

24 March 2022

Australian Securities Exchange
Attention: **Companies Department**
BY ELECTRONIC LODGEMENT

Dear Sir / Madam

Please find attached a presentation and additional comments to be presented to analysts today regarding Brickworks Limited's financial results for the half year ended 31 January 2022, 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

Financial Results

Half year end 31st January 2022

Mr. Lindsay Partridge
Managing Director

Mr. Robert Bakewell
Chief Financial Officer

BRICKWORKS



Good Afternoon Ladies and Gentlemen and welcome to the Brickworks analyst briefing for the half year ended 31 January 2022.

Today

Agenda

1H22 Overview	01
Divisional Review	02
Financials	03
Outlook	04
Questions	05

BRICKWORKS

BKW 1H2022 Results 24.03.2022 2

Today, I will start by providing an overview of our results for the first half, including a review of divisional performance.

Robert Bakewell, our Chief Financial Officer, will take you through the financials in more detail.

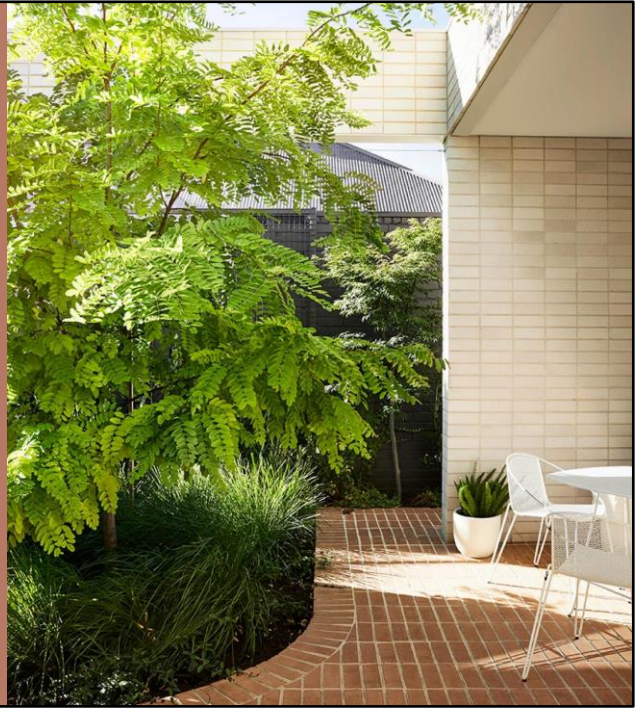
I will then return to discuss the outlook for Brickworks.

We will then be happy to take any questions at the conclusion of the presentation.

1H22 Overview

Section 01

BRICKWORKS



1H22 Overview

Brickworks achieves record half-year earnings

Statutory NPAT up 720% to \$581m

Underlying NPAT up 269% to \$330m

Property Trust value up by \$349m, strong development pipeline

WHSP merger with Milton triggers significant one-off profit

Strong earnings uplift in Building Products Australia, driven by Austral Bricks

Completion of the IBC acquisition drives revenue growth in North America

BRICKWORKS

BKW 1H2022 Results

24.03.2022

4

It gives me pleasure to report that the Company has delivered another strong financial result, achieving record half-year earnings. Our statutory profit was \$581 million, up 720% and our underlying profit was \$330 million, up 269%.

The contribution from Property was again a standout, with strong demand for our prime industrial land driving a significant increase in the value of our portfolio.

WHSP's merger with Milton was completed during the period, and this resulted in a significant one-off profit to Brickworks.

Building Products Australia delivered a strong uplift in earnings, with a particularly pleasing performance from Austral Bricks.

In North America the completion of the IBC acquisition resulted in a significant increase in revenue. However, earnings were lower, with margins adversely impacted by cost pressures across the supply chain and ongoing pandemic related issues.

1H22 Financial Highlights

\$535^m

Group revenue ↑ 24%

\$488^m

Underlying EBITDA ↑ 200%
(continuing operations)

\$330^m

Underlying profit ↑ 269%
(continuing operations)

\$581^m

Statutory profit ↑ 720%

218 cents

Underlying EPS ↑ 266%
(continuing operations)

22 cents

Interim Dividend ↑5%
fully franked

Turning to the financial highlights for the period.

Revenue for the half of \$535 million was up by 24% compared to the prior corresponding period.

EBITDA from continuing operations of \$488 million was up 200%, with increased earnings from Property, Investments and Building Products Australia offset by a decline in North America.

As I mentioned, statutory profit after tax was up 720% to \$581 million and underlying profit, excluding the impact of significant items, was up 269% to \$330 million.

This translates to underlying earnings per share of 218 cents.

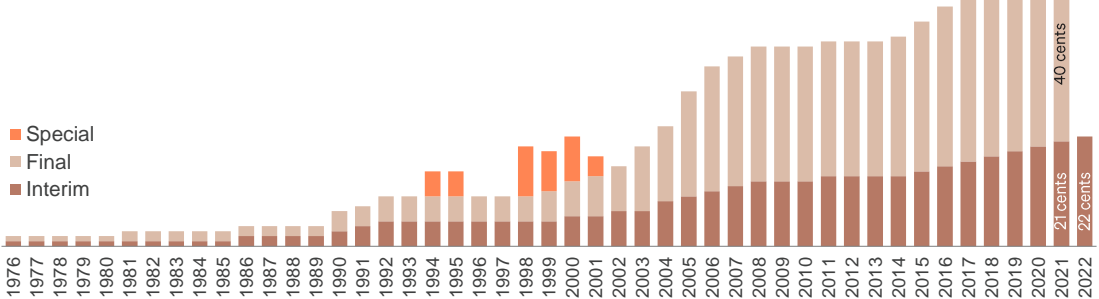
Dividends

Brickworks' normal dividend has been maintained or increased since 1976

Brickworks Dividend History

Cents per share

- 22 cents per share fully franked interim dividend, up 5% (Record date 12 April, payment 3 May)
- Long history of dividend growth
- 46 years since normal dividends last decreased (1976)



BRICKWORKS

BKW 1H2022 Results

24.03.2022

6

We are happy to announce an interim fully franked dividend of 22 cents per share. This is an increase of 1 cent, or 5%, compared to the previous interim dividend.

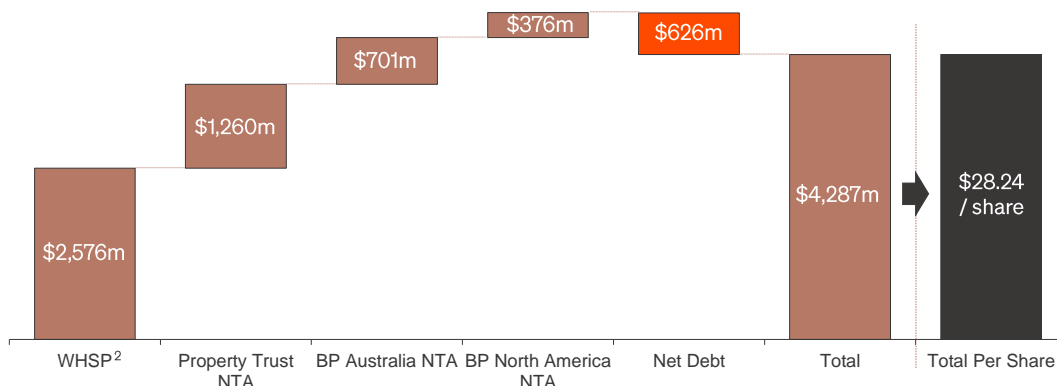
The record date for the interim dividend is 12 April, with payment on 3 May.

