

26 September 2024

Australian Securities Exchange
Attention: **Companies Department**

BY ELECTRONIC LODGEMENT

Dear Sir / Madam

Please find attached for immediate release to the market the Brickworks Limited:

- Appendix 4E; and
- Annual Report 2024.

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 4E

Financial year ended 31 July 2024

Results for announcement to the market

	31 July 2024	31 July 2023	Change
Revenues from continuing operations (\$000's)	1,089,414	1,181,859	(7.82%)
Net profit after tax from continuing operations before significant items (\$000's)	61,247	508,229	(87.95%)
(Loss)/profit from ordinary activities before tax attributable to members (\$000's) ¹	(244,962)	497,353	(149.25%)
(Loss)/profit from ordinary activities after tax attributable to members (\$000's) ¹	(118,885)	394,694	(130.12%)
Net (loss)/profit for the period attributable to members (\$000's) ¹	(118,885)	394,694	(130.12%)
Basic earnings per share (cents per share) ^{1,2}	(88.2)	293.9	(130.02%)
Net tangible assets per share (dollars per share) ³	19.42	19.96	(2.71%)
Final dividend declared – 100% franked (cents per share) (Record date: 05 November 2024)	43.0	42.0	2.38%

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

- **Statutory NPAT** down 130% to a loss of \$119 million and Underlying NPAT (Continuing Operations) down 88% to \$61 million. FY2024 earnings were adversely impacted by:
 - Property sales and non-cash property revaluations, with a loss of \$231 million recorded in FY2024, compared to a profit of \$381 million in FY2023; and
 - Non-cash Building Products impairments of \$135 million (post-tax) in FY2024, in accordance with AASB 136
- **Investments** EBITDA down 13% to \$137 million. Value of listed investments up \$263 million to \$3.383 billion
- **Property** EBITDA ex revaluations and sales of \$121 million, down 3%. Value of Property Trust assets down \$267 million to \$2.007 billion
- **Building Products Australia** EBITDA up 2% to \$102 million
- **Building Products North America** EBITDA up 9% to \$43 million
- **Net debt** up to \$682 million; gearing 20%
- **Final dividend** of 43 cents fully franked, up 1 cent or 2%.

For more detailed information please refer to attached annual report.

The report is based on accounts which have been audited. There was no dispute or qualification in relation to these accounts or report.

¹ Including discontinued operations in both periods.

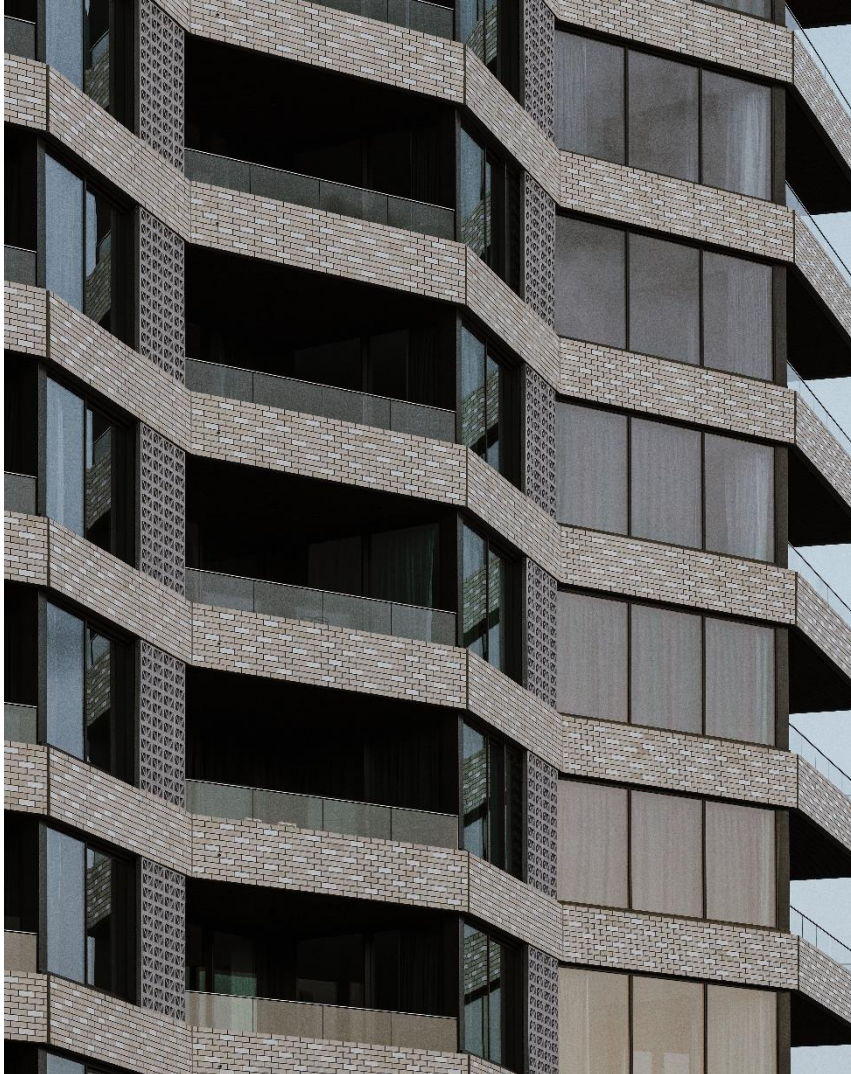
² The prior year Earnings Per Share measure was restated to reflect the adjustments to the weighted average number of shares. The weighted average number of shares outstanding during the prior year were adjusted to remove the reciprocal interest with Washington H. Soul Pattinson Limited ("Soul Patts") 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

ANNUAL REPORT

2024



Registered Office

738 - 780 Wallgrove Road
Horsley Park NSW 2175
Telephone: (02) 9830 7800
Website: www.brickworks.com.au
Email: info@brickworks.com.au

Auditors

Ernst & Young

Share Register

Computershare Investor Services Pty. Limited
GPO Box 2975
Melbourne Victoria 3001
Telephone: 1300 855 080 (Australia)
+ 61 3 9415 4000 (International)

Bankers

National Australia Bank

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Five Year

Summary

	2020 \$000	2021 \$000	2022 \$000	2023 \$000	2024 \$000	% Growth
Total revenue	898,420	850,922	1,095,353	1,181,859	1,089,414	(8%)
<i>Building Products Australia EBITDA</i>	<i>93,567</i>	<i>97,668</i>	<i>204,851</i>	<i>100,479</i>	<i>102,473</i>	<i>2%</i>
Building Products Australia EBIT	39,513	47,768	152,869 ¹	52,809	41,290	(22%)
<i>Building Products North America EBITDA</i>	<i>26,773</i>	<i>26,414</i>	<i>48,475</i>	<i>39,868</i>	<i>43,461</i>	<i>9%</i>
Building Products North America EBIT	10,061	8,525	24,932	12,795	13,726	7%
Property ²	129,437	252,679	643,689	505,517	(109,964)	(122%)
Investments ²	50,771	96,946	180,712	158,707	137,346	(13%)
Head office and other expenses	(16,849)	(19,417)	(19,803)	(20,433)	(16,656)	18%
Total EBITDA³	283,699	454,290	1,057,924	784,138	156,660	(80%)
Total EBIT³	212,933	386,501	982,399	709,395	65,742	(91%)
Finance costs	(25,964)	(18,735)	(20,154)	(53,100)	(78,650)	(48%)
Income tax	(35,218)	(80,090)	(216,101)	(148,066)	74,155	150%
Underlying net profit after tax³	151,751	287,676	746,144	508,229	61,247	(88%)
Significant items net of tax	175,495	(44,892)	123,592	(102,965)	(178,482)	NA
Discontinued operations net of tax (inc. sig items)	(29,168)	(3,621)	(15,345)	(10,570)	(1,650)	NA
Net profit after tax (inc. sig items, discontinued ops)	298,078	239,163	854,391	394,694	(118,885)	(130%)
Per share earnings and dividends⁴						
Basic earnings per share (cents)	242.1	192.2	645.5	293.9	(88.2)	(130%)
Underlying earnings per share (cents) ³	123.3	231.2	563.7	378.7	45.4	(88%)
Final dividend per share (cents)	39.0	40.0	41.0	42.0	43.0	2%
Total dividends per share (cents)	59.0	61.0	63.0	65.0	67.0	3%
Ratios						
Net tangible assets per share (\$) ⁵	14.08	13.78	18.34	19.96	19.42	(3%)
Statutory return on shareholders' equity	12.4%	9.6%	26.2%	11.1%	(3.5%)	(132%)
Underlying return on shareholders' equity ³	6.3%	11.6%	22.9%	14.3%	1.8%	(87%)
Interest cover ratio (underlying)	8.4	17.8	35.2	13.0	0.8	(94%)
Gearing (net debt to equity)	18.9%	20.9%	15.1%	18.3%	20.2%	(10%)

All revenue and earnings measures exclude significant items and discontinued operations unless otherwise stated

¹ Includes \$89.076 million profit from sale of land into the BKW Manufacturing Trust (FY2022).

² There is no depreciation or amortisation within Property or Investments, therefore EBIT and EBITDA are equivalent.

³ This is an alternative measure of earnings that excludes significant items, which are separately disclosed in the consolidated financial statements.

⁴ The Earnings Per Share measure was restated for FY2020-FY2023 to reflect the adjustments to the weighted average number of shares outstanding during these periods. Refer to note 2.4 of the financial statements.

⁵ The Net Tangible Assets calculation excludes right-of-use assets. Lease liabilities are included and reduce the net tangible assets per share.

Chairman's Message

On behalf of your Board of Directors, I am pleased to present Brickworks' Annual Report for the 2024 financial year (FY2024). In the face of challenging macroeconomic conditions, Brickworks diversified business model has again proved resilient, enabling the Company to focus on long-term value creating initiatives.

FY2024 Highlights and Group Result

During FY2024, Brickworks has continued to execute on a range of initiatives to deliver long-term shareholder value. Key highlights for the year include:

- Substantial completion of our Oakdale West Estate, which is now one of the most valuable industrial property precincts in the country.
- Securing development approval for our Oakdale East Stage 2 Estate, and the start of construction of the cornerstone facility for Amazon.
- An uplift in underlying EBITDA from our building products operations in Australia and North America, despite difficult market conditions.
- Substantial completion of our new brick plant in Sydney – the most advanced brick production facility in the country.
- Completion of our plant rationalisation program in North America (reducing from 16 operating plants to 8), creating a more efficient and cost-effective network for future operations.
- A \$263 million increase in the value of the Company's listed investments in Soul Patts (ASX: SOL) and FBR (ASX: FBR).

Despite these notable achievements, the Group recorded a Statutory loss of \$119 million in FY2024, primarily as a result of a non-cash devaluation within Property and a non-cash impairment within Building Products.

The significant property devaluation was reported in the first half, and reflects capitalisation rate expansion across the industry, in response to higher interest rates. Pleasingly, conditions have stabilised across the property industry over the past six months, as many central banks around the world begin to pivot towards expansionary monetary policy.

The Building Products impairment was recorded in the second half, and primarily relates to Austral Masonry and Brickworks North America. Both of these businesses have been impacted over the past six months by a deterioration in building activity across key markets. In response to the weaker demand, production has been scaled-back, resulting in a delay in the realisation of efficiency benefits from major investments and plant rationalisation activities.

The resilience of our diversified business model has once again provided the stability to maintain our long-term investment focus through these periods of cyclical weakness, to ensure we are well placed to maximise returns when the market recovers.

Leadership Succession

In April, we announced the retirement of Managing Director, Lindsay Partridge. Lindsay's final day with Brickworks was on 31 July 2024, after 39 years of service with the Company, including 25 years as leader.

On behalf of the Board, I would like to thank Lindsay for his outstanding leadership and the remarkable contribution he made in growing and reshaping Brickworks from a small brick making business to an ASX200 listed company comprising multi-national building products operations and large-scale industrial property interests. During his time with us, Lindsay made an extraordinary contribution to Brickworks and to the wider Australian building, construction and housing industry.

Following an orderly transition period, our new Chief Executive Officer, Mark Ellenor, is now well settled in the role. Mark is a familiar face to all of us at Brickworks, having started with the company as a graduate 25 years ago and building an impressive career with the Company across many leadership roles. Most recently, Mark was President of our North American operations for five years before returning to Australia in August 2023 to take up the Chief Operating Officer role for the Group, including responsibility across both the Building Products and Property businesses.

The Board looks forward to partnering with Mark and the executive leadership team, to lead Brickworks through the next chapter of growth.

Dividends and Capital Management

The Directors have declared a fully franked final dividend of 43 cents per share, up 2% on the prior year. This brings total dividends for the year to 67 cents per share, up 2 cents or 3%.

We are proud of our long history of increasing dividends and the stability that this provides our shareholders. We have not reduced the dividend for 48 years and this is a testament to our strong financial position, prudent capital management and our diversified business model.

Net debt increased by \$29 million during FY2024 to finish the year at \$682 million, with gearing of 20%.

Over the past five years the Company has undergone a significant transformation program, underpinned by considerable investment, including expansion into North America and several major capital projects. During this time our asset base has increased significantly, and now stands at \$5.8 billion.

With our major investment program now complete, our focus has turned to increasing cash generation from our enlarged asset base.

Board and Governance

Brickworks has a strong and stable Board that is committed to acting in the best interests of shareholders and ensuring that Brickworks is well positioned for future growth.

It is critical that the Board retains the diversity and breadth of skills and experience relevant to safeguard the ongoing success of the Company. As such, the Board regularly reviews its capabilities and composition to ensure an optimal mix of skills, knowledge and experience.

At last year's Annual General Meeting, Michael Millner retired from the Board, following 25 years of service. I would like to thank Michael for his invaluable contribution to the Company during that time.

In June, we were pleased to welcome Todd Barlow to the Board as a non-executive director. Todd has been CEO and Managing Director of Soul Patts since 2015, having previously been the Managing Director of Pitt Capital Partners Limited for five years. We look forward to leveraging Todd's deep experience to assist us in achieving performance objectives across our diversified portfolio.

With the retirements of Lindsay and Michael and the appointment of Todd, the Board now consists of six Directors, including two representatives from Soul Patts.

Also in June, we announced the appointment of Malcolm Bunday as Deputy Chair. Malcolm has been a non-executive director since October 2019 and is also Chair of the Remuneration and Nomination Committee.

With the re-establishment of the Independent Board Committee, Deborah Page has been appointed as the Lead Independent Director.

In Conclusion

Over the last 6 months we have successfully transitioned to new leadership, representing the start of a new chapter in our history of long-term value creation.

We are confident that Brickworks diversified portfolio of attractive assets offers shareholders compelling value, stability, and good prospects for long term growth.

The Board extends our thanks to our dedicated workforce, for their ongoing efforts and commitment.

I would also like to thank my fellow directors and our shareholders for your continued support.



Robert Millner AO
Chairman

Chief Executive Officer's Overview

As I step into the role of Chief Executive Officer, I feel a great deal of responsibility to continue the legacy built by previous leaders, such as Lindsay, and guide the organisation through its next phase of growth. Having been with Brickworks for over 25 years, I am excited to be working with a talented team of individuals whom I already know well and deeply respect, as we embark on this exciting new chapter together.

Safety

Before outlining the financial results in more detail, I will take some time to reflect on our workplace safety performance and sustainability initiatives.

Workplace health and safety is our number one priority, as it safeguards our most valuable asset, our people, while fostering a productive and positive environment where our teams can thrive. During the year, our safety performance improved, with fewer injuries being recorded across the organisation. The total recordable injury rate (injuries per million hours worked) has decreased to 9.7 in FY2024, down from 10.7⁶ in the prior year.

Most pleasing was the continued downward trend being achieved in our injury rate across North American operations. This is a key focus, as we seek to ensure safety outcomes are reduced to levels comparable with our Australian operations.

We continue to strive towards our ultimate goal of zero harm, through disciplined implementation of safety management systems and procedures, together with behavioural leadership and safety training programs.

Sustainability

We are achieving strong progress across many aspects of sustainability. In Australia, carbon emissions have followed a general downward trend, with a 56% decrease in Scope 1 and Scope 2 emissions compared to the base year, 2006. In North America, we have achieved a 19% energy efficiency improvement since our first acquisition in 2018.

Whilst we are proud of the progress we have already made, we were pleased to announce a new carbon target in FY2023: 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 target is complemented by continued investment into developing feasible renewable biomethane opportunities and our sustainable product strategies.

In our Property business, we aim to be industry leaders in sustainable industrial property design and development. This is demonstrated by our latest developments at Oakdale West, where 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.

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 more than \$5 million since 2002.

More information about our sustainability initiatives are contained in our 2024 Sustainability Report.

Divisional Performance

Across the **Property** Trusts, gross rent continues to grow strongly, driven by the completion of new facilities and the significant market-to-market uplift being achieved on re-leasing, where rental caps do not apply. Net income was relatively steady, with the increase in gross rent being offset by higher borrowing costs and the impact of the M7 Hub sale (discussed below).

A key milestone for the year was the substantial completion of the Oakdale West Estate. Construction of the final facilities was completed in the second half of the year, however handover of the facilities has been delayed due to protracted industrial action against Endeavour Energy by the Electrical Trades Union.

The Oakdale West Estate was sold into the Industrial JV Trust in 2017 and has been fully developed over the past 7 years. With a blue-chip tenant base on long leases, the total value of the Estate is currently \$1.5 billion (100% share), making it the most valuable Estate in the portfolio.

Demand for well-located logistics facilities remains strong, driven by the continued growth of online shopping, the need for more productive and sustainable assets, and limited supply.

With Oakdale West now complete, focus has turned to the Oakdale East Stage 2 Estate, with development work well underway at this site.

A non-cash devaluation of the Property Trusts was reported in the first half of the year. Pleasingly, valuations held-up in the second half, reflecting more stabilised conditions in the property market, after the volatility caused by rapid increases in interest rates across 2022 and 2023.

The sale of the M7 Hub Estate was completed in the first half. This was one of the first precincts developed within the Industrial JV Trust and is the smallest of the fully developed Estates. This sale delivered \$117 million in gross proceeds and was able to be executed quickly, tax efficiently and with limited transaction costs.

Building Products EBITDA was higher in both Australia and North America. In Australia, a range of significant cost reduction and business re-structuring initiatives were implemented to streamline operations. This included the consolidation of Austral Bricks and Austral Masonry into one operating division. These initiatives were offset by the impact of lower sales as a result of a downturn in building activity.

In North America, the business completed a five-year plant rationalisation program, which has resulted in a total of nine plants being closed over that period, as we have integrated new bolt-on acquisitions. While disruptive to the business throughout the implementation phase, the end result of this process is a more efficient plant network and a more focused capital investment program.

Margins have improved in North America, however subdued building activity has resulted in a delay in realising the full benefit of these rationalisation initiatives.

⁶ The FY2023 TRIFR has been restated to reflect the date of injuries being incurred (rather than the treatment date).

Although **Investments** earnings were down on the prior year, the market value of our shareholdings in Soul Patts and FBR Limited was up by \$263 million.

Group Outlook & Priorities

Although macroeconomic conditions may cause some short-term challenges across our portfolio, each of our businesses have a strong long-term outlook.

Within **Property**, structural trends towards e-commerce and the digital economy will continue to drive demand for our prime industrial facilities for many years to come.

Land supply challenges have also been exacerbated by increased 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 over the past two years.

We are focused on meeting this demand, with our Oakdale East Stage 2 precinct being one of the only large-scale industrial property sites currently under development in Western Sydney.

Whilst the long-term prospects of the Property Trust are very strong, as always, short-term Property earnings will depend on the timing of development activity and land sale transactions, and the impact of any revaluations.

Within **Building Products**, housing approvals in Australia are currently at the lowest level in more than a decade. Meanwhile, in North America, market conditions are weak across the Midwest and Northeast regions in our core non-residential and multi-residential markets. As a result, demand is expected to remain relatively subdued in the next twelve months across both countries, providing an opportunity to sequentially take plants offline to complete maintenance work and manage stock levels.

In **Australia**, the critical housing shortage has emerged as a key priority across all levels of government, driving ambitious building targets and long-overdue reforms to facilitate increased housing supply. Therefore, looking beyond the short-term market weakness, we expect conditions to improve significantly. Following our recent plant investments, we are well placed to deliver strong returns when conditions improve.

In **North America**, we have modernised our manufacturing fleet and consolidated operations over the past five years, whilst integrating several acquisitions. The more stable plant footprint and increased utilisation is expected to result in improved manufacturing performance. Capital spend will be significantly reduced in the next few years, with the rationalised plant footprint having available capacity to meet expected demand.

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

Our People

Finally, I would like to thank our people. We are a diverse business with 27 manufacturing sites currently operating across Australia and North America

I am incredibly fortunate to inherit a talented and dedicated workforce of over 1,850 employees. It is their hard work and unwavering commitment that are the driving force behind our achievements and the smooth transition into my new role as CEO.

In May, we were pleased to appoint Steve Bell as President Brickworks North America, after having been Acting President since November 2023. Steve has over 30 years' experience in manufacturing and is highly regarded amongst the North American team, having been a member of the senior leadership team for many years. He will continue to focus on strengthening organisational performance and growing sales.

Finally, I would also like to take this opportunity to thank the Board of Directors for their trust and support. I am excited to lead our company forward, and I am confident that with the dedication and expertise of our people, we will achieve great things together.



Mark Ellenor
Chief Executive Officer

Financial Overview

- Statutory NPAT** down 130% to a loss of \$119 million and **Underlying NPAT** (Continuing Operations) down 88% to \$61 million. FY2024 earnings were adversely impacted by:
 - Property sales and non-cash property revaluations, with a loss of \$231 million recorded in FY2024, compared to a profit of \$381 million in FY2023; and
 - Non-cash Building Products impairments of \$135 million (post-tax) in FY2024, in accordance with AASB 136
- Investments** EBITDA down 13% to \$137 million. Value of listed investments up \$263 million to \$3.383 billion
- Property** EBITDA ex revaluations and sales of \$121 million, down 3%. Value of Property Trust assets down \$267 million to \$2.007 billion
- Building Products Australia** EBITDA up 2% to \$102 million
- Building Products North America** EBITDA up 9% to \$43 million
- Net debt up to \$682 million; gearing 20%
- Final dividend of 43 cents fully franked, up 1 cent or 2%

Earnings

Brickworks Limited ("Brickworks" or the "Company") posted a Statutory Net Loss After Tax of \$119 million for the year ended 31 July 2024. The Underlying Net Profit After Tax from continuing operations was \$61 million.

Underlying earnings were adversely impacted by a non-cash property devaluation of \$215 million (vs. \$112 million gain in FY2023) and a \$15 million loss on property sales (vs. \$269 million profit in FY2023).

Group Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA') was \$157 million in financial year 2024, compared to \$784 million in the prior year. Excluding the impact of the property revaluations and property sales, EBITDA was \$387 million in FY2024, down 4% on the prior year.

