

- **Record Property earnings expected in 1H2022**
- **Brickworks purchases 121 hectares of land at Bringelly, in South West Sydney**

## Record Property earnings expected in 1H2022

Brickworks expects to report record Property earnings in the first half of financial year 2022, with Property EBIT, in the absence of any further transactions, in the range \$290-310 million. This compares to Property EBIT of \$253 million in financial year 2021.

Brickworks Managing Director, Mr. Lindsay Partridge said: "We have seen strong demand and sustained growth in the value of our Property Trust over a number of years. The COVID-19 pandemic has only fuelled this growth, by accelerating industry trends towards online shopping and increasing the importance of well-located distribution hubs and sophisticated supply chain solutions."

"These trends are reflected in our independent revaluation process, that has recently been undertaken. This process has resulted in, on average, capitalisation rate compression of 50 basis points to 3.6%, across the leased assets within the Property Trust."

"In order to meet the strong customer demand, development activity within the Property Trust has also continued at pace. At Oakdale West, construction of the state-of-the-art Amazon facility is due to reach practical completion at the end of December. The completion of this facility, together with others at Oakdale South, will result in significant development profits, also included in the record first half earnings."

"In the second half of the financial year, we expect to complete additional developments at the Oakdale Estates in western Sydney and the Rochedale estate in Brisbane," Mr. Partridge said.

More detail will be provided at Brickworks' half year results announcement, on Thursday 24 March.

## Brickworks purchases 121 hectares of land at Bringelly, in South West Sydney

Brickworks is also pleased to announce that it has executed an unconditional contract for the purchase of 121 hectares of land at Bringelly, in South West Sydney.

Mr. Partridge said: "Subject to approvals, this vast land asset will be used as a clay resource to support Austral Bricks operations in Sydney, effectively replacing the existing clay resource at Oakdale East."

"Given the strong industrial property demand and increasing value of our land at Oakdale, our Austral Bricks plants in western Sydney are currently undergoing a major renewal and rationalisation program. This is highlighted by our new face brick plant at Horsley Park, currently under construction. The completion of this plant in around 12 months' time, will allow brick operations to be consolidated at the Horsley Park Plant 1 and 2 site, and the remaining 75 hectares of land to be released at Oakdale East, where Plant 3 is located."

"The land released at Oakdale East will then be sold into the Property Trust, resulting in a significant one-off land sale profit and extending the development pipeline in order to meet the unprecedented demand for industrial development."

"The purchase of the land at Bringelly will ensure that our brick operations are not adversely impacted by the release of land for property development."

“From a longer-term perspective, the acquisition replenishes our land bank, and given its strategic location in close proximity to the western Sydney International Airport, has future development potential once operational needs are exhausted.”

“Brickworks’ has a long-standing and successful business model that supports the purchase of land assets on the suburban fringe, used for many decades in our brick making operations. History shows, that as urban development expands, this land has the potential to increase in value through rezoning, thus facilitating transfer to the Property division for development.”

Settlement of the Bringelly purchase is expected to occur in March.

## About Brickworks (ASX: BKW)

Brickworks has been building the Australian dream for over a century. Today, Brickworks is more than Australia’s largest and most trusted brick manufacturer. It comprises a diversified portfolio of attractive assets, offering shareholders stability and long-term growth. The Company has a proud track record, having paid a dividend every year since listing on the ASX in 1962. Brickworks comprises four divisions – Building Products Australia, Building Products North America, Industrial Property, and Investments.

Building Products Australia includes Austral Bricks, the country’s largest bricks producer, and other leading brands such as Austral Masonry, Austral Precast and Bristle Roofing. Building Products North America is the leading brick producer in the north-east of the United States and includes the flagship brand of Glen-Gery.

On surplus land assets, Brickworks has developed extensive industry property assets in conjunction with Joint Venture partner the Goodman Group. These facilities help our customers to meet the supply chain needs of the growing digital economy.

Brickworks also has a long-standing investment in Washington H. Soul Pattinson, a diversified investment house and ASX100 company. This investment has delivered outstanding returns for the company and provides stability and growing cash dividends.

*The Brickworks Board has authorised the release of this announcement to the market.*

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