Brickworks Limited
ABN: 17 000 028 526

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21 March 2024

Australian Securities Exchange
Attention: **Companies Department**

BY ELECTRONIC LODGEMENT

Dear Sir / Madam

Please see attached the Brickworks Limited Appendix 4D for the half year ended 31 January 2024, incorporating the interim financial report for that period, for immediately 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

BRICKWORKS LIMITED

A.B.N. 17 000 028 526

ASX Appendix 4D

Half Year ended 31 January 2024
Results for announcement to the market

	31 January 2024	31 January 2023	% Change
Revenues from continuing operations ($000's)	**547,403**	**584,004**	(6.27)%
Net profit after tax from continuing operations before significant items ($000's)	**(36,655)**	**410,165**	(108.94)%
Profit from ordinary activities before tax attributable to members ($000's)[1]	**(136,666)**	**465,805**	(129.34)%
Profit from ordinary activities after tax attributable to members ($000's)[1]	**(52,075)**	**354,442**	(114.69)%
Net profit for the period attributable to members ($000's)[1]	**(52,075)**	**354,442**	(114.69)%
Basic earnings per share (cents per share) [1,2]	**(38.6)**	**263.9**	(114.64)%
Net tangible assets per share (dollars per share)[3]	**19.34**	**19.80**	(2.32)%
Interim dividend declared – 100% franked (cents per share) (Record date: 10 April 2024)	**24.00**	**23.00**	4.35%

There were no dividend reinvestment plans in operation at any time during the period.

- **Statutory NPAT** down 115% to a loss of $52 million and **Underlying NPAT (Continuing Operations)** down 109% to a loss of $37 million
- Earnings adversely impacted by **property sales and non-cash property revaluations**, with a loss of $249 million recorded in 1H24, compared to a profit of $376 million in 1H23
- **Building Products Australia** EBITDA up 5% to $52 million
- **Building Products North America** EBITDA up 43% to $21 million
- **Property** EBITDA ex revaluations and sales $72 million, down 6%. Value of Property Trust assets $1.953 billion
- **Investments** EBITDA down 24% to $76 million. Value of listed investments up $140 million to $3.261 billion.
- **Net debt** down to $615 million, gearing 18%
- **Interim dividend** of 24 cents fully franked, up 1 cent or 4%

Additional information supporting the Appendix 4D disclosure requirements can be found in the Directors' Report and the Financial Report for the financial half year ended 31 January 2024.
This information should be read in conjunction with the most recent annual report.
The report is based on accounts which have been subject to review. There was no dispute or qualification in relation to these accounts or report.

[1]Including discontinued operations.
[2]The prior period Earnings Per Share measure was restated to reflect the adjustments to the weighted average number of shares. The weighted average number of shares outstanding during the prior period was adjusted to remove the reciprocal interest with Washington H. Soul Pattinson Limited ("Soul Patts") and the weighted average number of treasury shares.
[3]The net tangible assets calculation excludes right-of-use assets. Lease liabilities are included and reduce the net tangible assets per share.

BRICKWORKS

A.B.N. 17 000 028 526

INTERIM FINANCIAL REPORT

HALF YEAR ENDED 31 JANUARY 2024

Directors' Report

The Directors of Brickworks Limited present their report and the financial report of Brickworks Limited and its controlled entities (referred to as the Brickworks Group or the Group) for the half year ended 31 January 2024.

Directors

The names of the Directors in office at any time during or since the end of the half year up to the date of this report are:

- **Robert D. Millner AO** FAICD (Chairman)
- **Lindsay R. Partridge AM** BSc. Hons. Ceramic Eng; FAICD; Dip. CD (Managing Director)
- **Deborah R. Page AM** B.Ec; FCA; FAICD
- **Malcolm P. Bundey** B.Bus (Accounting), GAICD
- **Robyn N. Stubbs** B.Bus M.Sc., GAICD
- **The Hon. Joel A. Fitzgibbon** GradCertBA, GAICD
- **Michael J. Millner** MAICD (retired 21 November 2023)

Highlights

- **Statutory NPAT** down 115% to a loss of $52 million and **Underlying NPAT (Continuing Operations)** down 109% to a loss of $37 million
- Earnings adversely impacted by **property sales and non-cash property revaluations**, with a loss of $249 million recorded in 1H24, compared to a profit of $376 million in 1H23
- **Building Products Australia** EBITDA up 5% to $52 million
- **Building Products North America** EBITDA up 43% to $21 million
- **Property** EBITDA ex revaluations and sales $72 million, down 6%. Value of Property Trust assets $1.953 billion
- **Investments** EBITDA down 24% to $76 million. Value of listed investments up $140 million to $3.261 billion.
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Earnings

Brickworks Limited (ASX: BKW) ("Brickworks" or the "Company") posted a Statutory Net Loss After Tax of $52 million for the half year ended 31 January 2024. The Underlying Loss After Tax from continuing operations was $37 million.

Earnings were adversely impacted by a non-cash property devaluation of $233 million (vs. $114 million gain in 1H23) and a $16 million loss on property sales (vs. $263 million profit in 1H23).

Group Earnings Before Interest, Tax, Depreciation and Amortisation ('**EBITDA**')[2] was a loss of $40 million in the first half, compared to a gain of $607 million in the prior corresponding period. Excluding the impact of the property revaluations and property sales, EBITDA was $210 million, down 9%, due primarily to a lower contribution from Investments.

On sales revenue of $323 million (down 11%), **Building Products Australia** EBITDA was $52 million, up 5% on the previous corresponding period. Margins improved as a result of ongoing rationalisation of the portfolio to focus on higher performing business units, overhead cost reductions, price increases and productivity improvements across most operations.

On relatively steady revenue of $224 million, **Building Products North America** delivered a 43% increase in EBITDA, to $21 million. Higher prices, a general easing of inflationary pressures and improved plant utilisation following a five-year plant rationalisation program have all supported an increase in margins.

Excluding revaluations and land sales, **Property** EBITDA was $72 million, down by 6%. A continued increase in net rental income was offset by a decline in development profits within the Industrial JV Property Trust[1], as the Oakdale West Estate nears completion.

Underlying EBITDA[2] ($million)	1H2023	1H2024	Change	Change %
Building Products Australia	50	**52**	2	5%
Building Products North America	14	**21**	6	43%
Property – ex revaluations / sales	76	**72**	(4)	(6%)
Investments	100	**76**	(24)	(24%)
Group Expenses	(10)	**(11)**	(1)	(12%)
Underlying EBITDA ex property revaluations / sales	**231**	**210**	**(21)**	**(9%)**
Property revaluations	114	**(233)**	(347)	(305%)
Property sales	263	**(16)**	(279)	(106%)
Underlying EBITDA – Continuing Operations	**607**	**(40)**	**(647)**	**(107%)**

[1] The Industrial JV Trust is a 50/50% partnership between Brickworks and Goodman

[2] All references to EBIT or EBITDA exclude discontinued operations, unless otherwise stated.

A non-cash devaluation of $233 million was recorded on Property Trust[3] assets, following the independent valuation process completed in December 2023. This loss reflects an increase in capitalisation rates across the portfolio to 5.1% (4.1% at July 2023) and follows $615 million in revaluation gains being delivered in the prior five years as capitalisation rates compressed. In addition, a loss of $16 million was booked following the sale of the M7 Hub Estate.

At the end of the period, Brickworks' share of the net asset value within its Property Trusts was $1.953 billion (vs. $2.274 billion at 31 July 2023), taking into account the development profits, impact of revaluations and the M7 Hub Estate sale.

Investments EBITDA was $76 million, down 24%, driven mainly by a decline in the contribution from New Hope Corporation to Washington H. Soul Pattinson & Company ("Soul Patts") (ASX: SOL) earnings. The market value of Brickworks' 26.1% shareholding in Soul Patts was $3.244 billion at 31 January 2024, up by $137 million compared to 31 July 2023. Brickworks also holds a 16.5% stake in FBR Limited (ASX: FBR), with a market value of $16 million at the end of the period.

An underlying **income tax** benefit of $87 million was recorded, due primarily to a deferred tax benefit associated with the property devaluation and utilising unrecognised capital tax losses, following the M7 Hub Estate sale.

Net **borrowing costs** were $39 million, up from $23 million in the prior corresponding period, due to a higher average interest rate on debt and additional leases.

Significant items decreased NPAT by $15 million for the period, comprising:

- Restructuring and site closure costs of $6 million (net of tax), primarily relating to employee severance payments associated with restructuring activities within Building Products.
- Plant commissioning costs of $6 million (net of tax), associated with the new Horsley Park brick plant.
- A non-cash impairment of $3 million (net of tax) based on AASB 136. This primarily relates to the closure of the Landmark Stone plant in North America and the Wacol rooftile plant in Australia.
- A $10 million cost arising from the net impact of the income tax expense in respect of the equity accounted Soul Patts profit, offset by the impact of fully franked Soul Patts dividend income, adjusted for the movements in the franking account and the circular dividend impact.
- A $14 million benefit in relation to significant items from Investments.
- Other costs of $4 million (net of tax), primarily in relation to acquisition, legal and IT costs.

Significant Items ($m)	Gross	Tax	Net
Restructuring and site closure costs	(8)	2	(6)
Plant commissioning costs	(8)	2	(6)
Impairment of non-current assets	(4)	1	(3)
Income tax from the carrying value of SOL		(10)	(10)
Significant items relating to Investments	14	-	14
Other costs	(6)	2	(4)
Total (Continuing Operations)	**(12)**	**(2)**	**(15)**

[3] The Property Trusts include the Industrial JV Trust and a 50.1% share of the Brickworks Manufacturing Trust

Discontinued operations contributed an after-tax loss of $1 million for the period. This primarily relates to closure costs within Austral Precast.

Statutory Earnings Per Share ('EPS') was a loss of 39 cents, and Underlying EPS from continuing operations was a loss of 27 cents.

Cash Flow

Total **cash flow from operating activities** was $54 million, up 16% from $46 million. Although higher than the previous corresponding period, cash generation was adversely impacted by plant commissioning and restructuring costs, higher borrowing costs and an increase in working capital.

Capital expenditure was $37 million during the period, with the Company nearing the end of a significant investment program. Major projects included the construction of a new brick plant at Horsley Park in New South Wales and upgrade works at the Rocky Ridge (Maryland) and Adel (Iowa) plants in North America.