On sales revenue of \$646 million (down 12%), Building Products Australia EBITDA was \$102 million, up 2% on the prior year. 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 \$442 million, Building Products North America delivered a 9% increase in EBITDA, to \$43 million. Excluding the impact of property sales in North America, EBITDA was up 29%. Margins were higher, due to the implementation of price increases and improved plant utilisation following the completion of a five-year plant rationalisation program.

Excluding revaluations and land sales, Property EBITDA was \$121 million, down by 3%. Net rental income was broadly steady, with a strong increase in gross rent being offset by higher borrowing costs in the Property Trust and the sale of the M7 Hub Estate during the year.

A non-cash devaluation of \$215 million was recorded on Property Trust assets, reflecting an increase in capitalisation rates across the portfolio to 5.2% (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 M7 sale.

At the end of the year, Brickworks' share of the net asset value within its Property Trusts was \$2.007 billion (vs. \$2.274 billion at 31 July 2023), after taking into account the development profits, impact of revaluations and the property sale.

Investments EBITDA was \$137 million, down 13%, 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 \$3.383 billion at 31 July 2024, up by \$263 million compared to 31 July 2023. Brickworks also holds a 15.3% stake in FBR Limited (ASX: FBR), with a market value of \$35 million at the end of the period.

An underlying income tax benefit of \$74 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 \$79 million, up from \$53 million in the prior year, due to a higher average interest rate on debt and additional leases.

Underlying EBITDA (\$million)	FY23	FY24	Change
Building Products Australia	100	102	2%
Building Products North America	40	43	9%
Property – ex revaluations / sales	124	121	(3%)
Investments	159	137	(13%)
Group Expenses	(20)	(17)	18%
Underlying EBITDA ex property revaluations / sales	403	387	(4%)
Property revaluations	112	(215)	(292%)
Property sales	269	(15)	(106%)
Underlying EBITDA – Continuing Operations	784	157	(80%)

Significant items decreased NPAT by \$178 million for the year. This comprised:

- ▶ A non-cash impairment of \$135 million (net of tax) based on AASB 136. This includes an impairment of \$55 million (net of tax) to Austral Masonry and an impairment of \$69 million (net of tax) to Brickworks North America. Both of these businesses have been impacted by a delay in realisation of the full benefits of recent major investments, following scaled back production in response to a decline in building activity across key markets.
- ▶ Restructuring and site closure costs of \$11 million (net of tax), primarily relating to employee severance payments associated with restructuring activities within Building Products.
- ▶ Plant commissioning costs of \$10 million (net of tax), associated with the new Horsley Park brick plant in Australia and the Rocky Ridge plant in North America.
- ▶ Legal costs of \$11 million, primarily associated with the ongoing proceedings filed against BGC (Australia) Pty Ltd and Midland Brick Pty Ltd seeking unspecified damages for various alleged contraventions of sections 46 and 50 of the Competition and Consumer Act.
- ▶ A \$15 million benefit in relation to significant items from Investments.
- ▶ A \$16 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.
- ▶ Other costs of \$11 million (net of tax), including advisory and IT implementation costs.

Significant Items (\$m)	Gross	Tax	Net
Impairment of non-current assets	(189)	54	(135)
Restructuring and site closure costs	(16)	5	(11)
Plant commissioning costs	(14)	4	(10)
Legal costs	(11)	-	(11)
Significant items relating to Investments	15	-	15
Income tax from the carrying value of SOL	-	(16)	(16)
Other costs, including advisory and IT implementation	(15)	4	(11)
Total (Continuing Operations)	(230)	51	(178)

Discontinued operations contributed an after-tax loss of \$2 million for the period. This primarily relates to closure costs within Austral Precast.

Statutory Earnings Per Share ('EPS') was a loss of 88 cents, and Underlying EPS from continuing operations was 45 cents.

Cash Flow

Total cash flow from operating activities was \$104 million, up 7% from \$97 million. The increase in cash generation was achieved despite challenging market conditions across Building Products operations and the adverse impact of plant commissioning and restructuring costs, legal costs, higher borrowing costs and an increase in working capital.

Capital expenditure has been elevated for several years, as the Company has undertaken a major reinvestment program to improve the efficiency and reduce the carbon intensity of manufacturing operations. With this program now reaching a conclusion, capital expenditure reduced to \$73 million for the financial year, down from \$114 million in the prior year. Major project spend during the period included the completion 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.

\$117 million in gross proceeds were received in the first half, following the sale of Brickworks' 50% interest in the M7 Hub Estate, part of the Industrial JV Trust. All proceeds were distributed to Brickworks, reported as investing cashflow.

Balance Sheet

During the year total shareholders' equity was down \$179 million to \$3.382 billion, primarily reflecting the statutory loss and impact of dividends paid to shareholders.

Net tangible assets ('NTA') per share was \$19.42 at 31 July 2024, down from \$19.96 at 31 July 2023.

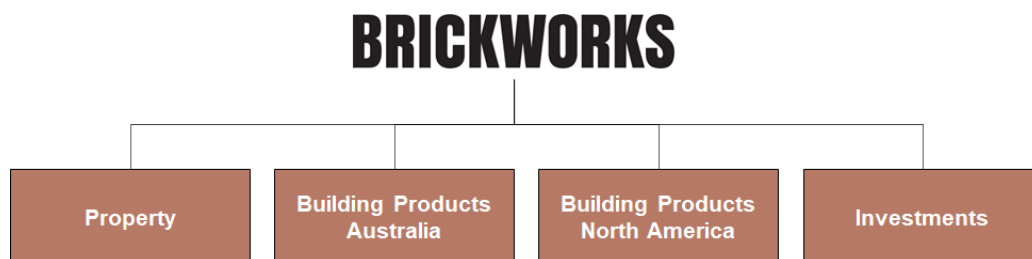
Total interest-bearing debt was \$744 million at the end of the year. After including cash on hand, net debt was \$682 million, an increase of \$29 million during the year. Gearing (net debt to equity) was up slightly to 20%.

Net working capital was \$351 million at 31 July 2024, including finished goods inventory of \$287 million. Although finished goods units were relatively steady during the year, the value was up \$23 million, due to higher unit costs.

Dividends

Directors declared a fully franked final **dividend** of 43 cents per share for the year ended 31 July 2024, up 2% from 42 cents. Together with the interim dividend of 24 cents per share, this brings the total dividends paid for the year to 67 cents per share (fully franked), up 2 cents or 3% on the prior year.

Group Structure



Brickworks has a diversified corporate structure that has delivered stability of earnings over the long term. There are four divisions within the Brickworks Group structure:

- ▶ Property;
- ▶ Building Products Australia;
- ▶ Building Products North America; and
- ▶ Investments.

Property

The Property division was originally established to maximise the value of land that is surplus to the Building Products business.

Over time, the Property division has evolved and now consists of two Joint Venture Property Trusts with Goodman Group, plus 100% owned land holdings, both operational and for development.

Brickworks holds a 50% interest in the Industrial JV Trust. This was established in 2005, for the specific purpose of capturing the initial valuation uplift from re-zoning and then benefitting from the long-term value appreciation and the stable, growing annuity-style income stream derived from the developed assets. This Trust has grown to become one of Australia's leading industrial property portfolios and is exposed to long-term structural tailwinds associated with the transition to e-commerce and the digital economy. Through the long-standing (~20 years) relationship with Goodman Group, the Trust has developed a portfolio of prime A-grade facilities with blue-chip tenants such as Amazon, Woolworths, Coles, DHL, Telstra and Australia Post.

The Industrial JV Trust has total assets of \$5.0 billion. After including debt, Brickworks 50% share of the Industrial JV Trust has an equity value of \$1,804 million.

Brickworks also holds a 50.1% interest in the Brickworks Manufacturing Trust. This comprises a portfolio of 15 manufacturing plants, tenanted by the Group's Australian Building Products businesses. The Brickworks Manufacturing Trust has total assets of \$406 million and no debt. Brickworks 50.1% ownership had an equity value of \$203 million as at 31 July 2024.

Along with its interest in the Industrial JV Trust and the Brickworks Manufacturing Trust, Brickworks retains around 5,000 hectares of 100%-owned operational and development land across Australia and North America. This includes a number of sites earmarked for future development.

Building Products Australia

Building Products Australia is a leading manufacturer and distributor of building products across all Australian states. Since

2002, the Building Products Group has grown from a two-state brick manufacturer, in New South Wales and Queensland, to a diversified national building products business.

In total, Building Products Australia comprises 19 manufacturing sites (currently operating), and a vast network of company-owned design centres, studios and resellers across the country.

The portfolio includes key brands such as Austral Bricks (Australia's largest clay brick manufacturer), Austral Masonry and Bristle Roofing. The portfolio also includes a 33% interest in the Southern Cross Cement joint venture.

Building Products North America

Brickworks North America has a leading position in the Midwest, Northeast and Mid-Atlantic states, and has a strong focus on architectural and premium products.

It has eight currently operating brick manufacturing sites, complemented by company-operated distribution outlets, design studios (New York, Philadelphia and Baltimore) and an extensive reseller network.

Investments

Investments consists primarily of a 26.1% interest⁷ in ASX-listed Washington H. Soul Pattinson ('Soul Patts') (ASX: SOL), which had a market capitalisation of \$12.814 billion as at 31 July 2024. The market value of Brickworks stake in Soul Patts was \$3.348 billion at this date.

Soul Patts is a diversified investment house with a portfolio encompassing strategic investments in major listed companies, a large cap equity portfolio, private equity investments, interests in a wide range of emerging companies and a structured yield portfolio. The investment in Soul Patts dates back to 1968 and delivers a stable dividend stream that provides Brickworks with security to weather periods of weaker building products demand.

Investments also includes a 15.3% stake in FBR Limited ('FBR') (ASX: FBR). At the end of the year, the market value of Brickworks stake in FBR was \$35 million.

⁷ On 30 August, Soul Patts issued 6.6 million shares, resulting in Brickworks' ownership interest reducing to 25.7%.

Property

Property Earnings

Year Ended July (\$million)	2023	2024	Change
Rental Income (100%)	149	163	9%
Borrowing & Other Costs	(50)	(65)	(30%)
Net Trust income (100%)	99	98	(1%)
Net Trust Income (BKW 50%)	50	49	(1%)
Development Profit	78	75	(5%)
Admin / Other	(4)	(3)	20%
EBITDA Ex Revals, Sales	124	121	(3%)
Revaluations	112	(215)	(292%)
Property Trust Sales	-	(16)	NA
Brickworks Land Sales	269	1	NA
Total EBITDA	506	(110)	(122%)

Property delivered an EBITDA loss of \$110 million in FY2024, compared to a profit of \$506 million in the prior year.

The loss was primarily due to the non-cash revaluation of properties with two independent valuation processes completed during the year. The first revaluation, in December 2023, resulted in a significant devaluation of \$233 million, reflecting a 100-basis point expansion in capitalisation rates across the portfolio.

Conditions stabilised in the second half, with the subsequent June 2024 revaluation resulting in an \$18 million profit being recorded, as higher market rent more than offset the impact of a further 17 basis point expansion in capitalisation rates.

At 31 July 2024, the average capitalisation rate across the portfolio was 5.2%, up from 4.1% at July 2023.

The increase in capitalisation rates over the year, followed several years of strong revaluation gains, underpinned by 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 EBITDA was \$121 million, down by 3% on a like-for-like basis with the prior year.

Strong demand, caused by structural trends across the economy and a lack of appropriately zoned and approved land, is driving growth in market rent for industrial property in Western Sydney. Compared to the prior year, rental income within the Property Trusts was up 9% to \$163 million (100% share), driven by contracted increases and new developments, offset by the sale of the M7Hub in January, which impacted rental income in the second half.

Higher interest rates and debt levels resulted in a significant increase in borrowing costs. After including borrowing and other costs, net trust income was \$98 million (100% share). Brickworks' 50% share of this income was \$49 million, down marginally on the prior year.

A highlight of the year was the completion of seven new facilities at Oakdale West, providing 69,275m² of gross lettable area. This included the completion of facilities for Maersk, EBOS and Luxottica. These completions resulted in a development profit of \$75 million being recorded.

The final four facilities at this Estate were also fully constructed, however these facilities did not achieve practical completion in FY2024 due to the ongoing industrial action by the Electrical Trade Union against Endeavour Energy, resulting in the power connection being delayed. With no clarity on when this industrial action will be resolved, the Industrial JV Trust is implementing mitigation plans, including the use of electric generators, to allow tenants to occupy the completed facilities as soon as possible.

Property administration and other expenses totalled \$3 million, including holding costs on properties awaiting development.

Property Trust Asset Value

As at 31 July 2024, the total value of developed assets held within the two Property Trusts was \$4.5 billion. The annualised rent generated from these assets is \$180 million and the weighted average lease expiry is 8.2 years (7.5 years for the Industrial JV Trust).

The average capitalisation rate across the portfolio is 5.2%, and there is 16,800m² of vacant space at Oakdale West. This results in a 98% occupancy level for the Industrial JV Trust.

Developed Assets	Asset Value (\$m)	Rent (\$m p.a.)	WALE ⁸ (yrs)	Cap. Rate	GLA ⁹ (m ²)
Interlink	659	25	3.0	5.3%	192,200
Oak Central	835	34	2.9	5.3%	245,200
Oak East 1	170	7	9.0	5.1%	37,100
Oak South	624	24	4.5	5.3%	177,300
Rosedale	320	16	8.0	5.6%	126,500
Oak West	1,512	57	13.2	4.9%	304,800
Ind. JV Trust	4,119	162	7.5	5.2%	1,083,100
Man. Trust	406	18	14.2	6.0%	NA
Total	4,525	180	8.2	5.2%	NA

⁸ Weighted average lease expiry (by income).

⁹ Gross Lettable Area.

Including \$872 million worth of land to be developed, the total value of assets held within both Property Trusts was \$5.4 billion at the end of the year. Borrowings of \$1.4 billion are held within the Industrial JV Trust, giving a total net asset value of \$4.0 billion. Brickworks' 50% share of net asset value is \$2.0 billion, down by \$267 million during the year.

Gearing within the trusts was 26% at the end of the year, up from 21% at 31 July 2023. This comprises gearing of 28% 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 devaluation of the portfolio and 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.

Year Ended July (\$million)	2023	2024	Change
Developed assets	4,907	4,525	(8%)
Land to be developed ¹⁰	878	872	(1%)
Total Property Trust assets	5,786	5,397	(7%)
Borrowings	(1,239)	(1,383)	(12%)
Net Property Trust assets	4,547	4,013	(12%)
Brickworks 50% share	2,274	2,007	(12%)
Gearing on leased assets ¹¹	21%	26%	24%

Property Trusts - Development Pipeline

The Industrial JV Trust continues to experience strong lease enquiry for large-sized industrial facilities at Oakdale East Stage 2. Structural trends are driving 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 where competing sites have been impacted by a range of planning and approvals issues.

Over the past few years, supply challenges have also been exacerbated by increasing construction and financing costs.

All these factors have driven up rent for prime industrial property in western Sydney by around 80% in the past three years¹², although the growth rate moderated in the second half of FY2024 and appears to have plateaued in recent months.

The current passing rent within the Industrial JV Trust of \$149/m² is now 31% below the estimated market rent, providing the opportunity to increase rents as leases are renewed.

The Industrial JV Trust is well placed to meet the strong demand and benefit from the higher market rents. Oakdale West will reach practical completion by the end of 2024 (subject to resolution of ongoing industrial action by the Electrical Trade Union against Endeavour Energy), with 54,300m² of new facilities already committed to tenants including Bevchain and DB Schenker, leaving just one facility of 15,500m² available for rent.

At Oakdale East Stage 2, construction of a cornerstone 58,000m² facility for Amazon is well underway, and due for completion in the third quarter of calendar year 2025. As one of the few large-scale "shovel ready" development estates in western Sydney, strong demand exists for the next available site, which will accommodate a 38,000m² facility. The remaining 155,000m² of gross lettable area will be released progressively as earthworks and servicing is completed across the estate. Given the strong demand, the estate is expected to be fully built out within four to five years.

Development opportunities are also being pursued in the Brickworks Manufacturing Trust. During the year, a 13-hectare site adjoining the Rochedale brick factory was purchased by the Trust. When consolidated with adjacent surplus land at the Rochedale site (already held within the Trust), the site could provide 22 hectares of industrial land, delivering up to 115,000m² of gross lettable area. This project is currently in planning stages, with the aim of lodging development applications in 2025.

Including Oakdale East Stage 2 and the additional development at Rochedale, total market rent potential from existing Property Trust assets is around \$341 million (100% share), assuming current market rent and no vacancies across the portfolio¹³. This compares to the passing rent of \$180 million on currently leased facilities.

The uplift from new developments (+\$90 million) is expected to be achieved within around five years as developments are completed and new tenants secured.

The uplift on existing facilities (+\$72 million) will be progressively realised as leases expire and will be subject to the extent to which tenants exercise extension options. Over the next five years, at least 30% of this mark-to-market uplift can be achieved, representing the existing vacancies and leases that expire during this period that do not have rental increase caps.

An additional 18% of leases (by rent) expire within the next five years but have an extension option in favour of the tenant that includes a rental increase cap (these caps are typically 5% or 10%). The mark-to-market uplift on these leases will depend on whether the tenant exercises the extension option.

Operational and Development Land

The largest additional parcel of land for potential development is at Craigieburn in Victoria, directly south of the Wollert factory site. This site is now being considered for industrial re-zoning by the state government. With an expected yield of around 600,000m² 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 and feasibility studies has been ongoing into the industrial development of 77 hectares parcel of land adjacent to the Mid-Atlantic plant in Pennsylvania. The site, located close to the I-78 motorway linking New York to Washington D.C., is currently zoned industrial. Applications to develop three facilities, providing a total area of 185,000m², were lodged with local authorities in mid-2023 and entitlement is expected to be achieved by early 2025.

¹⁰ Includes facilities under development.

¹¹ Borrowings / total assets.

¹² Source: Savills Research.

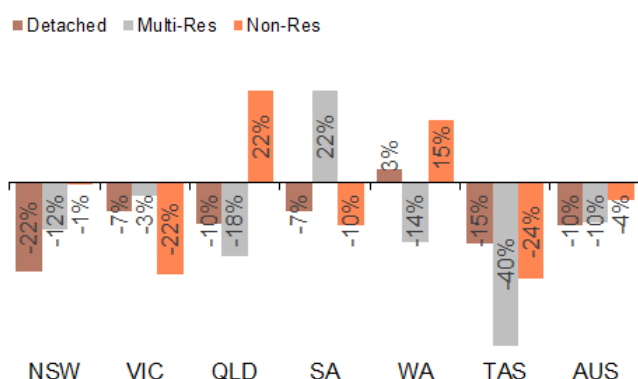
¹³ Forecasts assume market rent of \$223/m² in western Sydney and \$160/m² in Brisbane (Rochedale), representing management's estimate of current average market rent for Trust facilities in those locations.

Building Products

Australia

Market Conditions

Change in Commencements (FY2024 vs FY2023)¹⁴



Residential commencements continued to decline during FY2024, with total starts of 155,700 for the year to June 2024 being the lowest level since 2012.

Nationally, detached house commencements were down 10% on the prior year. This follows a decline of 17% in FY2023. Across the states, the steepest decline was in New South Wales, down 22%, with the other major east coast markets of Victoria and Queensland also down by around 10%.

Multi-residential commencements were also down by 10% in FY2024, with broad-based weakness across all major states. The decline in multi-residential starts has been driven by a circa 50% fall in high rise (4-storey or more) apartment construction over the past five years. This segment has been severely impacted by higher interest rates and the approximate 40% rise in construction costs since the start of the pandemic¹⁵. These cost impacts, together with government levies and taxes, have made apartment construction economically unfeasible in many areas of the major capital cities.

Non-residential building activity has varied significantly across the country. During FY2024 there was increased activity in Western Australia (up 15%) and Queensland (up 22%), offset by declines in Victoria (down 22%) and New South Wales (down 1%).

Overview of FY2024 Result

Year Ended July (\$ million)	2023	2024	Change
Revenue	734	646	(12%)
EBITDA	100	102	2%
EBIT	53	41	(22%)
EBITDA margin	13.7%	15.9%	16%

Revenue for the year ended 31 July 2024 was down 12% to \$646 million. The decrease was broad based, reflecting the lower building activity across all key markets.

EBIT from continuing operations was \$41 million, down 22% on the prior year. Excluding depreciation and amortisation, EBITDA was up marginally to \$102 million, resulting in an EBITDA margin of 16%.

The improved EBITDA margin was the result of the implementation of price increases and productivity improvements across most operations. In addition, restructuring initiatives implemented over the past 18 months have streamlined operations and removed costs in many areas of the business.

These initiatives include the consolidation of Austral Bricks and Austral Masonry into one operating division, a restructure of Bristle Roofing and a rightsizing of divisional support functions.

Nationally, the new Austral Bricks and Masonry business unit (including Advanced Cladding Systems and the Company's 33% interest in Southern Cross Cement) incurred a 12% decrease in sales revenue, to \$560 million for the year. Revenue in Western Australia was significantly lower, due to the exit from brick operations in that region.

The decline in high rise residential construction accelerated in 2H24, particularly in Sydney, and has had a significant impact on Austral Masonry sales, which have a high exposure to this segment.

Several measures have been taken to control stock and manage working capital, in response to subdued demand, as we move through the cyclical low in building activity. The Oakdale masonry plant was operated on a reduced shift structure, and several kilns across the country were temporarily taken offline during the year, with the opportunity taken to complete maintenance activities.

In addition, Plant 1 at Horsley Park in New South Wales was mothballed, effective July 2024, following the successful ramp up of the new Plant 2 facility. With the mothballing of Plant 1, spare capacity at the Rochedale plant in Queensland will also be utilised to cost effectively supply the New South Wales market. It is expected that Plant 1 will return to production when conditions improve in the coming years.

Commissioning of the new brick plant at Horsley Park (Plant 2) was substantially completed during the second half. This project was commenced in 2019 and faced a number of challenges throughout the pandemic. Now operating at design capacity, the plant is the most fuel efficient and has the lowest unit labour cost and wastage level of any brick plant across the Group. In FY2024, the new plant demonstrated a 57% improvement in energy intensity compared to FY2018.

¹⁴ Source: BIS Oxford Economics Australian Building Forecasts, June 2024. Figures shown are for the 12 months ended in June.

¹⁵ Source: Macro Business.

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 during the year.

Bristle Roofing (including Capital Battens) earnings were well ahead of the prior year, on a 15% decrease in revenue to \$93 million. The decline in revenue was primarily attributable to the difficult market conditions and an increased focus on “supply only” of roof tiles in Queensland and New South Wales (rather than a “supply and install” approach).

