant items are detailed in Note 2 of the half year financial report and relate to amounts of income and expense that are associated with significant business restructuring, business disposals, impairment or individual transactions.

A reconciliation of these non-IFRS measures to reported statutory profit is detailed on the next page.

The USG Boral division commentary also includes a non-IFRS measure of underlying results excluding significant items, representing the six months trading results to assist users to better understand the trading results of this division.

The results announcement has not been subject to review or audit, however it contains disclosures which are extracted or derived from the Half Year Financial Report for the six months ended 31 December 2020. This Half Year Financial Report for the six months ended 31 December 2020 is prepared in accordance with the ASX Listing Rules and should be read in conjunction with any announcements to the market made by the Group during the year.

Non-IFRS information (continued)

A reconciliation of non-IFRS measures to reported statutory profit is detailed below:

A\$m	Before Significant Items	Significant items	Reported Result	Continuing Operations	Discontinued operations	Total
Sales revenue	2,716.1	-	2,716.1	2,703.3	12.8	2,716.1
Profit before depreciation, amortisation, interest & tax, EBITDA	486.2	(1.5)	484.7	442.5	42.2	484.7
Depreciation & amortisation	(231.8)	-	(231.8)	(231.1)	(0.7)	(231.8)
Profit before interest & income tax, EBIT	254.4	(1.5)	252.9	211.4	41.5	252.9
Interest	(58.3)	-	(58.3)	(58.3)	-	(58.3)
Profit before tax, PBT	196.1	(1.5)	194.6	153.1	41.5	194.6
Tax benefit / (expense)	(40.3)	7.1	(33.2)	(37.7)	4.5	(33.2)
Net profit after tax, NPAT	155.8	5.6	161.4	115.4	46.0	161.4
Basic earnings per share, EPS ¹ , ¢	12.7		13.2			

1. Based on weighted average number of shares on issue of 1,225,653,798

US tax loss summary

Federal tax losses US\$m	Gross value	Tax effected value
Recognised on balance sheet	424	89
Unrecognised	85	18
Total	509	107

Funds employed at 31 December 2020

A\$m (figures may not add due to rounding)	Actual	Funds Employed
Cash	558	
Receivables	693	693
Inventories	497	497
Financial assets	58	58
Tax assets	137	
Other assets	93	93
Investments	23	23
Property, plant & equipment	2,940	2,940
Intangible assets	1,971	1,971
Assets classified as held for sale	1,120	1,120
Total assets	8,090	7,395
Payables	611	611
Provisions	349	349
Debt & lease liabilities	2,497	
Financial liabilities	101	101
Tax liabilities	54	
Other liabilities	12	12
Total liabilities	3,624	1,073
Net Assets/ Funds employed as at 31 Dec 2020	4,466	6,321
Funds employed – 30 Jun 2020		6,975
Average funds employed		6,648
Proportional Funds employed		3,324

Disclaimer

The material contained in this document is a presentation of information about the Group's activities current at the date of the presentation, 9 February 2021. It is provided in summary form and does not purport to be complete. It should be read in conjunction with the Group's periodic reporting and other announcements lodged with the Australian Securities Exchange (ASX).

To the extent that this document may contain forward-looking statements, such statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this release.

This document is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor.



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