Balance Sheet

During the half **total shareholders' equity** was down $86 million to $3.475 billion, primarily reflecting the statutory loss and impact of dividends paid to shareholders.

Net tangible assets ('NTA') per share was $19.34 at 31 January 2024, down from $19.96 at 31 July 2023.

Total interest-bearing debt was $748 million at the end of the period. After including cash on hand, **net debt** was $615 million, a decrease of $37 million during the half. **Gearing** (net debt to equity) remained relatively steady at 18%, with the lower debt level offset by the decreased asset base.

Net working capital was $341 million at 31 January 2024, including finished goods inventory of $277 million. Although finished goods units were relatively steady during the half, the value was up $13 million, due to higher unit costs.

Dividends

Directors have declared a fully franked interim **dividend** of 24 cents per share for the half year ended 31 January 2024, up 4% from 23 cents. The record date for the interim dividend will be 10 April 2024, with payment on 1 May 2024.

Sustainability

Our People

Full-time equivalent employee numbers were 1,886 at 31 January 2024, comprising 985 based in Australia and 901 in North America.

Brickworks continues to focus on inclusion and diversity. Gender diversity has significantly improved, with 31% of the executive leadership team in Australia being female. This compares to 7% in 2015. Across the global workforce, the proportion of female employees (in total) and at the senior executive level are 23% and 25% respectively.

Brickworks is also active in the community and has a long-standing partnership with the Children's Cancer Institute, having made direct and indirect contributions of over $4.8 million since 2002.

Safety

The Company continues to make steady progress on improving workplace safety. The total recordable injury rate (injuries per million hours worked) for the first half was 10.8, up slightly from the record low rate of 10.0 achieved in financial year 2023.

Across our operations there were three lost time injuries during the half – one in Australia and two in North America.

Over the longer term, a sustained decrease in injuries has been achieved, through disciplined implementation of safety management systems and procedures, together with behavioural leadership and safety training programs.

Environmental

Brickworks' sustainability strategy focusses on opportunities to make buildings and cities safe, resilient, and sustainable. It sets a clear pathway to achieving this, with 16 measurable targets and commitments across three pillars: Responsible Business, Environment, Our People and Community.

The Company is achieving strong progress across many aspects of sustainability. In Australia, carbon emissions have followed a general downward trend, with a 46% decrease compared to the base year, 2006. In North America, there has been an 18% energy efficiency improvement since our first acquisition in 2019.

To drive further improvement, in the first half Brickworks announced a new carbon target: to achieve a 15% reduction in Scope 1 and 2 greenhouse gas emissions by 2030, from a 2022 baseline, across our combined Australian and North American operations. This new target is complemented by continued investment into developing feasible renewable biomethane opportunities and our sustainable product innovation strategies.

At Horsley Park, the Company has built the most energy efficient brick plant in the country, with the new facility replacing two plants that were both more than 45 years old. A development application for a biogas facility at the new brick plant has been submitted, in collaboration with Delorean (ASX: DEL).

Within Property, Brickworks together with its joint venture partner Goodman (ASX: GMG), aim to be world leaders in sustainable industrial property design and development.

At the latest development at Oakdale West, all buildings have sustainable design initiatives incorporated including drought-resistant landscaping, rainwater harvesting, electric vehicle charging stations and 5% of parking dedicated to electric vehicles, LED lighting and recycling facilities.

Property

Overview of Property Result

$million	1H2023	1H2024	Change
Rental Income (100%)	*70*	*81*	*17%*
Borrowing & Other Costs	*(21)*	*(31)*	*(47%)*
Net Trust Income (100%)	*49*	*51*	*4%*
Net Trust Income (BKW 50%)	24	25	4%
Development Profit	54	48	(10%)
Admin / Other	(2)	(2)	-
EBIT Ex Revaluations, Sales	**76**	**72**	**(6%)**
Revaluations	114	(233)	(305%)
Property Trust Sales	-	(16)	NA
Brickworks Land Sales	263	-	NA
Property EBIT	**453**	**(178)**	**(139%)**

Property delivered an EBIT (& EBITDA) loss of $178 million for the first half, compared to a profit of $453 million in the prior corresponding period.

The loss was primarily due to the non-cash revaluation of properties, following an independent valuation process completed in December 2023. This process resulted in the average capitalisation rate across the portfolio increasing to 5.1%, up from 4.1% at July 2023.

The increase in capitalisation rate reflects broad-based dislocation across the property sector, in response to economic volatility, rising interest rates and tighter credit conditions. This has resulted in a change in external valuation methods. With limited property transactions taking place in the market, traditional valuation methods based on comparable sales have been replaced by methods focussed on discounted cashflow (taking into account increasing interest rates) and initial yield. Under this methodology, the valuation outcome across the portfolio varied significantly by property, with long lease assets that are unable to realise the immediate benefit of increased market rent, being significantly impacted.

The increase in capitalisation rates in the first half, followed several years of strong revaluation gains, underpinned by longer term structural demand drivers such as the transition to online shopping.

In December, Brickworks announced the sale of its 50% interest in the “M7 Hub”, one of the Estates held by the Industrial JV Trust. The M7 Hub comprises three multi-unit industrial properties, located near the M7 motorway on Old Wallgrove Road, Eastern Creek (NSW). The units were sold to JV partner, Goodman Group.

The sale delivered $117 million in gross proceeds and resulted in a $16 million loss due to the sale value being below the 31 July 2023 book value. The transaction was able to be executed quickly, tax efficiently and with limited transaction costs. All sale proceeds were distributed to Brickworks.

The M7 Hub was one of the first sites developed within the Industrial JV Trust and is the smallest of the fully developed Estates. When all facilities were fully completed in 2012, Brickworks’ 50% interest in the M7 Hub was worth $46 million. The sale price represents a 154% increase since that time. The sale provided an opportunity to release funds, following a period of heavy investment across the Group, including to enable the release of significant additional development land at Oakdale East.

Excluding the impact of the devaluations and property sales, Property EBIT was $72 million, down by 6% on a like-for-like basis with the prior corresponding period.

Strong demand, caused by structural trends across the economy and a lack of appropriately zoned and approved land, is driving unprecedented growth in market rent for industrial property in Western Sydney. Compared to the previous corresponding period, rental income within the Property Trusts was up 17% to $81 million (100% share). Higher interest rates resulted in a significant increase in borrowing costs. After including borrowing and other costs, net trust income was $51 million (100% share). Brickworks’ 50% share of this income was $25 million, up 4% on the prior corresponding period.

During the first half, development activity within the Industrial JV Trust was focussed on the Oakdale West Estate, including facilities for Maersk and EBOS, as well as two speculative units. Progress on these facilities resulted in a development profit of $48 million being recorded.

Property administration expenses totalled $2 million, in line with the prior half. These expenses include holding costs, such as rates and taxes on properties awaiting development.

Property Trust Assets

Estate	Developed Assets				
	Asset Value ($m)	Rent ($m p.a.)	WALE[4] (yrs)	Cap. Rate	GLA[5] (m^2)
Interlink Park (NSW)	649	25	3.3	5.2%	192,200
Oakdale Central (NSW)	830	33	4.0	5.0%	245,200
Oakdale East 1 (NSW)	169	6	8.8	5.0%	35,900
Oakdale South (NSW)	610	23	5.0	5.2%	177,100
Rochedale (QLD)	316	17	9.1	5.5%	126,100
Oakdale West (NSW)	1,290	49	13.0	4.7%	251,800
Industrial JV Trust Total	**3,863**	**154**	**7.9**	**5.0%**	**1,028,300**
BKW Manufacturing Trust	389	18	14.8	6.0%	NA
Total	**4,252**	**172**	**8.6**	**5.1%**	**NA**

As at 31 January 2024, the total value of developed assets held within the two Property Trusts was $4.3 billion. The annualised rent generated from these assets is $172 million and the weighted average lease expiry is 8.6 years (7.9 years for the Industrial JV Trust). The average capitalisation rate across the portfolio is 5.1%, and there is currently one vacancy in the portfolio (a recently completed facility at Oakdale West).

Including $971 million worth of land to be developed, the total value of assets held within both Property Trusts was $5.2 billion at the end of the period. Borrowings of $1.3 billion are held within the Industrial JV Trust, giving a total net asset value of $3.9 billion. Brickworks' 50% share of net asset value is almost $2.0 billion, down by $321 million during the half.

Gearing within the trusts was 25% at the end of the period, up from 21% at 31 July 2023. This comprises gearing of 27% within the Industrial JV Trust (well below the covenant of 60%), and no debt within the Brickworks Manufacturing Trust. The gearing within the Industrial JV Trust increased following the sale of the M7 Hub Estate, with the sale proceeds being distributed to Brickworks and existing debt maintained within the Trust. Additional borrowings were also used to fund the ongoing development activity at Oakdale West.

$million	Jul 2023	Jan 2024	Change
Developed assets	4,908	4,252	(13%)
Land under development	878	971	11%
Total Property Trust assets	**5,786**	**5,223**	**(10%)**
Borrowings	(1,239)	(1,319)	(6%)
Net Property Trust assets	**4,547**	**3,904**	**(14%)**
Brickworks 50% share	**2,274**	**1,953**	**(14%)**
Gearing on leased assets[6]	21%	25%	19%

[4] Weighted average lease expiry (by income)
[5] Gross Lettable Area
[6] Borrowings / total trust assets

Investments

Investments consists of Brickworks' shareholdings in Soul Patts (ASX: SOL) and FBR (ASX: FBR), in addition to interest income on cash holdings. The EBIT from Investments was $76 million in the half year ended 31 January 2024, down 24% on the prior corresponding period.

Washington H. Soul Pattinson Limited ('Soul Patts')

Brickworks holds 94.3 million shares in Soul Patts (representing a 26.1% ownership stake), with the initial investment dating back to 1968. This shareholding is an important source of earnings and cash flow diversification for the Company and has been a key contributor to Brickworks' success for more than five decades.

Soul Patts holds a diversified investment portfolio of investments, and significant stakes in a number of listed companies including Brickworks, TPG Telecom and New Hope Corporation.

The market value of Brickworks' shareholding in Soul Patts was $3.244 billion at 31 January 2024, up $137 million for the half.