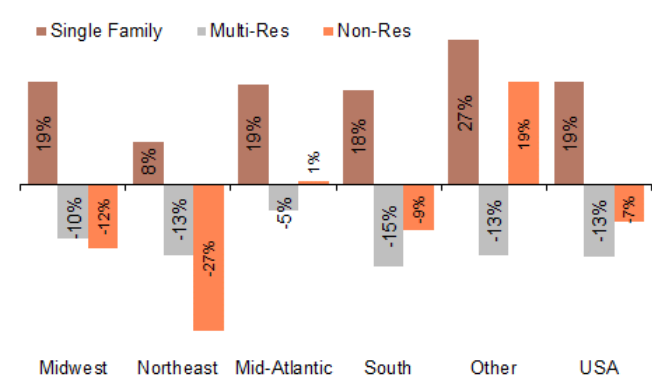
More broadly, the roof tile market has experienced significant rationalisation over the past six months, with the exit of a major competitor, and this is expected to support improved plant utilisation and efficiency.

Building Products

North America

Market Conditions

Change in Commencements (FY2024 vs FY2023)¹⁶



Building Products North America's key regional exposure is in the Midwest, Northeast and Mid-Atlantic. Combined, these three regions make up around 91% of total sales revenue. There is a broad end-market exposure, with the non-residential segment making up 37% of sales, single family homes 39% and multi-family residential 19%.

Overall, building activity in the United States has been mixed during financial year 2024, varying significantly by region and segment.

There has been a decline in non-residential and multi-residential activity across the country. This was most severe in the key Northeastern region where non-residential activity was down by 27% year on year and multi-residential activity was down by 13%. A surplus of multi-residential construction following the pandemic in 2021 and 2022 led to oversupply in this market and a subsequent decline, while non-residential building has stalled, despite resilience in some pockets, such as the education sector.

By contrast, there was relative strength within the single-family residential segment, where building activity was up by 19% nationwide, albeit this is not the core market for Brickworks' products.

High interest rates are limiting the amount of established home inventory coming to market (with homeowners reluctant to refinance into new homes at higher interest rates), forcing new home buyers to seek newly constructed homes. This dynamic is providing a tailwind for the single-family home segment, which may reverse if interest rates decline.

Overview of FY2024 Result

Year Ended July (AU\$ million) ¹⁷	2023	2024	Change
Revenue	447	442	(1%)
EBITDA	40	43	9%
EBIT	13	14	7%
EBITDA (ex-Property Sales)	33	42	29%
EBIT (ex-Property Sales)	6	13	113%
EBITDA margin (ex-Property Sales)	7.5%	9.8%	31%

Brick sales volume in North America was lower during the period, due primarily to a significant reduction in sales to the oversupplied southern home builder market (such as Texas), with sales to this region down 22% from the prior year. Reduced building activity in key non-residential markets also impacted sales.

Despite the lower sales volume, revenue of \$442 million for the year ended 31 July 2024 was broadly in line with the prior year, due to a combination of price increases and a mix shift towards higher value products.

EBITDA for the year was up 9% to \$43 million. Last year's result included a \$7 million profit from the sale and leaseback of a retail outlet, and this year's result includes a \$0.3 million profit on the sale of a surplus quarry. Excluding the impact of these property sales, EBITDA for the year was up 29% and EBIT was up 113%, to \$13 million.

Margins continue to improve, following the implementation of price increases and the rationalisation of the plant network over the past five years. High wages continue to have an impact on margins, with unit labour costs up by around 12% on the prior year, partially offsetting the benefits of improved plant efficiency. With production scaled back to meet demand, the full benefits of the plant rationalisation program have not yet been delivered.

The Rocky Ridge plant in Maryland is in the final stages of re-commissioning 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. The first shipments to the UK (as part of the 10 million brick p.a. supply agreement executed in 2023), are now underway.

¹⁶ Source: Dodge Analytics USA Building Starts Forecast – June 2024. Figures shown are for the 12 months ended in June.

¹⁷ An average exchange rate for each half year period is used to convert from US\$ to AU\$. The conversion rates used are: 1H24 US\$0.65; 2H24 US\$0.66; 1H23 US\$0.67; 2H23 US\$0.67.

Investments

Investments consists of Brickworks shareholdings in Soul Patts (ASX: SOL) and FBR (ASX: FBR), in addition to interest income on cash holdings. The EBITDA from Investments was down 13% to \$137 million for the year ended 31 July 2024.

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

ASX Code: SOL

Brickworks holds 94.3 million shares in Soul Patts, representing a 26.1% ownership interest, 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.

The market value of Brickworks shareholding in Soul Patts was \$3.348 billion at 31 July 2024, up \$241 million for the year.

Soul Patts has delivered strong returns to Brickworks, with 25-year total shareholder return of 12.5% per annum (to 31 Jul 2024), 4.0% 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 \$136 million for the year ended 31 July 2024, down 15% from \$160 million in the prior year. The decrease was primarily due to a lower contribution from New Hope Corporation.

During the period normal cash dividends of \$86 million were received, up 15% on the prior year normal dividends.

Soul Patts holds a diversified portfolio of investments. A break-down of Soul Patts assets as at 31 July 2024 is shown in the chart below.

Strategic investments include significant stakes in a number of listed companies including Brickworks, TPG Telecom, New Hope Corporation and TUAS.

Other assets include a portfolio of ASX listed large cap companies, private equity investments, a portfolio of listed and unlisted emerging companies, structured yield and direct ownership of property.

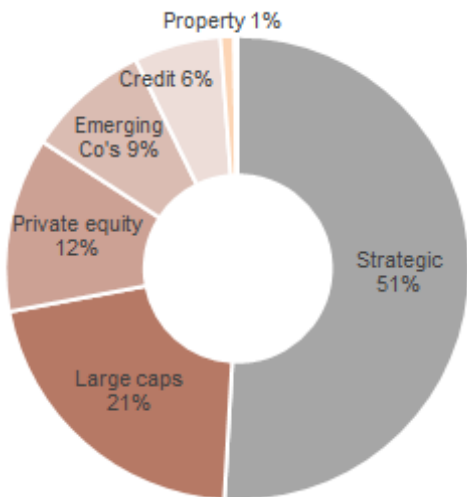
FBR Limited ('FBR')

ASX Code: FBR

Brickworks made an initial seed investment in FBR in 2006 and over the past two years has made further investments to increase its stake. This included an acquisition of 76.3 million shares in January 2024, as part of an institutional placement by FBR. At 31 July 2024, Brickworks held 731.7 million shares in FBR, representing a 15.3% 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. 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 \$35 million, up by \$22 million over the year.



Health

And Safety

There is no task that we undertake that is so important that we can't take the time to find a safe way to do it.

Strategy

Brickworks is committed to reducing health and safety risks for its employees, contractors, and the public. Central to this commitment is safety leadership, which is essential for developing a resilient safety culture within the company and creating an effective framework for managing health and safety risk.

Brickworks' Workplace Health and Safety (WHS) Strategy 2023-2030 defines the Company's vision and framework for achieving WHS objectives, targets, and regulatory compliance. The innovative use of technology and integrated systems to mitigate workplace hazards, reflects Brickworks' approach to managing evolving WHS challenges and emerging trends in workplace safety.

Brickworks Safety Health Environment Management System is the cornerstone of the Health and Safety Strategy, offering a comprehensive framework that integrates policies, procedures, and practices to identify and mitigate risk. This system aligns with ISO 45001 requirements with a strong emphasis on continuous improvement processes. The system promotes transparency, accountability, and collaboration among stakeholders, facilitating a universal approach to health and safety management across all levels of the business globally.

Brickworks' cloud-based health and safety management software serves as a comprehensive centralised repository for occupational health and safety data. A specialised reporting platform, Power BI™ is integrated with this WHS database platform to enable efficient data retrieval, and analysis, empowering users to track trends, generate reports, and gain insights into health and safety performance. This software suite provides powerful data transformation tools and interactive visualizations accessible directly from their smartphones or tablets, enabling flexibility and informed, data-driven decision-making from any location.

At Brickworks, measuring safety performance is fundamental to our commitment to workplace health and safety. We track key metrics such as injury rates, injury severity, near-miss incidents, the number of functional checks on safety devices, and workplace inspections. Due to our low injury rates, we now drive safety performance using lead indicator activity measures by site. This approach helps us manage key critical risks, build the capacity to be safe and maintain operational continuity and resilience. By employing advanced data analytics, we monitor trends and assess the effectiveness of safety initiatives, enabling data-driven management decisions. Benchmarking against industry peers ensures that we remain competitive and continuously improve our safety practices.

Brickworks recognises the importance of managing psychosocial health and is committed to providing a supportive, productive, and healthy work environment for all employees. This commitment is clearly stated within the company's health and safety policy statement. The company has implemented mental health awareness programs and provided access to professional counselling services. Initiatives include an ongoing mental health first aid program, qualifying employees in mental health first aid, as well as eLearning courses and an onsite physiotherapy program to assist employee wellbeing which has positively impacted attendance and employee retention. Additionally, promoting work-life fitness and encouraging open communication through various channels has supported harmonious and productive work environments.

Brickworks demonstrates its commitment to contractor safety through clear objectives, stringent pre-screening and induction procedures, meticulous permit-to-work processes, and integrated safety protocols. Regular evaluations and risk management strategies are employed to establish a secure working environment for contractors. The Company's strict adherence to safety guidelines within contractual agreements further emphasises our dedication to maintaining the highest safety standards.

In FY2024, Brickworks prioritised several key initiatives aimed at enhancing our safety program. Conducting medical assessments for workers before they commence employment ensures that potential recruits are physically and mentally fit for the specific demands of their roles, reducing the risk of workplace injuries and enhancing overall safety. Brickworks conducts random fit-for-work assessments in Australia to promptly detect and address any instances of alcohol, drug, or substance use among employees and contractors, aiming to maintain a safe and secure working environment. Furthermore, Brickworks' occupational hygiene program plays a pivotal role in safeguarding the health and well-being of all workers, ensuring compliance with health and safety standards, promoting a productive and sustainable work environment.

Brickworks e-learning training promotes employee health and safety knowledge and skills and ensures adherence to safety regulations. This learning platform provides a centralised repository for a diverse range of training materials, including interactive modules, videos, quizzes, and management system procedures. It also features integrated tracking and reporting capabilities, enabling efficient monitoring of training undertaken against employee training plans. This has been a very effective health and safety tool.

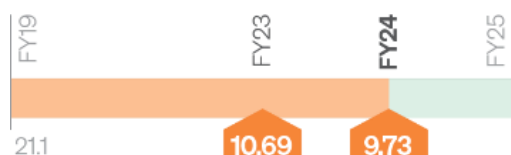
Comprehensive emergency preparedness procedures address a wide range of scenarios, from natural disasters to man-made crises, ensuring the safety of personnel, facilities, and communities. Frequent drills and training sessions empower the workforce to respond skilfully to emergencies, demonstrating a commitment to operational security and community welfare. In 2014, Brickworks adopted a cautious management approach by implementing Biological PPE kits across all operational facilities. This proactive measure allowed the company to respond swiftly to the emerging COVID hazards in its Australian operations in 2020.

Brickworks understands the critical importance of regular audits of our safety management systems and processes. To ensure the highest standards of safety and compliance, Brickworks conduct both internal and external audits. These audits are designed to validate the effective application of the management system procedures and processes, identifying any non-conformance areas. Internal audits allow us to self-assess and promptly address any issues, while external audits provide an objective evaluation from industry experts. This dual approach not only reinforces our commitment to health safety but aligns Brickworks with regulatory requirements and industry standards, adopting a culture of continuous improvement and accountability within the company.

Our strategy for FY2024 focused on achieving continued reductions in injury rates for company employees, contractors, and others. Specific annual objectives and targets are set by the executive leadership team and communicated across the organisation to ensure alignment and commitment to our long-term safety goals.

SAFETY

Continued reductions in injury rates



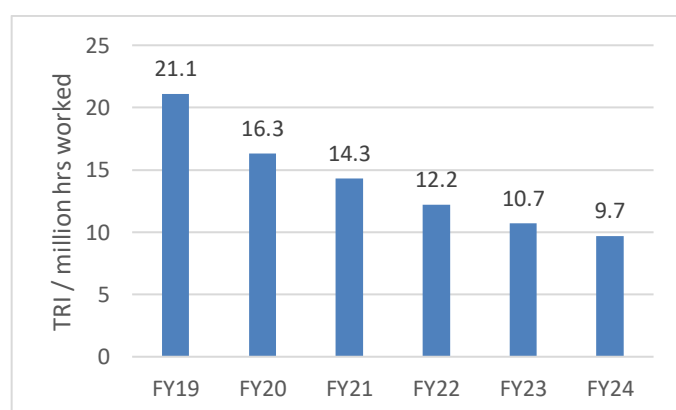
Performance (Group)

Since the acquisition of the North American operation in December 2018, Brickworks has continuously improved its consolidated total recordable injury frequency rate. Notably, in FY2024, this rate decreased marginally from 10.7¹⁸ to 9.7, highlighting further progress in a challenging year.

This achievement is primarily attributed to the continued successful integration of health and safety technologies and practices developed in Australia into our North American operations. As this work progresses, we anticipate a continued reduction in injury rates for the group.

It's important to note that the currently reported frequency rate data does not include contractor injuries. However, contractor injuries are recorded and included in the company's safety performance reports at all levels of the business, facilitating comparative analysis and injury trends. Significant efforts are underway to accurately incorporate contractor injuries into the statistical frequency rate reporting. In FY2024, the Company reported a total of ten recordable contractor injuries, an increase from the seven injuries reported in FY2023. Regarding the severity of contractor injuries, there were four Class 2 severity recordable injuries, which were temporarily life-altering, and six Class 3 severity injuries, which were minor non-life-altering injuries.

Total Recordable Injury Frequency Rate¹⁸

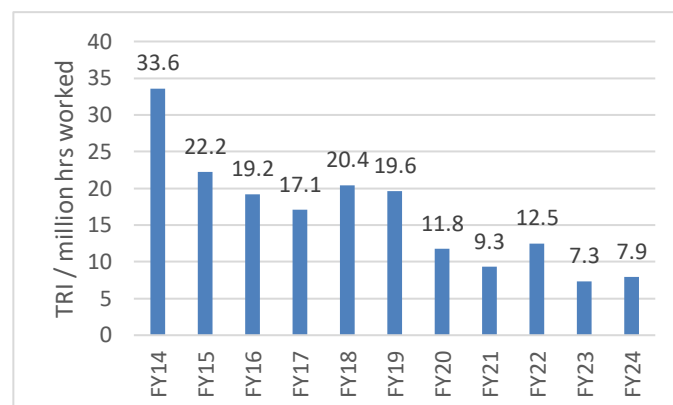


Performance (Australia)

The total recordable injury frequency rate (TRIFR) was 7.9 marking an increase from the TRIFR of 7.3¹⁹ recorded in the preceding year.

Due to the rationalisation of the Australian business, there were fewer hours worked. The total number of hours worked decreased by 13.3% in FY2024 compared to the previous year. The number of recordable injuries reported was in line with the previous year.

Total Recordable Injury Frequency Rate (Australia)¹⁹



Brickworks is committed to its 2023-30 safety strategy by effectively communicating annual health and safety objectives and targets to all levels of the business, ensuring alignment across the workforce. Key to this strategy is building employee safety knowledge and skills through ongoing training and proactive supervision. Achieving this strategy requires diligent management and accountability and a dedication to developing a generative safety culture across the business.

During FY2024, Brickworks achieved significant milestones, including the completion of over 24,928 eLearning safety courses by employees and contractors, and conducting 682 random tests for alcohol, drugs, and other substances. We maintained a roster of over 110 mental health first aiders and conducted 3,229 workplace inspections, all contributing to our comprehensive safety framework. Our rigorous approach to identifying and managing health and safety risks resulted in the control of over 1,777 hazards, along with 7,862 safety device checks to ensure that safety control equipment safeguarding personnel remains fully operational. Brickworks demonstrated a strong near-miss reporting culture, with a near-miss frequency rate (NMFR) of 16.4 in Australian operations for FY2024.

At Brickworks, recordable injury severity is classified into three categories: Class 1 (permanent life alteration), Class 2 (temporarily life-altering), and Class 3 (not life-altering). In FY2024, no Class 1 injuries were reported among Brickworks employees. Of the total recordable injuries, 40 percent were Class 2, while the remaining 60 percent were Class 3. For contractors, there were no Class 1 injuries. Of all the contractor recordable injuries, 33 percent were classified as Class 2 severity, while the remaining 66 percent were categorised as Class 3 severity, which did not result in life-altering outcomes.

¹⁸ FY2023 has been restated to include injuries that occurred in FY2023 but were reclassified during FY2024. Previously stated figures for FY2023 – Brickworks Consolidated – 8 LTI, 34 MTI, LTIFR (1.9), TRIFR (10.0).

¹⁹ FY2023 has been restated to include injuries that occurred in FY2023 but were reclassified during FY2024. Previously stated figures for FY2023 Australia – 1 LTI, 13 MTI, LTIFR (0.4), TRIFR (6.4).

Respirable Dust and Silica

At Brickworks, we have implemented stringent measures to mitigate the risks associated with respirable dust and respirable crystalline silica dust, extending our commitment to worker health beyond governmental regulations. Brickworks' comprehensive program, maintained across all sites, includes both static and personal exposure monitoring, as well as engineering controls to minimise risks. This nationwide air monitoring program utilises statistically valid exposure data and is closely managed by a qualified internal occupational hygienist. The program focuses on understanding respirable silica dust exposures in the workplace and implementing engineering controls to reduce dust emissions and transmission from various sources. Furthermore, Brickworks prioritises worker health by utilising specialised respirator fit testing equipment to ensure our workforce achieves effective respiratory protection. In FY2024, no silicosis claims were lodged related to workers compensation, with two non-life-threatening claims recorded historically over the past 15 years.

Key Highlights FY2024 - Australia

- ▶ No employee or company contractor²⁰ fatalities have been recorded over the last 5 years.
- ▶ Alignment of Health and Safety Training and Legal Briefings for Executive and Middle Management
- ▶ Systems Integration and Reporting of Health and Safety Management Data in Australian and North American Operations
- ▶ Implemented psychosocial health management framework, backed by an internal team of more than 110 Mental Health First Aiders.
- ▶ The growth of the presence of safety program, driving the capacity to be safe in Brickworks, through visible lead indicator safety activity measures, tracked daily by site.
- ▶ No employee silicosis claims lodged FY2024.

CEO Award for Health and Safety performance

The CEO Award for Safety at Brickworks recognizes the operational site that reported no recordable injuries in FY2024 and demonstrated the strongest safety lead indicator performance, based on statistics from the Donesafe reporting platform.

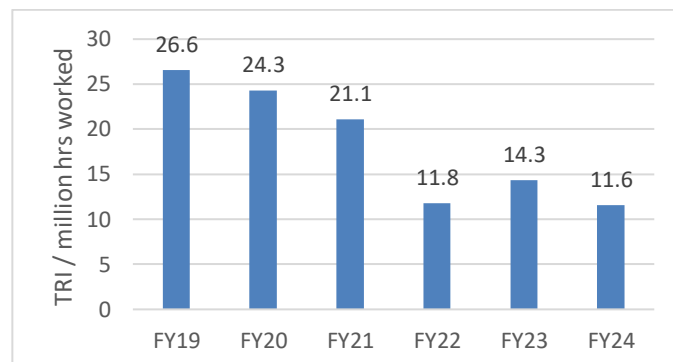
This Award encourages Brickworks operational teams to focus on increasing the number of lead safety indicator activities, such as hazard identification and control, safety device checks, safety training, safety contacts, workplace inspections and random fit for work testing, which builds the capacity to be safe in Brickworks.

Performance (North America)

Brickworks North America continued to enhance its health and safety performance in FY2024. The total recordable injury frequency rate (TRIFR) decreased to 11.6, representing an 18.9 percent reduction from the FY2023 rate of 14.3²¹.

It is anticipated that the company's health and safety performance will continue to improve as the integration of Brickworks' systems and processes continues. By streamlining operations and implementing best practices across the North American business, we expect to improve our safety measures, reduce risks, and continue to develop a safer working environment.

Total Recordable Injury Frequency Rate (North America) ²¹



Throughout the year, we achieved notable milestones in our safety efforts, including:

- ▶ Completion of 31,613 eLearning safety training sessions by our employees.
- ▶ Execution of 2,969 safety interactions led by our supervision and leadership teams.
- ▶ Conducting 178 workplace inspections across our nine manufacturing facilities to ensure safety compliance.
- ▶ Completion of 2,031 toolbox talks throughout all Brickworks North American locations.
- ▶ Performing peer audits at eight manufacturing locations
- ▶ Commenced the implementation of the Presence of Safety lead indicator program to drive activities that build the capacity to be safe.

Remarkably, we identified 2,281 hazards and successfully controlled a total of 2,503 hazards across Brickworks North America locations. These accomplishments underscore our commitment to establish a safer and more secure environment for our employees and stakeholders.

The ongoing deployment of the Safety Health and Environment Management System (SHEMS) has led to several important initiatives. These include the introduction of a Safety Device Inspection program, the THINK FIRST program, and the Hazard Reporting and Risk Control program. Additionally, enhanced programs for Hot Work, Lockout Tagout, Hearing Conservation, Respiratory Protection, PPE, and Non-DOT Vehicle Safety have been implemented.

It is important to highlight that nearly all program documents in the Safety Management System are readily accessible in both English and Spanish, ensuring comprehensive support for our diverse workforce. Additionally, we have developed eLearning courses for all management system programs, which are assigned to employees through Brickworks eLearning platform. These courses are designed to enhance the safety skills and knowledge of the workforce, ensuring all employees are well-informed and equipped to contribute to a safer work environment.

²⁰ Contractors working on a fee-for-service arrangement for Brickworks.

²¹ FY2023 restated to include injuries that occurred in FY2023 but were reclassified during FY2024. Previously stated figures for FY2023 North America - 7 LTI, 21 MTI, LTIFR (3.5), TRIFR (13.8).

THINK FIRST Program

The purpose of this program is to identify health, safety, and environmental hazards before starting work to prevent incidents workplace and near misses. Since the program's launch in December 2023, the THINK FIRST forms are used to identify and control potential hazards when:

- ▶ an employee is to conduct a non-routine task.
- ▶ there is no JSEA (Job Safety Environmental Analysis) or the JSEA is missing sections or steps.
- ▶ conditions change in the workplace.

Hazard Reporting and Risk Control

Brickworks North America has relaunched the Hazard Reporting and Risk Control Program to eliminate or minimize incidents by identifying health and safety hazards. Risk assessments are conducted to determine the likelihood and consequences of these hazards, and the resulting risk ratings are evaluated to develop a plan of action. Risks are either eliminated or reduced to As-Low-As-Reasonably-Practicable rating (ALARP).

Respirable Dust and Silica

Brickworks North America continues to employ a third-party contractor for respirable silica sampling to ensure accurate and reliable measurements. We have implemented several measures to minimize respirable silica exposure, including enhanced ventilation systems, personal protective equipment, and rigorous monitoring protocols. Additionally, we are actively exploring and evaluating new controls and technologies to further reduce respirable silica exposure. Our efforts are aligned with Brickworks' global standards and best practices to ensure the highest levels of safety and compliance in managing silica risks.