We are proud of our long history of dividend growth, and the stability this provides to our shareholders. As shown on screen, we have now maintained or increased dividends for the last 46 years. This is now the ninth year in a row we have increased dividends.

Asset Backing

Brickworks' current inferred asset backing is over \$28 per share

Inferred Asset Value¹



1. Asset values as at 31 Jan 2022. Building Products NTA includes AASB 16 (Leases) right-of-use assets. Intercompany transfers eliminated.

2. Based on a cost base of \$3.44 per share, capital gains tax of around \$675 million would be payable if Brickworks sold its entire shareholding in WHSP at the current market price

BRICKWORKS

BKW 1H2022 Results

24.03.2022

7

Brickworks has a strong portfolio of diversified businesses, including:

- Our investment in WHSP, with a market value of \$2.6 billion;
- A 50% share of an industrial property trust, with our share of net asset value \$1.3 billion;
- Building Products Australia net tangible assets of \$701 million; and
- Building North America net tangible assets of \$376 million.

Adding these, and including our net debt of \$626 million, the total inferred asset backing is \$4.3 billion.

On a per share basis, this equates to over \$28 per share, providing solid support for our current share price.

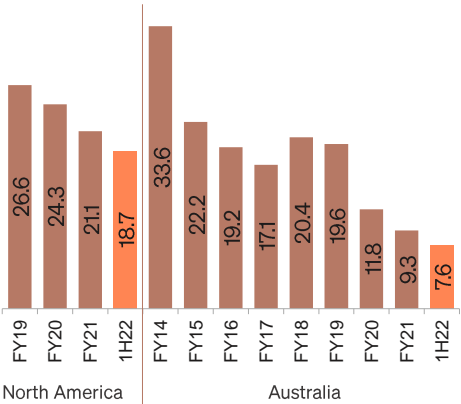
It is worth noting that the net tangible assets within Building Products include land at historical purchase cost. The market value of this land is significantly higher, and I will discuss this in more detail later.

Safety

A sustained decrease in workplace injuries has been achieved

- Strong safety performance in Australian operations
 - Sustained decrease in injury rate over many years
 - Record low reportable injury rate achieved in 1H22
 - No lost time injuries in 1H22
- Injury rates are currently higher in acquired US operations, but decreasing year on year
 - 3 lost time injuries in 1H22
- Additional health and safety initiatives are being implemented in the United States to improve performance

Total Reportable Injury Frequency Rate
Injuries per million work hours



BRICKWORKS

BKW 1H2022 Results

24.03.2022

8

I am pleased to report that we continue to make steady progress in improving workplace safety.

In Australia, there were no lost time injuries recorded across our workforce during the first half.

A sustained decrease in injuries across Australian operations has been achieved over the past decade, through disciplined implementation of safety management systems and procedures, together with behavioural leadership and safety training programs.

These initiatives are also being rolled out across our operations in North America where injury rates are significantly higher than Australia.

In North America, there were 3 lost time injuries for the period. Although injury rates are higher in North America, it is encouraging to note that the rate of reportable injuries is decreasing, and this is an important lead indicator for safety outcomes.

Divisional Review

Section 02

BRICKWORKS



Taking a look now at each of our divisions.

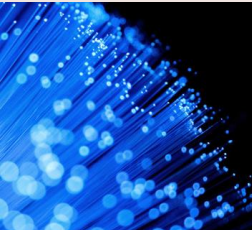
Divisional Overview

Brickworks has a diversified portfolio of attractive assets across four divisions

Investments

52% of Group assets

26.1% interest in WHSP, an ASX100 diversified investment house



BRICKWORKS

Property

26% of Group assets

Joint Venture Industrial Property Trust with Goodman Group



Building Products Australia

14% of Group assets

Australia's leading brickmaker + strong positions in other building products



Building Products North America

8% of Group assets

Leading brickmaker in Midwest and Northeast USA



BKW 1H2022 Results

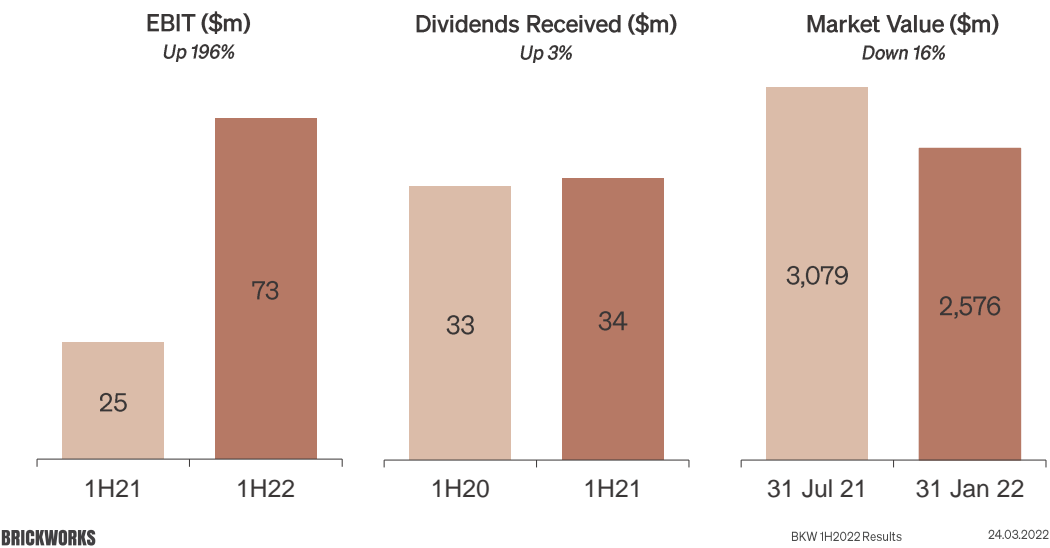
24.03.2022

10

As I have mentioned, Brickworks has a portfolio of four diversified businesses, each with significant assets and strong market positions.

Investments – 1H22 Result

Investments delivered increased earnings and dividends in 1H22, however the market value declined over the period



Investments delivered an underlying contribution of \$73 million for the first half, up 196%. This was driven primarily by an increase in the contribution from New Hope Corporation and Round Oak Minerals.

During the period cash dividends of \$34 million were received, up 3% on the prior corresponding period.

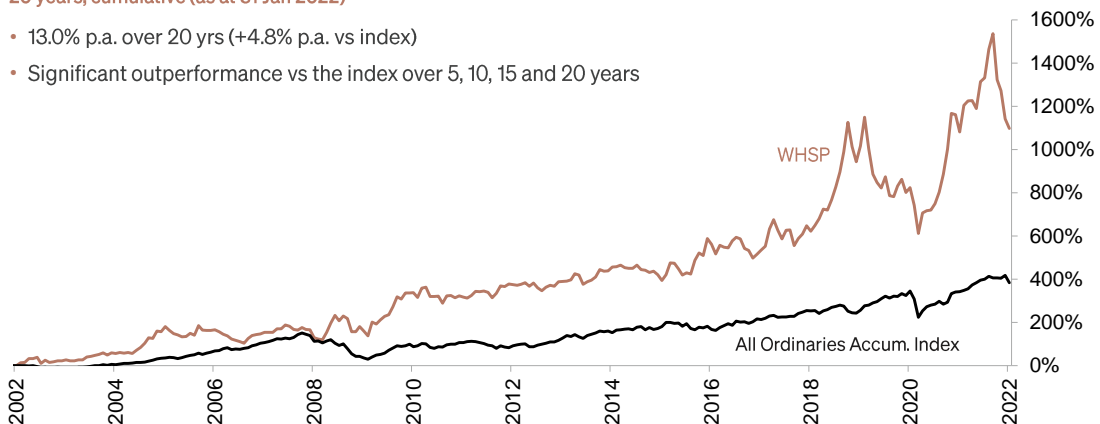
As I mentioned earlier, the market value of Brickworks’ shareholding in WHSP was almost \$2.6 billion at the end of the period.

