



ASX RELEASE

26 July 2021

Boral agrees to sell its Australian Timber business

Boral Limited (ASX: BLD) today announced that it has entered into an agreement with Allied Natural Wood Enterprises Pty Limited (Pentarch Group) to sell its Australian hardwood and softwood timber business for \$64.5 million, subject to customary completion adjustments.

The divestment of the timber business, which is expected to be completed in 2021, is in line with Boral's strategy of resetting its portfolio of assets, positioning Boral to build a stronger core business that delivers improved results. Completion of the transaction is subject to customary pre-closing conditions.

Boral's CEO & Managing Director, Zlatko Todorcevski, said:

"The sale of Boral's Timber business represents another important milestone in focusing our portfolio and positioning for the future.

"In Australia, our focus is on our leading integrated construction materials business and maturing our adjacent growth strategies such as recycling, waste, supplementary cementitious materials and lower carbon products.

"The sale of Boral's Timber business to the Pentarch Group, a private company with growing interests in the forest products sector, is a good outcome for this business and its customers.

"Boral has owned and operated the Timber business for many decades and I want to take this opportunity to formally recognise the enormous contribution employees and management have made over the years to the wider Boral group."

Boral's carrying value of the Timber business is broadly in line with the sale price prior to any completion adjustments. The transaction is not expected to result in any cash tax paid.

In line with Boral's financial framework, the proceeds will be used to optimise Boral's net debt position and after allowing for reinvestment needs, any surplus is expected to be available for distribution to Boral's shareholders.

Authorised for lodgement by Dominic Millgate, Company Secretary.

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