

21 March 2024

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

Dear Sir / Madam

Please find attached presentation to be made to analysts today regarding Brickwork's financial results for the half year ended 31 January 2024, for immediate release to the market.

This announcement has been authorised for release by the Brickworks Board of Directors.

Yours faithfully

BRICKWORKS LIMITED

Susan Leppinus

Company Secretary



1

| | |
|------------------------------|----|
| Today | |
| Agenda | |
| Overview and 1H24 Highlights | 01 |
| Divisional Review | 02 |
| Financials | 03 |
| Outlook | 04 |
| Questions | 05 |

BRICKWORKS

BKW 1H2024 Results 21.03.2024 2

2

Overview & 1H24 Highlights

Section 01 Mr. Lindsay Partridge

BRICKWORKS



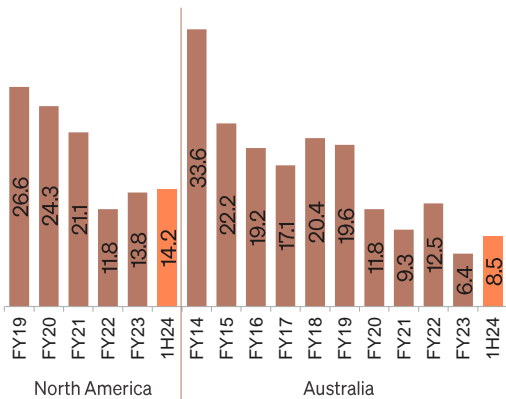
3

Safety

A sustained decrease in workplace injuries has been achieved

- Overall, the reportable injury rate increased to 10.8 in 1H24, up from the record low of 10.0 achieved in FY23
- Over the longer term, there has been a general downward trend in injury rates across Australia and North America
- Three lost time injuries occurred during 1H24 (one in Australia and two in North America)
- Continued implementation of safety management systems and procedures, together with behavioural leadership and safety training programs

Total Reportable Injury Frequency Rate
Injuries per million work hours



BRICKWORKS

BKW 1H2024 Results

21.03.2024

4

4

1H24 Financial Highlights

Although a reduction in property valuations resulted in a statutory loss, EBITDA in Building Products increased

(\$52m)

Statutory loss ↓ 115%
Includes \$249m loss on property revaluations and sales

18% gearing

Reduction in net debt

(\$40m) EBITDA ↓ 107%
Underlying

\$210m EBITDA ↓ 9%
Ex Property revals and sales
Continuing operations

24 cents

Interim Dividend ↑ 4%
Fully franked

Increase in Building Products EBITDA
In both Australia and North America

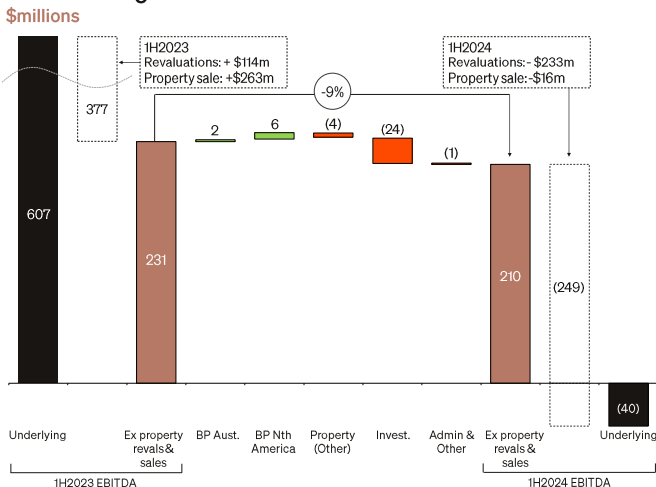
27%

1-year total shareholder return
+19% vs All Ordinaries Accumulation Index

Earnings Analysis - 1H24 EBITDA Bridge

Excluding the impact of property revaluations and sales, EBITDA was down 9%

EBITDA Bridge – 1H2024 v 1H2023



| UNDERLYING EBITDA (\$M) | 1H23 | 1H24 | CHANGE |
|-----------------------------------|------|-------|--------|
| BP Australia | 50 | 52 | 5% |
| BP Nth America | 14 | 21 | 43% |
| Property ex revals / sales | 76 | 72 | (6%) |
| Investments | 100 | 76 | (24%) |
| HO / Other Expenses | (10) | (11) | (12%) |
| EBITDA ex property revals / sales | 231 | 210 | (9%) |
| Property revaluations | 114 | (233) | (305%) |
| Property sales | 263 | (16) | (106%) |
| Underlying EBITDA | 607 | (40) | (107%) |