Investments – Long Term Value Creation

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

WHSP Total Shareholder Return 20 years, cumulative (as at 31 Jan 2022)

- 13.0% p.a. over 20 yrs (+4.8% p.a. vs index)
- Significant outperformance vs the index over 5, 10, 15 and 20 years



BRICKWORKS

BKW 1H2022 Results

24.03.2022

12

Despite a decrease in value during the first half, over the long term WHSP has delivered outstanding returns, with annualised total returns including dividends of 13.0% per annum for the past 20 years. This represents outperformance of 4.8% per annum versus the ASX All Ordinaries Accumulation Index.

WHSP / Milton Merger

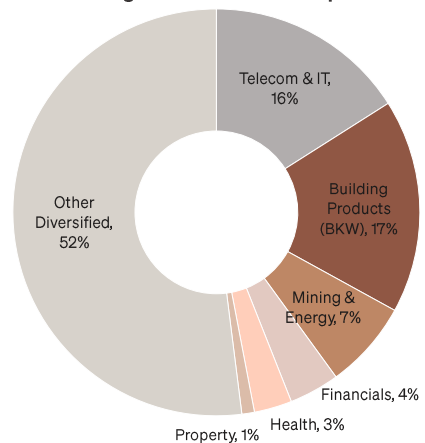
The merger with Milton provides WHSP with increased scale, diversification and liquidity

- Brickworks is now the major shareholder in Australia's leading publicly listed investment house
 - 26.1% shareholding
 - WHSP pre-tax net assets of ~\$9 billion¹
- The merger resulted in a \$279 million a one-off (non-cash) profit to Brickworks
 - \$453 million profit (post tax) due to a “deemed disposal” of WHSP shares
 - Offset by Brickworks share of a goodwill impairment incurred by WHSP (\$175 million)
- The merger will provide WHSP with increased scale, diversification and liquidity to pursue additional investment opportunities
- Continued focus on long-term market outperformance and growth in dividends

1. As at 30 June 2021 (source: Scheme Booklet for WHSP and Milton merger)

BRICKWORKS

Post Merger WHSP Asset Exposure¹



BKW 1H2022 Results

24.03.2022

13

In October 2021, WHSP completed a merger with ASX listed investment company Milton Corporation.

The merger creates a larger and more diversified investment house, with end market exposure as shown in the chart on the right of the screen. At the time of the merger, total pre-tax net assets increased to over \$9 billion, up from around \$6 billion prior to the merger.

Due to the addition of new Milton shareholders to the WHSP register, Brickworks share in the larger WHSP has reduced to 26.1%.

The merger resulted in a one-off non-cash profit of \$279 million for Brickworks during the period. This includes a \$453 million profit on the deemed disposal of WHSP shares, offset by Brickworks share of a goodwill impairment incurred by WHSP.

Importantly, the merger will provide WHSP with increased liquidity to pursue new investment opportunities, with a continued focus on long-term market outperformance and growth in dividends.

Property – 1H22 Result

Property delivered record half year EBIT of \$358 million

- Net trust income higher, on rent reviews and additional developments
- Industrial real estate valuations continue to increase, in response to consumer trends such as online shopping
- Revaluation profit of \$228 million comprising:
 - \$180 million in relation to the leased portfolio, representing a 50 basis point reduction in cap rates
 - \$48 million in relation to fully serviced land awaiting development
- Development profit of \$115 million, driven primarily by the completion of the Amazon facility at Oakdale West

HALF ENDED JAN (\$M)	1H21	1H22	CHANGE
Net trust income	16	17	7%
Revaluations	40	228	466%
Development profit	0	115	NA
Property Trust	56	360	543%
Land sales	38	0	NA
Admin and other	(2)	(2)	-
Total	92	358	289%

BRICKWORKS

BKW 1H2022 Results

24.03.2022

14

Property delivered another outstanding result in the first half, generating EBIT of \$358 million, up 289%.

Property Trust assets were revalued during the half and this resulted in a strong revaluation profit of \$228 million. This represents an average 50 basis point compression in capitalisation rates across the leased portfolio, reflecting the unprecedented demand for our industrial property facilities. The revaluation also includes a \$48 million profit associated with fully serviced land held within the Property Trust that is awaiting the commencement of development. This reflects recent land sales transactions in the area.

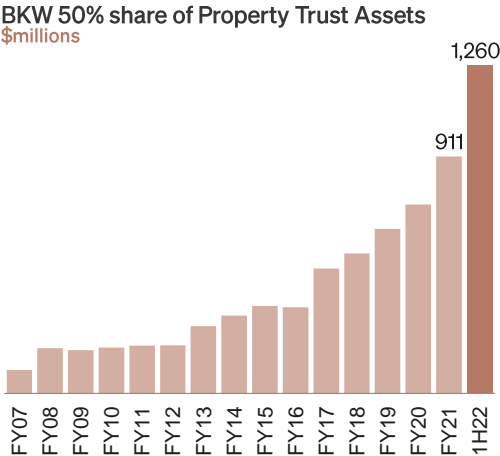
In order to meet the strong customer demand, development activity within the Property Trust has continued at pace. At Oakdale West, construction of the state-of-the-art Amazon facility reached practical completion at the end of December 2021. The completion of this facility, together with Building 1C at Oakdale South, resulted in development profits of \$115 million during the period.

As developments are completed, rental income continues to grow. Net trust income for the half was \$17 million, up 7% on the prior corresponding period.

Property Trust Asset Value

The net value of Brickworks' share of Property Trust assets increased by \$349 million during the half

HALF ENDED JAN (\$M)	FY21	1H22	CHANGE
Leased properties	1,982	2,987	51%
Land under development	686	508	(26%)
Total Property Trust assets	2,668	3,494	31%
Borrowings	(845)	(974)	15%
Net Property Trust assets	1,822	2,520	38%
BKW 50% share	911	1,260	38%



The total value of leased assets held within the Property Trust was almost \$3 billion at the end of the period. The Trust also holds a further \$508 million in land that is currently under development.

After including borrowings of \$974 million, total net asset value is just over \$2.5 billion. Brickworks' 50% share of net asset value is almost \$1.3 billion, up by \$349 million during the period.

Gearing within the Property Trust was down to 28% at the end of the period.

Overview of Property Trust – Current Leased Assets

Estate	Status	Currently Leased				
		Asset Value (\$m)	Gross Rental (\$m p.a.)	WALE (yrs)	Cap. Rate	GLA ¹ (m ²)
M7 Hub (NSW)	Fully developed	225	9	2.8	3.8%	64,200
Interlink Park (NSW)	Fully developed	575	26	4.0	3.7%	192,200
Oak. Central (NSW)	Fully developed	869	31	3.6	3.5%	245,200
Oak. East stage 1 (NSW)	Fully developed	169	6	10.5	3.4%	35,900
Oak. South (NSW)	Partially developed	453	16	6.6	4.0%	136,900
Rochedale (QLD)	Partially developed	283	12	9.7	3.9%	95,600
Oak. West (NSW)	Partially developed	413	14	20.0	3.3%	53,500
Total		2,987	113	7.0	3.6%	823,500

1. Gross lettable area

BRICKWORKS

BKW 1H2022 Results

24.03.2022

16

The table on screen shows the breakdown of the leased properties across each of the Estates. The annualised gross rent generated from these properties is \$113 million, the weighted average lease expiry is 7 years and the average capitalisation rate is 3.6%. These leased properties have a gross lettable area, or “GLA”, of 823,500 square metres.