Key Highlights FY2024 – North America

- ▶ No employee or company contractor²² fatalities have been recorded over the last 5 years.
- ▶ Improved near miss recording.
- ▶ Further Systems Integration and Reporting of Health and Safety Management Data for North American Operations
- ▶ No employee silicosis claims lodged FY2024.
- ▶ A reduction in the Recordable injury frequency rate for the North American business.

Safe + Sound week

For the third consecutive year, all 40 Brickworks North America locations participated in Safe + Sound Week in August 2023. Safe + Sound week is a nationwide OSHA (Occupational Safety and Health Administration) sponsored event, held each August that recognizes the successes of workplace health and safety programs and offers information and ideas on how to keep America's workers safe.

A safety slogan contest was held with the first-place winner's logo printed on t-shirts provided to all Brickworks North America employees. Micro learnings on Flammable Cabinet Safety, Ladder and Tools Storage and Walkways, Stairs and Exits safety and were provided and distributed throughout the week.

Certified Safety Professional® (CSP®)

Two members of the Corporate Safety Team met the gold standard of safety, health and environmental credentials and achieved the industry's most-recognized SH&E certification.

A CSP candidate's professional practice is typically spent implementing safety management systems, making worksite assessments to determine risks, assessing potential hazards and controls, evaluating risks and hazard control measures, investigating incidents, maintaining, and evaluating incident and loss records, and preparing emergency response plans, among other possible duties.

The requirements to achieve the certification include the minimum of a bachelor's degree, a minimum of 4 years of safety experience, a Board of Certified Safety Professionals qualified credential, and successful completion of the CSP exam.

This accomplishment underscores our commitment to the professional development of our safety leaders.

²² Contractors working on a fee-for-service arrangement for Brickworks.

Overview of Sustainability

The built environment is the fabric of our cities and our lives and Brickworks' products form part of this ever-changing fabric. Brickworks products are integrated into thousands of homes, apartments, commercial buildings, landscapes and infrastructure projects built each year.

Build for Living: Towards 2025, Brickworks Sustainability Strategy

Brickworks' sustainability strategy, "Build for Living: Towards 2025", recognises the substantial environmental and social impacts of the built environment, and the role its products play in creating sustainable developments. Brickworks understands its responsibilities, and the impact and influence it has on the environment, customers, employees, communities, and shareholders.

The sustainability strategy focuses on the opportunity to make buildings and cities safe, resilient and sustainable. Design that incorporates sustainability brings greater energy and resource efficiency over the operational lifetime of a building.

The sustainability strategy sets a clear pathway from the prior year, with measurable commitments, to ensure Brickworks continues to have a positive environmental and social impact, with strong governance and a culture of care for the community.

At the heart of the strategy is Brickworks' sustainability framework, with three pillars: Responsible Business, Environment and Our People and Community. Within these pillars, Brickworks focuses on three core objectives to deliver positive outcomes for stakeholders:

- ▶ Responsible Business: Leading Building Design - Safe, Resilient, Sustainable
- ▶ Environment: Sustainable Manufacturing
- ▶ Our People and Community: Diversity and Strong Culture of Care for Community.

Under these objectives, Brickworks is committed to delivering on 15 targets by 2025 with the baseline year of FY2019, except where otherwise noted. Build for Living: Towards 2025 can be downloaded from Brickworks website www.brickworks.com.au

Since releasing our strategy Brickworks completed several acquisitions in North America. During FY2023, we completed a mid-strategy target enhancement to include our North American business in our sustainability targets and in FY2024 we are reporting progress against these targets.

Sustainability Reporting

Brickworks understands its long-term responsibilities, and the impact and influence the business has on the environment, customers, employees, communities and shareholders. Brickworks takes great pride in manufacturing building products in a sustainable way, creating sustainable developments and beautiful products that last forever. Sustainability and innovation are integrated into product design to create greater energy and resource efficiency over the operational lifetime of a building.

Brickworks 2024 Sustainability Report provides a chance to cover these issues in depth, informed by international standards such as the Global Reporting Initiative.

The Sustainability Report for the year ended 31 July 2024 shares Brickworks sustainability journey with an overview of the progress against targets and case studies. The Sustainability Report can be found at www.brickworks.com.au

Strategy and Targets


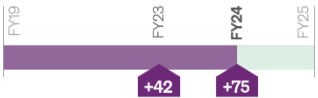







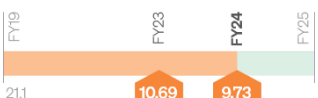

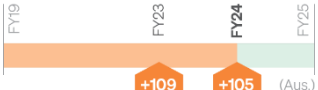

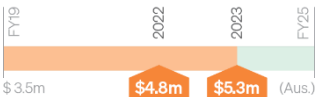


Significant annual progress against our 2025 targets including our 2030 carbon and energy efficiency targets




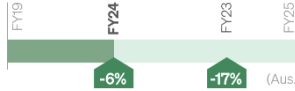






2025 Targets - Build for Living: Towards 2025

During FY2019, Brickworks engaged with internal and external stakeholders, to understand what issues matter the most to them. We launched a new sustainability strategy, "Build for Living: Towards 2025" to help us deliver a positive impact for our stakeholders.

2025 Targets – North America Integration

Since launching the Build for Living strategy, Brickworks has made several acquisitions in North America. In FY2023, we enhanced targets to include our North American business in our sustainability goals. The sustainability targets for Safety, Lifecycle and Design, Sustainable Products, and Carbon Transition now apply to both our Australian and North American operations. We are continuing efforts to fully integrate the North American business into the remaining targets, with updates planned for future strategy revisions.


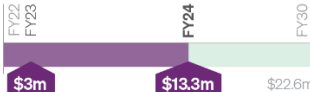



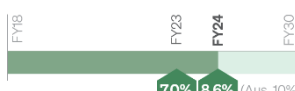
Target	Our Progress	Status
2025 targets		
 Life Cycle and Thermal Design and Education We will support design tools, guidance and information to incorporate thermal design and life cycle thinking into building design.	75 continuous professional development and education sessions completed in FY2024. Modelling of 7-star thermal design continuing with University of Newcastle.	 FY19 FY23 FY24 FY25 +42 +75
 Sustainable Products Increase the volume of verified sustainable products to 25%.	21% of product volume was verified as sustainable by third party labels.	 FY22 FY23 FY24 FY25 4.5% 19% 21% 25%
 Supply Chain Continuing to reduce supply chain risks.	Modern Slavery Roadmap completed	 FY19 FY25 ROADMAP COMPLETE 100%
 Governance Business Ethics and Whistle-blower Programs.	Governance programs formalised. Continued annual training.	 FY19 FY25 PROGRAM COMPLETE 100%
 Safety Continue reductions in injury rates.	Total Recordable Injury Frequency Rates reduced by 54% since FY2019.	 FY19 FY23 FY24 FY25 21.1 10.69 9.73
 Engagement Existing target of 100 community engagement activities annually.	105 community engagement activities, meeting our target of 100 in Australia.	 FY19 FY23 FY24 FY25 +109 +105 (Aus.)
 Community Support Supporting charities like the Children's Cancer Institute.	\$469,747 contributed to Children's Cancer institute in 2023 calendar year and over \$5.3 million contributed since 2002.	 FY19 2022 2023 FY25 \$3.5m \$4.8m \$5.3m (Aus.)
 Diversity and Inclusion Stretch target: 35% female senior executives. Develop and implement a Diversity and Inclusion Strategy.	Target met with 41.7% female senior executives in Australia, Further training on advancing diversity continued in FY2024.	 FY19 FY25 FY24 27% (Aus. 35%) 41.7%

Target	Our Progress	Status
 Carbon Transition Continued investment into developing feasible renewable biomethane opportunities and investment in the transition to the hydrogen fuel economy.	Brickworks is assessing the feasibility of a 253 TJ renewable bioenergy facility to be located next to a brick plant at Horsley Park in Western Sydney. The project recently lodged a development application with the NSW Government. Brickworks is assessing the feasibility of LFG cleaning to supply our Queensland Rochedale brick manufacturing site. Approval was received for the trial of organic grape marc, a waste from the wine industry to substitute for natural gas in our South Australian kiln.	
 Water Reduce potable water use in water stressed areas.	14% increase in mains water usage in Australia compared to FY2023 due to drier climatic conditions. 6% decrease in usage from FY2020. North America had minimal change in their mains water use compared to FY2023.	
 Rehabilitation Drive progressive rehabilitation.	19,800 m ² land progressively rehabilitated and 141,276m ² of land progressively rehabilitated in North America in FY2024.	
 Circular Economy Year on year increase in recycled material use.	Recycled raw materials increased from 20% in FY2023 to 21% recycled content in FY2024 in Australia.	
 Air Quality Emission Control Over \$2 million investment in emission abatement.	Over \$6 million invested in air quality emission abatement in Australia since FY2019.	

2030 Targets – Progress on the ‘Towards 2030’ Strategy

We have set expanded climate objectives as 2030 targets, focusing on carbon reduction, energy efficiency, and product innovation, which will form the core of our upcoming ‘Towards 2030’ strategy update. As we continue to refine this strategy, it will include quantitative targets addressing all key material areas across both our Australian and North American operations.

2030 Targets

 Product Innovation Year on year increase in R&D investment in the next generation of clay brick and concrete block wall systems.	\$13.3 million R&D spend since FY2022	
 Carbon 15% reduction in Scope 1 and 2 greenhouse gas emissions by 2030 from a 2022 baseline, across our combined Australian and North American operations.	22% reduction from FY2022 baseline across Australia and North America due to decreased market activity driving temporarily lower production levels.	
 Energy Efficiency Stretch target: 10% increase in gas efficiency at Austral Bricks plant by 2030.	Total gas efficiency and natural gas efficiency has improved by 8.6% since 2018.	

Environment

Brickworks is committed to managing our operations in an environmentally sustainable manner, whilst considering economic and social influences.

Compliance²³

During FY2024, Brickworks' subsidiary in North America received fines totalling USD 10,800 in September 2023 resulting from two fines from one contractor-related unauthorised stormwater discharge in May 2023 as disclosed to the regulator. To avoid reoccurrence, full corrective action has been taken including a water and waste corrective action plan with revised procedures and retraining.

We are reinforcing our commitment to zero environmental fines and continued risk reduction across our operations.

Brickworks treats all instances of legal and regulatory non-compliance with the utmost importance. Details of incidents, notices and complaints are raised at the weekly General Managers' meeting, attended by the Chief Executive Officer. Each non-compliance incident is investigated and tracked to ensure corrective actions are undertaken within deadlines. Incident reporting procedures and training are a central part of the SHEMS, raising awareness and identifying corrective and preventative actions.

	FY2024	
	Aust.	U.S.
Prosecutions	0	0
Penalty Notices	0	2
Directive Notices	0	0

Environmental Improvement Strategy

After significant investments in Air and Water Pollution Control Equipment (PCE), our focus is on strengthening PCE maintenance, enhancing procedures and training to boost environmental capabilities. In FY2024, we conducted 2,650 PCE checks, a key indicator of our environmental commitment. Brickworks' environmental improvement strategy has supported the implementation of enhanced site inspection standard operating procedures (SOPs) at both our Australian and North American locations this year. These improvements aim to maximize hazard identification and strengthen our overall environmental capabilities

Under our environmental improvement strategy, Brickworks implements systematic risk management programs that identify and control impacts to the environment in line with legislation and authorised Brickworks environmental policies.

Vegetation and biodiversity were identified as new key risk areas during FY2024, and a management program is under development.



Investments are made in upgrading kilns, plant control systems, and emission control technologies. In FY2023, limestone

scrubbers were installed at Austral Bricks Horsley Park Plant 1 and Plant 2, with a scrubber relocated to Plant 1 after the closure of Plant 3.

The Golden Grove plant completed scrubber refurbishments during a December 2022 shutdown which also saw the scrubber stack extended to improve dispersion of kiln gases and reduce odour at ground level as required by the Environment Protection Authority.

These investments into air pollution abatement equipment represent over \$6 million invested in air quality emission controls in Australia since FY2019.

An investment of USD 3.6 million in upgrades to convert and retrofit the existing North American Adel, Iowa plant from petcoke fuel to natural gas was completed in April 2023. The main fuel conversion was completed to allow the kiln to be re-introduced into the production process utilising a much more efficient and reliable fuel source.

Climate related strategies and programs

In Australia, carbon emissions have followed a general downward trend, with a 56% decrease compared to FY2006 (Scope 1 and 2). Our progress in this area is supported by product redesign, increased use of recycled materials, utilisation of renewable bioenergy such as sawdust and landfill gas in some of our kilns, and capital investments into modern, fuel-efficient production processes. For example, at Horsley Park we have built the most energy efficient brick plant in the country, and decommissioned two kilns that were both more than 40 years old.

Our climate-related strategy, targets and programs build on these achievements, focusing on four key areas, including efficiency, lower carbon energy sources, innovation, the appropriate use of offsets and improving the energy efficiency of homes over lifetime operations. Each focus area has deliverables to drive performance.

Last year we announced a new carbon target: to achieve 15% reduction in Scope 1 and 2 greenhouse gas emissions by 2030, from a 2022 baseline, across our combined Australian and North American operations. In response to the subdued market conditions, the Company has taken the opportunity to carry out increased maintenance activities and intermittent plant shutdowns during FY2024, ahead of the anticipated strong demand through the rest of the decade. This has influenced a reduction in greenhouse gas emissions in FY2024 of 22% compared to the FY2022 baseline.

The carbon target is also underpinned by our stretch target for a 10% increase in gas efficiency at Austral Brick plants by 2030 since FY2018. Since FY2018, which marked the start of a strategic 10-year investment vision to drive energy efficiency, our Austral Bricks business has seen an 8% improvement in gas efficiency. In FY2024, our new Horsley Park Plant 2 state-of-the-art brick manufacturing facility completed commissioning,

²³ Reported environmental fines and penalties include those received and paid during the reporting year (ending 31 July). Penalties received regarding property notices are excluded.

demonstrating 57% improvement in energy intensity compared to FY2018.

Brickworks has added 1.2 MW of rooftop solar across multiple sites, generating 934 MWh annually. Upcoming installations include 3 MW in Western Sydney and 1,460 KW in Melbourne, with the Western Sydney plant set to cover 19% of its electricity needs, equivalent to powering 442 Sydney households annually.

We have also made steady progress in North America. Since our entry into this market in 2018, we have achieved a 19% energy efficiency improvement, primarily through our plant rationalisation and upgrade program.

For hard-to-abate sectors such as brick manufacturing, effective regulation (such as a whole of life-cycle approach to emissions intensity), along with investment and innovation, is critical to ensure the optimal outcomes. We are working with industry-forums to encourage whole of life-cycle approach to measuring embodied carbon.

Brickworks is enhancing our commitment to investing in renewable biomethane and landfill gas opportunities. The Brickworks Bioenergy Transformation Initiative seeks to lead the market in carbon reduction innovation within the Australian brick and building products sector.

Our bioenergy transformation strategy includes:

1. Increased use of renewable energy sources, with a focus on bioenergy
2. Best practice manufacturing efficiency, including investment in the latest kiln technology, and
3. Innovation in raw materials and product design – including brick voids, on-board fuels, raw material innovation and production innovation.

As an industry leader using 11% bioenergy in manufacturing in Australia, we understand the critical role renewable bioenergy can have in producing low-carbon products. We are assessing the feasibility of renewable bioenergy generation at our brick plants with leading technology providers. If successful, each facility has the potential to provide a significant source of renewable energy.

Exploring renewable gas opportunities

CARBON TRANSITION

Continued investment into developing feasible renewable biomethane opportunities and investment in the transition to the hydrogen fuel economy



The gas we use to fire the bricks in our kilns cannot be easily substituted for alternative renewable energy sources and kilns cannot be electrified. However, Brickworks is leading the industry in supporting the development of a nascent renewable gas market as a commercially viable pathway to decarbonise our business operations.

Brickworks is undertaking a feasibility study into Australia's first manufacturing behind-the-meter renewable biomethane gas project. Partnering with Delorean Corporation (ASX:DEL), Brickworks is investigating the feasibility of a Bioenergy Facility at Horsley Park in Western Sydney. The project recently lodged a development application with the NSW Government. If the project proceeds into the construction phase, the facility will supply the co-located brick plant with up to fifty per cent of its gas needs with renewable biomethane gas produced from organic waste. The Horsley Park Bioenergy Facility would reduce the brick plant's scope 1 emissions by fifty percent by displacing fossil natural gas with renewable biomethane gas.

The proposed facility will use anaerobic digestion technology to convert organic waste into renewable natural gas for the brick plant. It is expected to supply 253,000 GJ of renewable gas each year, reducing Brickworks annual Scope 1 direct emissions by 13,012 tCO₂-e through the displacement of natural gas.

Brickworks is assessing the feasibility of LFG cleaning to supply our Queensland Rochdale brick manufacturing site. As a member of Bioenergy Australia, Brickworks continues to advocate for policy and regulatory changes that recognise the scope 1 emission reductions for buyers of renewable gas.

More information about these initiatives is contained in our 2024 Sustainability Report.

Understanding Carbon Risks and Opportunities

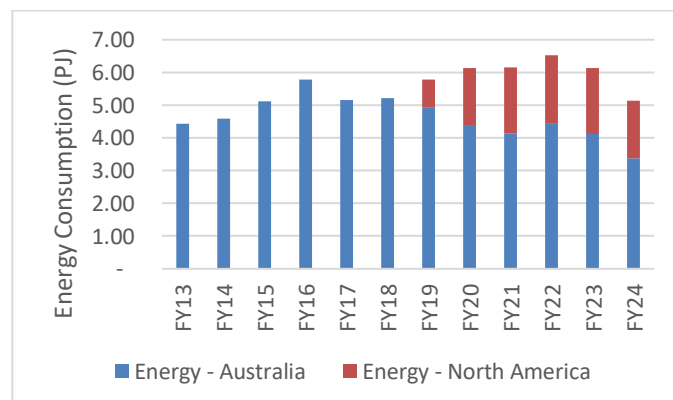
We are incrementally adopting the recommendations of the leading climate-related risk framework, Task Force on Climate-Related Financial Disclosures (TCFD), such as using climate scenarios to identify risks and developing climate-related strategy and programs. Following the release of the ASRS, our TCFD roadmap has been integrated into an ASRS roadmap. Our experience with TCFD reporting since 2022 has equipped us well for aligning with ASRS requirements. We continue to monitor and report on management of climate risks and roadmap in our Sustainability Report.

Energy

A key strategic focus area is to achieve global leadership in leading manufacturing excellence and efficiency. To achieve this, Brickworks is investing in energy efficiency.

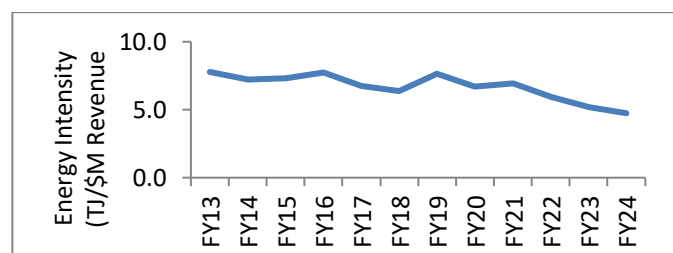
Total energy consumption and greenhouse gas emissions across Brickworks in FY2024 was 5.14PJ, a 16% decrease from FY2023. This reduction is primarily attributed to the subdued market conditions, where the Company has taken the opportunity to carry out increased maintenance activities and intermittent plant shutdowns during FY2024, ahead of the anticipated recovery in demand. In addition to the reduction in absolute energy consumption, these strategic plant shutdowns and maintenance activities have led to an improvement in energy efficiency in brick production.

Building Products Total Energy Consumption (PJ)



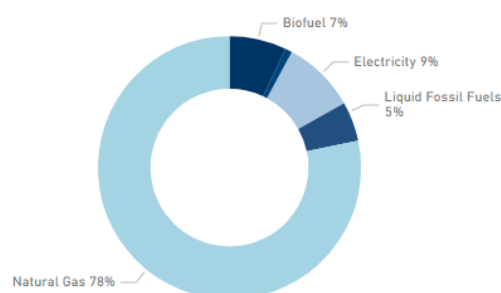
Brickworks Building Products continues to reduce energy intensity across the business. Since FY2013, energy intensity by revenue has improved by 43% to 4.7 TJ per million dollars (AUD) of revenue. Energy intensity decreased by 9% from FY2023, reflecting the improvement in energy efficiency achieved from the commissioning of Plant 2 and the rationalisation of plants across North America.

Building Products Energy Intensity (TJ/\$M Revenue)



The majority (78%, 4.03 PJ) of the Company's energy requirements are fulfilled with natural gas, which is used extensively in brick manufacturing. Gas efficiency is measured at a factory level and results are reported to the organisation including the Chief Executive Officer weekly.

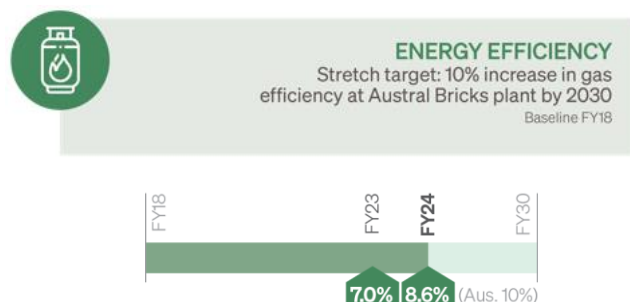
Building Products FY2024 Energy Mix



Energy Efficiency

Since its inception, Brickworks Building Products has invested in the latest kiln, equipment and manufacturing technologies to improve productivity, product quality and energy efficiency.

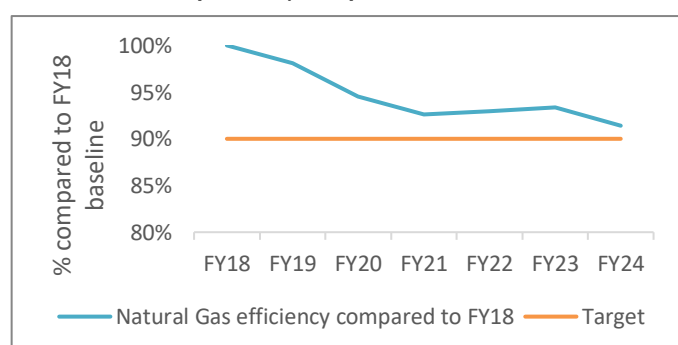
FY2018 marked the start of a strategic 10-year investment vision to drive energy efficiency across Australia. By 2030, major plant upgrades are expected to improve total gas efficiency across Austral Bricks Australia by a stretch target 10%, based on FY2018 levels.



Continued investment into energy efficiency and recovery has improved many Austral Bricks kilns to exceed international leading energy efficiency benchmarks.