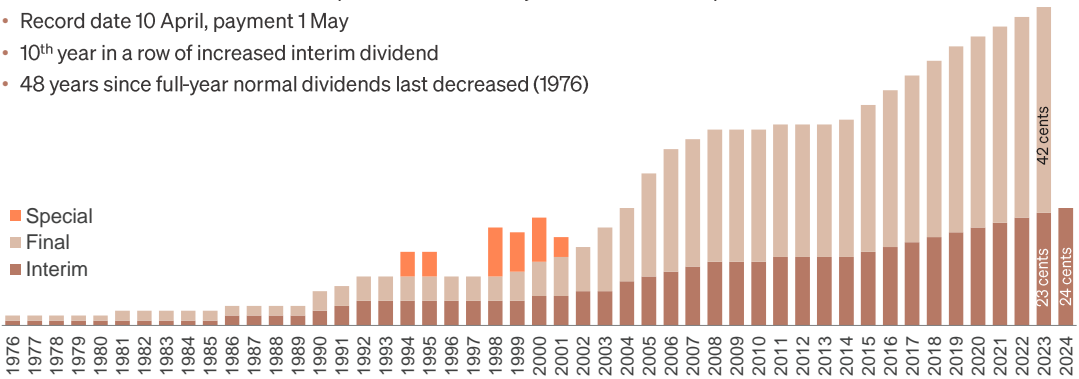
Dividends

Brickworks' interim dividend has now increased ten years in a row

Brickworks Dividend History

Cents per share

- The Board has declared a 24 cents per share interim fully franked dividend, up 4%
- Record date 10 April, payment 1 May
- 10th year in a row of increased interim dividend
- 48 years since full-year normal dividends last decreased (1976)



BRICKWORKS

BKW 1H2024 Results

21.03.2024

7

7

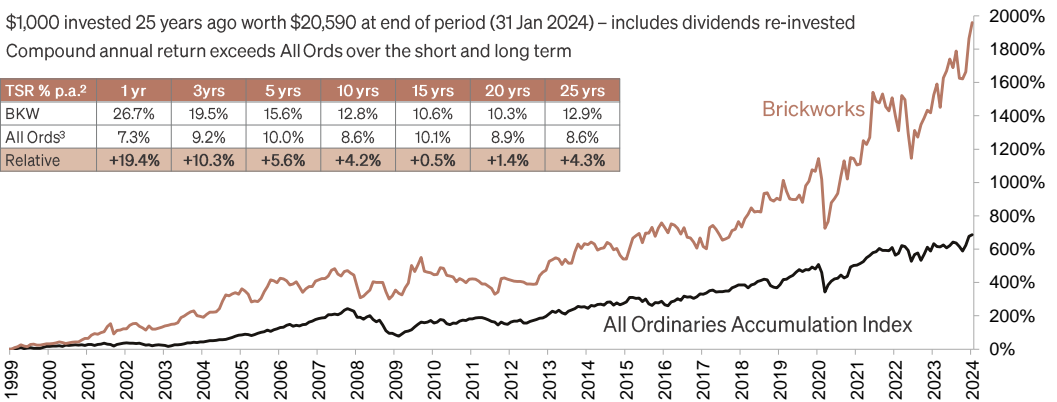
Total Shareholder Returns

Brickworks has created significant shareholder value over the long term

Total Shareholder Returns (25 Years)¹

- \$1,000 invested 25 years ago worth \$20,590 at end of period (31 Jan 2024) – includes dividends re-invested
- Compound annual return exceeds All Ords over the short and long term

| TSR % p.a. ² | 1 yr | 3yrs | 5 yrs | 10 yrs | 15 yrs | 20 yrs | 25 yrs |
|-------------------------|--------|--------|-------|--------|--------|--------|--------|
| BKW | 26.7% | 19.5% | 15.6% | 12.8% | 10.6% | 10.3% | 12.9% |
| All Ords ³ | 7.3% | 9.2% | 10.0% | 8.6% | 10.1% | 8.9% | 8.6% |
| Relative | +19.4% | +10.3% | +5.6% | +4.2% | +0.5% | +1.4% | +4.3% |



