

- **Development Approval and cornerstone tenant secured at Oakdale East Stage 2**
- **Strong rental growth forecast for the Industrial JV Trust**

Development Approval and cornerstone tenant secured at Oakdale East Stage 2

Brickworks (ASX: BKW), and its joint venture partner Goodman Group (ASX: GMG), have received concept plan and Development Approval from the NSW Department of Planning and Environment, for the Oakdale East Stage 2 Estate in Western Sydney. This Estate covers more than 50 hectares of land, and the approval enables continued development of the Oakdale precinct with an additional 260,000m² of gross lettable area to be made available.

A lease pre-commitment for an initial 57,378m² distribution facility at the Estate has also been secured with an existing retail customer, subject to regulatory approvals. This cornerstone facility will have a 16.8 metre height and include a 20,960m² concrete mezzanine level, 3.7Mw of solar panels, 51 recessed and on grade docks and 40 trailer parking spaces. Construction will commence once these final approvals are received, with a target completion date for the initial facility of mid-2025.

Managing Director of Brickworks, Mr. Lindsay Partridge said: “We are very pleased to secure planning approval for this next phase in Oakdale’s development – extending our development pipeline by another five years. The significant lease pre-commitment for the first facility at the Estate is a key milestone, and reflects the strong demand we are continuing to experience from customers.

In an extremely tight industrial property market, we are able to offer prospective tenants large lot sizes in prime locations, facilities of unrivalled quality, and a proven track record of delivering new developments on time and on budget.”

Strong rental growth forecast for the Industrial JV Trust

Including the Brickworks Manufacturing Trust, the current annualised rent across Brickworks Property Trusts¹ is \$178 million (100% share). Driven by strong demand, limited supply and escalating construction costs, there has been a 48% increase in market rent for prime industrial facilities in Western Sydney over the past 12 months².

The development of new facilities at Oakdale East Stage 2 and the balance of Oakdale West will allow the Industrial JV Trust to capitalise on these strong market conditions.

Mr Partridge said: “Based on current market rates, new developments at Oakdale West and Oakdale East Stage 2 will deliver around \$90 million of additional rent to the Industrial JV Trust with Goodman (“JV”).

The development activity at these Estates is being funded by the JV. Importantly, it is not anticipated that additional capital will be required from Brickworks into the JV, with the value of our land contribution at Oakdale East being matched by development funding from Goodman, and low gearing levels providing ample debt funding headroom.

Including the mark-to-market rental uplift on existing leased assets that will be progressively realised as leases are renewed, the total rent potential of the Brickworks Property Trusts is around \$350 million (100% share), almost double the current passing rent.”

¹ Brickworks Property Trusts comprise a 50% share in the Industrial JV Trust (GMG share 50%) and a 50.1% share in the Brickworks Manufacturing Trust (GMG share 40.9%)

² Colliers research. 12 months to Jun 2023

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 and Bristile Roofing. Building Products North America is the leading brick producer in the northeast of the United States and includes the flagship brand of Glen-Gery.

On surplus land assets, Brickworks has developed extensive industrial property assets in conjunction with Joint Venture partner Goodman Group. These facilities help our customers 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 Managing Director has authorised the release of this announcement to the market.

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