Soul Patts has delivered strong returns to Brickworks, with 20-year total shareholder return of 12.1% per annum (to 31 January 2024), 3.2% per annum ahead of the All-Ordinaries Accumulation Index. Shareholder returns comfortably exceed the benchmark over most time periods.

The investment in Soul Patts returned an underlying contribution of $76 million for the half year ended 31 January 2024, down from $101 million in the previous corresponding period.

During the period cash dividends of $48 million were received from Soul Patts, down 13% on the previous corresponding period. The prior period included a special dividend of $14 million. Excluding this, cash proceeds from normal dividends were up by 17%.

FBR Limited ('FBR')

Brickworks made an initial seed investment in FBR Limited in 2006 and over the past two years has made additional investments to increase its stake. This included an acquisition of 76.3 million shares during the first half. At the end of the period, Brickworks held 731.7 million shares, representing a 16.5% shareholding.

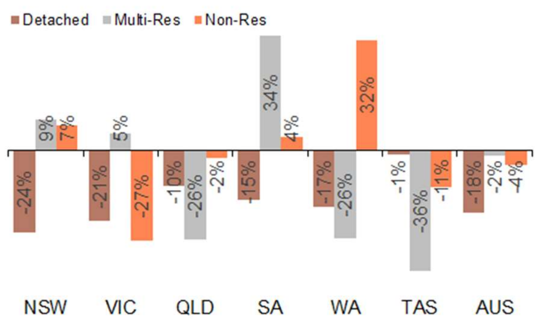
FBR has commenced the commercialisation process for a bricklaying robot that has the potential to build walls faster than traditional methods, and with much reduced labour. With an ongoing shortage of bricklayers, exacerbated by the current tight labour market, there is a strong market opportunity for this technology. As the largest brick maker in the country, Brickworks has much to benefit from the success of FBR.

At the end of the period, the market value of Brickworks stake in FBR was $16 million.

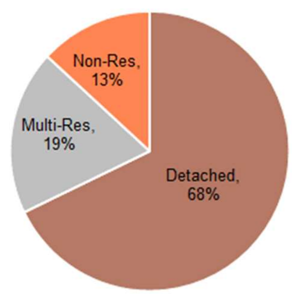
Building Products
Australia

Market Conditions

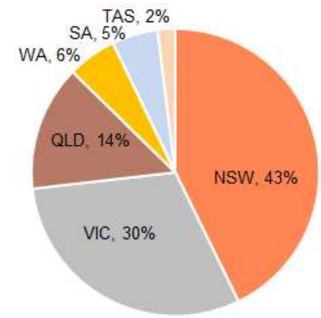
Building Activity by State[7]
6 months to Dec 23 vs 6 months to Dec 22



Sales by Segment



Sales by Region



Residential commencements continued to decline during the first half of the 2024 financial year, in response to higher interest rates and a reducing backlog of work from the HomeBuilder program.

Nationally, detached house commencements were down 18% on the prior corresponding period, with declines of 10% or more across all of the major states. Although the decline in commencements has been significant over the past 12-18 months, there has been a healthy pipeline of projects under construction in most states throughout the first half. Over the past two years, building timelines have been extended due to supply chain delays and labour constraints. As a result, the usage of bricks and roof tiles on-site is now typically lagging commencements by six months or more.

Nationally, multi-residential commencements have stabilised, following several years of decline. Current activity levels in this sector are around the weakest since 2012. Activity in this segment is variable across each state, with moderate increases in New South Wales and Victoria, offset by significant declines in Queensland and Western Australia.

Non-residential building activity has varied significantly across the country. During the first half there was increased activity in Western Australia (up 32%) and New South Wales (up 7%), offset by declines in Victoria (down 27%) and Queensland (down 2%).

Overview of Result

$million	1H2023	1H2024	Change
Revenue	**364**	**323**	(11%)
EBITDA	**50**	**52**	5%
EBIT	**25**	**23**	(11%)
EBITDA margin	**14%**	**16%**	18%

Revenue for the half year ended 31 January 2024 was down 11% to $323 million. Excluding the impact of closed operations in Western Australia, revenue was down 9%. The decrease was broad based, with sales volume adversely impacted by the lower building activity in key markets.

EBIT from continuing operations was $23 million, down 11% on the prior corresponding period. Excluding depreciation and amortisation, EBITDA was up by 5% to $52 million, resulting in an EBITDA margin of 16%.

Improved margins were the result of the implementation of price increases and productivity improvements across most operations. In addition, the closure of brick operations in Western Australia (in FY23) largely eliminated the significant losses associated with these operations.

[7] Detached House and Multi-residential Commencements. Non-residential value of work done. Source: BIS Oxford Economics Australian Building Forecasts, Nov 2023. Figures shown are for the 6 months ended in December. Data shown for NSW also includes ACT, to align with Brickworks sales regions.

The exit of brick manufacturing in Western Australia followed the closure of Austral Precast and sale of Auswest Timbers in recent years, as the business focusses on portfolio optimisation, to concentrate in areas of greatest competitive advantage and long-term prospects.

Following this period of rationalisation, a range of additional initiatives were implemented during the first half to further streamline operations. This included the consolidation of Austral Bricks and Austral Masonry into one operating division, a restructure of Bristile Roofing and a rationalisation of divisional support functions.

In total, these initiatives are expected to deliver annualised savings of $15 million, through a reduction in headcount of approximately 100 staff. Other benefits will also include increased cross-selling opportunities, streamlining of processes and supply chain optimisation.

Nationally, the new **Austral Bricks and Masonry** business unit (including Advanced Cladding Systems and the Company's 33% interest in Southern Cross Cement) incurred an 11% decrease in sales revenue to $280 million for the half. Revenue in Western Australia was significantly lower, due to the exit from brick operations in that region. Of the other states, Queensland suffered the largest revenue decline, with sales adversely impacted by the significant decrease in multi-residential building activity.

In response to the subdued market conditions, the Company has taken the opportunity to carry out maintenance activities ahead of the anticipated strong demand through the rest of the decade. To this end, over the Christmas and New Year period the Rochedale plant in Queensland and the Longford plant in Tasmania were taken offline for scheduled maintenance work. The Longford plant did not return to service until mid-February, with works at this facility taking longer than anticipated, due to the age and condition of the kiln.

The Wollert West plant in Victoria will be taken offline during March and April for a long overdue kiln casing repair, having been in continuous service for over a decade since commissioning. Plant 1 at Horsley Park in New South Wales will also be taken offline during the second half for regular maintenance.

Commissioning works progressed at the new Plant 2 (Horsley Park) during the first half. The plant is meeting expectations and is now operating at around 95% of design capacity. First quality product recovery on most product lines has exceeded 99%, with only a small number of products yet to be trialled. Pleasingly, fuel efficiency and unit labour costs are already the best of any plant across the Group.

Further productivity gains were made at the new Oakdale East masonry plant in Sydney during the first half. This facility incorporates the latest block-making technology, and includes an associated value-added facility, to create products such as polished pavers and split face retaining walls. In order to take full advantage of the new plant capabilities, product development efforts have been ramped up, with a number of exciting new products under development.

Advanced Cladding Systems has been established to focus on commercialising thin brick cladding systems, a product category that is experiencing growing demand, particularly in high-rise commercial and multi-residential segments. Since launching in FY2023, the response from customers has been positive, with strong sales momentum and customer enquiry being achieved in the first half.

Southern Cross Cement delivered another strong result, and continues to provide quality, cost-effective cement to Brickworks operations in Brisbane, as well as to other joint venture shareholders.

Bristile Roofing (including Capital Battens) earnings were ahead of the prior corresponding period, on an 11% decrease in revenue to $43 million. The decline in revenue was primarily attributable to business down-sizing initiatives, with a shutdown of the Wacol roof tile plant in Queensland, during September.

The Wacol facility has historically supplied the Queensland and New South Wales markets. These markets will now be supplied from the Dandenong plant in Victoria, which has spare capacity to absorb additional volume.

As part of the business simplification, the New South Wales and Queensland markets will be serviced exclusively through a "supply only" model. In Victoria, by far the largest roof tile market in the country, the additional installation service will continue to be offered by Bristile.

With a more streamlined business model, significant reduction in fixed overhead costs, production utilisation increased and focus on the lower cost Dandenong facility, the business is well-placed to improve performance.

Sales revenue and earnings from imported terracotta tiles increased compared to the prior corresponding period, and Capital Battens delivered relatively steady performance.

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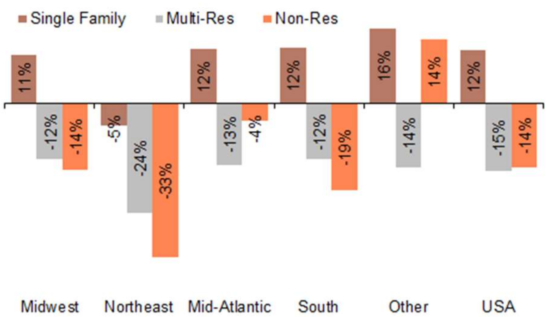
Building Products

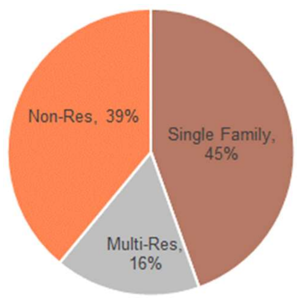
North America

Market Conditions

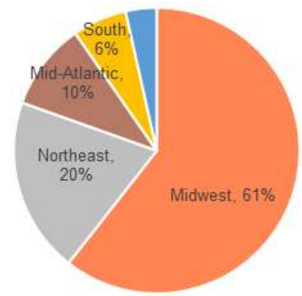
Building Activity by Region[8]
6 months to Dec 23 vs 6 months to Dec 22



Sales by Segment



Sales by Region



Building activity in the United States has been mixed during the period, varying significantly by region and segment.

Across the country, the total value of building activity commenced for the 6 months to December 2023 was down 8% compared to the prior corresponding period. A 12% increase in the single-family segment was offset by a 15% reduction in multi-residential and a 14% decline in non-residential commencements.

After a period of gradual recovery following the pandemic, building activity in the non-residential sector has softened, leaving a large pipeline of work in design phase but not yet contracted. Within the non-residential segment there are some pockets of strength, such as education and healthcare facilities, with local governments developing necessary infrastructure to support growing populations.