1. Investment period shown is 31 Jan 1999 – 31 Jan 2024. Includes dividends re-invested.

2. For the period 1 Feb 2024 to 20 Mar 2024.

3. Total shareholder return to 31 Jan 2024, assuming dividends re-invested.

4. All Ordinaries Accumulation Index

BRICKWORKS

BKW 1H2024 Results

21.03.2024

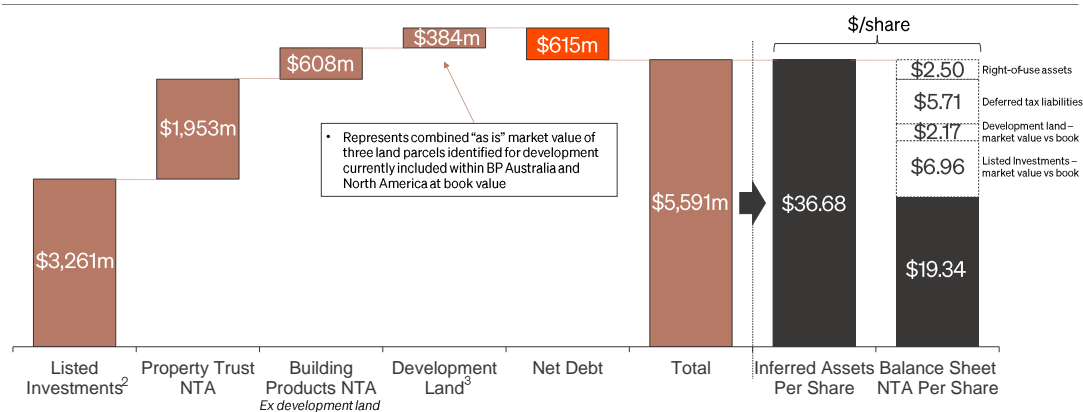
8

8

Asset Growth – Inferred Asset Backing

Brickworks' current inferred gross asset backing is over \$36 per share

Inferred Asset Value¹ (31 Jan 24)



1. Asset values as at 31 Jan 2024. Building Products NTA includes AASB 16 (Leases) right-of-use assets
2. Includes SOL and FBR shareholding at market price 31 Jan 24
3. "Development Land" comprises three sites identified for development, currently held at book value within Building Products. Based on independent market valuations, these sites have a combined "as-is" value of \$384 million

BRICKWORKS

BKW 1H2024 Results 21.03.2024 9

Divisional Review

Section 02 Mr. Mark Ellenor

BRICKWORKS



Oakdale West Estate

Property – 1H24 Highlights

(\$178m)

Reported EBITDA ↓ 139%

\$72m

EBITDA Ex Property revals and sales ↓ 6%

Development approval at Oakdale East 2

Cornerstone tenant secured

Oakdale West nearing completion

\$1.7 billion¹ estate, to be completed in 2H24

+17%

Gross rent within Property Trusts
Net rent up 4% due to higher interest costs

Sale of M7 Hub Estate

154% increase in value since completion in 2012

25%

Gearing within Property Trusts

¹ Includes developed asset value of \$1.29 billion (100% interest), plus additional land under development

BRICKWORKS

BKW 1H2024 Results

21.03.2024

11

Property - 1H24 Earnings Analysis

The Property result was adversely impacted by non-cash devaluation due to capitalisation rate compression

- Increase in rent of 17%, driven by contracted increases and new developments
- Net trust income up 4%, impacted by higher interest costs on borrowings
- Construction progress at Oakdale West resulted in development profit being recorded
- Cap rate compression resulted in devaluation
 - Portfolio ave. cap rate 5.1% (up from 4.1% at July 2023)
- Sale of 50% interest in M7 Hub Estate delivered \$117m in cash proceeds
 - 154% increase in value since completed in 2012

| HALF ENDED JAN (\$M) | 1H23 | 1H24 | 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 and Other | (2) | (2) | - |
| EBIT Ex Revals & Sales | 76 | 72 | (6%) |
| Property Trust Revaluations | 114 | (233) | (305%) |
| Property Trust Sales | - | (16) M7 Hub | NA |
| Brickworks Land Sales | 263 Oakdale East 2 | - | NA |
| Total Property EBIT | 453 | (178) | (139%) |