The Estates at the M7 hub, Interlink, Oakdale Central and the first stage of Oakdale East are now fully developed.

Across the other estates, there is significant development activity ongoing, and I'd like to take some time to outline the impact this will have on the scale of the Trust in the coming years.



Looking at each of the Estates separately.

As I mentioned, Building 1C at Oakdale South was completed during the half, and this facility is shown in the foreground on screen. Directly behind this facility, a further 40,500 square metres of gross lettable area remains available for development on this Estate, across two facilities. Construction has commenced on both facilities, with completion due by the end of the current financial year. Yusen Logistics has pre-committed to lease part of one facility, with strong demand being experienced for the balance.



This photo shows the progress at Oakdale West. At this estate, all infrastructure is now in place, and the cornerstone Amazon facility, shown in the middle of the picture, has been completed and handed over.

More than 180,000 square metres of additional gross lettable area is pre-committed and under construction. Of this, at least 45,000 square metres will to be completed in the second half of financial year 2022.

The 66,000 square metre Coles facility, shown on the back of the image, is due for practical completion in the first half of financial year 2023.



This image shows an indicative masterplan of the Oakdale West Estate once completed. All of the pre-committed developments are shown with a red border.

Following these pre-committed developments, a further 144,000 square metres of gross lettable area remains available for development at this Estate.

Artist's Impression of Rochedale Estate
Woolworths and CHEP facilities



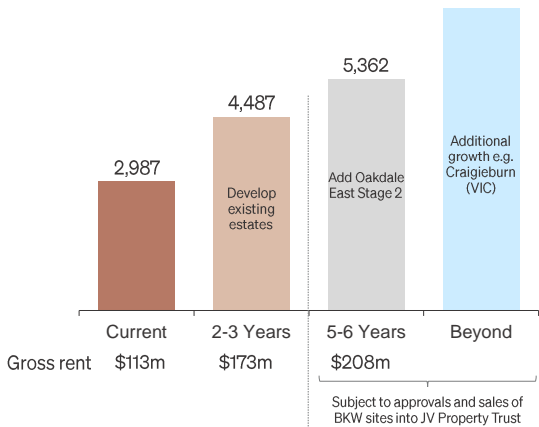
At Rochedale in Brisbane, the remaining 30,000 square metres of gross lettable area has been fully pre-committed.

These final developments, consisting primarily of facilities for Woolworths and CHEP, are expected to reach practical completion during the second half of financial year 2022.

An artist's impression of these facilities is shown on screen.

Overview of Property Trust – Growth Outlook

Indicative Future Leased Property Value (\$m)



1. Gross lettable area
2. Rent estimates are based on the average gross rent / GLA for currently leased and pre-committed developments (~\$140/m²)
3. Asset values assume a capitalisation rate of 4.0% for all pre-committed and future developments (vs. 3.7% for the leased portfolio)

BRICKWORKS

GLA¹ (m²) by Estate	Currently Leased	Pre-Committed	Additional	Potential New Estates
M7 Hub (NSW)	64,200	Fully developed		
Interlink Park (NSW)	192,200	Fully developed		
Oak. Central (NSW)	245,200	Fully developed		
Oak. East I (NSW)	35,900	Fully developed		
Oak. South (NSW)	136,900	8,500	32,000	
Rochedale (QLD)	95,600	30,200	-	
Oak. West (NSW)	53,500	182,500	144,000	
Oak East 2 (NSW)	-	-	-	250,000
Total GLA (m²)	823,500	221,100	176,400	250,000
Gross Rent² (\$m p.a.)	113	35	~ 25 (est.)	~ 35 (est.)
Leased Asset Value³ (\$m)	2,987	~ 875 (est.)	~ 625 (est.)	~ 875 (est.)

BKW 1H2022 Results

24.03.2022

21

In summary, there is a total of 221,100 square metres of lease pre-commitments already secured across the Property Trust. In addition, a further 176,400 square metres is available for development at the existing Estates. Based on current demand, we expect these Estates to be fully built out within 3 years. This will result in additional gross rent of around \$60 million and leased asset value of \$1.5 billion, taking total leased assets to around \$4.5 billion.

Brickworks also retains 100% ownership of additional parcels of land that are suitable for sale into the Property Trust to provide further growth, subject to DA approvals.

Planning work has commenced to facilitate development of the balance of the Oakdale East site, to be known as “Oakdale East Stage 2”. This area is currently home to the Austral Bricks Plant 3 site, however this facility will not be required once the new brick plant at Horsley Park is completed. If sold into the Property Trust and developed, this site is expected to add at least \$35 million in gross rent and \$875 million in gross asset value over the next 5-6 years.

The largest additional parcel of surplus land for development is at Craigieburn in Victoria, directly south of the Wollert factory site. Industrial development may be possible at this site over the medium term, subject to approvals. With an expected yield of around 600,000m² of GLA, if sold into the Trust, this site will extend the development pipeline well beyond the next five years.

Intention to Launch a New Operational Property Trust

- Brickworks has been exploring opportunities to realise value from Building Products Australia operational land
- Advanced discussions with Goodman in relation to a potential transaction to establish a new JV “Operational Property Trust”¹
- An initial portfolio of 15 properties has been identified as Stage 1, with gross asset value ~\$415 million. Sale and leaseback of these properties into the jointly owned Operational Property Trust will deliver approximately:
 - \$200 million in gross proceeds
 - \$260-280 million in pre-tax profit²
- Additional properties to be added in future, subject to further due diligence
- JV Partnership with Goodman supports long term value creation through development opportunities and greater site utilisation

Example Stage 1 Property
Austral Bricks Plant, Rochedale, QLD



1. There are no assurances that any binding agreement will be reached or that the proposed transaction will occur. Further information about the proposed transaction is contained in the Company's Half Year 2022 Report as released to ASX today

2. Around \$90 million of this pre-tax profit is expected to be recognised on completion of the transaction, with the remainder recognised over the life of the lease terms (up to 20 years)

BRICKWORKS

BKW 1H2022 Results

24.03.2022

22

Over the past 12 months, we have also has been exploring opportunities to realise value from our operational land.

We are now in advanced discussions in relation to a potential transaction that would include the launch of a new Joint Venture “Operational Property Trust” in partnership with Goodman, comprising a portfolio of properties tenanted by Building Products.

An initial portfolio of 15 Building Products’ properties, with a total gross value of around \$415 million, has been identified for inclusion in the first stage of the Operational Property Trust (“Initial Stage”). The sale and lease back of these manufacturing sites will deliver gross cash proceeds of around \$200 million and an estimated pre-tax profit of \$260-280 million.

After the Initial Stage, additional properties with a similar value are earmarked for inclusion in the Operational Property Trust in the coming years, following further due diligence in relation to development potential.

Over the longer term, the partnership with Goodman support further value creation, with some properties having the potential for development and greater utilisation.