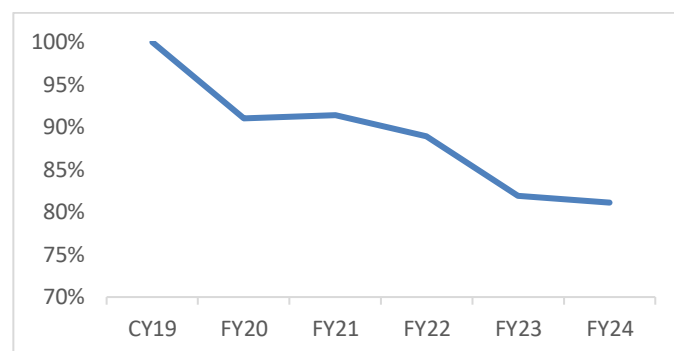
Natural gas efficiency has improved by 8.6% since FY2018. There was improved performance in the natural gas efficiency in FY2024 compared to FY2023 (2.1%) due to the completion of the new Horsley Park Plant 2 facility in New South Wales and the closure of less efficient plants such as Cardup in Western Australia.

Building Products Australia Natural Gas Efficiency (GJ/'000 Standard brick equivalent) compared to FY2018 base line



The plant rationalisation program in North America has led to an 18.9% improvement in gas efficiency from the 2019 calendar year to FY2024 and a 1.0% improvement compared to FY2023.

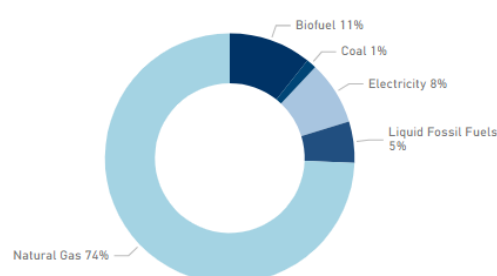
Building Products North America Natural Gas Efficiency (GJ/'000 Standard brick equivalent) compared to 2019 calendar year base line



Biofuels use in Australia

For many years Brickworks has used biogas and sawdust for renewable energy generation. In FY2024, 11% of Building Products Australia's energy came from renewable or alternative energy sources such as landfill gas or sawdust. These biofuels allow us to avoid the greenhouse gas emissions that would have been released if we used natural gas. Biofuel sources include landfill gas, sawdust and other biomass products. We continue to investigate ways to increase our biofuels content.

Building Products Australia FY2024 Energy Mix



Renewable Electricity Generation

Our Rockhampton (Qld) and Oakdale (NSW) masonry sites continue to generate electricity through 408kW of onsite solar systems. In addition, our Queensland masonry factories at Cairns, Ayr and Gympie started to generate electricity from the 240kW solar installations at the end of FY2024. 507MWh of on site generated solar electricity was used for manufacturing in FY2024, a 12% increase from FY2023 and saving an average of 20% of Scope 2 emissions at these sites.

Renewable electricity contracts have been executed for Iberia and Rocky Ridge in North America. It is expected that these sites will commence using renewable electricity in FY2025.

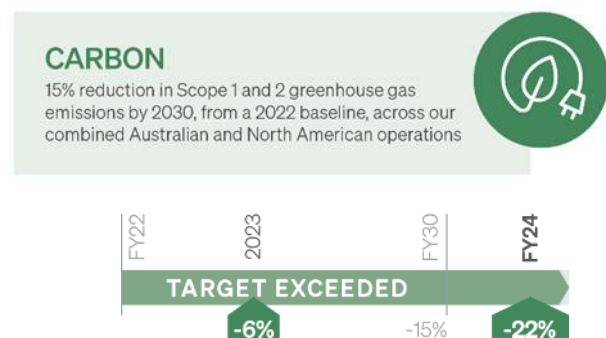
Carbon

Brickworks continues to reduce greenhouse gas intensity across the business. In 2018, Brickworks acquired businesses within North America and have been working towards reporting full greenhouse gas inventory globally. During FY2023 Brickworks completed the greenhouse gas calculations for the North American operations for historical years from FY2020 through to FY2022 (including fleet emissions) covering all material Scope 1 and Scope 2 greenhouse gas sources.

Performance against Carbon Target

In FY2023, Brickworks announced its greenhouse gas emissions 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.

In FY2024, Brickworks Building Products total Scope 1 and 2 greenhouse gas emissions was 311 kilotonnes of carbon dioxide equivalent (ktCO₂e) for both Australian and North American operations. Of these emissions, 97% are attributed to brick manufacturing operations.



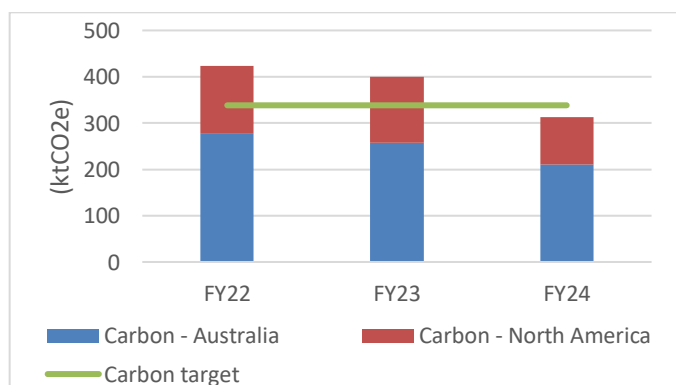
Greenhouse gas emissions have decreased in FY2024 by 22% compared to FY2022. This reduction is primarily attributed to the subdued market conditions, where the Company has taken the opportunity to carry out increased maintenance activities and intermittent plant shutdowns during FY2024, ahead of the anticipated strong demand through the rest of the decade.

These strategic plant shutdowns and maintenance activities have led to an improvement in our scope 1 and 2 greenhouse gas intensity for brick production which puts the Company in a good position to meet the carbon emission target when the demand resumes.

Building Products Global Scope 1 and 2 Emissions Since FY2022 (ktCO₂-e) ²⁴

	FY22	FY23	FY24
Scope 1	302*	290*	244
Scope 2 (location based)	96	83	68
Total	398*	373*	312

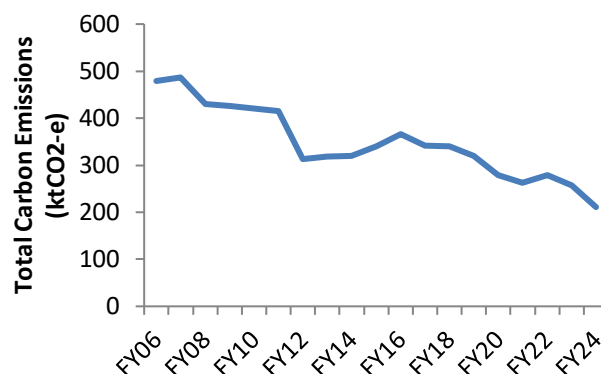
Building Products Scope 1 and 2 Greenhouse Gas Emissions (ktCO₂-e)



Building Products Australia's long-term performance

Carbon emissions have followed a general downward trend, with a 56% decrease compared to the base year 2005/06 (Scope 1 and 2). The decrease is attributed to efficiencies gained from alternate fuels, manufacturing consolidation, equipment upgrades and operational improvements.

Building Products Australia Scope 1 and 2 Greenhouse Gas Emissions Since 2005 (ktCO₂-e)



Greenhouse Gas intensity

As Austral Bricks and Glen Gery make up greater than 97% of Brickworks' Scope 1 and Scope 2 emissions, the relevant greenhouse gas intensity metrics for our operations are emissions per tonne of brick produced. Emissions from concrete products are made up predominantly of Scope 3 emissions largely from the use of cement (refer to our Scope 3 inventory).

The following table sets out our Scope 1 and 2 greenhouse gas emissions intensity per tonne from our Brick operations. We have achieved a 5% improvement across the group since FY2022 including a 10% improvement in intensity in our North American Brick operations.

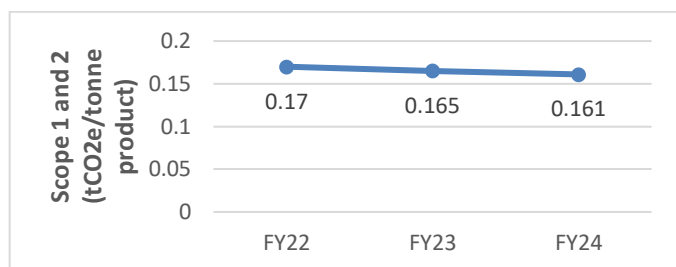
This improvement is mainly attributed to the completion of commissioning of the new Horsley Park Plant 2 in Australia and the plant rationalisation across North America.

Greenhouse gas emissions intensity for brick production (Scope 1 and 2) ²⁴

(t-CO ₂ /tonne product)	FY22	FY23	FY24	Improvement from FY22
Australia	0.164	0.162	0.157	4%
North America	0.187*	0.175*	0.172	8%
Consolidated	0.170*	0.166*	0.162	5%

²⁴ *FY2022 and FY2023 have been restated using an updated calcination methodology for North America. See more details in the methodology section of the Sustainability Report FY2024.

Greenhouse gas emissions intensity for brick production (Scope 1 and 2)

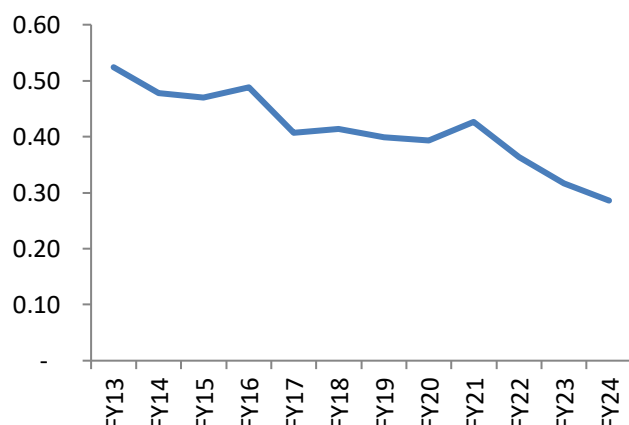


Greenhouse Gas intensity by revenue

Since FY2013, greenhouse gas intensity by revenue has improved by 48% in Brickworks Building Products to 0.29 kilotonne CO₂-e per million dollars (AUD) of revenue.

Carbon intensity was lower (9%) than the previous year, reflecting increased revenue from FY2023 to FY2024 and lower emissions due to plant rationalisations and improved efficiencies.

Building Products Carbon Intensity (ktCO₂-e/\$M Revenue)



Scope 1 and 2 emissions methodology

Australian greenhouse gas emissions are reported and audited for the Australian National Greenhouse and Energy Reporting Scheme (NGERS). Scope 1 and Scope 2 carbon emissions are determined using the methodology and factors outlined within NGERS. The Scope 1 and 2 greenhouse gas inventory for our North America operations is reported using the Greenhouse gas protocol and US EPA Emission Factors for Greenhouse Gas Inventories.

Scope 1 emissions calculation methodology update

A default global factor from the Intergovernmental Panel on Climate Change (IPCC) guidelines was used for North American operations to estimate greenhouse gas emissions from calcination in the absence of detailed data. IPCC's global default factor assumes 10% carbonaceous material in clay used for producing bricks, with the IPCC guidelines noting it can vary between 0-30% - with our assurance provider for FY2023 limited assurance suggesting reviewing the calcination methodology for improved accuracy. This finding did not apply to Australian emissions because locally specific calcination emission factors are available through NGERS.

A sampling and testing regime for inorganic carbon in clay used to produce bricks was implemented in North American operations during FY2024, that integrated with existing raw material testing regime. Clay mixes are now tested quarterly using a new procedure for determining the carbon content of clay/shale samples. It is assumed that all inorganic carbon is emitted as carbon dioxide, as per the 2006 IPCC guidelines.

This new methodology is documented in the North America GHG accounting manual.

Impact of change in methodology

Results revealed inorganic carbon content in raw clay materials is less than 1%, substantially lower than the IPCC global default factor but broadly consistent with some of the state-based factors in Australia. This finding led to a reduction of more than 5% in consolidated Scope 1 emissions calculated for the Company. Consequently, the historical carbon emissions for North America including the target baseline for FY2022 have been restated to ensure comparable emissions performance.

Impact on Baseline and Target

The restatement of the baseline has led to a 25 ktCO₂e reduction in North American and consolidated Scope 1 greenhouse gas emissions for FY2022 – a 5.8% reduction in consolidated Scope 1 greenhouse gas emissions.

FY2022 consolidated baseline Scope 1 emissions were reduced from 423 to 398 ktCO₂e, due to this change in calcination methodology – based on North American Scope 1 emissions for FY2022 reducing from 144 to 120 ktCO₂-e.

The impact on target modelling and proposed abatement opportunities is minimal, as no opportunities identified were targeted at calcination emissions.

Scope 3 carbon emissions

Scope 3 emissions are indirect greenhouse gas (GHG) emissions that occur throughout a company's value chain but are not directly controlled by the company.

In line with our commitment to incrementally adopt the recommendations of the TCFD and further maturing our climate related disclosures, we have completed an estimate of our Scope 3 emissions.

Life cycle assessments previously conducted include:

- Climate Active Carbon Neutral Certification Product Disclosure Statements available on the Climate Active website (<https://www.climateactive.org.au/buy-climate-active/certified-members/austral-bricks>).
- The published Environmental Product Disclosure (EPD) for Austral Masonry Gympie which is available on the EPD Australasia website (<https://epd-australasia.com/>).
- Preliminary life cycle analysis completed for other masonry and brick products as part of further expanding our library of EPDs for our products.

Methodology

The Scope 3 emissions inventory for Brickworks Building Products was compiled by an external consultant and has estimated the FY2023 inventory using the following guidelines:

- The GHG Protocol Corporate Accounting and Reporting Standard (WRI/WBCSD, 2004)
- The GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (WRI/WBCSD, 2011)

To calculate Brickworks Building Products scope 3 emissions, the GHG Protocol's Scope 3 Calculation Guidance (WRI/WBCSD, 2013) for specific categories and boundaries was used.

The Scope 3 emissions inventory have been calculated using generic emission factors from various publicly available datasets. Further improvements will be made to Scope 3 emissions reporting as we continue to develop our reporting systems and climate related disclosures.

Emissions boundary

Recognising that we are early in our Scope 3 reporting, with challenges in sourcing extensive value chain information, our Scope 3 emissions results are based on FY2023 data (1 August 2022 to 31 July 2023) and is currently only available for our Brickworks Building Products Australia and North America Businesses. Joint Ventures and investments are not currently included unless they are a supplier to the Brickworks Building Products businesses (i.e. Southern Cross Cement JV).

The 4 of the 15 categories of Scope 3 listed in the GHG protocol were chosen as relevant based on our understanding of our Scope 3 emissions profile gained from various life cycle assessments completed and benchmarking against industry peers. The categories included are:

- ▶ Category 1: Purchased goods and services
- ▶ Category 3: Fuel and energy-related activities (not included in scope 1 and scope 2)
- ▶ Category 4: Upstream transportation and distribution
- ▶ Category 9: Downstream transportation and distribution

The organisational and reporting boundary will be reviewed as we continue to refine our scope 3 reporting systems and requirements.

Exclusions

The following categories have been excluded from the scope 3 inventory in this report:

- ▶ Category 2: Capital goods – In FY2023, the majority of capital expenditure was focused on upgrades and commissioning, particularly for Plant 2, Horsely Park. When emissions from capital expenditure are spread over the capital project's lifespan, they become immaterial.
- ▶ Category 13: Downstream leased assets: Downstream leased assets are managed by the Brickworks Property division and is outside the boundary of the current inventory which is focused on Scope 3 emissions for Brickworks Building Products divisions. Scope 3 emissions reporting systems and processes are required to be further developed for our other divisions.
- ▶ Category 15: Investments: The Brickworks Investment division is excluded due to complex reporting requirements. Further advice and reporting systems are needed to address these.
- ▶ Categories 5-8, 10-12 and 14 have been determined to be immaterial and validated through industry peer benchmarking.

Carbon offsets purchased as part of Brickworks' Climate Active carbon-neutral product offerings were considered immaterial and therefore excluded from the emissions inventory.

Emissions profile analysis

The purchase of cement accounts for 59% of category 1 - purchased goods and services and 31% of Brickworks' total scope 3 emissions inventory. Brickworks is already working on reducing scope 3 emissions relating to cement as part of our innovation strategies to reduce embodied emissions for our concrete products. Many of our suppliers, including the Southern Cross Cement JV, have Environmental Product Declarations (EPDs) which will allow us to further refine our emissions profile.

The downstream transport of our products between warehouses and to our customers' accounts for 27% of our total Scope 3 emissions. To address this, we are actively streamlining our transportation processes and exploring advanced technologies, such as AI-powered route optimization, to reduce emissions and improve efficiency.

We are currently finalising Environmental Product Declarations for a wide range of our Australian products. These life cycle analyses will assist us in further refining our Scope 3 emissions.

Scope 3 inventory for Brickworks Building Products (ktonnes CO₂e) FY2023

Category	AUS	NA	Total
Category 1: Purchased goods and services	142	9.5	151
Category 3: Fuel and energy-related activities (not included in scope 1 and scope 2)	36	17	53
Category 4: Upstream transportation and distribution	4	0.9	5
Category 9: Downstream transportation and distribution	50	28	78
Total	233	55	288

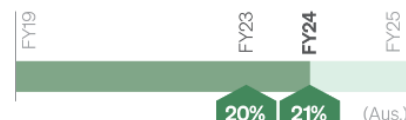
Resources and Waste

Brickworks is progressing towards a circular economy by closing the loop, thus minimising production waste and reusing and recovering resources in the value chain. Opportunities for the reuse of waste are a key focus area for the brick and concrete businesses to decrease material costs, increase resource efficiency and drive a circular economy. Brickworks' 2025 target is for a year-on-year increase in recycled material use.



CIRCULAR ECONOMY

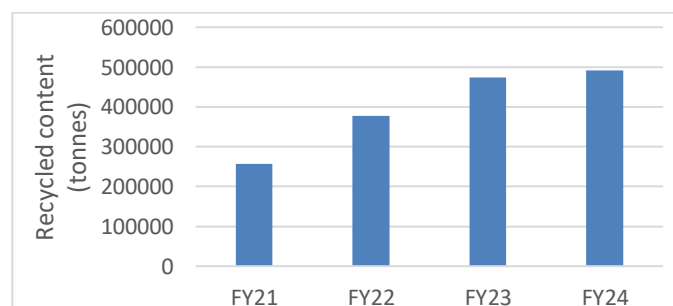
Year on year increase in recycled material use



A total of 368 raw kilo tonnes of recycled materials were used, which is equivalent to 21% of the total weight of our Australian building products produced. This has increased slightly from 20% recycled content in FY2023.

We are continuing to further improve our recycled content reporting processes to improve accuracy and auditability.

Recycled content of Building Products Australia



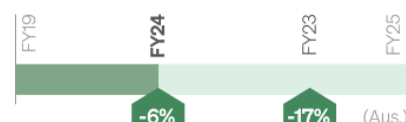
Water

Brickworks' 2025 target is to reduce potable water usage in water stressed areas.



WATER

Reduced potable water use in water stressed areas

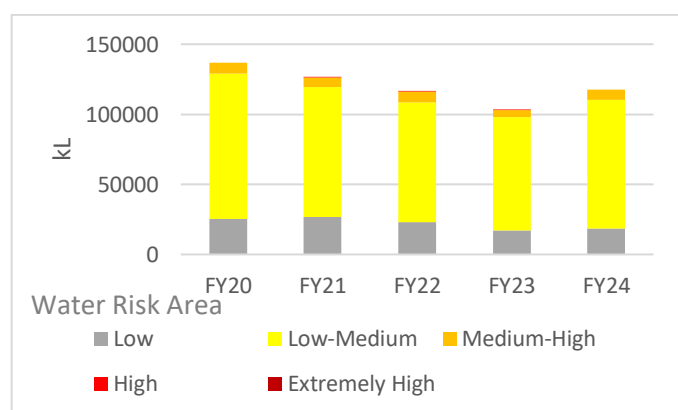


Water resource management is most important in water stressed areas. During FY2024, Brickworks used a total of 173 ML of potable mains water globally, a 9% increase compared to FY2023. Of this, 118ML of potable mains water was used at sites in Australia, a 14% increase in potable mains water use compared to FY2023 and a 6% decrease since the release of our strategy in FY2020. The increase in FY2024 is attributed to the normalisation of water consumption post the higher than average rainfall during FY2023, which reduced water requirements to meet raw material moisture content.

Our North American operations consumed 55ML of potable mains water in FY2024, which is no change from FY2023.

We will continue to review our processes and exploring opportunities to enhance water efficiency. We remain committed to aligning our operations with sustainability goals and will continue to seek improvements in this area.

Total Potable Water Use in Australia by Water Risk Area



Rehabilitation

Progressive rehabilitation is a key strategy for minimising environmental risk, end-of-life closure costs and achieving increased efficiency by reducing double handling of rehabilitation materials.

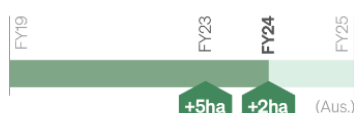
The area of progressive rehabilitation completed for FY2024 was 19,800 m² including 400 trees planted in Australia and 141,276 m² in North America. Progressive rehabilitation is driven across the business by adding available land reviews to annual rehabilitation planning.

We have significant experience in rehabilitating our sites. Many of our quarries are located in centralised urban areas and are often transferred into the Property Trust Joint Venture with Goodman at end of life for final rehabilitation into industrial estates. Where possible, we aim to enhance the local environment through initiatives such as land rehabilitation, water sensitive urban design, green corridors and using native species in landscaping.



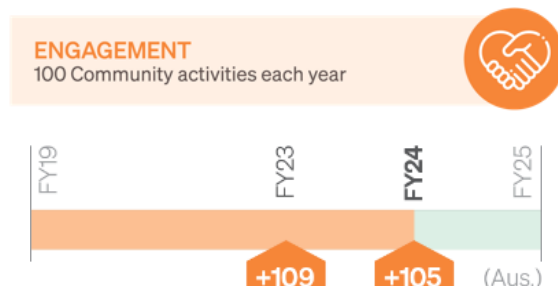
REHABILITATION

Drive progressive rehabilitation



Community Engagement

Brickworks has developed community engagement plans at relevant sites, identifying the socio-political context, community concerns and expectations and when and how to engage. In FY2024, we completed 105 recorded community activities. Engagement activities included stakeholder meetings, site visits, investigating and resolving complaints, donations and other forms of support for community members and projects. These events help us strengthen and maintain community relationships.



Customer focused sustainable product portfolio

Today, the world is changing more rapidly than ever before. Architects, builders and customers are increasingly working to address the challenges associated with developing sustainable buildings, reusing waste products, reducing carbon emissions and developing smart, resilient cities.

Brickworks' product development process is customer driven, responding to consumer preferences. Our deep manufacturing capabilities and product knowledge combine with strong architects, builders and customer relationships to identify and optimise new product development.