BRICKWORKS

BKW 1H2024 Results

21.03.2024

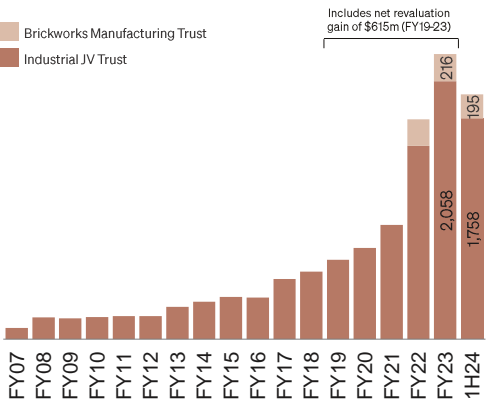
12

Property Trust Asset Value

The net value of Brickworks' share of Property Trust assets decreased by \$321 million during the half, with development profits more than offset by the sale of the M7 Hub estate and the devaluation

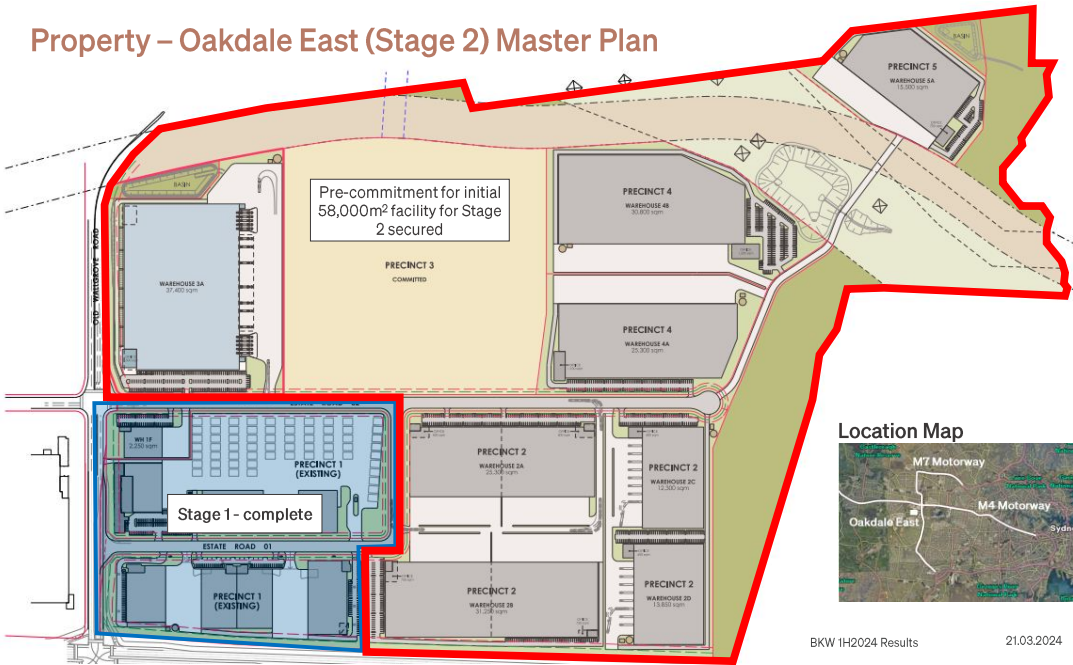
| HALF ENDED JAN (\$M) | FY23 | 1H24 | CHANGE |
|-----------------------------|---------|---------|--------|
| Leased properties | 4,908 | 4,252 | (13%) |
| Land under development | 878 | 971 | 11% |
| Total Property Trust assets | 5,786 | 5,223 | (10%) |
| Borrowings | (1,239) | (1,319) | 6% |
| Net Property Trust assets | 4,547 | 3,904 | (14%) |
| BKW 50% share | 2,274 | 1,953 | (14%) |
| Gearing | 21% | 25% | 19% |