The sustained higher interest rates have resulted in an increase in single family commencements. This is due to existing home inventory not coming to market (with homeowners reluctant to refinance into new homes at higher interest rates), forcing new home buyers to seek newly constructed homes.

Building Products North America's key regional exposure is in the Midwest, Northeast and Mid-Atlantic. Combined, these three regions make up around 90% of total sales revenue. Building activity in the Midwest and Mid-Atlantic regions has been relatively strong over the past six months, compared to the lagging Northeast.

Overview of Result[9]

$million	1H2023	1H2024	Change
Revenue ($US)	**148**	**146**	(1%)
EBITDA ($US)	**10**	**14**	39%
EBIT ($US)	**1**	**4**	299%
Revenue ($AU)	**220**	**224**	2%
EBITDA ($AU)	**14**	**21**	43%
EBIT ($AU)	**1**	**6**	312%
EBITDA margin	**7%**	**9%**	41%

Bricks sales volume in North America was lower during the period, due primarily to a significant reduction in sales to the oversupplied Texas home builder market. Sales volume to the core commercial sector grew by 5% from the prior corresponding period, and sales to the single-family residential segment (outside Texas) were relatively steady.

Despite the lower sales volume, revenue of $224 million for the half was broadly in line with the prior corresponding period, due to a combination of price increases, a mix shift towards higher value products, and strong sales growth through the vertically integrated retail division.

EBITDA for the half was up 43% to $21 million and EBIT was also up significantly, to $6 million.

Margins are recovering, following the implementation of strong price increases in response to significant cost pressures across the supply chain over the past 18 months. These cost pressures have been most acute in relation to labour, with unit labour costs up 16% on the prior corresponding period. Excluding the impact in relation to labour, cash manufacturing costs were held steady, with

[8] Single Family and Multi-residential Commencements. Non-residential value of work done. Source: Dodge Data & Analytics.
[9] An average exchange rate of 1AUD=0.65 USD has been used to convert earnings in 1H24 (1AUD=0.67 USD in 1H23)

increases in maintenance and equipment leases offset by savings across a range of other cost items.

The business made strong progress on key strategic priorities over the period, with the five-year brick plant rationalisation program now complete. In addition to the rationalisation of brick plants, the Landmark stone plant was closed in December. This sub-scale and highly manual operation produced a complimentary product range to bricks, but with increased labour costs is no longer viable.

In total, 9 plants have been closed over the past five years, as the business has integrated new bolt-on acquisitions. While disruptive throughout the implementation phase, the end result of this process is a more efficient plant network and a more focussed capital investment program. The rationalisation program has resulted in an increase in brick plant utilisation to 75% (from 46%) a significant reduction in the average age of kilns and a 29% headcount reduction across the business.

Another key benefit of the rationalised production fleet is the reduced need for plant shutdowns over the winter months, with only the Hanley plant (in Pennsylvania) and Iberia Plant (in Ohio) taken offline during this period.

In the first half a dryer upgrade was completed at the Mid-Atlantic plant. With strong demand for the unique moulded product from this plant, it is expected to return to full production in the second half.

The Rocky Ridge plant in Maryland is currently being re-commissioned and will produce a range of moulded bricks specifically tailored for the UK market. In addition, the plant will produce US modular brick, which will support an increase in demand for this product on the east coast, as well as a premium long format brick, which is also growing in popularity. The long format brick will be unmatched in the US market, with no domestic equivalent.

At Pittsburgh, production of thin brick and a new range of pavers is proceeding well, with these product groups attracting strong customer interest and offering significant growth potential.

Investment in packaging automation is planned at the Adel plant (in Iowa) during the next six months. This investment will improve production efficiency and reduce labour costs.

Following numerous acquisitions, the retail distribution network now comprises 26 locations. All stores have been unified under one brand, “Brickworks Supply”, with locations, market strategy and product range fully aligned.

Outlook

Property

Property Trusts

The Industrial JV Trust continues to experience strong lease enquiry for large-sized industrial facilities. Structural trends are driving our customers to seek well-located facilities and sophisticated supply chain solutions, with consumers increasingly demanding faster and more flexible delivery of goods.

In addition, supply of suitable land is scarce, particularly in Western Sydney. The tightness in the Sydney market is reflected in a near 0% vacancy rate across the Property Trusts. Supply challenges across the industry are also being exacerbated by increasing construction and financing costs, and a range of planning and approvals issues.

All these factors have driven up rent for prime industrial property in Western Sydney by 55% in the past two years[10]. The current passing rent within the Industrial JV Trust of $147/m^2$ is now around 35% below the estimated market rent.

The Industrial JV Trust is well placed to meet the strong demand and benefit from the higher market rents. Oakdale West is expected to be fully developed by the end of the current financial year, with 78,200m^2 of new facilities already committed to tenants, leaving just 60,500m^2 available for rent. Once Oakdale West is completed, the Oakdale East Stage 2 precinct will then be one of the only large-scale "shovel ready" industrial development sites in Western Sydney. Brickworks pro-actively brought-forward the release of this estate, by consolidating brick manufacturing at Horsley Park in recent years.

At Oakdale East Stage 2, the initial 58,000m^2 pre-committed facility is forecast to be completed by mid-2025. Strong demand for serviced land capable of accommodating facilities over 30,000m^2 provides the opportunity to develop the remaining 193,000m^2 of gross lettable area within four to five years.

Once this estate is complete, total market rent potential from the Property Trust assets is expected to be around $340 million (100% share based on average market rent[11] of $225/m^2), up from the passing rent of $172 million on currently leased facilities. The uplift on new developments will be achieved as developments are completed at Oakdale West and Oakdale East (Stage 2). The uplift on existing facilities will be progressively realised over a longer period upon lease renewals and reviews. Around 35% of current leases have rent increase caps and this is likely to extend the time period to achieve full market rent on those facilities.

This rental growth will require no further capital from Brickworks, with the value of our land contribution at Oakdale East being matched by development funding by Goodman. In addition, the low gearing levels within the Industrial JV Trust will allow debt funding as required.

The long-term prospects of the Property Trust are very strong, with structural trends towards e-commerce and the digital economy to continue to drive demand for prime industrial facilities. As always, short-term Property earnings will depend on the timing of development activity and land sale transactions, and the extent of any revaluations.

Brickworks 100% owned land

The largest additional parcel of land for potential 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 600,000m^2 of GLA, if sold into the Industrial JV Trust, this site will extend the development pipeline well beyond the next five years.

In conjunction with Goodman Group, due diligence has been ongoing into the industrial development of 77 hectares of land at the Mid-Atlantic site in Pennsylvania. The site, located close to the I-78 motorway linking New York to Washington D.C., is currently zoned industrial. Applications to facilitate the development of a 185,000m^2 estate have been lodged with local authorities, with approvals expected before the end of 2024.

Building Products Australia

With new housing approvals currently at cyclical low levels and the HomeBuilder construction pipeline now largely exhausted, sales activity is expected to continue to soften over the remainder of the current financial year.

The impact of reduced sales will be offset by the restructuring initiatives implemented in the first half, with approximately $1.2 million per month in cost savings being fully realised from February 2024.

Price increases, a general easing of cost pressures and productivity improvements will also support margins, despite the impact of reduced plant utilisation on production costs.

Looking beyond the short-term market weakness, Australia appears to be on the cusp of a significant building boom, with record immigration levels and population growth exacerbating an already chronic housing undersupply issue. This has emerged as a key government priority, driving ambitious building targets and long-overdue reforms to facilitate increased housing supply.

The federal government's target of 1.2 million new dwellings over the period 2024-28 equates to 240,000 per year, well above historical levels. Although it is unlikely that these targets will be met, unless steps are taken to remove constraints within the building approval process, Brickworks is expecting strong demand for building products over the next decade.

Ahead of this, the current slowdown has provided an opportunity to sequentially take plants offline to complete maintenance work and manage stock levels. In recent years, the Company has also made significant investment in facilities, with the new Horsley Park Plant 2 in New South Wales following consolidation in Victoria and major upgrades at our brick plants in Queensland and South Australia.

In addition, the new masonry plant in New South Wales is now fully complete, and the concrete sleeper plant in Brisbane, which was located on a leased site, has been relocated to the Yatala facility (owned by the Brickworks Manufacturing Trust).

Following recent plant investments, and maintenance works during the current year, there will be limited new investment required in our plant footprint over the medium term, and the current fleet of plants will be in excellent condition to meet the anticipated demand over the balance of the decade.

[10] JLL Research

[11] Colliers Research. As at June 2023.

Building Products North America

In North America, market conditions across the single-family residential segment have rebounded over the past six months, particularly in the key Midwest region, where the business has the largest exposure to this segment, through an extensive vertically integrated retail network. In addition to the uptick in housing construction, a strong pipeline of commercial projects is expected to underpin demand over the next 12-18 months, with the business experiencing an increase in product specifications through design studios and architectural sales teams.

The severe labour shortages and inflationary pressures felt over the past three years appear to be easing. Manufacturing costs will also benefit from a more stable plant footprint, following the completion of the plant rationalisation plan, which will culminate with the re-activation of the Rocky Ridge plant in Maryland within the next twelve months.

Like in Australia, capital spend will be significantly reduced in the years ahead, with the rationalised and upgraded plant footprint well-placed to meet the forecast growth in demand.

Over the long term, Brickworks' North American operations are expected to deliver increased earnings, with the Company continuing to implement its proven market strategy centred around style and premium product positioning.

Investments

Soul Patts is expected to continue to deliver a stable and growing stream of earnings and dividends over the long term.

Rounding of amounts

The amounts contained in this interim financial report have been rounded to the nearest thousand (unless otherwise stated) under the option available to the Company under *ASIC Corporations Instrument 2016/191*. The Company is an entity to which the legislative instrument applies.

Auditor's independence declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 14 for the half year ended 31 January 2024, and forms part of this report.

Made in accordance with a resolution of the Directors at Sydney.