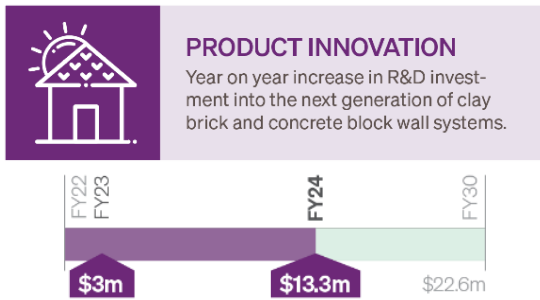
Our bricks and concrete products are manufactured to provide resilience. They are durable, fire-proof, contain thermal mass for energy efficient design, have excellent acoustic properties and no indoor air emissions (VOCs); and our clay bricks hold a 100-year warranty. Bricks are recyclable into products such as roadbase and into the manufacture of new bricks.

Our focus is to provide a wide range of thermal mass product options with high recycled content and lower embodied carbon across roofing and walling products. This will be delivered through our sustainable product innovation strategy and targets.

Customer expectations for sustainable building products are described through design principles for more sustainable homes including leading standards such as the Greenstar Homes Guide by Green Building Council of Australia, LEED for Homes by U.S. Green Building Council, building codes, regulations and planning measures.

Brickworks' Sustainable Home Guide outlines how our products contribute to GreenStar Homes and LEED for Homes. Brickworks offers a range of products that help designers achieve sustainable design ratings, including National Home Energy Rating (NatHERS) used in the NSW Building Sustainability Index BASIX, Green Star Homes and LEED for Homes.

Brickworks' commitment to innovation into manufacturing excellence and raw material optimisation means our products are produced in some of the world's leading energy efficient kilns. Since FY2022, Brickworks invested \$13.3 million into research and development for kiln efficiencies, light weight products and different fuel and raw material types.



During FY2024, strategic research and development projects were successfully completed and embedded into production including new products and efficiency gains. These successful projects highlight the continued potential for significant advancements across our five sustainability innovation focus areas,

- ▮ Thermal mass,
- ▮ Light-weighting, lower cement and higher recycled
- ▮ Raw material optimisation
- ▮ Product innovation
- ▮ Sustainable design elements

In FY2024 we increased our sustainable products verified by third party labels from 19% to 21% of our product volume across both Australia and North America. We are continuing to verify our sustainable products and have identified an additional 37% of the product volume in our portfolio of Australia products that will allow our customers to qualify for credits in sustainable building design such as Green star ratings. There are also a range of opportunities across our North American products including recycled content and diversified façade options.

Further information of the environmental or social benefits of these products is provided in the Sustainability Report.



Community Support

Brickworks is committed to social responsibility in our communities, and we aim to make a valued contribution to our communities.

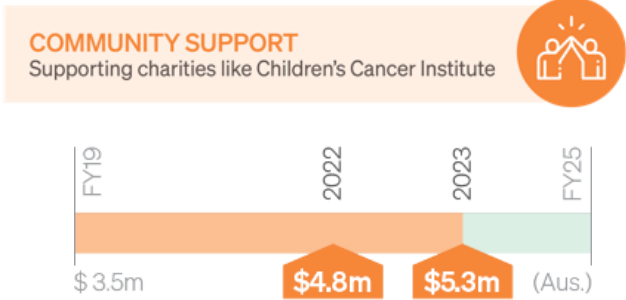
Children’s Cancer Institute

Brickworks is a long-standing partner with Children’s Cancer Institute (CCI), the only independent medical research institute in Australia dedicated to research into the causes, cure and prevention of childhood cancer, so that they can reach their ultimate goal of one day curing every child of cancer.

Brickworks became partner of CCI in 2002 with the first pledge made towards the CCI Capital Appeal of \$70,000. To date, Brickworks’ total partner value exceeds \$5.3 million dollars, comprising of direct and indirect sources of revenue, including corporate and staff donations, state fundraising, sponsorships and supporting CCI events.

The reporting period for the CCI partnership for 2023 calendar year saw the team at Brickworks raise \$469,747, helping CCI move closer to achieving the vision of curing all children with cancer.

Some of our highlights included Brickworks extension of their Diamond Ball partnership from Diamond to Platinum partner and Brickworks also becoming presenting partner for 86 k for a cure. Brickworks have also been ongoing strong contributors with Friday mufti program, Corporate Donation/Matching, webinar incentive program and their state based activities such as their Golf Day successes.



“Every week 20 children are diagnosed with cancer in Australia. At Children’s Cancer Institute, our vision is to save the lives of these children and improve their long-term health through research.”

“We don’t just hope to cure all children of cancer. We will do it. This vision is only possible with commitment from longstanding partners such as Brickworks. Heartfelt thanks to the entire Brickworks’ team for its generous support of our work.”

Anne Johnston Director Marketing & Fundraising

Our Global Workforce

Culture and Values

Our “We Are Brickworks” values and behaviours continue to be the foundation of our company. We remain committed to creating an environment where every individual feels valued and respected. This is promoted through various initiatives and events, that recognise and appreciate the contributions of our people.

These initiatives include awards, team-building activities, events, and training programs aimed at promoting professional growth. They offer opportunities to appreciate colleagues and collaborate. As the year draws to a close, we look forward to our CEO Excellence Awards and Employee of the Year Awards where we recognise those who have gone above and beyond in their roles.

Employee Engagement

At Brickworks, maintaining a positive work environment and high employee engagement is essential for the well-being of our people and success of the Company.

Our Staff Update Nights provide key progress updates highlighting the camaraderie among staff. Strong turnout across locations shows the connection employees have with Brickworks and its achievements. The quarterly Culture Champion Awards highlight our recognition of our core values. Employees can nominate colleagues who embody our values. Participation and nominations continue to increase, highlighting the growing appreciation for our company culture. These events and activities have further strengthened the bond among our employees and have contributed to creating an inclusive and engaging workplace culture.

Despite organisational changes over the last 12 months, engagement and feedback remain strong. Results from the latest engagement survey helped improve onboarding, offboarding and overall employee experience. A manager’s toolkit was developed to enhance the employee experience from the offer stage through the first 30, 60, and 90-days of employment. Surveying new employees provides feedback to monitor their assimilation. We also created a refreshed culture video to showcase our company during recruitment, onboarding and in promoting our company culture. Managers across the group worked with their teams to develop action plans to address areas for improvement and drive positive change. We have recently launched our Engagement Survey for 2024 to assess our effectiveness with the initiatives that were put in place on the basis of our earlier results.

Employee Retention

Our employees are our greatest asset, and we value the long tenure of many team members. We regularly recognise and reward staff through awards, company-wide communication, training, remuneration reviews, and opportunities for secondment and promotion.

In the later part of 2023, Brickworks restructured its Austral Bricks and Masonry divisions across NSW, VIC, and QLD to enhance the customer experience. The consolidation created a more efficient framework offering both products under one umbrella for a seamless customer experience. It also allowed staff to cross-train across both product ranges, expanding their skills to better serve customers providing a single point of contact.

Whilst restructuring the business resulted in some redundancies and impacted involuntary turnover, voluntary turnover in Australia reduced by 2.7% in FY2024. We continue to review exit survey data to improve the employee experience.

In North America, overall turnover dropped by 8%, with voluntary turnover down by 7.5%. The closure of the Marseilles facility and a reduction in salaried positions affected overall turnover. However, improvements in voluntary turnover are due to remuneration reviews, training investments, and actions based on engagement and exit survey feedback.

Our Global Workplace

Key Employment Data	FY2023	FY2024
Total Workforce	2,027	1,852
Total female breakdown	22.8%	22.4%
Female Senior Executives	25.0%	30.2%
Average age of employees	44.5	44.9
Employees aged 50 and over	38.2%	39.0%
Average length of service	9.9 years	10.0 years

Workplace Profile	Aus. Total**	Aus. Female* **	US Total	US Female*	GLOBAL Total	GLOBAL Female*
Management	14%	26%	23%	22%	18%	23%
Professionals	9%	44%	3%	33%	6%	45%
Tech/Trades	17%	6%	2%	0%	10%	5%
Administration	8%	77%	16%	63%	12%	68%
Sales	15%	57%	5%	19%	10%	48%
Operators/ Labourers	37%	6%	52%	3%	44%	4%

* Female % is a fraction of each profile type. ** From WGEA data 2024

Employee Turnover	Aus. FY2023	Aus. FY2024	North America FY2023	North America FY2024	Global FY2023	Global FY2024
Voluntary	19.8%	17.1%	26.0%	17.2%	22.6%	17.2%
Total	32.7%	31.5%	38.2%	28.0%	35.2%	29.9%

Talent Pipelines

We provide several pathways for future talent, including work experience for students and structured Cadet and Graduate Programs. Our Industrial Training Program offers a 60-day work placement, helping students gain industry experience and feeds into our Cadet Program. In FY2024, three students joined the program.

We promote these opportunities by engaging with local schools and universities through field trips, open days, and Career Expos, and Brickworks networking events.

Brickworks also offers apprenticeships in electrical work, fitting, and roof tiling. These are available to external applicants and current employees seeking a career change. In FY2024, we have 17 apprentices nationally.

Our biennial Brickworks Mentoring Program supports our employees professional and personal development. We have had great interest and success with this program in prior years and look forward to promoting the 2025 program in the latter part of 2024.

We also continue with the North American Emerging Professional Development Program, known as the “Brew Crew,” which helps newer employees (less than 5 years of experience) build professional skills and networks. The program includes monthly 1.5-hour online training on topics like Emotional Intelligence and Workload Management. The program has been expanded to include three levels: Brew Crew, Brew Masters, and Brew Alumni, providing increasing networking, mentoring, and learning opportunities. Currently, 16 participants are currently enrolled.

Our Technical Academy in North America, offering employees opportunities to further their skills through accredited trade schools and on-the-job training, also continues. Partnerships at each manufacturing plant offer instruction in Millwright, Electrical, and PLC Controllers. Classes for 10 of the 17 employees who expressed interest and completed the assessment began in September 2023. The remaining 7 employees will receive entry-level training to develop their mechanical and electrical skills in preparation for the next cohort.

Learning and Development

Brickworks is committed to maintaining a safe and respectful environment by ensuring managers allocate time and support for compliance training and toolbox talks.

Our monthly ‘Lunch and Learn’ sessions, featuring topics from health and well-being to superannuation benefits and internal updates, have become a key training platform. These sessions are led by our EAP provider, Superannuation Industry Funds, and Brickworks employees.

We are developing a Transition to Retirement Program in North America to facilitate knowledge transfer from experienced employees and support their transition into retirement. This program aids succession planning and equips key employees with new skills for future roles. It also ensures retiring employees feel confident that their responsibilities will be managed effectively and provides them access to resources that may assist in this life change.

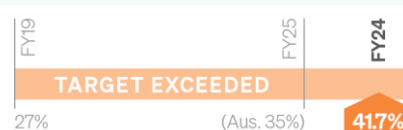
Our people managers regularly discuss ongoing education and training with their teams, supporting both external training courses and our internal e-Learning and instructor-led sessions.

Diversity, Equity and Inclusion

We are pleased to have exceeded all of our gender representation targets for 2025 in the workforce. Female director representation has increased to 33%, surpassing our target of 30%; our 35% target for female representation at the executive level has been achieved, currently at 41.7%; and women currently comprise 26%²⁵ of the Brickworks total workforce in Australia, exceeding our target of 25% for 2025.

DIVERSITY AND INCLUSION

Stretch target: 35% female senior executives.
Develop and implement a Diversity and Inclusion Strategy.



²⁵ Measured as at 31 March 2024, consistent with WGEA reporting.

This year, Brickworks has continued its efforts to foster an inclusive and respectful work environment. We have rolled out nationwide face-to-face Code of Conduct training, and installed posters and banners promoting respectful behaviour in our locations.

We remain dedicated to maintaining fair and equitable recruitment practices and regularly review our policies for compliance with legislation and International Labour Organisation (ILO) standards.

Quiet Rooms have been introduced at many sites to provide private spaces for lactation, prayer, meditation, or medication administration. Flexible working arrangements have also increased, supporting work-life balance.

In 2024, we participated in the Dress for Success campaign for International Women's Day, donating 352 items of professional attire to support approximately 80 women entering or re-entering the workforce. Several state-based sites also participated in Harmony Week, sharing heritage foods and learning about each other's culture.

Our culture reflects the diverse experiences of our employees. We established a Diversity and Inclusion Committee in 2023 to promote awareness and engagement. The committee fosters a culture of acceptance and belonging, leveraging diverse backgrounds to drive innovation. In 2024, the D&I Committee launched a Connec+ intranet page to communicate its mission and celebrate differences, providing monthly awareness topics for all employees.

Employee Wellness

Brickworks supports employee mental and physical well-being through various initiatives. We observe R U OK? Day and Men's Health Week to raise awareness. Onsite physiotherapy, annual massage days, and flu vaccinations contribute to physical health and stress relief. In addition, we provided manual handling training by a qualified physiotherapist and offer Mental Health First Aider training to help employees support each other's mental health.

Our Employee Assistance Program (EAP) offers resources on personal relationships, financial guidance, and wellness. We also co-host monthly 'Lunch and Learn' sessions on wellness topics. These events are a great way to continue to support our employees' mental health and wellbeing.

Our healthcare plan in North America includes preventive services. At-risk employees receive free, confidential in-home test kits from our health insurance partner. We continue to offer competitive healthcare benefits to attract and retain employees, emphasizing preventive care and cancer screenings.

Workplace Relations

At Brickworks, we uphold our employees' right to Freedom of Association, as mandated by the Fair Work Act 2009 (Cth). Employees can choose whether to join industrial associations (such as unions) and decide on representation.

In Australia, we have 15 enterprise agreements covering 292 employees, or 30.6% of our workforce. These agreements typically span two to three years, aligning with current operations and the evolving industrial landscape.

Through good faith collective bargaining, we aim for mutually beneficial agreements that support both employees' well-being and the company's success. Our collaborative approach ensures fair and equitable employment conditions, supporting sustainable outcomes.

North America operates eight manufacturing plants - four union and four non-union. In 2024, we negotiated a collective bargaining agreement (CBA) at the Hanley plant in Pennsylvania and are in discussion for our Mid-Atlantic plant.

Brickworks Supply Centres in North America have six CBAs covering 9-yard locations with 38 truck drivers and yard workers.

Percentage of Employees Covered by Collective Bargaining Agreements

	Australia ¹	North America ²	Global
Collective Bargaining Agreement	75.8%	62.4%	68.5%
No Agreement	24.2%	37.6%	31.5%
Composition of Collective Bargaining Agreements			
Union Based	60.6%	100%	80.2%
Non-Union Based	39.4%	0.0%	19.8%

1 Wages Employees Australia

2 Labour / Distribution Employees North America

Compliance

A number of Fair Work conciliations have resulted in settlements, with no fines or non-monetary sanctions received in FY2024.

Board of Directors

Robert D. Millner AO FAICD

Chairman

Mr. R. Millner is the non-executive Chairman of the Board. He first joined the Board in 1997 and was appointed Chairman in 1999.

Mr Millner brings to the Board broad corporate, investment, portfolio and asset management experience gained across diverse sectors including telecommunications, mining, manufacturing, health, finance, energy, industrial and property investment in Australia and overseas.

He is an accomplished company director with an extensive understanding of governance and compliance, reporting, media and investor relations. Mr Millner was awarded an Officer of the Order of Australia in June 2023 for "distinguished service to business, to rugby union as an administrator, and to the community through philanthropic contributions".

He is a member of the Remuneration and Nomination Committee.

Mr Millner holds directorships in the following listed companies:

- ▶ Aeris Resources Limited
- ▶ Apex Healthcare Berhad
- ▶ BKI Investment Company Limited
- ▶ New Hope Corporation Limited
- ▶ TPG Telecom Limited
- ▶ Tuas Limited
- ▶ Washington H Soul Pattinson & Company Limited

During the last three years, Mr Millner also held a listed company directorship in Milton Corporation Limited (delisted from ASX October 2021).

Malcolm P. Bunday B.Bus (Accounting), GAICD

Deputy Chair

Mr Bunday is the non-executive Deputy Chair. He first joined the Board in October 2019 and was appointed Deputy Chair in June 2024.

Mr Bunday has valuable experience as a CEO and Managing Director with particular expertise in managing complex global manufacturing operations including as CEO of Pact Group, CEO of Evergreen Packaging, CEO of Graham Packaging and CEO of Closure Systems International.

These companies each operated multi-location and geographical plants across a wide range of regulatory jurisdictions including Australia, North America, Europe, Asia and South America.

Mr Bunday also has extensive financial experience having been a CFO at Goodman Fielder and a partner at Deloitte.

He has in-depth knowledge of the health, safety and environment risks associated with manufacturing operations and expertise in mergers and acquisitions and asset management.

He is Chair of the Remuneration and Nomination Committee, a member of the Audit and Risk Committee and the Independent Board Committee.

Mr Bunday has no current listed company directorships and has held no other listed company directorships in the last three years.

Lindsay R. Partridge AM BSc. Hons.Ceramic Eng; FAICD; Dip.CD

Managing Director

Mr Partridge was appointed CEO in 1999, Managing Director in 2000 and retired on 31 July 2024.

He is a qualified ceramic engineer and has extensive commercial, manufacturing, marketing, technical and operational experience including numerous senior management positions he has held in the building products manufacturing sector in Australia and the USA.

Since his appointment as Managing Director Brickworks has grown significantly in terms of size and profitability and successfully expanded into industrial property development.

He is an experienced company director with substantial expertise in governance, human resources, compliance reporting, media, investor relations and mergers and acquisitions.

He was awarded the Member of the Order of Australia in 2012 for services to the Building and Construction Industry, particularly in the areas of industry training and career development. In 2018 he was awarded the esteemed "Sir Phillip Lynch Award", by the Housing Industry Association in recognition of his immense contribution to the Housing Industry.

Deborah R. Page AM B.Ec, FCA, FAICD**Non-executive Director**

Mrs Page was appointed to the Board in July 2014.

Mrs Page has extensive financial expertise, having been a partner at Touche Ross/KPMG Peat Marwick, and a senior executive with the Lend Lease Group, Allen Allen and Hemsley and the Commonwealth Bank.

She has specific experience in corporate finance, accounting, audit, mergers and acquisitions, capital markets, insurance and joint venture arrangements.

Mrs Page also has extensive experience as a company director gained across ASX Listed, private, public sector and regulated entities including in the telecommunications, utilities, insurance, technology, renewables, funds management and infrastructure sectors.

As an experienced director and Audit and Risk Committee Chair her skills also include Board leadership, governance, risk management and compliance.

Mrs Page is the Lead Independent Director and Chair of the Independent Board Committee, Chair of the Audit and Risk Committee and a member of the Remuneration and Nomination Committee.

Mrs Page is a member of Chief Executive Women and was appointed as a member of the Takeovers Panel in March 2022.

Mrs Page holds directorships in the following listed companies:

- Growthpoint Properties Australia Limited
- Magellan Financial Group Limited
- The Star Entertainment Group Limited

During the last three years, Mrs Page also held listed company directorships with Pandal Group Limited (resigned January 2023) and Service Stream Limited (retired April 2023).

The Hon. Joel A. Fitzgibbon GradCertBA, GAICD**Non-executive Director**

Mr Fitzgibbon was appointed to the Board in January 2023.

Mr Fitzgibbon has extensive government experience having served in the House of Representatives from 1996 to 2022, representing the New South Wales seat of Hunter. He served as Minister for Defence in 2007–2009, Minister for Agriculture, Fisheries and Forestry in 2013 and was Chief Government Whip in the House of Representatives from 2010–2013.

Mr Fitzgibbon has considerable expertise in public policy, social and environmental issues.

He is a member of the Remuneration and Nomination Committee, the Audit and Risk Committee and the Independent Board Committee.

He serves on the Advisory Board of Serco Asia Pacific, and is retained by CMAX Advisory. Joel is also an Ambassador for the Australian Saudi Business Forum and the Commando Welfare Trust. He also Co-Chairs the AUKUS Forum, serves on the Board of the Crawford fund and is a Governor with the American Chamber of Commerce in Australia. He is also the sole director of Fitzgibbon Advisory Pty Ltd.

Mr Fitzgibbon has no current listed company directorships and has held no other listed company directorships in the last three years.

Robyn N. Stubbs B.Bus, M.Sc., GAICD**Non-executive Director**

Ms Stubbs was appointed to the Board in January 2020.

Ms Stubbs has valuable operational experience in property leasing, sales and marketing, strategy and new product development having spent more than 25 years in senior sales and marketing roles in the media and property sectors.

Most recently Ms Stubbs was General Manager of Retail Leasing at Stockland and prior to this she held property management, sales and marketing roles at Lend Lease, Fairfax, Network Ten and Unilever.

Ms Stubbs' skills also include mergers and acquisitions, capital markets, governance, risk management and compliance.

She is a member of the Remuneration and Nomination Committee, the Audit and Risk Committee and the Independent Board Committee.

Ms Stubbs is currently a director of HMC Funds Management Limited (as the responsible entity of the HomeCo Daily Needs REIT).

During the last three years, Ms Stubbs also held listed company directorships in:

- Aventus Group (which merged with HomeCo Daily Needs REIT in March 2022)
- Inghams Group Limited (resigned June 2023)

Todd J. Barlow B.Bus, LLB(Hons)**Non-executive Director**

Mr Barlow was appointed to the Board on 14 June 2024.

Mr Barlow has extensive experience in mergers and acquisitions, equity capital markets and investing. His career has spanned positions in law and investment banking in Sydney and Hong Kong.

Mr Barlow has been CEO and Managing Director of Washington H Soul Pattinson & Company Limited (Soul Patts) since 2015, having previously been the Managing Director of Pitt Capital Partners Limited for 5 years. He has extensive listed company experience and has been responsible for numerous Soul Patt's investments since joining the Soul Patts Group in 2004.

Mr Barlow has a Bachelor of Business and Bachelor of Laws (Honours) from the University of Technology, Sydney.

He is a member of the Remuneration and Nomination Committee.

Mr Barlow holds a listed company directorship in Washington H Soul Pattinson & Company Limited.

During the last three years, Mr Barlow also held a listed company directorship with New Hope Corporation Limited (resigned on 30 June 2024).

Executive Management

Mark Ellenor B.Bus

Chief Executive Officer

Mr Ellenor was appointed to the position of Chief Executive Officer in April 2024.

Mr Ellenor started with Austral Bricks in the graduate program in 1999, progressed through management, and was promoted to General Manager Eureka Tiles in 2006, General Manager Austral Bricks NSW in 2009, General Manager Austral Bricks Australia in 2017 and Group General Manager Austral Bricks and Bristle Roofing in 2018.

Mr Ellenor was President of Brickworks North America for five years where he led the successful expansion into North America and extensive plant consolidation program that followed. He assumed the role of Executive General Manager Building Products in August 2022 overseeing all Building Products businesses in Australia and North America.

In August 2023, Mr Ellenor returned to Australia and was appointed Chief Operating Officer of the Brickworks Group with responsibility across the Building Products, Property and Development businesses.

Mr Ellenor has a Bachelor of Business from the University of Newcastle and has completed the Stanford Executive Program and Wharton Executive Education Program.

Grant Douglas Hons BCompt; CA; GAICD

Chief Financial Officer

Mr Douglas was appointed Chief Financial Officer in August 2022.