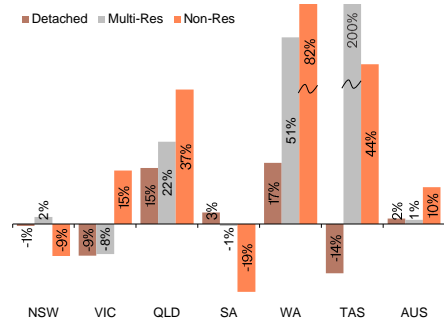
Completing this transaction will allow Brickworks to have two distinct Property Trust structures with Goodman - one that predominantly holds Building Products manufacturing plants, and the other focussed on world class industrial and logistics facilities for third party customers.

Brickworks considers that its discussions with Goodman are progressing well and anticipates signing a definitive agreement and completing the potential transaction for the Initial Stage during the second half of financial year 2022. Despite this good progress there can be no assurance that any binding agreement will be reached or that the proposed transaction will occur, either within the expected timeframe or at any other time.

Building Products Australia – Market Activity

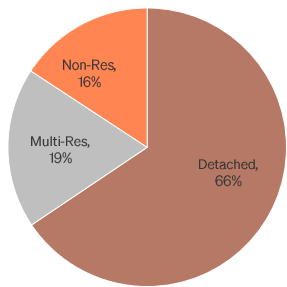
Building Activity by State¹

6 months to Dec 21 (vs 6 months to Dec 20)



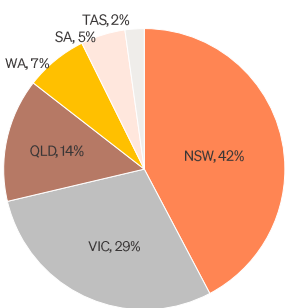
Segment Exposure

Sales revenue by end market



Regional Exposure

Sales revenue by state



1. Detached House and Multi-Residential Commencements. Non-Residential value of work done. Source: BIS Oxford Economics Dec 2021 forecast. Data shown for NSW also includes ACT, to align with Brickworks' sales regions.

BRICKWORKS

BKW 1H2022 Results

24.03.2022

23

Turning to Building Products Australia.

Building activity has been mixed over the past 6 to 12 months. Despite concluding, the HomeBuilder program implemented in the early stages of the pandemic continues to underpin detached housing activity, with much of this work still to flow through.

However, the full impact of the strong underlying demand for detached housing was not felt during the period, due to construction timelines on-site extending significantly. Supply chain delays have been caused due to a range of factors such as the sudden surge in demand following the stimulus programs, shortages of some building products such as timber, and pandemic related issues including construction restrictions and labour absenteeism in some states.

The pandemic restrictions have also forced some intermittent shutdowns to Building Products manufacturing plants during the period.

Within the multi-residential segment, activity has now stabilised following a number of years of decline.

Looking across the country, residential activity has been strongest in Queensland and Western Australia. By contrast, conditions were more subdued in the two largest states, New South Wales and Victoria.

Non-residential building has rebounded in most states, following the scaling back of some work in response to the pandemic.

Building Products Australia 1H22 Result

Building Products Australia EBIT was up by 66%, with momentum building during the half

- Sales in Sydney and Melbourne impacted by construction restrictions early in the period
- Margins were higher due to improved production efficiencies
 - Price increases offset inflationary cost impacts
 - Supply chain pressures in some areas
- Major capital investment program well underway
 - Sydney masonry plant completed
 - Sydney brick plant well underway
 - New ERP system fully rolled out
- 121 hectares of land purchased at Bringelly, to support future brick operations

HALF ENDED JAN (\$M)	1H21	1H22	CHANGE
Revenue	330	348	6%
EBITDA	43	54	25%
EBIT	16	27	66%
EBITDA margin	13%	16%	19%
EBIT margin	5%	8%	57%

BRICKWORKS

BKW 1H2022 Results

24.03.2022

24

Revenue for the half was \$348 million, up 6% on the prior corresponding period. Early in the period, sales in Sydney and Melbourne, our two largest markets, were impacted by construction restrictions. However, since these restrictions were lifted, both markets have recovered well, with sales momentum increasing steadily until the recent wet weather along the east coast.

EBIT was \$27 million for the period, up 66%, and EBITDA was \$54 million.

Despite supply chain difficulties and increasing unit costs in some areas, margins were higher due to improved production efficiencies and higher prices across most business units.

Throughout the pandemic, Building Products Australia has maintained a significant capital investment program, to enhance our competitive position in key markets.

The construction of a \$75 million Austral Masonry plant in Sydney reached practical completion in July, and the commissioning process is now largely complete.

Meanwhile, construction of our \$130 million face brick facility at Horsley Park in Sydney is also well underway. This plant will produce 130 million bricks per annum and will be the most advanced brick plant in the world. As I mentioned, the completion of this plant will allow brick operations in western Sydney to be consolidated at the Horsley Park site, and the remaining 75 hectares of land to be released at Oakdale East, where Plant 3 is located.

In January, the Company purchased 121 hectares of clay lands at Bringelly, effectively replacing the clay resource at Oakdale East and ensuring that brick operations are not adversely impacted by the release of land for property development.

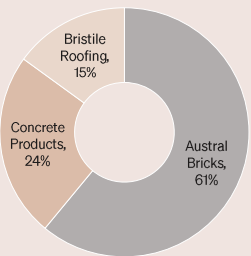
Business Unit Performance

- **Austral Bricks** earnings and revenue increased across all states
 - Very strong performance in QLD
 - Sharp increase in demand in WA resulting in supply chain pressures
 - Production curtailed in NSW during July and August, in response to COVID-19 restrictions
 - Construction of new plant at Horsley Park to be completed within 12 months
- **Concrete Products** earnings lower on steady revenue
 - Austral Precast earnings improved, on sales growth of “Double Wall”
 - Austral Masonry transition to new plant in NSW
 - High shipping costs adversely impacted Southern Cross Cement margins
- **Bristle Roofing** sales revenue lower in key Victorian market, higher in all other states

BRICKWORKS

Building Products Australia Revenue 1H22

\$348 million



1H22 v 1H21	Revenue	EBIT
Austral Bricks	↑	↑
Concrete Products	↔	↓
Bristle Roofing	↓	↔

BKW 1H2022 Results

24.03.2022

25

Within Austral Bricks, revenue and earnings increased across all states.

The performance in Queensland was particularly strong, with this business now returning to a market leading position following plant upgrades that have been completed over the past few years.

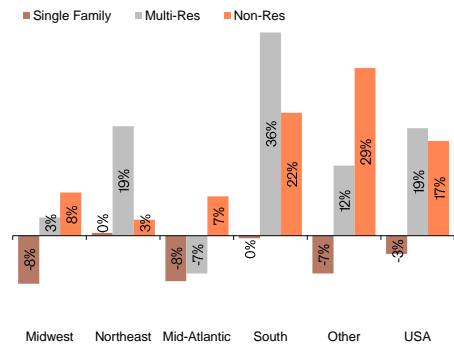
Although sales have improved significantly in Western Australia, operations in this state remain loss-making and continue to be a drag on overall performance. The current situation is unsustainable and we will be forced to review our position in this market, unless sales margins improve substantially during the remainder of the current upturn.

Concrete Products earnings were down, on relatively flat revenue. Improved earnings in Austral Precast were achieved, with growing sales of the “Double Wall” product, and improved production efficiency. This was offset by a decline in Austral Masonry, due primarily to the disruption caused by the transition to the new plant in New South Wales. Extremely high shipping costs had an adverse impact on Southern Cross Cement margins.