Dated 21 March 2024

R.D. MILLNER AO	L.R. PARTRIDGE AM
Director	Director

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Auditor's Independence Declaration to the Directors of Brickworks Limited

As lead auditor for the review of the half-year financial report of Brickworks Limited for the half-year ended 31 January 2024, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Brickworks Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

Jodie Inglis

Jodie Inglis
Partner
21 March 2024

Half Year

Financial Statements

Consolidated Income Statement

	Note	31 January 2024 $'000	31 January 2023 $'000
Continuing operations			
Revenue	2.2	547,403	584,004
Cost of sales		(380,140)	(413,303)
Gross profit		**167,263**	**170,701**
Profit/(loss) on deemed disposal of associate	2.1	-	(994)
Other income	2.2	3,758	264,700
Distribution expenses		(40,211)	(49,360)
Administration expenses		(30,658)	(30,021)
Selling expenses		(75,648)	(74,252)
Impairment of non-current assets	2.1	(4,481)	(46,129)
Restructuring costs		(10,584)	(3,981)
Loss on disposal of investments	3.3	(16,392)	-
Other expenses		(19,444)	(16,262)
Share of net profits of associates and joint ventures	2.4	(69,641)	289,093
(Loss)/profit from continuing operations before finance costs and income tax		**(96,038)**	**503,495**
Finance costs	2.2	(39,707)	(27,203)
(Loss)/profit from continuing operations before income tax		**(135,745)**	**476,292**
Income tax benefit/(expense)	2.5	84,315	(114,509)
(Loss)/profit from continuing operations after tax		**(51,430)**	**361,783**
Discontinued operations			
Loss from discontinued operations, net of income tax benefit	2.1, 5.1	(645)	(7,341)
(Loss)/profit after tax		**(52,075)**	**354,442**
(Loss)/profit after tax attributable to:			
Shareholders of Brickworks Limited		(52,075)	354,442
		Cents	Restated Cents[1]
(Loss)/earnings per share attributable to the shareholders of Brickworks Limited			
Basic (cents per share)	2.6	(38.6)	263.9
Diluted (cents per share)	2.6	(38.6)	262.8
Basic (cents per share) from continuing operations	2.6	(38.2)	269.4
Diluted (cents per share) from continuing operations	2.6	(38.2)	268.2

The above consolidated income statement should be read in conjunction with the accompanying notes.

[1] The prior period Earnings Per Share measure was restated to reflect the adjustments to the weighted average number of shares outstanding during the prior period. Refer note 2.6.

Consolidated Statement of Other Comprehensive Income

	Note	31 January 2024 $'000	31 January 2023 $'000
(Loss)/profit after tax		**(52,075)**	**354,442**
Other comprehensive income, net of tax			
Items that may be subsequently reclassified to Income Statement			
Share of increments/(decrements) in reserves attributable to associates and joint ventures		(10,304)	7,253
Foreign currency translation		427	(169)
Income tax expense relating to these items		3,091	(2,176)
Net other comprehensive (loss)/profit that may be reclassified to Income Statement		**(6,786)**	**4,908**
Items not to be subsequently reclassified to Income Statement			
Net fair value gain/(loss) on financial assets at fair value through other comprehensive income		929	6,573
Share of increments/(decrements) in reserves attributable to associates and joint ventures		34,690	(61,906)
Income tax (expense)/benefit relating to these items		(10,522)	16,600
Net other comprehensive profit/(loss) not to be reclassified to Income Statement		**25,097**	**(38,733)**
Other comprehensive income/(loss), net of tax	4.5	**18,311**	**(33,825)**
Total comprehensive (loss)/income		**(33,764)**	**320,617**
Total comprehensive (loss)/income, attributable to:			
Shareholders of Brickworks Limited		(33,764)	320,617

The above consolidated statement of other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

	Note	31 January 2024	31 July 2023
		$'000	$'000
Cash and cash equivalents		133,124	69,565
Receivables		98,130	147,387
Inventories		341,100	319,122
Prepayments		17,507	12,771
Contract assets		757	1,321
Current income tax asset		1,989	1,095
Assets classified as held for sale		8,881	13,532
Derivative financial assets	4.2	1,178	417
Total current assets		**602,666**	**565,210**
Inventories		6,941	7,180
Financial assets at fair value through other comprehensive income	4.2	16,097	13,107
Investments accounted for using the equity method	3.1	4,157,060	4,397,730
Derivative financial assets	4.2	435	2,446
Property, plant and equipment		647,070	631,858
Right-of-use assets		381,107	375,720
Intangible assets		145,298	144,437
Total non-current assets		**5,354,008**	**5,572,478**
TOTAL ASSETS		**5,956,674**	**6,137,688**
Payables		110,216	136,032
Post-employment liabilities		951	984
Contract liabilities		4,746	8,465
Lease liabilities		50,751	46,840
Other financial liabilities	4.3	2,608	2,922
Liabilities directly associated with assets classified as held for sale		11,543	16,760
Provisions		80,456	93,226
Total current liabilities		**261,271**	**305,229**
Borrowings	4.1	735,515	711,552
Derivative financial liabilities	4.2	955	457
Post-employment liabilities		17,014	16,165
Lease liabilities		559,778	561,662
Other financial liabilities	4.3	10,919	10,608
Provisions		32,087	29,971
Deferred income tax liability		863,817	941,028
Total non-current liability		**2,220,085**	**2,271,443**
TOTAL LIABILITIES		**2,481,356**	**2,576,672**
NET ASSETS		**3,475,318**	**3,561,016**
Issued capital	4.4	404,797	399,835
Reserves	4.5	187,055	168,830
Retained profits		2,883,466	2,992,351
TOTAL EQUITY		**3,475,318**	**3,561,016**

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

	Note	Issued capital $'000	Reserves $'000	Retained profits $'000	Total $'000
For the period ended 31 January 2024					
Balance at 1 August 2023		399,835	168,830	2,992,351	3,561,016
(Loss)/Profit after tax		-	-	(52,075)	(52,075)
Other comprehensive income – net of tax		-	18,311	-	18,311
Net dividends paid	2.7	-	-	(56,817)	(56,817)
Share issue costs	4.4	(15)	-	-	(15)
Shares vested to employees	4.4, 4.5	4,977	(4,977)	-	-
Share based payments expense	4.5	-	4,891	-	4,891
Share of associates transfer to outside equity interests		-	-	7	7
Balance at 31 January 2024		**404,797**	**187,055**	**2,883,466**	**3,475,318**
For the period ended 31 January 2023					
Balance at 1 August 2022		392,263	183,616	2,684,115	3,259,994
Profit after tax		-	-	354,442	354,442
Other comprehensive income – net of tax		-	(33,825)	-	(33,825)
Net dividends paid	2.7	-	-	(55,388)	(55,388)
Share issue costs	4.4	(23)	-	-	(23)
Change in ownership interest in associates	4.5	-	(5,645)	5,645	-
Shares vested to employees	4.4, 4.5	4,249	(4,249)	-	-
Shares purchased under Short-term incentive (STI) scheme	4.4, 4.5	(994)	994	-	-
Share based payments expense	4.5	-	5,420	-	5,420
Balance at 31 January 2023		**395,495**	**146,311**	**2,988,814**	**3,530,620**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

	31 January 2024 $'000	31 January 2023 $'000
Cash flows from operating activities		
Receipts from customers	629,507	647,444
Payments to suppliers and employees	(604,824)	(650,343)
Interest received	506	276
Interest and other finance costs paid	(40,392)	(24,300)
Dividends and distributions received	69,725	71,937
Income tax refunded/(paid)	(824)	1,091
Net cash from/(used in) operating activities	**53,698**	**46,105**
Cash flows from investing activities		
Purchase of property, plant and equipment	(36,189)	(55,900)
Proceeds from sale of property, plant and equipment	2,635	885
Purchase of intangible assets	(453)	-
Purchase of investments	(2,751)	(29,174)
Proceeds from sale of equity accounted investments	117,303	-
Purchase of controlled entities, net of cash acquired	(1,097)	-
Net cash from/(used in) investing activities	**79,448**	**(84,189)**
Cash flows from financing activities		
Proceeds from borrowings	84,000	187,400
Repayments of borrowings	(64,000)	(106,999)
Payment of principal portion of lease liabilities	(25,783)	(22,116)
Share issue costs	(15)	(23)
Dividends paid	(64,021)	(62,420)
Net cash provided by/(used in) financing activities	**(69,819)**	**(4,158)**
Net increase/(decrease) in cash held	**63,327**	**(42,242)**
Effects of exchange rate changes on cash	232	(165)
Cash at the beginning of the period	69,565	106,082
Cash at the end of the period	**133,124**	**63,675**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes

to the Half Year Financial Statements

This section sets out the basis upon which the half year financial report is prepared as a whole.

1. About this Report

1.1. Basis of preparation

This half year consolidated financial report for Brickworks Limited and its controlled entities (the “Group” or “Brickworks”) is a condensed general purpose financial report prepared in accordance with the accounting standard AASB 134 *Interim Financial Reporting*, the requirements of the *Corporations Act 2001* and other mandatory professional reporting requirements.

The half year report does not include all the disclosures normally included in an annual report. Accordingly, it is recommended that this report be read in conjunction with the Brickworks Annual Report for the year ended 31 July 2023 and any announcements to the market made during the financial half year in accordance with the Group’s continuous disclosure obligations under the *Corporations Act 2001*.

The accounting policies and measurement bases adopted in this report are consistent with those applied in the Brickworks Annual Report for the year ended 31 July 2023, except for the adoption of new and amended standards set out in note 5.4. The Group has not early adopted any other standard, interpretation or amendments that has been issued but not yet effective.

The half year report is presented in Australian dollars, which is the Parent entity’s functional currency[1].

1.2. Key estimates or judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities. The significant judgements made by management in applying the Group’s accounting policies are the same as those applied to the annual financial statements as at and for the year ended 31 July 2023.

1.3. Comparative information

Certain comparative information was amended in these financial statements to conform to the current year presentation. These amendments do not impact the Group’s financial result and do not have any significant impact on the Group’s balance sheet.

1.4. Notes to the half year financial report

The notes are organised into the following sections:

2. Financial Performance	Provides the information that is considered most relevant to understanding the financial performance of the Group.
3. Investments Accounted for using the Equity Method	Provides the information that is considered relevant to understand the Group’s investments in Washington H. Soul Pattinson and Company Limited and joint venture arrangements, including Property Trusts.
4. Capital Structure and Risk Management	Provides the information about the capital and risk management practices of the Group, including its borrowings, derivative financial instruments and equity.
5. Other	Provides information on items which require disclosure to comply with Australian Accounting Standards (“AASBs”) and other regulatory pronouncements and any other information that is considered relevant for the users of the financial report which has not been disclosed in other sections.

