



This document is a supplementary target's statement under section 644 of the *Corporations Act 2001* (Cth). It is the fifth supplementary target's statement (**Fifth Supplementary Target's Statement**) issued by Boral Limited ABN 13 008 421 761 (**Boral**) in response to the off-market takeover bid made by Network Investment Holdings Pty Limited ACN 078 448 512, a wholly owned subsidiary of Seven Group Holdings Limited ACN 142 003 469, for all the ordinary shares in Boral. This Fifth Supplementary Target's Statement supplements, and should be read together with, Boral's supplementary target's statement dated 1 July 2021 (**Fourth Supplementary Target's Statement**), Boral's supplementary target's statement dated 25 June 2021 (**Third Supplementary Target's Statement**), Boral's supplementary target's statement dated 22 June 2021 (**Second Supplementary Target's Statement**), Boral's supplementary target's statement dated 21 June 2021 (**First Supplementary Target's Statement**) and Boral's target's statement dated 10 June 2021 (**Original Target's Statement**).

Unless the context otherwise requires, terms defined in the Original Target's Statement have the same meaning as in this Fifth Supplementary Target's Statement.

This Fifth Supplementary Target's Statement prevails to the extent of any inconsistency with the Original Target's Statement, First Supplementary Target's Statement, Second Supplementary Target's Statement, Third Supplementary Target's Statement and Fourth Supplementary Target's Statement.

A copy of this Fifth Supplementary Target's Statement has been lodged with ASIC. Neither ASIC nor any of its officers take any responsibility for its contents.

6 July 2021

## FIFTH SUPPLEMENTARY TARGET'S STATEMENT

This Fifth Supplementary Target's Statement provides important information relevant to Boral Shareholders in their consideration of the SGH Offer.

**THE BORAL INDEPENDENT BOARD COMMITTEE CONTINUES TO  
UNANIMOUSLY RECOMMEND THAT YOU**

# REJECT

**THE SGH OFFER AS IT STILL UNDERVALUES YOUR BORAL SHARES**

## 1. SGH increases its Offer Price

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On 6 July 2021, Seven Group Holdings (**SGH**) announced it had reached an aggregate interest in Boral Shares of 34.5%, the conditions to its second conditional increase had been met and it had increased the consideration under the Offer to \$7.40 per Boral Share. The **SGH Offer Period is expected to close at 7.00p.m. on 15 July 2021**.

The Boral Independent Board Committee continues to unanimously recommend that you **REJECT** the SGH Offer of \$7.40 per Boral Share as it undervalues your Boral Shares.

Section 2 of this Fifth Supplementary Target's Statement sets out the reasons for the Boral Independent Board Committee's continued recommendation.

To **REJECT** the SGH Offer of \$7.40 per Boral Share, the Boral Independent Board Committee encourages you to **DO NOTHING** and **TAKE NO ACTION**.

## 2. Reasons for the Boral Independent Board Committee's recommendation to REJECT the Offer

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The reasons for the Boral Independent Board Committee's recommendation are summarised below:

1. The SGH Offer of \$7.40 per Boral Share is **materially below the Independent Expert's assessment of value of \$8.25 - \$9.13 per share**. In addition, and as noted in the First Supplementary Target's Statement dated 21 June 2021, Grant Samuel advised Boral that the final price agreed for the sale of its North American Building Products business of US\$2.15 billion exceeds the US\$1.8 - US\$2.0 billion valuation range attributed to it in its Independent Expert's Report.
2. **Boral's renewed strategy (i) is expected to unlock significant value in the near-term from potential divestment of assets, notably in North America, and (ii) will aim to drive value creation and earnings growth, including through its transformation program.**

As outlined in Boral's Third Supplementary Target's Statement dated 25 June 2021, following the completion of the sale of its North American Building Products business, and based on Boral's financial framework, Boral estimates it will have surplus capital (prior to any reinvestment alternatives) of ~\$3.6 billion which equates to \$3.02 per Boral share<sup>1</sup>. The Company will determine the appropriate form of any return to shareholders, which may involve further shareholder approvals

3. The SGH Offer is **opportunistic and appears to be timed to take advantage of an improving outlook for Boral**.
4. SGH is attempting to increase its influence over Boral without paying fair value for it. Boral's share price closed at its then 52 week high of \$7.16 on 23 June 2021 and at \$6.90 per share on 24 June 2021 (the last trading day prior to SGH's Second Supplementary Bidder's Statement). The SGH Offer of \$7.40 per Boral Share represents a 3.4% premium to Boral's share price of \$7.16 as at 23 June 2021 and a 7.2% premium to Boral's share price of \$6.90 as at 24 June 2021 and **does not reflect a sufficient premium for an increase in control**.

The Target's Statement dated 10 June 2021 provides further information regarding the reasons for the Independent Board Committee's recommendation.

Your Independent Directors will continue to act in the best interests of Boral Shareholders and will keep you informed of any material information.

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<sup>1</sup> Based on cash balance and number of shares as at 31 May 2021. Includes additional proceeds of US\$125 million (A\$167 million) expected from the announced divestment of Meridian Brick, anticipated to complete in the first quarter of FY22.

### 3. Governance Protocols

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As noted in SGH's Bidder's Statement dated 10 May 2021, SGH stated it would review its representation on the Boral board and may seek additional representation that is reasonably proportionate to its interest in Boral Shares.

The Boral Independent Board Committee notes its commitment to ensuring it has governance protocols in place that are in the best interests of all shareholders. Any proposal for additional SGH representation on the Board will be considered by the Independent Directors of Boral on its merits at the appropriate time.

As noted in Boral's Target's Statement dated 10 June 2021, the Boral Independent Board Committee will look to ensure the following governance structure is in place:

- the Board to comprise a majority of independent directors;
- the Chairman to be an independent director;
- each Board committee to consist of a majority of independent directors and to be chaired by an independent director; and
- other enhanced protocols so that the governance of Boral is conducted in the best interests of all Boral Shareholders.

### 4. Timetable and process

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The SGH Offer is scheduled to close at 7.00pm (Sydney time) on 15 July 2021 (unless extended).

Boral Shareholders who have any questions in relation to the SGH Offer should call the shareholder information line on 1300 513 794 (for callers within Australia) or +61 2 9066 4081 (for callers outside Australia) between 9.00am to 6.00pm (Sydney time) Monday to Friday (excluding public holidays).

Signed for and on behalf of Boral Limited following a resolution by the Boral Independent Board Committee.

*sign here* ►



Chairman

*print name*

Kathryn Fagg

*date* ► 6 July 2021

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Boral has relied on the modification to Section 638(5) of the Corporations Act set out in paragraph 5(e) of ASIC Class Order 13/521 "Takeover Bids" to include references to certain statements which are made or based on statements made in documents lodged with ASIC or ASX. Pursuant to Class Order 13/521, the consent of the relevant person is not required for the inclusion of such statements in this Bidder's Statement. As required by Class Order 13/521, Boral will make available a copy of these documents (or of relevant extracts from these documents), free of charge, to Boral Shareholders who request them during the Offer Period. To obtain a copy of these documents (or the relevant extracts) Boral Shareholders may contact the shareholder information line on 1300 513 794 (for calls made from within Australia) or +61 2 9066 4081 (for calls made from outside Australia) between 9am to 6pm (Sydney Time) Monday to Friday (excluding public holidays).