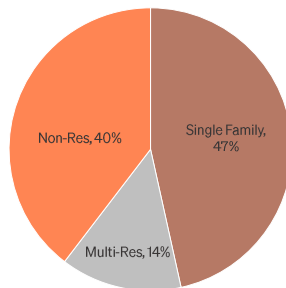
Bristle Roofing earnings were steady, despite a decline in revenue. The decline in revenue was attributable to lower sales volume in Victoria, the largest roof tile market in the country. In this region, demand was not fully met, due to trade shortages that remain a significant issue across the industry. In all other states, revenue was higher than the prior corresponding period, despite similar trade issues.

Building Products North America – Market Activity

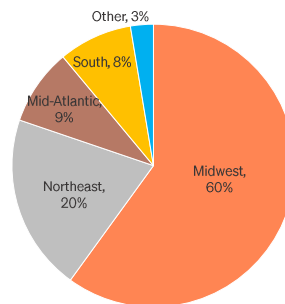
Building Activity by Region¹
6 months to Dec 21 (vs 6 months to Dec 20)



Segment Exposure
Sales revenue by end market



Regional Exposure
Sales revenue by region



1. Single Family and Multi-Residential Commencements. Non-Residential value of work done. Source: Dodge Data & Analytics

BRICKWORKS

BKW 1H2022 Results

24.03.2022

26

Turning to North America, where the total value of building activity commenced for the 6 months to December 2021 was up 10% compared to the prior corresponding period.

Glen-Gery has a broad exposure across building segments, with residential making up 60% of sales and non-residential 40%.

Building activity, particularly in the non-residential segment, was heavily impacted in the early stages of the pandemic, with many major projects delayed or cancelled by state authorities. Since then, there has been a steady improvement in activity in all segments and regions, in response to government stimulus programs and a general re-opening of the economy.

Following the acquisition of IBC, Glen-Gery's exposure to the Midwest region has increased significantly, and now makes up around 60% of total sales. This region includes major states such as Indiana, Illinois, Iowa, Ohio, Minnesota and Michigan.

Compared to other regions across the country, building activity in the Midwest was relatively soft during the period.

Glen-Gery sales to the fast-growing southern region have increased over the past 6 months, and now represent almost 10% of revenue.

Building Products North America – 1H22 Result¹

Building Products North America EBIT decreased, with margins impacted by supply chain issues

- Revenue significantly higher
 - Benefit of IBC acquisition
 - Increased sales to the large homebuilder market in Texas
- Margins impacted by supply chain issues
 - Transportation costs
 - Labour constraints and staffing issues
- Higher proportion of sales into the lower margin residential segment
- Land sales contributed US\$1 million in EBIT

HALF ENDED JAN (\$M)	1H21	1H22	CHANGE
Revenue (\$US)	75	136	82%
EBITDA (\$US)	9	9	(2%)
EBIT (\$US)	3	1	(70%)
Revenue (\$AU)	102	187	84%
EBITDA (\$AU)	13	12	(1%)
EBIT (\$AU)	4	1	(70%)
EBITDA margin	12%	7%	(46%)
EBIT margin	4%	1%	(84%)

1. An average exchange rate of 1AUD=0.73 USD has been used to convert earnings in 1H22 (1AUD=0.73 USD in 1H21)

BRICKWORKS

BKW 1H2022 Results

24.03.2022

27

Sales revenue was up 84% to \$187 million for the half.

The uplift in revenue was driven by the acquisition of IBC in August 2021 and increased sales to the large homebuilder market in Texas.

EBIT was \$1 million, down from \$4 million in the corresponding period, and EBITDA was relatively steady at \$12 million.

Margins were impacted by cost pressures across the supply chain, including a significant increase in transportation costs amid driver shortages and truck availability issues. More broadly, labour constraints across the industry are resulting in higher wage rates to attract and retain staff.

The significantly higher proportion of lower priced sales to the residential segment in Texas also had an adverse impact on the sales margin.

Pandemic-related challenges persisted throughout the half, with repeated interruptions to manufacturing and distribution operations across the country, as both the Delta and Omicron strains impacted workforce availability.

During the period, land sales delivered sales proceeds of US\$2 million and an EBIT contribution of US\$1 million, with the largest sale being surplus land surrounding the closed York site in Pennsylvania.

Building Products North America - Achievements

- Vertical integration with continued growth of company owned distribution network
 - IBC acquisition completed in Aug 21
 - Capital Brick acquisition completed Feb 22
- Plant rationalisation and upgrades, in line with strategy
 - Closure of York site
 - Completion of upgrades at Hanley
- Premium brand positioning
 - G21 product launch
 - Imports of selected niche products
 - Design studio opening in New York City
- Strategic review of land holdings to identify sale and / or development opportunities

BRICKWORKS



Despite the challenges faced in the first half, the business has made strong progress on key strategic priorities over the period.

Following the acquisition of IBC, the integration of their 17 showrooms and distribution yards has been smooth, and the first half contribution from these stores has been in line with expectations.

Our vertical integration strategy continued, with the acquisition of Capital Brick last month. Capital Brick is a leading distributor of brick and masonry products with a single outlet in Washington D.C., and is a key architectural customer of Glen-Gery.

Following the acquisitions of IBC and Capital Brick, Glen-Gery's company-owned distribution network has expanded to 27 locations.

Plant rationalisation and upgrades have continued, with the closure of the York site and completion of extensive upgrades to the Hanley plant. The Hanley plant in Pennsylvania is focussed on premium architectural products, with upgrades to the clay preparation area, the extruder and the setting line to deliver much improved manufacturing efficiency, product quality and a broader product range.

In November, the "G21" launch event was held, with the release of an expansive catalogue of new products, including several exciting new ranges from the Hanley plant.

A new design studio in New York City was officially opened earlier this month. Together with the Philadelphia and Baltimore studios, these facilities will further enhance Glen-Gery's strong reputation for premium products and competitive position in the high value architectural segment.

Financials

Section 03

BRICKWORKS



I will now hand over to Robert, to review the financials in more detail.

Financials – 1H22 Overview

- Increase in Property, Investments and Building Products Australia earnings partially offset by decrease in Building Products North America
- Borrowing costs marginally lower
- Underlying tax higher due to the increase in Australian Building Products and Property earnings
- Significant items increased statutory NPAT by \$251 million

HALF ENDED JAN (\$M)	1H21	1H22	CHANGE
Total EBITDA	163	488	200%
Depreciation & amortisation	36	38	7%
EBIT	127	450	254%
Borrowing costs	(10)	(9)	(9%)
Underlying income tax	(27)	(110)	298%
Underlying NPAT (from continuing operations)	90	330	269%
Significant items & discontinued items	(18)	251	NA
Statutory NPAT	71	581	720%

BRICKWORKS

BKW 1H2022 Results

24.03.2022

30

Thankyou Lindsay.

As Lindsay mentioned, total underlying Group EBITDA for the half was \$488 million, up 200%. After depreciation and amortisation, the underlying Group EBIT was up 254% to \$450 million.

Total borrowing costs were \$9 million, and tax was \$110 million. This resulted in an underlying net profit after tax from continuing operations of \$330 million, up 269%.

Significant items increased NPAT by \$251 million, resulting in statutory NPAT increasing 720% to \$581 million for the half.