BKW share of Net Property Trust Assets
\$millions



BRICKWORKS

Property – Oakdale East (Stage 2) Master Plan

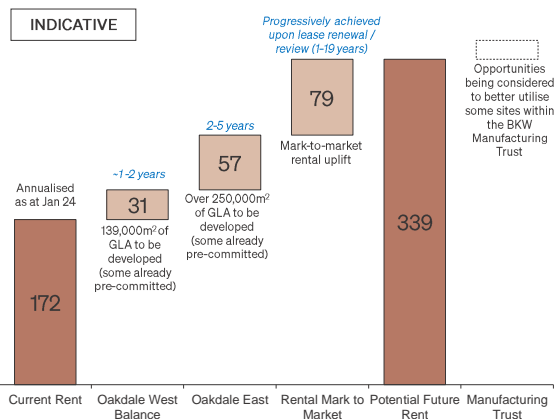


Property Trust Rent – Future Growth (Existing Trust Assets)

There is a considerable opportunity to increase rental income from the Property Trusts over the coming years

- Current annualised rent is \$172 million
- The average passing rent within Industrial JV Trust is \$147/m², 35% below current market rent (~\$225/m²)
- At market, the rent potential (of current Trust assets) is circa \$340 million. This includes:
 - Completion of Oakdale West (+\$31m)
 - Completion of Oakdale East (+\$57m)
 - Mark-to-market rental uplift on currently leased assets - upon renewals (+\$79m)
- Around 35% of existing leases have rental caps that will likely delay the full realisation of the mark-to-market rental uplift on those facilities
- No further capital investment is required by Brickworks to achieve uplift in rent
- Future market rent to continue to be supported by the significant increase in construction costs, strong demand and tight supply

Potential Growth of Property Trust Net Rent¹



1. Forecasts assume net rent of \$225/m² (representing the June 2023 average market rent for prime industrial property in Western Sydney)
Source: Colliers Research

BRICKWORKS

BKW 1H2024 Results

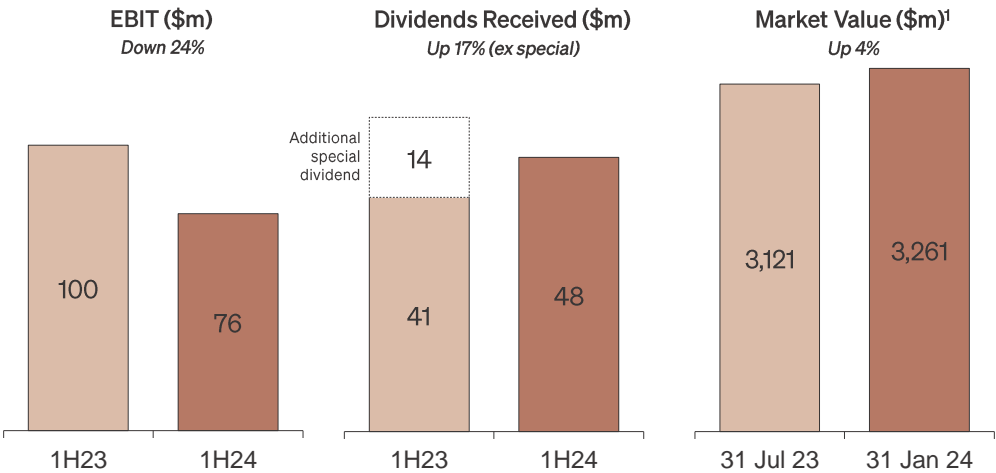
21.03.2024

15

15

Investments (Soul Patts) – 1H24 Result

Investments delivered higher normal dividends in 1H24, and an increase in market value



1. Also includes stake in FBR Limited, valued at \$16 million

BRICKWORKS

BKW 1H2024 Results

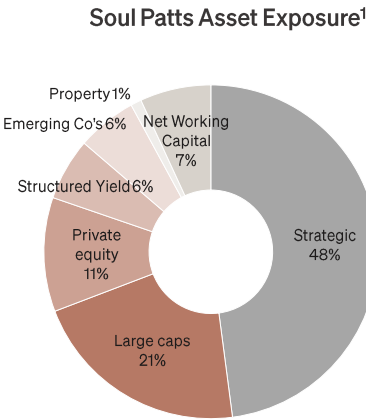
21.03.2024

16

16

Major Shareholder in Soul Patts (ASX:SOL)