[1] All values are rounded to the nearest thousand dollars or in certain cases, the nearest dollar, in accordance with the Australian Securities and Investments Commission (ASIC) Corporations Instrument 2016/191.

2. Financial Performance

This section provides the information that is considered most relevant to understanding the financial performance of the Group, including profitability of its operating segments, significant items, nature of its revenues and expenses and dividends paid to the shareholders.

2.1. Segment reporting

Management identified the following reportable business segments:

Building Products Australia	Manufacture and supply of vitrified clay and concrete products used in the building industry. Major product lines include bricks, masonry blocks, pavers, roof tiles and roof battens used in the building industry.
Building Products North America	Manufacture and supply of vitrified clay and concrete products used in the building industry. Major product lines include bricks, masonry blocks and accessories used in the building industry.
Property	Utilisation of opportunities associated with land owned by the Group, including the sale of property and investment in Property Trusts.
Investments	Holds investments in the Australian share market, both for dividend income and capital growth, and includes the investment in Washington H. Soul Pattinson and Company Limited ('Soul Patts') and FBR Limited ('FBR').

31 January 2024	Building Products Australia	Building Products North America	Property	Investments	Continuing operations	Discontinued operations[3]	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
REVENUE							
Sale of goods	298,262	220,954	-	-	519,216	4,037	523,253
Revenue from supply and install contracts	24,118	-	-	-	24,118	-	24,118
Interest received	-	-	-	506	506	-	506
Rental revenue	113	15	18	-	146	-	146
Other operating revenue	446	2,971	-	-	3,417	-	3,417
Revenue	**322,939**	**223,940**	**18**	**506**	**547,403**	**4,037**	**551,440**
RESULT							
Segment EBITDA	51,884	20,762	(161,371)	76,305	(12,420)	(972)	(13,392)
Depreciation of right-of-use assets	(21,232)	(4,779)	-	-	(26,011)	-	(26,011)
Depreciation and amortisation	(8,150)	(10,160)	-	-	(18,310)	-	(18,310)
Segment EBIT (before gain on sale of land and buildings)	**22,502**	**5,823**	**(161,371)**	**76,305**	**(56,741)**	**(972)**	**(57,713)**
Gain/(Loss) on sale of investments			(16,392)		(16,392)		(16,392)
Gain/(Loss) on sale of land and buildings	-	-	126	-	126	-	126
Total Segment EBIT	**22,502**	**5,823**	**(177,637)**	**76,305**	**(73,007)**	**(972)**	**(73,979)**
Unallocated expenses							
Significant items					(12,464)	133	(12,331)
Borrowing costs[1]					(39,203)	(82)	(39,285)
Other Unallocated expenses					(11,071)	-	(11,071)
Profit/(loss) before income tax					**(135,745)**	**(921)**	**(136,666)**
Income tax (expense)/benefit[2]					84,315	276	84,591
Profit/ (loss) after income tax					**(51,430)**	**(645)**	**(52,075)**

[1] Borrowing costs include items disclosed in the "Significant items" line.
[2] Included in the income tax benefit is a tax expense related to significant items amounting to $2,351,000.
[3] Refer to Discontinued operations – Note 5.1.

31 January 2023	Building Products Australia	Building Products North America	Property	Investments	Continuing operations	Discontinued operations[3]	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
REVENUE							
Sale of goods	338,309	218,053	-	-	556,362	4,313	560,675
Revenue from supply and install contracts	23,744	-	-	-	23,744	18,418	42,162
Interest received	-		-	276	276	-	276
Rental revenue	99	37	22	-	158	-	158
Other operating revenue	1,678	1,786	-	-	3,464	-	3,464
Revenue	**363,830**	**219,876**	**22**	**276**	**584,004**	**22,731**	**606,735**
RESULT							
Segment EBITDA	49,594	14,471	190,107	100,003	354,175	(2,271)	351,904
Depreciation of right-of-use assets	(14,690)	(3,878)	-	-	(18,568)	(756)	(19,324)
Depreciation and amortisation	(9,754)	(9,178)	-	-	(18,932)	-	(18,932)
Segment EBIT (before gain on sale of land and buildings)	**25,150**	**1,415**	**190,107**	**100,003**	**316,675**	**(3,027)**	**313,648**
Gain/(Loss) on sale of land and buildings	-	-	262,581	-	262,581	-	262,581
Total Segment EBIT	**25,150**	**1,415**	**452,688**	**100,003**	**579,256**	**(3,027)**	**576,229**
Unallocated expenses							
Significant items					(69,629)	(7,355)	(76,984)
Borrowing costs[1]					(23,484)	(105)	(23,589)
Other Unallocated expenses					(9,851)	-	(9,851)
Profit/(loss) before income tax					**476,292**	**(10,487)**	**465,805**
Income tax (expense)/benefit[2]					(114,509)	3,146	(111,363)
Profit/ (loss) after income tax					**361,783**	**(7,341)**	**354,442**

[1]Borrowing costs are net of fair value change on derivatives ($1,221,000) and exclude items disclosed in the "Significant items" line.
[2] Included in the income tax expense is a tax benefit related to significant items amounting to $23,454,000.
[3] Refer to Discontinued operations – Note 5.1.

Significant items	31 January 2024 $'000	31 January 2023 $'000
Restructuring costs[1]	(7,881)	(3,981)
Plant relocation and commissioning costs[2]	(7,814)	(12,392)
Business acquisition and legal costs[3]	(5,114)	(2,266)
Impairment of non-current assets[4]	(4,296)	(46,129)
IT implementation costs[5]	(1,069)	(938)
Significant items from continuing operations before income tax (excluding associates)	**(26,174)**	**(65,706)**
Income tax benefit/(expense) on other significant items (excluding associates)[6]	7,636	19,427
Significant items from continuing operations after income tax (excluding associates)	**(18,538)**	**(46,279)**
(Loss)/gain on deemed disposal of associate	-	(994)
Income tax benefit/(expense) arising on deemed disposal	-	298
Gain on deemed disposal of associate after income tax	**-**	**(696)**
Significant one-off transactions of associate	13,710	(2,929)
Income tax (expense)/benefit arising from the carrying value of the investment in the associates (Soul Patts)[6]	(9,947)	1,522
Significant items after income tax (associates)	**3,763**	**(1,407)**
Significant items from continuing operations after income tax (including associates)	**(14,775)**	**(48,382)**
Impairment of assets held for sale[7]	-	(4,852)
Closure costs[7]	133	(2,503)
Significant items from discontinued operations before income tax	**133**	**(7,355)**
Income tax (expense)/benefit[7]	(40)	2,207
Significant items from discontinued operations after income tax	**93**	**(5,148)**

[1] Disclosed in 'Restructuring cost' ($10.6 million), less 'Other income' ($2.7 million) lines on the Income Statement.
[2] Disclosed in 'Cost of sales' ($7.5 million) and 'Other expenses' ($0.3 million) lines on the Income Statement.
[3] Disclosed in 'Other expenses' ($4.6 million) and 'Finance costs' ($0.5 million) lines on the Income Statement.
[4] Disclosed in 'Impairment of non-current assets' line on the Income Statement.
[5] Disclosed in 'Other expenses' line on the Income Statement.
[6] Disclosed in 'Income tax expenses' line on the Income Statement.
[7] Disclosed in 'Losses from discontinued operations, net of income tax benefit' line on the Income Statement.

2.2. Revenues and expenses

	31 January 2024	31 January 2023
	$'000	$'000
REVENUE		
Revenue from contracts with customers		
Sale of goods	519,216	556,362
Revenue from supply and install contracts	24,118	23,744
	543,334	**580,106**
Other operating revenue		
Interest received – other corporations	506	276
Rental revenue	146	158
Other	3,417	3,464
Total operating revenue from continuing operations	**547,403**	**584,004**
OTHER INCOME		
Net gain on disposal of property, plant and equipment[1]	731	263,459
Gain on lease modification	2,600	-
Net fair value change on derivatives	-	1,221
Other income	427	20
Total other income from continuing operations	**3,758**	**264,700**
FINANCE COSTS		
Interest and finance charges paid/payable	24,639	16,625
Interest on lease liabilities	12,816	10,369
Net fair value change on derivatives	1,748	-
Unwind of discounting deferred consideration - Redland Brick acquisition	504	209
Total finance costs from continuing operations	**39,707**	**27,203**

[1]In the prior period the Group sold the remainder of the Oakdale East land into a newly established JV trust with Goodman Group (BGMG Oakdale East No 2.) Consideration for the sale amounted to $301.3 million and represents the Group's initial investment in this trust (refer Note 3.3). Total profit recognised in respect of the sale amounted to $262.6 million and included $13 million of costs associated with environmental remediation obligations arising from the sale of the land. The Group also sold other properties in Australia during the prior period with the total gain of $6.3 million recognised in respect of these transactions. The gain recognised in respect of the sale and leaseback transaction in North America amounted to $6.5 million.

2.3. Impairment of non-current assets

Results of impairment assessment

Impairment indicators have been identified in respect of the Austral Masonry CGU at 31 January 2024 and consequently the CGU has been tested for impairment at that date.

There has been no impairment identified based on the impairment assessment performed.

Austral Masonry impairment assessment – key assumptions

Calculation method	The recoverable amount of the CGU is determined on the basis of value-in-use (VIU) model. VIU calculations use cash flows projections, inclusive of working capital movements, and are based on the most financial projections approved by the Board covering a five-year period moderated to reflect the current period performance. Estimates beyond five years are calculated with a growth rate that reflects the long-term growth rate.
Sales volumes	Sales volumes are management forecasts reflecting independent external forecasts of underlying economic activity for the market sectors, and geographies in which the CGU operates. A major driver of sales volumes is the level of activity in the relevant segment in the building sector. Management has assessed the reported forecast construction activity data from external sources. Management further assesses sales mix and market share of the CGU.
Sales prices	Management expects to obtain price growth over the forecast period. The assumed increases differ by CGU and between different states where the CGU operates. Management takes into consideration actual historic price growth achieved when forecasting price growth in the forecast period.
Costs	Costs are calculated taking into account historical gross margins, known cost increases, and estimated inflation rates over the period that are consistent with the locations in which the CGU operates.
Terminal value earnings	The terminal value earnings are based on the average cashflows forecast over the 3 final years of the forecast period. This considers a range of strategic initiatives, including transition to the new manufacturing facility at Oakdale and continued growth of premium products.
Long-term growth rates	Long-term growth rate of 2.5% used in cash flow valuation (2023: 2.5%).
Discount rate	For 2024, the post-tax discount rate calculated including the impact of AASB 16 – *Leases* for the CGU was 9.31% (2023: 9.31%).