Financials – Significant items

- \$279 million net gain recorded following WHSP's merger with Milton
 - \$453 profit on deemed disposal of WHSP shares
 - Offset by Brickworks share of a goodwill impairment incurred by WHSP (\$175 million)
- A \$16 million tax cost arising from the carrying value of WHSP
- \$6 million restructuring cost, primarily relating to:
 - The relocation of Austral Masonry in Sydney
 - Closure of retail outlets and decommissioning of production at the York plant in North America
- \$5 million in COVID-19 related costs

\$MILLION	GROSS	TAX	NET
Gain on deemed disposal of WHSP upon Milton merger	725	(271)	453
WHSP impairment of Goodwill upon Milton merger	(249)	75	(175)
Net impact of WHSP merger with Milton	475	(196)	279
Other significant items relating to WHSP	2	-	2
Income tax arising from the carrying value of WHSP	-	(16)	(16)
Restructuring activities	(8)	2	(6)
COVID-19 costs	(7)	2	(5)
Acquisition costs	(3)	1	(2)
Other costs	(2)	0	(1)
TOTAL	458	(207)	251

BRICKWORKS

BKW 1H2022 Results

24.03.2022

31

The table on the screen shows the significant items in more detail. The key items are:

- A net profit of \$279 million following WHSP's merger with Milton. This includes a \$453 million profit on the deemed disposal of WHSP shares, offset by Brickworks share of a goodwill impairment incurred by WHSP;
- A net \$14 million cost in relation to other WHSP significant items, made up primarily of deferred taxes on our holding;
- After tax restructuring costs of \$6 million, primarily relating to the commissioning of the Austral Masonry plant in Sydney; and
- COVID-19 related costs of \$5 million, reflecting primarily unabsorbed fixed costs in our North American plants.

Financials – Cash Flow Reconciliation

- Decrease in operating cash flow, primarily due to increased working capital within Building Products operations
- Acquisition costs primarily represent IBC purchase
- Elevated capital expenditure of \$43 million for the period reflects several major projects underway
- Dividend payments of \$61 million (prior corresponding dividend included some uptake of DRP)

\$MILLION	1H21	1H22
Statutory net profit after tax	71	581
Depreciation, amortisation	36	38
Non cash revaluations within Property Trust	(78)	(343)
Non-cash gain on deemed disposal	-	(715)
Share of profits of associates not received as dividends	15	191
Changes in tax provisions	31	338
Inventory movements	(11)	(26)
Other items	12	(1)
Operating cash flow	76	63
Acquisitions (net of cash)	-	(64)
Capital expenditure	(61)	(43)
Dividends paid (net of DRP uptake)	(52)	(61)

BRICKWORKS

BKW 1H2022 Results

24.03.2022

32

Turning to cashflow.

The total operating cash inflow for the half was \$63 million, down from \$76 million in the prior corresponding period. Cash generation was adversely impacted by inventory build within Building Products operations.

Capital expenditure of \$43 million was incurred, with the company midway through several major projects. This includes the new masonry and brick plants in Sydney, the major upgrades at Hanley in Pennsylvania and deployment of a new enterprise resource planning system across Australia and the United States.

In addition, spending on acquisitions amounted to \$64 million, representing the IBC purchase.

Dividend payments of \$61 million were made during the half.

Financials – Key Indicators

- Total shareholder's equity increased by \$509 million during the half, or \$3.33 per share
 - Reflects strong statutory profit, offset by dividend payments
- Net debt increased by \$107 million to \$626 million
 - Gearing steady at 21%

	FY21	1H22	CHANGE
NTA per share	\$13.88	\$16.72	20%
Shareholder's equity	\$2,480m	\$2,989m	21%
Shareholder's equity per share	\$16.36	\$19.69	20%
Return on shareholder's equity ¹	12%	22%	92%
Operating cash flow (v 1H21)	\$76m	\$63m	(17%)
Net debt	\$519m	\$626m	21%
Gearing (net debt / equity)	21%	21%	-
Interest cover	20x	37x	85%

1. Based on annualised underlying NPAT from continuous operations (1H22 NPAT x 2)

BRICKWORKS

BKW 1H2022 Results

24.03.2022

33

Looking now at a range of key financial indicators.

Net tangible assets per share was up 20% over the period, to \$16.72.

Shareholders equity increased by \$509 million to just shy of \$3 billion, which represents \$19.69 per share.

Underlying return on shareholders equity was 22% on an annualised basis, up from 12% in financial year 2021.

As I mentioned a moment ago, operating cash flow was \$63 million for the period.

Net debt increased to \$626 million, up by \$107 million over the period.

Taking into account the increased equity, gearing was steady at 21%.

Interest cover is very conservative at 37x.

Debt Maturity and Metrics

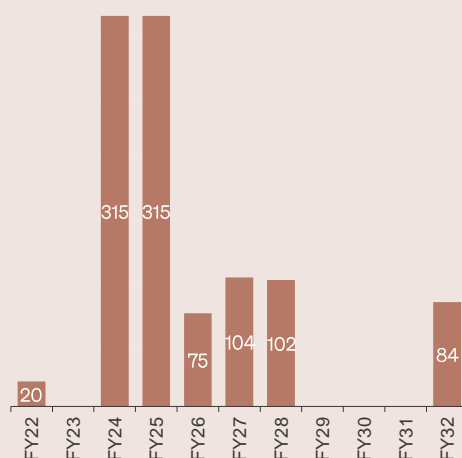
- Circa \$1,015 million in debt facilities committed
 - Syndicated multi-currency facility ~\$735 million
 - Bilateral cash advance facility \$75 million
 - Institutional term loan facility \$184 million
 - Construction loan facility \$20 million
- Next maturity in 2H22 (construction loan)
- Net debt of \$626 million¹ at 31 Jan 2022:
 - Total drawn debt \$705 million
 - Offset by cash of \$78 million
- Significant headroom within existing covenants:
 - Gearing 17%¹ (vs covenant <40%)
 - Interest cover 9.6x¹ (vs covenant of >3.5x²)
 - Leverage ratio 3.4x¹ (vs covenant of <3.5x²)

1. Gearing, interest cover and leverage ratio outlined here are based on the Group's banking covenant calculation (and differ from standard calculations used for these metrics, as quoted elsewhere in this report)
2. Covenant only applies if gearing > 22.5%

BRICKWORKS

Debt Maturity Profile

Total \$1,015 million facilities



BKW 1H2022 Results

24.03.2022

34

Looking now at our debt maturity profile.

During the period we refinanced two tranches of our existing syndicated debt facility and added two additional US dollar tranches. This increased our committed debt facilities from AU\$830 million to around AU\$1,015 million. This includes:

- A syndicated multi-currency facility of around \$735 million;
- A bilateral cash advance facility of \$75 million;
- An institutional term loan facility of \$184 million; and
- A construction loan facility of \$20 million related to the construction of the Austral Masonry plant.

The construction loan facility matures in the second half of financial year 2022, at which time the plant and equipment will convert to a lease.

We currently have around \$310 million in funding headroom, based on committed debt facilities and cash on hand, and significant headroom within our banking covenants.