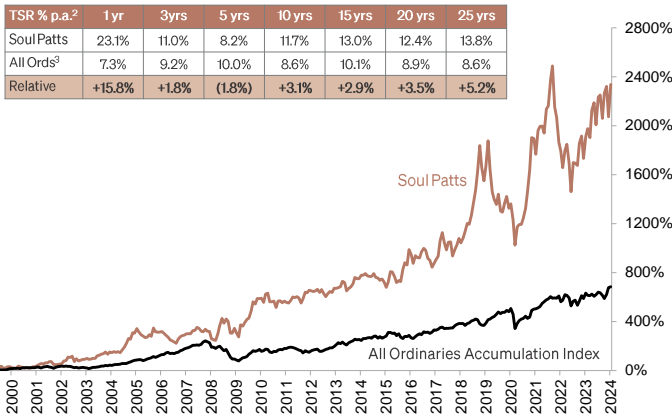
Brickworks is the largest shareholder in Australia's leading publicly listed investment house



1. As at 31 July 2023
2. Investment period shown is to 31 Jan 1999 – 31 Jan 2024. Includes dividends re-invested
3. All Ordinaries Accumulation Index

BRICKWORKS

Soul Patts Total Shareholder Returns



BKW 1H2024 Results

21.03.2024

17

17

Building Products Australia

There was a broad-based decline in building activity across Australia in 1H24

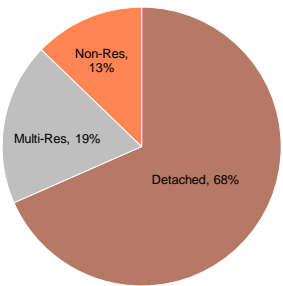
Building Activity by State¹

6 months to Dec 2023 (vs 6 months to Dec 22)



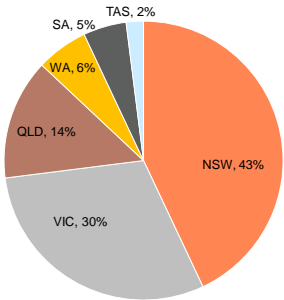
Segment Exposure

Sales revenue by end market



Regional Exposure

Sales revenue by state



1. Detached House and Multi-Residential Commencements. Non-Residential value of work done. Source: BIS Oxford Economics Dec 2023 forecast. Data shown for NSW also includes ACT, to align with Brickworks' sales regions.

BRICKWORKS

BKW 1H2024 Results

21.03.2024

18

18

Building Products Australia 1H24 Result

Building Products Australia EBITDA margins improved, despite lower volume

- Sales volume impacted by lower building activity in key markets
- Margins improved across most businesses
 - Price increases and productivity improvements
 - Closure of brick operations in WA (in FY23)
- Business restructure to streamline operations and reduce costs, implemented primarily in January
 - Includes consolidation of Austral Bricks and Austral Masonry
 - To deliver annualised savings of \$15 million (from 2H24)
- Commissioning of new brick plant at Horsley Park (NSW) almost complete

| HALF ENDED JAN (\$M) | 1H23 | 1H24 | CHANGE |
|----------------------|------|------|--------|
| Revenue | 364 | 323 | (11%) |
| EBITDA | 50 | 52 | 5% |
| EBIT | 25 | 23 | (11%) |
| EBITDA margin | 14% | 16% | 18% |

BRICKWORKS

BKW 1H2024 Results

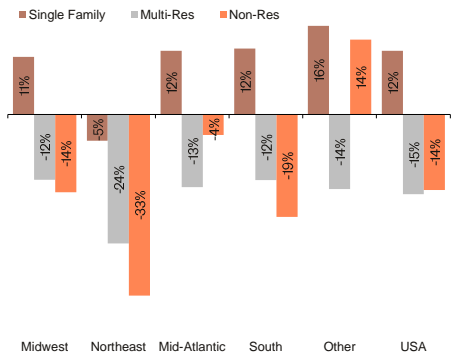
21.03.2024

19

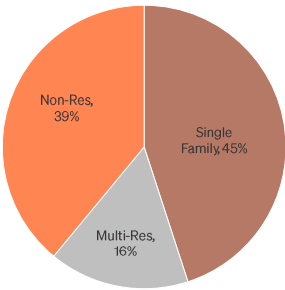
Building Products North America

Building activity has been mixed in North America, with a recovery the single-family segment offset by declines in multi-residential and non-residential building

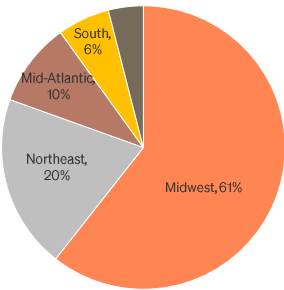
Building Activity by Region¹
6 months to Dec 23 (vs 6 months to Dec 22)