Sensitivity to changes in assumptions

The table below illustrates the impact of key assumptions on the non-current asset's impairment for the Austral Masonry CGU.

The excess of the CGUs recoverable amount over its carrying amount	$8.4 million
	Change in the assumption required for the model to break even
Reduction in EBIT p.a. over the forecast period (incl. terminal EBIT)	(4.7%)
Reduction in LTGR	From 2.5% to 1.7%
Increase in post-tax WACC	From 9.31% to 9.88%

2.4. Share of net profits of associates and joint ventures

	Note	31 January 2024	31 January 2023
		$'000	$'000
Share of net (loss)/profits of joint ventures	3.3	(159,150)	192,296
Share of net profits/(losses) of associates	3.2	89,509	96,797
		(69,641)	**289,093**

2.5. Income tax expense

	Note	31 January 2024	31 January 2023
		$'000	$'000
(Loss)/profit from continuing operations before income tax		(135,745)	476,292
Loss from discontinued operations before income tax benefit	2.1	(921)	(10,487)
(Loss)/Profit before income tax for the period		**(136,666)**	**465,805**
Prima facie tax (benefit)/expense calculated at 30%		(41,000)	139,742
(Decrease)/increase in income tax expense due to:			
Recoupment of unrecognised capital losses		(23,356)	-
Franked dividend income		(14,430)	(16,411)
Research and development tax incentive		(4,138)	(1,550)
Share of net profits of associates		(2,476)	(14,519)
Under/(over) provided in prior years		(772)	3,122
Business acquisition costs		720	-
Tax rate differences in overseas entities		33	48
Other non-allowable items		828	931
Income tax (benefit)/expense attributable to profit		**(84,591)**	**111,363**
Current income tax expense/(benefit)		(15,553)	(18,487)
Deferred tax expense/(benefit) relating to movements in deferred tax balances		(68,266)	126,728
(Under)/over provided in prior years		(772)	3,122
Total income tax (benefit)/expense on profit		**(84,591)**	**111,363**
Income tax expense/(benefit) attributable to:			
Profit from continuing operations		(84,315)	114,509
Loss from discontinued operations	2.1	(276)	(3,146)
Income tax (benefit)/expense attributable to profit		**(84,591)**	**111,363**

2.6. Earnings per share (EPS)

	31 January 2024	Restated 31 January 2023
(Loss)/profit after tax attributable to shareholders of Brickworks Limited ($'000)	(52,075)	354,442
(Loss)/profit from continuing operations after tax ($'000)	(51,430)	361,783
Weighted average number of ordinary shares (thousand)	152,363	152,089
Less: reciprocal interest with Soul Patts	(17,152)	(17,152)
Less: weighted average number of treasury shares (thousand)	(470)	(653)
Weighted average number of ordinary shares used in the calculation of basic EPS (thousand)	**134,741**	**134,286**
Weighted average number of ordinary shares used in the calculation of diluted EPS (thousand)[1]	134,741	134,880
Basic EPS (cents per share)	(38.6)	263.9
Diluted EPS (cents per share)	(38.6)	262.8
Basic EPS (cents per share) from continuing operations	(38.2)	269.4
Diluted EPS (cents per share) from continuing operations	(38.2)	268.2

[1]*In the current period, potential ordinary shares are antidilutive as their conversion to ordinary shares decreases loss per share for continuing operations.*

The weighted average number of shares used in the EPS in the current period was adjusted to remove the weighted average number of treasury shares outstanding during the period and to account for the reciprocal interest with Washington H. Soul Pattinson Limited ("Soul Patts"). Prior period comparatives have also been restated to reflect this adjustment.

The weighted average number of shares during the period included an adjustment for 17,151,975 shares related to the cross-shareholding between Brickworks and Washington H. Soul Pattinson Limited ("Soul Patts"). In the current period Soul Patts held 65,645,140 Brickworks shares. Soul Patts is 26.13% owned by Brickworks and the resulting reciprocal interest is treated as treasury shares (2023: 17,151,975 shares).

2.7. Dividends and franking credits

	31 January 2024	31 January 2023
	$'000	$'000
2023 Final ordinary dividend – 42.0 cents per share paid on 22/11/2023 (PY: 41.0 cents per share paid on 23/11/2022)	64,021	62,420
Group's share of dividend received by associated company	(7,204)	(7,032)
	56,817	**55,388**
2024 Proposed interim ordinary dividend 24.0 cents per share not recognised as a liability (PY: 23.0 cents per share paid on 02/05/2023)	36,583	35,016

All dividends paid and proposed have been or will be fully franked at the rate of 30%.

3. Investments accounted for using the Equity Method

3.1. Investments accounted for using the equity method

This section provides the information that is considered relevant to understand the Group's investments in associated companies (Washington H. Soul Pattinson and Company Limited and FBR Limited) and joint venture arrangements, including Property Trusts.

	31 January 2024	31 July 2023
	$'000	$'000
Associated companies	2,184,255	2,104,435
Joint ventures	1,972,805	2,293,295
Total investments accounted for using the equity method	**4,157,060**	**4,397,730**

3.2. Associated company

	Group's interest		Contribution to Group profit before tax		Carrying value		Market value of shares	
	31 Jan 2024	31 Jul 2023	31 Jan 2024	31 Jan 2023	31 Jan 2024	31 Jul 2023	31 Jan 2024	31 Jul 2023
	%	%	$'000	$'000	$'000	$'000	$'000	$'000
Washington H. Soul Pattinson and Company Limited	26.13	26.13	89,509	98,027	2,184,255	2,104,435	3,244,431	3,107,674
FBR Limited	-	-	-	(1,230)	-	-	-	-
Total			**89,509**	**96,797**	**2,184,255**	**2,104,435**	**3,244,431**	**3,107,674**

3.3. Joint ventures

Information relating to joint ventures is outlined below.

	Group's interest		Contribution to Group profit before tax		Carrying value		Principal activity
	31 Jan 2024 %	31 Jul 2023 %	31 Jan 2024 $'000	31 Jan 2023 $'000	31 Jan 2024 $'000	31 Jul 2023 $'000	
Domiciled in Australia							
BGAI Erskine Trust	50.0	50.0	5,470	34,011	226,917	236,856	Property development, management and leasing
BGAI Capicure Trust	-	50.0	(378)	6,949	-	27,407	As above
BGAI Heritage Trust	-	50.0	(18)	15,585	-	75,542	As above
BGAI Oakdale Trust	50.0	50.0	(39,215)	29,201	285,081	348,915	As above
BGAI Oakdale East Trust	50.0	50.0	(2,131)	4,373	67,336	70,649	As above
BGAI Oakdale South Trust	50.0	50.0	(36,292)	38,646	237,647	277,567	As above
BGAI Rochedale BT Trust	50.0	50.0	(2,127)	850	12,583	15,725	As above
BMGW Rochedale Trust	50.0	50.0	(12,116)	5,397	76,227	90,179	As above
BMGW Rochedale North Trust	50.0	50.0	(10,455)	363	17,478	28,308	As above
BMGW Oakdale West Trust	50.0	50.0	(45,510)	51,666	532,943	585,476	As above
BGMG Oakdale East No. 2 Trust	50.0	50.0	-	-	301,631	301,275	As above
Brickworks Goodman Manufacturing Trust (BGMT)	50.1	50.1	(16,939)	4,685	194,729	215,776	As above
Property trusts			**(159,711)**	**191,726**	**1,952,572**	**2,273,675**	
Southern Cross Cement	33.3	33.3	224	392	11,496	11,272	Import of cement
Domiciled in New Zealand							
NZ Brick Distributors	50.0	50.0	337	178	8,737	8,348	Import and distribution of building products
Total			**(159,150)**	**192,296**	**1,972,805**	**2,293,295**	

Contribution to Group profit before tax from Property Trusts is set out below.

	31 January 2024 $'000	31 January 2023 $'000
Share of fair value adjustment of properties held by joint venture	(185,091)	167,281
Share of joint venture property rental profits	25,381	24,445
Total equity accounted profit from Property Trusts	**(159,710)**	**191,726**

During the current period, the Group sold its 50% interest in BGAI Capicure Trust and BGAI Heritage Trust to Goodman Group. Consideration for the sale amounted to $117.3 million resulting in a loss before tax of $16.4 million. The capital tax gain of $23.4 million arising on the sale was offset against capital tax losses giving rise to an additional tax benefit to the Group (refer note 2.5).

4. Capital Structure and Risk Management

4.1. Borrowings

This section provides the information about the capital and risk management practices of the Group, including its borrowings, derivative financial instruments and equity.

	31 January 2024 $'000	31 July 2023 $'000
Non-current		
Interest-bearing loans	748,061	721,595
Unamortised borrowing costs	(12,546)	(10,043)
	735,515	**711,552**

In November 2023 the Group completed a partial refinancing of its debt, which consisted of the following changes:

- Replacement of (Syndicated Facility) SFA tranche B (AUD$175m) with a series of bi-lateral agreements with selected banks from the existing syndication and some new banks at a limit of (AUD$347m) with tenors between 3 – 5 years;
- Replacement of (Syndicated Facility) SFA tranche B1 (USD$100m) with a series of bi-lateral agreements with selected banks from the existing syndication and some new banks at a limit of (USD$105m) with tenors between 3 – 5 years; and
- Replacement of the existing working capital facility (AUD$75m) with a new bi-lateral agreement with the existing bank.

The repayment of debt under the extinguished facilities and the drawdown of debt under the new facilities were settled on a net basis directly between the lenders. The fair value of interest-bearing loans at 31 January 2024 approximated their carrying amount (2023: carrying amount). There were no other changes to the Group's loan facilities in the current period.

The maturity profile of the Group's loan facilities at 31 January 2024 is outlined below.