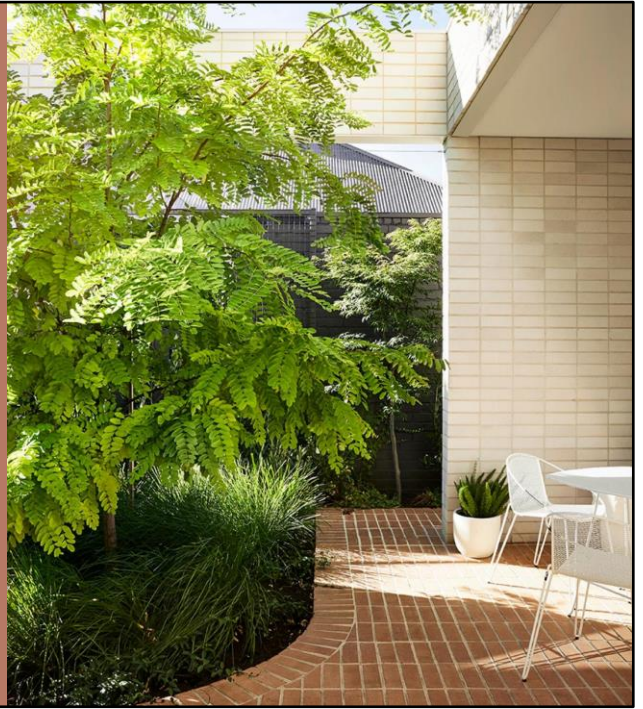
We have also renewed a lease over part of the brick plant at Wollert in Victoria, for a further 5 years commencing May 2022.

I will now hand back to Lindsay to discuss the outlook.

Outlook

Section 04

BRICKWORKS



Thankyou Robert.

Outlook

Investments

52% of Group assets

- Merger with Milton provides increased scale, diversification and liquidity to pursue additional investment opportunities
- History of long-term outperformance expected to continue

Property

26% of Group assets

- Within the Property Trust, the completion of facilities at existing Estates over the next three years will result in a significant uplift in rental income and leased asset value
- Advanced discussions in relation to a new “Operational Property Trust” with Goodman, in Australia
- Property opportunities emerging in North America

Building Products Australia

14% of Group assets

- Severe wet weather has impacted the start of 2H22
- Demand remains strong, with a large backlog of housing construction work in the pipeline
- Medium term uncertainty, post stimulus-induced surge. Building approvals weak
- Major capital projects will improve competitive position in key markets

Building Products North America

8% of Group assets

- Inflationary pressures and supply chain issues to persist in the foreseeable future
- A record order book is expected to flow through to increased sales activity from April
- Integration of IBC, prior period plant rationalisation and upgrades, and investment in sales and marketing initiatives will support future earnings

Group

- Outbreak of war in Ukraine has created increased uncertainty that could impact all businesses

BRICKWORKS

BKW 1H2022 Results

24.03.2022

36

Turning now to the outlook.

Brickworks is in a strong position, with a diversified portfolio of attractive assets. The increasing scale of our operations means we are on track to record over \$1 billion in annual Group revenue, for the first time.

We are excited by the outlook for our investment in WHSP, following the recent merger with Milton Corporation. We expect the larger WHSP to continue to deliver superior long-term returns and consistent dividend growth well into the future.

As I have discussed, there is a strong development pipeline within the Property Trust, and the completion of facilities at existing Estates over the next three years will result in a significant uplift in rental income and asset value.

I have also discussed our plans to realise value from operational properties in Australia, with advanced discussions in relation to the launch of a new Joint Venture Operational Property Trust, in partnership with Goodman.

Property opportunities are also emerging in North America, with strong market interest for some operational and surplus land assets. We are considering various strategies to maximum value, including outright sales, sale and lease back, and joint venture property development opportunities.

Within Building Products Australia, the start of the second half has been impacted by severe wet weather and flooding along the east coast. This has resulted in reduced construction activity in key markets such as Sydney and Brisbane. However, underlying demand remains strong, and we are hopeful that all states will experience an elevated period of activity for the remainder of the second half. Once the current backlog of stimulus induced housing work is completed, recent building approvals data suggests that a period of softer demand is likely.

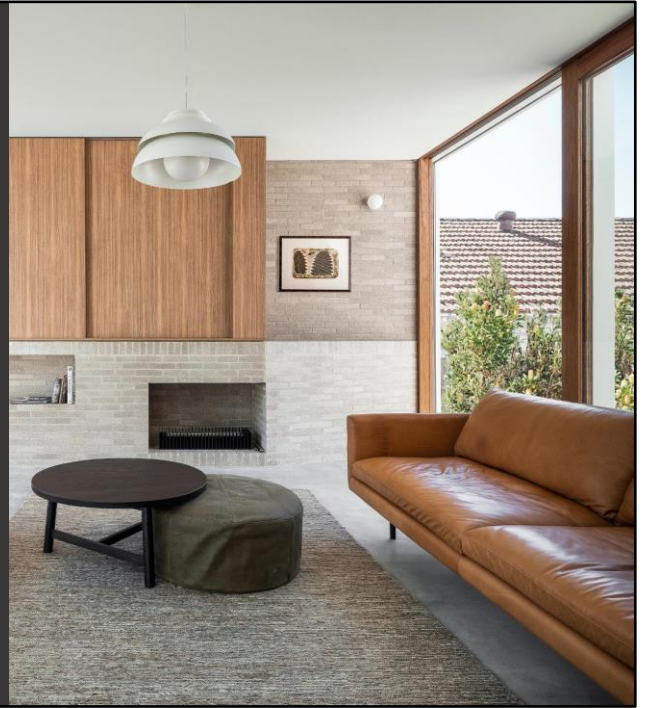
In North America, ongoing margin pressures are expected to persist in the second half. However, earnings will benefit from prior period plant rationalisation and upgrade works, our investment in sales and marketing initiatives and the additional contribution from the IBC and Capital Brick acquisitions.

Of course, the outbreak of war in Ukraine has created increased uncertainty that has the potential to significantly impact all of our businesses in a variety of ways. These impacts may include the price and availability of energy, upward pressure on inflation and interest rates and a decline in consumer confidence. Further strain on international supply chains is already evident, with shipping rates increasing back to levels not seen since the worst of the pandemic.

Questions

Section 05

BRICKWORKS



I will now take questions.

Thank you

BRICKWORKS

Sydney
Tel. 02 9611 4216
Lvl 9, 60 Carrington St
Sydney NSW 2000

Follow us @Brickworks



Visit

Brickworks.com.au

Disclaimer

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

IMPORTANT: The information in this document has been provided to you for information only by Brickworks Limited ("BKW") and is subject to change without notice. Nothing contained in this document constitutes investment, legal, tax or other advice. The information in this does not take into account your investment objectives, financial situation or particular needs. Before making an investment decision, you should consider, with or without the assistance of a professional securities adviser, whether an investment in BKW is appropriate in the light of your particular investment needs, objectives and financial circumstances.

Nothing in this document should be considered a solicitation, offer or invitation to buy, subscribe for or sell any security in any jurisdiction. The distribution of this document outside Australia may be restricted by law. Persons who come into possession of this document who are not in Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Neither this document nor any copy hereof may be transmitted in the United States of America ("US") or distributed, directly or indirectly, in the US or to any US person including (1) any US resident, (2) any partnership or corporation or other entity organised or incorporated under the laws of the US or any state thereof, (3) any trust of which any trustee is a US person, or (4) an agency or branch of a foreign entity located in the US.

By accepting this document you agree to be bound by these limitations. BKW has prepared this document based on information available to it. Although reasonable care has been taken to ensure that the facts stated and opinions given in this document are fair and accurate, the information provided in this document has not been independently verified. Accordingly, no representation or warranty, expressed or implied is made as to the reliability, fairness, accuracy, completeness or correctness of the information and opinions contained in this document. To the fullest extent permitted by law, none of BKW, its related bodies corporate, directors, employees or agents nor any other person accepts any liability for any loss whatsoever arising from any use of this document or its contents, or otherwise arising in connection therewith.