Mr Douglas is a Chartered Accountant with extensive international experience in both professional services and senior finance leadership roles focussed on listed Australian and international companies. He joined Brickworks in 2011 and has worked across multiple senior finance roles in Australia and as Executive Vice President – Finance for Brickworks Building Products – North America from 2018 to 2022, where he was integral in the establishment and growth of the North American business. He is responsible for all IT and financial operations of the business including group accounting and taxation, treasury, banking and finance and investor relations.

Megan Kublins BS (Arch), B Arch

Executive General Manager – Property & Development

Ms Kublins was appointed General Manager Property in November 2001 and became Executive General Manager Property in 2006.

Ms Kublins has over 30 years' experience in the property industry gained in public and private organisations in the capacity of both landowner and developer. She manages all of Brickworks property assets, including over 5,000 hectares of land. Her primary focus is to identify value creation opportunities within this portfolio. She is responsible for the growth and management of the Goodman/Brickworks JV, which was established and grown under her direction. She has completed the Stanford Executive Program.

Susan Leppinus B.Ec; LLB; Grad Dip App Fin

Company Secretary and General Counsel

Ms Leppinus was appointed Company Secretary and General Counsel in April 2015.

Ms Leppinus is admitted to practice in NSW and has over 19 years' experience as a company secretary and general counsel. She has worked closely with boards and senior management in ASX 200 companies, and has significant experience in mergers and acquisitions, contract negotiation, corporate governance, corporate and commercial law. She is responsible for the legal governance and company secretarial functions of the Group, including liaising with the ASX, ASIC and other regulatory bodies.

David Fitzharris

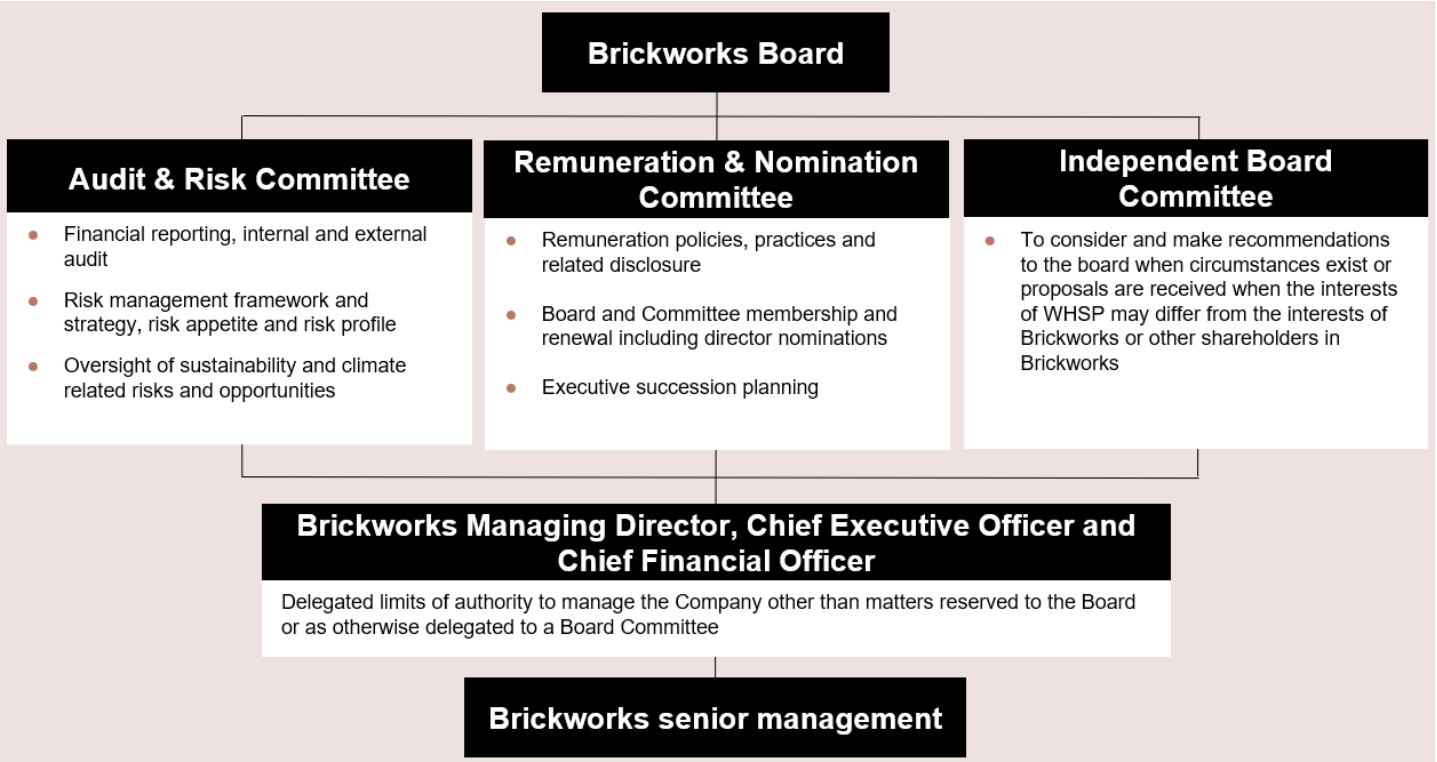
Executive General Manager - Brickworks Australia (Building Products)

Mr Fitzharris was employed by Brickworks in 1987 and for the past 37 years has held various senior executive positions. He was promoted from his position as East Coast General Manager Austral Bricks to the role of Group General Manager Brickworks Sales in 2003 and then Group General Manager Austral Bricks in February 2019, and more recently in 2024, promoted to Executive General Manager - Brickworks Australia. He is involved in the strategic direction of Building Products operations in Australia and has responsibility for all manufacturing, sales, customer service and import/export activities, and has actively developed key customer relationships across all business divisions. Mr Fitzharris also represents Brickworks in a number of industry associations and is currently on the Board of Think Brick Australia and CMAA.

Corporate Governance

The Brickworks Limited (Company) Board is committed to developing and maintaining good corporate governance and recognises that this is best achieved through its people and their actions. The Company's long-term future is best served by ensuring that its employees have the highest levels of honesty and integrity and that these employees are retained and developed through fair remuneration. It is also critical to the success of the Company that an appropriate culture is nurtured and developed, starting from the Board itself. Brickworks full Corporate Governance Statement which provides detailed information about governance at Brickworks is available on Brickworks' website at www.brickworks.com.au

Brickworks Governance Framework



Management and oversight

The Board

The Brickworks Board is responsible for the leadership, oversight, development strategy and long-term success of the Group. The Board works with management to consider specific issues relevant to the overall conduct of our businesses – including strategy, safety, sustainability, annual budget and major acquisitions and disposals.

There are six non-executive Directors on the Brickworks Board, 33% of which are women. The independence of non-executive Directors is considered annually and the Board has determined that four non-executive Directors are independent. We ensure the Board has the appropriate blend of skills, knowledge and experience, from a wide range of industries, backgrounds, necessary to lead the Group. In 2024, there were 10 full meetings of the Board.

Board Committees

The Board has established three permanent Committees to assist in the execution of its responsibilities. The current permanent Committees are the Audit and Risk Committee, the Remuneration and Nomination Committee and the Independent Board Committee. The role of these Committees is to provide strategic direction, oversight and assurance on the specific objectives set for each Committee. The Chairman of each Committee reports to the Board on its deliberations and minutes of Committee meetings are circulated to all Directors.

Committee Chairs also attend the Annual General Meeting to answer questions from shareholders. Current membership and terms of reference of each Committee are available on our website.

Board renewal, development and evaluation

Our Directors are committed to ensuring the Board is diverse and appropriately balanced in terms of business experience, knowledge, skills and gender.

All newly appointed Directors receive extensive briefing materials and the Chairman agrees an individually-tailored and comprehensive induction program.

A review of Board effectiveness is carried out on an annual basis. This review takes into account the operation and performance of the Board and its Committees, and the effectiveness of Board communications.

Compliance

We have procedures in place to ensure compliance with our obligations under the applicable rules and regulations, including those issued by the Australian Securities Exchange.

Ethical and responsible decision making

- ▶ The Board aims to ensure the Company continually builds an honest and ethical culture.
- ▶ Brickworks has an established code of conduct which centres on the Company and all Directors, senior management and employees conducting themselves with integrity in all business dealings. It also has Board policies and conducts training of employees in relation to these policies.
- ▶ Consistent with our commitment to act fairly, with honesty and integrity Brickworks has a Whistleblower Policy and has implemented Behonest@Brickworks an anonymous whistleblower service delivered by Deloitte.
- ▶ The Company also has an Anti-Bribery and Corruption Policy, Political Donations Policy, Securities Trading Policy and Modern Slavery Policy.

Timely and balanced disclosure

- ▶ Brickworks is committed to keeping its shareholders informed about the Company's activities.
- ▶ The Company aims to provide relevant information to shareholders in a timely manner which is supported by its Continuous Disclosure Policy.

Safeguard integrity in financial reporting

- ▶ Brickworks' process for verifying the integrity of periodic corporate reports not subject to audit or review by an external auditor is as follows:
 - reports are prepared by, or under the supervision of, subject-matter experts;
 - reports are reviewed for material accuracy; and
 - information in a report that relates to financial projections, statements as to future financial performance or changes to the policy or strategy of the Company (taken as a whole) must be approved by the Board.
- ▶ The Board through the Audit and Risk Committee:
 - monitors Company performance; and
 - ensures the proper external reporting of financial information.

Recognise and manage risk

- ▶ To ensure robust and effective risk management systems are in place and operating effectively, the Board through the Audit and Risk Committee:
 - determines the risk profile for the Company;
 - ensures that business initiatives are consistent with its risk appetite;
 - reviews the controls and systems in place to continually mitigate risk;
 - monitors the results of a risk based internal audit program, and timely remediation of issues identified; and
 - oversees reporting and compliance requirements.
- ▶ Risk management is a priority for the Board and senior management.

Remunerate fairly and responsibly

- ▶ The Board through the Remuneration and Nomination Committee ensures that remuneration and nomination policies and practices are consistent with strategic goals.
- ▶ The Company's remuneration and nomination policy is to:
 - equitably reward executives with a mix of fixed remuneration, short term and long-term incentives aimed at attracting and retaining executives who will create value for shareholders; and
 - ensure appropriate succession planning is in place.
- ▶ Non-executive directors receive no incentive payments and there are no retirement benefits in place. Contributions to the retirement allowance plan for non-executive Directors were discontinued on 30 June 2003. Under legacy arrangements, non-executive Directors appointed prior to 30 June 2003 were entitled to receive benefits upon their retirement from office. These benefits were frozen with effect from 30 June 2003 and are not indexed. Since 30 June 2003 no new Directors have been entitled to join this plan.

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 financial year ended 31 July 2024.

Directors

The names of the Directors in office at any time during or since the end of the year are:

- ▶ **Robert D. Millner AO** FAICD (Chairman)
- ▶ **Malcolm P. Bunday** B.Bus (Accounting), GAICD (Deputy Chair)
- ▶ **Deborah R. Page AM** B.Ec, FCA, FAICD
- ▶ **Robyn N. Stubbs** B.Bus, M.Sc., GAICD
- ▶ **The Hon. Joel A. Fitzgibbon** GradCertBA, GAICD
- ▶ **Todd J. Barlow** B.Bus, LLB (Hons) (appointed 14 June 2024)
- ▶ **Michael J. Millner** MAICD (retired 21 November 2023)
- ▶ **Lindsay R. Partridge AM** BSc. Hons. Ceramic Eng; FAICD; Dip. CD (retired 31 July 2024)

Except for Todd Barlow, Michael Millner and Lindsay Partridge, all Directors have been in office for the full financial year and to the date of this Report.

Each Director's experience and special responsibilities are set out on pages 34 to 35 of this Annual Report.

Details for each Director's directorships of other listed companies held at any time in the three years before the end of the financial year and the period of which such directorships are held are:

Robert D. Millner AO

- ▶ Aeris Resources Limited Appointed 2022
- ▶ Apex Healthcare Berhad Appointed 2000
- ▶ BKI Investment Company Limited Appointed 2003
- ▶ New Hope Corporation Limited Appointed 1995
- ▶ TPG Telecom Limited Appointed 2000
- ▶ Tuas Limited Appointed 2020
- ▶ Washington H. Soul Pattinson and Company Limited Appointed 1984
- ▶ Milton Corporation Limited Appointed 1998
Delisted from ASX 2021

Deborah R. Page AM

- ▶ Growthpoint Properties Australia Limited Appointed 2021
- ▶ Magellan Financial Group Limited Appointed October 2023
- ▶ The Star Entertainment Group Limited Appointed March 2023
- ▶ Pandal Group Limited Appointed 2014
Resigned January 2023
- ▶ Service Stream Limited Appointed 2010
Retired April 2023

Robyn N. Stubbs

- ▶ Aventus Group Appointed 2015
(merged with HomeCo Daily Needs REIT) Ceased 2022
- ▶ Inghams Group Limited Appointed 2021
Resigned June 2023

Todd J. Barlow

- ▶ Washington H. Soul Pattinson and Company Limited Appointed 2015
- ▶ New Hope Corporation Limited Appointed 2015
Resigned June 2024

Company Secretary

Susan L. Leppinus B.Ec; Llb; Grad Dip App Fin

Principal activities

The Brickworks Group manufactures a diverse range of building products throughout Australia and North America, engages in development and investment activities to realise surplus manufacturing property, and participates in diversified investments as an equity holder.

Consolidated result of operations

The consolidated net loss for the year ended 31 July 2024 of the Brickworks Group after income tax expense, amounted to \$118,885,000 compared with net profit of \$394,694,000 for the previous year. The loss was primarily due to non-cash asset impairment in the building products business and property devaluations in the joint venture property operations.

Dividends

The Directors recommend that the following final dividend be declared:

Ordinary shareholders – 43 cents per share (fully franked)

The record date for the final ordinary dividend will be 5 November 2024, with payment being made on 27 November 2024.

Dividends paid during the financial year ended 31 July 2024 were:

- (a) Final 2023 ordinary dividend of 42 cents per share (fully franked) paid on 22 November 2023 (2022: 41 cents).
- (b) Interim 2024 ordinary dividend of 24 cents per share (fully franked) paid on 1 May 2024 (2023: 23 cents).

Review and results of operations

A review of Brickworks Group operations and the results for the year is set out on pages 2 to 14 and forms part of the Directors' Report.

State of affairs

There were no significant changes in the state of affairs of the Brickworks Group during the year, other than those events referred to in the Review of Operations and Financial Performance and the Financial Statements.

After balance date events

No matter or circumstance has arisen since the end of the financial year that has significantly affected the current financial year, or may significantly affect in subsequent financial years:

- ▶ the operations of the Brickworks Group;
- ▶ the results of those operations; or
- ▶ the state of affairs of the Brickworks Group.

Likely developments and expected results of operations

The Review of Operations gives an indication of likely developments and the expected results of operations in subsequent financial years.

Sustainability

We continue to improve our sustainability performance, delivering a positive impact for our stakeholders. In FY2020, the Brickworks Board approved the Sustainability Strategy "Build for Living: Towards 2025". The strategy sets a clear pathway, with measurable commitments, to promote positive environmental and social impacts, with strong governance and a culture of care for our community. The strategy is available on our website www.brickworks.com.au.

During FY2020, Brickworks also finalised a plan to meet the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), publishing our first TCFD Statement in early 2022. This year we have combined our climate related disclosures and sustainability report into one report.

Since the initial release of our Towards 2025 strategy in 2020, Brickworks completed several acquisitions in North America. There has been good progress towards our achieving our targets set in 2020 and we are now increasing our sustainability strategy targets to encompass our operations in Australia and North America.

Our greenhouse gas reduction strategy roadmap to the recognised standard of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, includes risk management disclosures, metrics and targets. In FY2023 we announced our carbon target: to achieve a 15% reduction in greenhouse gas emissions by 2030, from a 2022 baseline, across our combined Australian and North American business. Progress against this target is discussed in the 2024 Sustainability Report.

Our approach to climate change is integrated into our increased sustainability strategy targets and focuses on:

- ▶ investment into renewable energy and continued investment into developing feasible renewable biomethane opportunities,
- ▶ increased sustainable products target to increase volume of verified sustainable products volume,
- ▶ increased investment into research and development into the next generation clay brick and concrete block wall system.

In FY2024 we continued to progress our climate related governance through developing a skills matrix and training schedule for the board, enhancing our risk identification and management, incorporating ESG KPIs into remuneration and advancing our work on Scope 3 emissions for Brickworks Building Products in Australia and North America.

The 2024 Sustainability Report available at www.brickworks.com.au provides detailed information about environmental, social and governance performance over the last financial year including our North American operations and the increased targets.

Environmental performance

The Group is subject to various state and federal environmental regulations in Australia and the United States. Many sites also operate under additional requirements issued by local government.

There is significant environmental regulation requiring compliance of Brickworks' building products manufacturing and associated mining and quarry activities with legislation that often differs across and within each state. Due to the scale and diversity of the operation there is a risk of non-compliance occurring. To manage these risks, Brickworks continually improves management systems, compliance registers and procedures, in addition to the continuation of training, audit and assurance programs. Annual returns, performance statements and reports were completed where required for each licence stating the level of compliance with site operating conditions.

The Board places a high priority on environmental issues and is satisfied that adequate systems are in place for the management of Brickworks' compliance with applicable environmental regulations under the laws of the Commonwealth, States and Territories of Australia, and that development and implementation of equivalent systems is underway to manage compliance with the corresponding regulations under the laws of the United States.

During FY2024, Brickworks' subsidiary in North America received fines totalling USD 10,800 in September 2023 resulting from two fines from one contractor-related unauthorised stormwater discharge in May 2023 as disclosed to the regulator. To avoid reoccurrence, full corrective action has been taken including a water and waste corrective action plan with revised procedures

and retraining. Brickworks is not aware of any pending prosecutions relating to environmental issues.

The Directors are not aware of any material non-compliance with environmental regulations pertaining to the operations or activities during the period covered by this Report which would materially affect the business as a whole.

Further information regarding Brickworks approach to environmental performance, compliance and approach to environmental management and sustainability is set out on pages 19 to 29.

Risk Management

The Board of Brickworks has adopted a Risk Management framework that identifies Risk Tolerance and Risk Appetite for the Group and then considers how each identified risk is placed within that framework.

That framework involves assessment of the likelihood of an event occurring, followed by the consequence of each event. The consequence is considered across six categories, Financial, Health & Safety, Business Disruption, Legal/Compliance, Reputation and Environmental/Sustainability.

The significant risks that may impact the achievement of the Group's business strategies and financial prospects are:

Building Products

The achievement of business objectives in the Building Products Group may be impacted by the following significant risks:

Risk	Mitigation
Energy Supply—reliability and cost of gas and electricity	Energy requirements are managed through retail energy agreements. For the east coast Australian operations, Santos supplies gas under a long-term agreement, and the energy division manages the day-to-day wholesale market risks. The North American operations have long-term gas contracts in place. Insurance coverage mitigates the risk of interruption to electricity and gas supply.
Serious Safety Incidents	<p>The Group has a strong and evolving safety culture and notwithstanding a well-developed WHS system (refer further "Health and Safety") the Group actively seeks initiatives to improve and refine health and safety practices. Safety audits, risk assessments and networking channels ensure the Group WHS systems remain up to date and in alignment with regulator and industry standards.</p> <p>Health and safety programs in the North American business are being aligned to the Australian operations establishing a common approach across the business internationally. Brickworks recognises the importance of managing psychosocial health and is committed to providing a supportive, productive, and healthy work environment for all employees. This commitment is clearly stated within the company's health and safety policy statement. The company has implemented mental health awareness programs, provided access to professional counselling services, and established an ongoing Mental Health First Aid program with over 100 qualified Mental Health First Aiders. This program equips employees to support harmonious and productive work environments.</p>
Environmental incident	The Group has a strong commitment to environmental protection and a comprehensive environmental compliance system. The Group continues to focus on implementing equivalent systems in the expanding North American business

Risk	Mitigation
Products – alternative products and product failure	The Group has a strong focus on research, development and quality control. The Group monitors market trends and has strategies to diversify its range of building products and its marketing approach including a strong focus on the development of carbon neutral products.
Shift in housing trend	The Building Products business has significant exposure to the detached housing market. Over the past two decades there has been a trend towards multi-residential construction. The Group has implemented initiatives to increase exposure to the multi-residential segment. This includes expanding the product range (for example masonry products, brick facing systems) and increasing sales and marketing efforts in the commercial and multi-residential segments.
New competitor	Whilst barriers to entry within the Building Products business are significant, the Group monitors its Australian and North American markets for both domestic manufacturing and import competitors. To defend against the threat of new competitors, the Group has a strategy to invest in its operations to maintain a low-cost position and high quality product, and is focussed on research and development and customer relationship initiatives.
Production capacity	In both its Australian and North American operations, the Group manages production capacity by adroit management of its manufacturing base to correlate production to cyclical market conditions as they occur. Production capacity is underpinned by a long-term strategy of plant upgrades moving to more efficient plants. In this way the Group is able to meet customer demand at the top of the cycle and pare back capacity through periods of lower demand.
Business Interruption – plant failure or underutilisation and raw material supply	The business has multiple production facilities across Australia and North America, with products able to be transported long distances if required. No single plant so large as to represent an existential threat to the whole operation. The major facilities have rolling risk reviews and reporting by outside parties. The business also maintains significant insurance policies to manage the risk associated with physical loss of assets and any loss of income from an insurable interruption. Raw materials are generally secured through ownership of raw material reserves and maintaining prudent raw material stockpiles.
Asbestos and other respirable dust risk	An asbestos management plan is in place. Building cladding is regularly removed and replaced with non-asbestos based materials. Where any friable asbestos is found, either within a plant or during rehabilitation, it is immediately quarantined and removed by qualified reputable contractors, using the most diligent safety standards. Respirable crystalline Silica is deemed carcinogenic, and a crystalline silica management plan is in place. Brickworks employs its own occupational hygienist to manage this important area. This qualified professional ensures that the company adheres to the highest safety standards and regulatory requirements. A rigorous monitoring and testing program has been implemented to regularly assess and manage risks related to asbestos, crystalline silica, and other hazardous materials, in compliance with government regulations. This program includes continuous health monitoring and dust exposure measurements at all operational sites, ensuring the safety and well-being of all employees.

Risk	Mitigation
Market Risk - deteriorating market conditions	The Group closely monitors economic indicators and utilises independent market forecasts for business planning purposes. Investments have been made to expand the product portfolio and geographic exposure, in order to reduce the risks associated with declines in any specific market.
Failure to execute North American bricks strategy effectively	The Group is currently pursuing growth in North America (following an initial entry in 2019 and a number of subsequent acquisitions). Performance to date is lagging the initial business case, due to the general macroeconomic environment in the wake of the global pandemic that has impacted operations and sales activity. However, underlying progress against the strategy is well advanced, with a significant rationalisation plan now completed and significant investments made in plant upgrades and sales and marketing initiatives.