Segment Exposure
Sales revenue by end market



Regional Exposure
Sales revenue by region



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

BRICKWORKS

BKW 1H2024 Results

21.03.2024

20

Building Products North America – 1H24 Result¹

Building Products North America EBITDA increased due to margin improvement

- Brick sales volume lower, primarily due to withdrawal from over-supplied Texas market
- Revenue held steady, with lower sales volume offset by:
 - Strong price increases
 - Mix shift towards higher value products
 - Growth in vertically integrated retail division
- Margins are recovering as cost pressures ease
- Landmark Stone plant closed
- Multi-year plant rationalisation program complete
- Dryer upgrade completed at Mid-Atlantic

| HALF ENDED JAN (AU\$M) | 1H23 | 1H24 | CHANGE |
|------------------------|------|------|--------|
| Revenue (\$AU) | 220 | 224 | 2% |
| EBITDA (\$AU) | 14 | 21 | 43% |
| EBIT (\$AU) | 1 | 6 | 312% |
| EBITDA margin | 7% | 9% | 41% |

1. An average exchange rate of 1AUD=0.65 USD has been used to convert earnings in 1H24 (1AUD=0.67 USD in 1H23)

BRICKWORKS

BKW 1H2024 Results

21.03.2024

21

21

Building Products – Simplification and Rationalisation

Having modernised our plant fleet over the past five years through a significant investment program, Building Products is well-placed to meet increased demand over the next decade

Building Products Australia

- Significant investment program now completed
- Modern plants across all key markets:
 - New brick and masonry plants in NSW
 - Plant investment / consolidation completed in VIC a decade ago (bricks)
 - Major upgrades completed in QLD and SA (bricks)
- Limited new capital expenditure required
- Portfolio simplification and restructuring completed
 - Operating sites reduced from 33 (in 2018) to 20 (as at Jan 2024)
 - Focus on higher returning operations
 - Consolidation of Austral Bricks and Masonry

Building Products North America

- Multi-year plant rationalisation program complete
- The program has caused short-term disruption, however, together with plant upgrades, will deliver improved efficiency and lower costs

| Production Metrics | Before ¹ | Current |
|--------------------------------|---------------------|---------|
| Plants (Bricks + Stone) | 16 | 7 |
| Kilns (Bricks) | 19 | 9 |
| Production capacity (m bricks) | 748 | 450 |
| Utilisation (Bricks) | 46% | 75% |
| Ave age of brick kilns (yrs) | 42 | 29 |
| Manufactured bricks | 900 | 600 |
| Headcount | 1,275 | 901 |

1. Sum of all acquired operations in North America (at time of acquisitions)

BRICKWORKS

BKW 1H2024 Results

21.03.2024

22

22

Financials

Section 03 Mr. Grant Douglas

BRICKWORKS



23

Financials – 1H24 Overview

- Increase in Building Products EBITDA more than offset by declines in Property and Investments
- Borrowing costs increased due to a higher average interest rate on debt and additional leases
- Income tax benefit of \$87 million due to deferred tax associated with property revaluations and utilisation of unrecognised capital tax losses
- Significant items and discontinued operations decreased statutory NPAT by \$15 million

BRICKWORKS

| HALF ENDED JAN (\$M) | 1H23 | 1H24 | CHANGE |
|--|-------|-------|--------|
| Underlying EBITDA | 231 | 210 | (9%) |
| Ex property revaluations and sales | | | |
| Property revaluations and sales | 377 | (249) | (166%) |
| Total Underlying EBITDA | 607 | (40) | (107%) |
| Depreciation & amortisation | 38 | 44 | 16% |
| EBIT | 569 | (84) | (115%) |
| Borrowing costs | (23) | (39) | (67%) |
| Underlying income tax | (136) | 87 | 164% |
| Underlying NPAT (from continuing operations) | 410 | (37) | (109%) |
| Significant items & discontinued items | (56) | (15) | NA |
| Statutory NPAT | 354 | (52) | (115%) |