Facility	Currency	Limit ($m)	Drawn ($m)	Available ($m)	Maturity date
Tranche C	AUD	104	103	1	December 2026
Tranche E	AUD	100	-	100	August 2027
Syndicated loan facility (AUD)		**204**	**103**	**101**	
Tranche E1	USD	100	48	52	August 2027
Tranche D	USD	55	55	-	June 2028
Syndicated loan facility (USD)		**155**	**103**	**52**	
Facility A-ITL	AUD	25	25	-	February 2028
Facility B-ITL	AUD	35	35	-	February 2026
Facility C-ITL	AUD	40	40	-	February 2026
Syndicated ITL facility (AUD)		**100**	**100**	**-**	
Facility D-ITL	USD	60	60	-	December 2031
Syndicated ITL facility (USD)		**60**	**60**	**-**	
Bi-Lateral Facilities	AUD	112	67	45	November 2026
Bi-Lateral Facilities	AUD	181	78	103	November 2028
Bi-Lateral Facilities	AUD	144	-	144	November 2027
Bi-Lateral Facilities (AUD)		**437**	**145**	**292**	
Bi-Lateral Facilities	USD	67	62	5	November 2028
Bi-Lateral Facilities	USD	20	20	-	November 2027
Bi-Lateral Facilities	USD	18	18	-	November 2026
Bi-Lateral Facilities (AUD)		**105**	**100**	**5**	

The Group designated its USD unsecured debt facilities as a hedging instrument to hedge the currency risk associated with translation of the Group's net investment in the US operations into the Parent entity's functional currency (AUD).

4.2. Financial instruments

Financial instruments of the Group that are measured at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(a) Financial assets at fair value through other comprehensive income

The Group's financial assets at fair value through other comprehensive income represent listed equities publicly traded on the Australian Stock Exchange. The fair value of these investments is based on quoted market prices, being the last sale price, at the reporting date. These are categorised as "Level 1" in the fair value hierarchy.

	Market value	
	31 Jan 2024	31 July 2023
	$'000	$'000
Equities – Listed	16,097	13,107
Total	**16,097**	**13,107**

(b) Derivative financial instruments

Interest rate swaps

The Group has entered into interest rate swaps contracts which allow the Group to swap floating rates into an average fixed rate of 4.64% (2023: 3.33%). The contracts require settlement of net interest receivable or payable usually around every 90 days. The settlement dates are aligned with the dates on which interest is payable on the underlying bank borrowings and are brought to account as an adjustment to borrowing costs.

The fair value of interest rate swaps is outlined below.

	Notional Principal Amount		Average Interest Rate		Fair value asset/(liability)	
	31 Jan 2024	31 Jul 2023	31 Jan 2024	31 Jul 2023	31 Jan 2024	31 Jul 2023
	$'000	$'000	%	%	$'000	$'000
Less than 1 year	75,000	25,000	3.63	2.77	1,186	417
1 to 3 years	125,000	175,000	5.24	3.41	(520)	1,989
3 to 5 years	-	-	-	-	-	-
Total	**200,000**	**200,000**	**4.64**	**3.33**	**666**	**2,406**

The fair value of these derivatives is calculated using market observable inputs, including projected forward interest rates for the period of the derivative. These are categorised as "Level 2" in the fair value hierarchy.

Foreign currency forward contracts

The Group has a limited exposure to foreign currency fluctuations due to its importation of goods. It is the policy of the Group to enter into forward foreign exchange contracts to cover specific currency payments, as well as covering anticipated purchases for up to 12 months in advance.

The fair value of foreign currency forward contracts is outlined below:

	Fair value	
	31 Jan 2024	31 Jul 2023
	$'000	$'000
EUR forward contracts	(8)	-
Derivative asset/(liability)	**(8)**	-

The fair value of these derivatives is calculated using market observable inputs, including projected forward interest rates for the period of the derivative. These are categorised as "Level 2" in the fair value hierarchy.

4.3. Other financial liabilities

	31 January 2024 $'000	31 July 2023 $'000
Deferred consideration related to business combinations		
Current	2,608	2,922
Non-current	10,919	10,608
Total	**13,527**	**13,530**

4.4. Contributed equity

	31 January 2024 Number of shares	31 July 2023 Number of shares	31 January 2024 $'000	31 July 2023 $'000
Contributed equity				
Ordinary shares, fully paid	152,430,065	152,244,695	413,736	410,150
Treasury shares	(458,300)	(517,193)	(8,939)	(10,315)
			404,797	**399,835**
Movement in ordinary issued capital				
Opening balance 1 August	152,244,695	151,775,663	410,150	401,090
Issue of shares through employee share plans	185,370	469,032	3,601	9,083
Share issue costs			(15)	(23)
Closing balance	**152,430,065**	**152,244,695**	**413,736**	**410,150**
Movement in treasury shares				
Opening balance 1 August	(517,193)	(445,339)	(10,315)	(8,827)
Bonus shares issued to the Group's employees	-	(309,412)	-	(6,562)
Shares purchased under Short-term incentive (STI) scheme	-	(46,822)	-	(994)
Shares vested to employees	58,893	284,380	1,376	6,068
Closing balance	**(458,300)**	**(517,193)**	**(8,939)**	**(10,315)**

4.5. Reserves

	Capital Profits Reserve	Equity Adjustments Reserve	General Reserve	Foreign Currency Reserve	Share-based Payments Reserve	Investments revaluation reserve	Associates and JVs Reserve	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 August 2023	**88,102**	**23,290**	**36,125**	**3,661**	**12,878**	**1,510**	**3,264**	**168,830**
Other comprehensive income for the year	-	(7,432)	-	427	-	930	24,386	18,311
Change in ownership interest in the associate	-	-	-	-	-	-	-	-
Shares purchased under Short-term incentive (STI) scheme	-	-	-	-	-	-	-	-
Shares and performance rights vested to employees	-	-	-	-	(4,977)	-	-	(4,977)
Share based payments expense	-	-	-	-	4,891	-	-	4,891
Balance at 31 January 2024	**88,102**	**15,858**	**36,125**	**4,088**	**12,792**	**2,440**	**27,650**	**187,055**
Balance at 1 August 2022	88,102	17,601	36,125	1,315	10,180	3,666	26,627	183,616
Other comprehensive income for the year	-	14,424	-	(169)	-	6,573	(54,653)	(33,825)
Change in ownership interest in the associate	-	-	-	-	-	(5,645)	-	(5,645)
Shares purchased under Short-term incentive (STI) scheme	-	-	-	-	994	-	-	994
Shares and performance rights vested to employees		-	-	-	(4,249)		-	(4,249)
Share based payments expense	-	-	-	-	5,420	-	-	5,420
Balance at 31 January 2023	**88,102**	**32,025**	**36,125**	**1,146**	**12,345**	**4,594**	**(28,026)**	**146,311**

5. Other Disclosures

This section provides information on items which require disclosure to comply with AASBs and other regulatory pronouncements and any other information that is considered relevant for the users of the financial report which has not been disclosed in other sections.

5.1. Discontinued operations

Financial performance and cashflow information

In the previous year, following a strategic review, the Group decided to exit the concrete precast panels operations and initiated an active program to locate a buyer for its Austral Precast division or parts thereof. In the current period, the Austral Precast division continued to wind down its operations following the asset sales in the previous year with the remaining assets available for sale. The operations are expected to be fully wound down by 31 July 2024.

The results for the period ended 31 January 2024 and the prior period have been presented as discontinued operations (net of tax).

		31 January 2024	31 January 2023
	Note	$'000	$'000
Results of discontinued operations			
Revenue		4,037	22,731
Expenses		(5,009)	(25,758)
Operating loss		**(972)**	**(3,027)**
Significant items	2.1	133	(7,355)
Finance income/(expense)		(82)	(105)
Loss before tax		**(921)**	**(10,487)**
Income tax benefit/(expense)		276	3,146
Loss after tax		**(645)**	**(7,341)**

	Cents	Restated Cents
Basic (cents per share) from discontinued operations	(0.5)	(5.5)
Diluted (cents per share) from discontinued operations	(0.5)	(5.4)

The prior period Earnings Per Share measure was restated to reflect the adjustments to the weighted average number of shares outstanding during the prior period. Refer note 2.6.

5.2. Commitments and contingencies

(a) Commitments

	31 January 2024	31 July 2023
	$'000	$'000
Contracted capital expenditure		
Within one year	16,286	21,509

Contracted capital expenditure relates to contracts to supply or construct buildings or various items of plant and equipment for use in the Building Products Australia and North America operating segments. These have not been provided for at balance date.

(b) Contingencies

	31 January 2024	31 July 2023
	$'000	$'000
Shareholder guarantee provided as part of joint venture arrangements and bank guarantees issued in the ordinary course of business	61,079	59,461

The entities forming the Group are parties to various legal actions against them that are not provided for in the financial statements. These actions are being defended and the Group does not anticipate that any of these actions will result in material adverse consequences for the Group.

5.3. Events occurring after balance date

There have been no events subsequent to balance date that could materially affect the financial position and performance of Brickworks Limited or any of its controlled entities.

5.4. New accounting standards

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 July 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

There were no new accounting standards, interpretations and amendments significantly impacting the Group in the half year ended 31 January 2024.

Directors'

Declaration

The Directors of the company declare that:

1. The financial statements and notes, as set out on pages 15 to 35, are in accordance with the Corporations Act 2001:
    a. comply with accounting standards and the Corporations Regulations 2001; and
    b. give a true and fair view of the Group's financial position as at 31 January 2024 and of its performance for the half year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Dated 21 March 2024

R.D. MILLNER AO	L.R. PARTRIDGE AM
Director	Director

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Independent Auditor's Review Report to the Members of Brickworks Limited

Report on the Half Year Financial Report

Conclusion

We have reviewed the accompanying half year financial report of Brickworks Limited (the company) and its subsidiaries (collectively the Group), which comprises the consolidated balance sheet as at 31 January 2024, the consolidated income statement, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of the Group does not comply with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 January 2024 and of its consolidated financial performance for the half year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001 which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' responsibilities for the half year financial report

The directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half year financial report

Our responsibility is to express a conclusion on the half year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 January 2024 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Ernst & Young

J Inglis

Jodie Inglis
Partner
Sydney
21 March 2024