BKW 1H2024 Results

21.03.2024

24

24

Financials – Significant items

- \$6 million restructuring and site closure costs, primarily relating to severance payments associated with restructuring within Building Products
- \$6 million plant commissioning costs
 - Horsley Park brick plant
- A non-cash impairment of \$3 million (net of tax) based on AASB 136
- A \$10 million tax cost arising from the carrying value of WHSP
- A \$14 million benefit relating to significant items from Investments
- Other costs include acquisitions, legal and IT

| \$MILLION | 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 | (12) | (2) | (15) |

BRICKWORKS

BKW 1H2024 Results

21.03.2024

25

25

Financials – Cash Flow Reconciliation

- Increase in operating cash flow
 - Higher Building Products earnings
 - Offset by higher borrowing costs and plant commissioning expenses incurred
 - Increase in working capital
- Capital expenditure of \$37 million for the period, primarily related to construction of the new brick plant in Sydney
 - Major capital program now largely completed
- Dividend payments of \$64 million

| \$MILLION | 1H23 | 1H24 |
|---|------------|-------------|
| Statutory net profit after tax | 354 | (52) |
| Depreciation, amortisation | 38 | 44 |
| Impairment of non-current assets and assets held for sale | 51 | 4 |
| Net loss on disposal of investments | - | 16 |
| Net gains on disposal of property, plant and equipment | (286) | (1) |
| Non-cash (gain)/loss on deemed disposal | 1 | - |
| Non-cash revaluations within Property Trust | (113) | 233 |
| Non-cash development profits within Property Trust | (54) | (48) |
| Share of loss/(profits) of associates not received as dividends | (42) | (41) |
| Changes in tax provisions | 112 | (86) |
| Inventory movements | (14) | (17) |
| Other items | (1) | 3 |
| Operating cash flow | 46 | 54 |
| Acquisitions (net of cash) | - | (1) |
| Capital expenditure | (56) | (37) |
| Dividends paid | (62) | (64) |

BRICKWORKS

BKW 1H2024 Results

21.03.2024

26

26

Financials – Key Indicators

- Total shareholder’s equity decreased by \$86 million during the half, or \$0.52 per share
 - Reflects statutory loss and dividend payments
- Net debt decreased by \$37 million to \$615 million
- Gearing steady at 18%
 - Lower net debt partially offset by decreased asset base

1. Based on annualised underlying NPAT from continuous operations (1H24 NPAT x 2)

BRICKWORKS

| | FY23 | 1H24 | CHANGE |
|---|----------|----------|--------|
| NTA per share | \$19.96 | \$19.34 | (3%) |
| Shareholder's equity | \$3,561m | \$3,475m | (2%) |
| Shareholder's equity per share | \$23.39 | \$22.87 | (2%) |
| Return on shareholder's equity ¹ | 14% | (2%) | (113%) |
| Operating cash flow (v 1H23) | \$46m | \$54m | 16% |
| Net debt | \$652m | \$615m | (6%) |
| Gearing (net debt / equity) | 18% | 18% | - |

BKW 1H2024 Results

21.03.2024

27

Outlook

Section 04 Mr. Lindsay Partridge

BRICKWORKS



Outlook Summary

| | |
|-------------------|---|
| Investments | <ul style="list-style-type: none">History of long-term outperformance by Soul Patts expected to continue |
| Property | <ul style="list-style-type: none">Significant growth in net rental income is forecast from the Property Trusts over the coming years (from new developments and lease renewals of existing assets)We continue to experience strong lease enquiry for large-sized facilitiesContinuing to evaluate the development potential and / or sale of selected development sites |
| Building Products | <ul style="list-style-type: none">Following a period of short-term weakness, Australia appears to be on the cusp of a significant building boomConstruction activity forecast to increase in North AmericaIn 2H24 there will be a series of plant closures to undertake maintenance and control inventoryWell-placed to meet expected longer-term uplift in demand, following re-structuring, portfolio rationalisation and plant investments / network optimisation |
| Group | <ul style="list-style-type: none">Following a period of significant investment, our short-term priority is to maximise cash generationWith a diversified portfolio of high-quality assets and low gearing, Brickworks is well placed to meet future challenges |

BRICKWORKS

BKW 1H2024 Results

21.03.2024

29

29

Questions

BRICKWORKS



30

Thank you

BRICKWORKS

Sydney
Tel. 02 9611 4216
Lv19, 60 Carrington St
Sydney NSW 2000

Follow us @Brickworks



Visit

Brickworks.com.au

Disclaimer

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

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

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

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

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