Group

The achievement of business objectives in the Group activities may be impacted by the following significant risks:

Risk	Mitigation
Financing Risk	The Group maintains conservative gearing levels in recognition of the industry's cyclical nature. Senior debt facilities are maintained with financial lenders with whom an open and transparent relationship is maintained. Multi-currency facilities (AUD and USD) are maintained over various tenors ranging from 2 to 7 years.
Cyber Security Risk	<p>The Group has identified its primary cybersecurity threats as phishing attacks aimed at obtaining sensitive company or private information and malicious attacks that compromise the system. In response, investment in premium security platforms and technology has been increased, and risk controls have been implemented, including the uplift of identity management, privileged access and 24/7/365 security anomaly incident response monitoring across all company system environments.</p> <p>Preventative measures include regular system penetration tests, comprehensive employee training and investment in incident response exercises. Additionally, new state-of-the-art endpoint protection software and robust firewall protection have been deployed. A disaster recovery (DRP) and business continuity plan (BCP) are established across the organisation.</p>
Climate related Risk	<p>Brickworks is aligning its greenhouse gas reduction strategy with the recognised standard of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, including risk management disclosures, metrics and targets.</p> <p>Brickworks undertook a review of climate change risks across both the Australia and North America Building Products operations. The review identified and assessed transitional and physical climate-related risks. The identified risks were then rated in accordance with Brickwork's risk matrix adopting the TCFD framework and horizons of 2030 and 2050.</p> <p>Focus risks include volatility in fossil fuel availability and prices particularly gas and costs of transitioning to a low carbon future. Opportunities were also incorporated into the review.</p> <p>The Group has developed a new carbon target: to achieve a 15% reduction in Scope 1 and Scope 2 greenhouse gas emissions by 2030, from a 2022 baseline, across the combined Australia and North American businesses. The Sustainable Products program includes the development of products that hold leading sustainable qualities including</p>

Risk	Mitigation
	expanded carbon neutral offerings. These strategic responses are outlined in our Sustainability Report.

Property

The achievement of business objectives in Land and Development may be impacted by the following significant risks:

Risk	Mitigation
Market Risk	The industrial property cycle may deteriorate, resulting in softening capitalisation rates and lack of growth. The Group manages the risk by monitoring the key economic drivers, employing property professionals who understand the property cycle and undertaking development in joint venture with Goodman Group.
Industrial Action	Industrial action may delay development projects. The Group manages this risk by working with joint venture partner Goodman to respond appropriately to any action that occurs.
Serious Safety Incidents	The Group has a strong safety culture and a well-developed WHS system (refer further " Health and Safety ").
Property Trust Financing	The joint property trusts maintain facilities with multiple lenders with various tenors between 5-10 years. In addition, gearing is maintained at prudent levels through the property cycles.
Rezoning Risk	The Group takes a long-term approach to achieving the highest and best use for each property. The rezoning process for a property usually commences prior to finalisation of its existing use.

Investments

The achievement of business objectives in Investment activities may be impacted by the following significant risks:

Risk	Mitigation
Market Risk	The Group's investment in Soul Patts is subject to market movements and the underlying performance of Soul Patts. The Soul Patts investment is diversified across industries other than those in which the balance of Brickworks specialises, which provides a stable stream of dividends over the long term. The Soul Patts group may have significant exposure to the natural resources and telecommunications markets.

Meetings of Directors

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director are set out below. All directors were eligible to attend all director and committee meetings held, excluding the Independent Board Committee.

	Directors' Meeting	Audit & Risk Committee	Remuneration & Nomination Committee	Independent Board Committee
Number of Meetings held:	10	3	2	1
Number attended:				
R D Millner	10	N/A	2	N/A
D R Page	10	3	2	1
M P Bunday	10	3	2	1
R N Stubbs	10	3	2	1
J A Fitzgibbon	9	2	2	1
T J Barlow (appointed 14 June 2024)	2	N/A	1	N/A
M J Millner (retired 21 November 2023)	3	N/A	1	N/A
L R Partridge (retired 31 July 2024)	10	N/A	N/A	1

Directors Interests

As at 31 July 2024, Directors had the following relevant interests in Brickworks shares:

Ordinary Shares	
R D Millner	4,817,967
M P Bunday	3,970
D R Page	17,400
R N Stubbs	1,000
J A Fitzgibbon	500
T J Barlow	2,000
L R Partridge	130,406

* In addition, Lindsay Partridge has been allocated 20,558 STI Deferred shares and 141,385 ERP awards on terms subject to performance criteria outlined in the remuneration report.

As at 31 July 2024, there were no contracts entered into by Brickworks or a related body corporate to which any Director is party, or under which any Director is entitled to benefit nor were there any contracts which confer any right for any Director to call for or deliver shares in, debentures of, or interests in a registered scheme made available by Brickworks or a related body corporate.

Chairman of the Remuneration and Nomination Committee

Letter

On behalf of the Board of Directors, I am pleased to provide you with the FY 2024 Remuneration Report for which we are seeking your approval at the upcoming annual general meeting.

Our People

The safety of our people is always our primary concern and is a key measure of performance at Brickworks. Pleasingly our total recordable injury frequency rate per million hours worked (**TRIFR**) reduced to 9.7¹ at 31 July 2024 from 10.7 at 31 July 2023 as we continue to target a reduction of injury rates year on year.

Operational and Financial Performance

In FY2024 Brickworks continued delivering on several key growth initiatives to support future shareholder value growth. This performance was a direct result of the considerable efforts of our entire Brickworks team in a challenging market environment, led by our senior executives.

Operational

Operationally the Company achieved a number of key strategic objectives this year including:

- Substantial completion of our Oakdale West Estate, which is now one of the most valuable industrial property precincts in Australia.
- Securing development approval for our Oakdale East Stage 2 Estate, and the start of construction of the cornerstone facility for Amazon.
- An uplift in underlying EBITDA from our building products operations in Australia and North America, despite difficult market conditions.
- Substantial completion of our new brick plant in Sydney – the most advanced brick production facility in the country.
- Completion of our plant rationalisation program in North America (reducing from 16 operating plants to 8), creating a more efficient and cost-effective network for future operations.
- A \$263 million increase in the value of the Company's listed investments in Soul Patts (ASX: SOL) and FBR (ASX: FBR).

Financial

FY2024 results were impacted by significant headwinds caused by global inflation, high interest rates and challenging labour and construction markets:

- The annual EBIT from continuing operations (before significant items) generated by Building Products Australia has decreased from \$52.8 million in FY2023 to \$41.3 million in FY2024 primarily on account of softer market conditions in the building industry.
- The annual EBIT (before significant items) generated by Brickworks North America has increased from \$12.8 million in FY2023 to \$13.7 million in FY2024. This included an EBIT of \$0.3 million arising in respect of Property transactions (2023: \$6.5 million). Excluding the impact of property transactions, EBIT was significantly up from \$6.3 million in FY2023 to \$13.4 million in the current year.
- The annual EBIT (before significant items) generated by the Property division in Australia has reduced from a profit of \$505.5 million in FY2023 to a loss of \$110.0 million in FY2024. This was primarily on account of non-cash property devaluation of \$215.0 million recognised in the current year compared to the revaluation gains of \$112.4 million in FY2023. Furthermore, the prior year EBIT included a gain of \$262.6 million recognised in respect of the Oakdale East Stage 2 sale into the JV Property Trust.
- The Underlying Shareholder Return on NTA – excluding equity accounted investment in Soul Patts - demonstrated a reduction from 24.7% to a negative of 6.2% compared to the prior year primarily on account of significant property devaluations recognised in the current year.
- Statutory Group NPAT (after significant items) in FY2024 amounted to a loss of \$118.9 million compared to a profit of \$394.7 million in FY2023. This was primarily driven by a significant reduction in Property EBIT, including non-cash devaluation recognised in the current year, as well as impairment losses recognised as at 31 July 2024 in respect of Austral Masonry and Brickworks North America.

Capital Management

- The Group annual operating cash flow increased from \$97.1 million to \$104.0 million. The increase was achieved despite the softening market conditions in Australia and the high-interest rate environment in Australia and North America. This increase was primarily driven by an improvement in Building Products cash flow and increased Property distributions, partially offset by increased interest costs. Property sales in Australia and North America contributed an additional cash flow of \$120.8 million compared to \$28.4 million last year. This included \$117.3 million representing the Group's share of proceeds from the M7 asset sales by the Property Trust.
- Brickworks has preserved its strong balance sheet position and conservative debt metrics whilst at the same time continuing to grow the dividends paid to shareholders from 65.0 to 67.0 cents. At 31 July 2024 Brickworks maintained a significant level of headroom in respect of its key debt covenant metric. The Gearing Ratio as calculated in line with debt agreements was at 15.5% which was well below the covenant threshold of 40%. Leverage and the Interest Cover covenants do not apply unless the Gearing Ratio exceeds 22.5%. For the

¹ The FY23 TRIFR has been restated to reflect the date of injuries being incurred (rather than the treatment date).

year ended 31 July 2024 the Leverage ratio was at 4.31x (compared to a covenant of <3.5x) and the Interest Cover was 3.32x (compared to a covenant >3.5x) with both ratios reflecting the cyclical low in the building products industry.

For more detail on the Company's operational and performance, please refer to the operational and financial results within the Directors' report.

Remuneration Outcomes in FY2024

We continue to ensure that remuneration outcomes reflect the performance of the Group and are aligned to shareholder's experience over short and long-term timeframes. The key remuneration outcomes for the 2024 financial year included:

Executive Incentives

Short Term Incentives (STI)

- Recognising the Company's financial performance in the challenging market environment, as well as leadership and achievement of non-financial KPIs during FY2024, the Board awarded 50% of the maximum annual STI opportunity to the Managing Director, Mr Lindsay Partridge, the Chief Executive Officer, Mr Mark Ellenor, and the Chief Financial Officer, Mr Grant Douglas, noting that financial and non-financial metrics set at the beginning of the year to trigger this, were partially achieved.
- Importantly, the Remuneration and Nomination Committee determined that the quality of earnings measure was not met following consideration of the Building Products impairments and the Return on Net Tangible Assets for the Group. As a result, 12.5% of the potential annual STI opportunity for the Managing Director, Chief Executive Officer and Chief Financial Officer was forfeited.
- The Executive General Manager Building Products Australia David Fitzharris achieved 72% of the target annual STI opportunity reflecting the Austral Bricks division performance. The Executive General Manager, Property and Development, Mrs Megan Kublins achieved 51% of the target annual STI opportunity based on consideration of divisional performance excluding property devaluations on a consistent basis with prior years.

Long term incentives (Current Executive Rights LTI Plan)

- In FY2023 after approval from shareholders the Board awarded an LTI of 75% of fixed remuneration to the Managing Director, Mr Lindsay Partridge, and 60% of fixed remuneration to the Chief Operating Officer, Mr Mark Ellenor (subsequently promoted to the Chief Executive Officer role) and the Chief Financial Officer, Mr Grant Douglas, to be tested against absolute and relative TSR measures between 1 August 2023 and 31 July 2026.
- The Executive Rights Plan was introduced in 2019 and the second full allocation to the Managing Director under this plan occurred in FY2021 following shareholder approval and was tested on 31 July 2024.
 - The Absolute TSR Performance over a 3-year period (for testing historical allocations) was 33.3% p.a. As this rate of return was higher than a threshold of 8% p.a. required for 100% vesting, all awards tested under the Absolute TSR test have vested.
 - Relative TSR Performance over this period (for testing of historical allocations) placed Brickworks at the 70th percentile of the S&P ASX 200 constituents. As this ranking is higher than the 60th percentile threshold for 100% vesting, all awards under the Relative TSR test have vested.

Managing Director's retirement

- In April, Brickworks announced the retirement of its Managing Director, Lindsay Partridge. Lindsay's final day with Brickworks was on 31 July 2024, after 39 years of service with the Company, including 25 years as leader. KMP remuneration disclosures include the final Managing Director's retirement benefit recognised as an expense in FY2024 and paid in August 2024.
- An additional share-based payments expense was recognised in FY2024 in respect of the executive rights granted to the Managing Director in prior years. Lindsay's outstanding executive rights will remain on foot subject to the existing TSR performance criteria and testing requirements in the future.
- Lindsay's retirement benefit does not exceed the average of his annual base salary for the three years prior to his retirement.

Remuneration in FY2024

Brickworks is a diversified international Building Products, Investments and Property company today. Retention of executives and highly skilled staff and pay for performance continues to be a high priority for the Brickworks Board.

MD, CEO and CFO

Remuneration Structure	MD FY2024	CEO FY2024	CFO FY2024
Total Fixed Remuneration (TFR) (including car allowance and superannuation) on an annual basis	\$ 1,704,580	\$ 1,050,000	\$ 700,000
Short Term Incentive	75% of TFR at target 90% of TFR at maximum	60% of TFR at target 72% of TFR at maximum	60% of TFR at target 72% of TFR at maximum
Long Term Incentive (subject to the relative and absolute TSR performance measures being met over three years.	75% of TFR	60% of TFR	60% of TFR

Non-Executive Director Fees

Having considered the Group's Strategy and a benchmarking exercise undertaken by independent consultants in the prior year for non-executive director fees the Board resolved to increase non-executive director fees by 4% (inclusive of the 0.5% increase in the superannuation guarantee levy) taking effect from 1 July 2023. Total non-executive directors fees paid in FY2024 were \$1,091,094. The current shareholder approved non-executive director fee pool approved by Shareholders at the 2022 AGM is \$1,500,000 per annum.

The Board remains committed to a remuneration framework that supports the Company's strategic objectives, effectively aligns performance and rewards and motivates key executives.

We value your support and continue to regularly engage with shareholders and proxy advisors on remuneration matters.

I invite you to review the full report and thank you for your ongoing support.

A handwritten signature in blue ink, appearing to read 'MB', with a stylized flourish at the end.

Malcolm Bunday

Remuneration and Nomination Committee Chair

Remuneration

Report

The Remuneration Report has been audited in accordance with s300A of the Corporations Act 2001

1. Overview

1.1. Executive Summary

The Brickworks Board of Directors is committed to ensuring that its remuneration framework is focussed on driving a performance culture that is closely aligned to the achievement of the Company's strategy and business objectives as well as the retention of key members of the senior management team.

The Remuneration Report received overwhelming support from shareholders at the 2023 AGM with 98.86% of votes in favour of the Remuneration Report.

During FY2024 Brickworks reviewed the reports of proxy advisors and engaged with major shareholders and proxy advisors in relation to remuneration matters.

The Board will continue to review executive remuneration to ensure that it continues to align with Brickworks strategy, motivate management, reflect market best practice and support the delivery of sustainable long-term returns to shareholders. As part of the review process we will continue to engage with major shareholders and proxy advisors.

1.2. Details of Key Management Personnel (KMP)

The following persons had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of that entity during the financial year.

Directors

The following persons were directors of Brickworks Ltd during the financial year:

Mr R. Millner AO	Non-executive Chair
Mr M. Bunday	Non-executive Deputy Chair
Mrs D. Page AM	Non-executive Director
Mrs R. Stubbs	Non-executive Director
The Hon J. Fitzgibbon	Non-executive Director
Mr T. Barlow	Non-executive Director (appointed 14 June 2024)
Mr L. Partridge AM	Executive Director (Managing Director) (retired 31 July 2024)
Mr M. Millner	Non-executive Director (retired 21 November 2023)

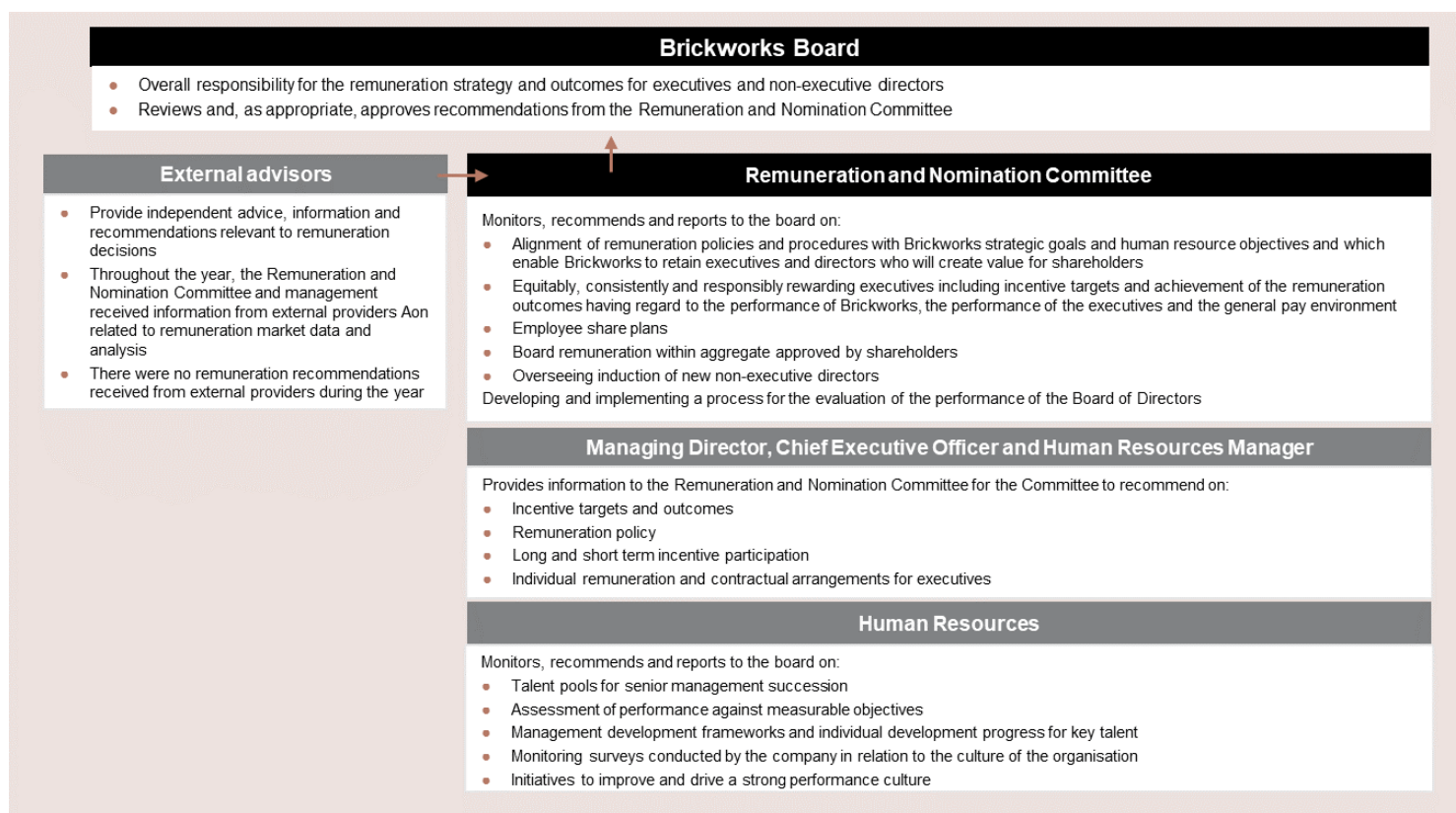
Executive KMP

Mr M. Ellenor	Chief Executive Officer (from 2 April 2024), formerly Chief Operating Officer
Mr. G. Douglas	Chief Financial Officer
Ms M. Kublins	Executive General Manager - Property & Development
Mr. D Fitzharris ²	Executive General Manager – Building Products Australia (from 1 January 2024), formerly Group General Manager Austral Bricks and Sales.

² Considered KMP following his appointment to the role of Executive General Manager – Building Products Australia on 1 January 2024.

1.3. Remuneration Policy

Brickworks remuneration governance framework is set out below. While the Board retains ultimate responsibility, Brickworks' remuneration policy is implemented through the Remuneration and Nomination Committee.



1.4. Remuneration and Nomination Committee

The Board has an established Remuneration and Nomination Committee which operates under the delegated authority of the Board of Directors. The Remuneration and Nomination Committee charter is included on the Brickworks website (<https://investors.brickworks.com.au>). All non-executive Directors of Brickworks are members of the Remuneration and Nomination Committee and the membership of Committee is as follows:

Mr M Bunday	Non-executive Committee Chair
Mr R Millner AO	Non-executive Director
Mrs D Page AM	Non-executive Director
Mrs R Stubbs	Non-executive Director
The Hon J Fitzgibbon	Non-executive Director
Mr T Barlow	Non-executive Director

The Committee is chaired by Malcolm Bunday, an independent non-executive Director. The Committee is authorised by the Board to obtain external professional advice, and to secure the attendance of advisers with relevant experience and expertise if it considers this necessary.

1.5. Use of remuneration consultants

Where the Remuneration and Nomination Committee will benefit from external advice, it will engage directly with a remuneration consultant, who reports directly to the Committee. In selecting a suitable consultant, the Committee considers potential conflicts of interest and requires independence from the Group's KMP as part of their terms of engagement.

- In FY2024, the Remuneration and Nomination Committee appointed Aon as the remuneration adviser to provide information regarding remuneration benchmarking. The consideration for the remuneration benchmarking amounted to \$12,000 and was paid in August 2024.
- Remuneration information was provided to the Committee as an input into decision making only. The Committee considered the information in conjunction with other factors in making its remuneration determinations.
- The Committee is satisfied the advice received from Aon is free from undue influence from the executives to whom the remuneration information applies, as Aon were engaged by, and reported to, the Chairman of the Remuneration and Nomination Committee.
- During the current year no remuneration recommendations, as defined by the Corporations Act, were provided.

1.6. Board Policies for determining remuneration

Remuneration strategy and guiding principles

The guiding remuneration principles in Brickworks remuneration structure include:

- alignment between executive remuneration outcomes and shareholder outcomes;
- driving performance by linking remuneration outcomes to clearly specified targets; and
- reflecting market practice by benchmarking remuneration outcomes against relevant peer companies.

There are 3 main parts to the Brickworks business model:

1. the Building Products Group (Australia and North America) – including consolidated Austral Bricks and Masonry operations, Bristle Roofing, and Brickworks North America;
2. the Property Group - exists to maximise the value of surplus land created by the Building Products business, and
3. Investments – includes primarily 26.1% interest in Washington H. Soul Pattinson and Company Limited ('Soul Patts') and has provided a stabilizer to the cyclical nature of the Building Products earnings stream.

Brickworks uses key performance indicators across the Building Products and Property businesses to ensure that its executives:

- ensure that the health and safety of employees has the highest priority;
- improve profit, cash flows, production and operational efficiencies;
- rationalise non-performing assets; and
- retain key employees who have developed specialist skills and expertise in the industries in which the Group operates.

Retention of executives and highly skilled staff continues to be a high priority for the Remuneration and Nomination Committee.

In our Building Products division it requires at least 5 to 10 years to become totally familiar with the complexities associated with the manufacture of clay and concrete building products. The necessary skills that have been developed internally to deal with these challenges cannot be procured easily outside the Brickworks group.

Similarly, the sale and marketing of building products is a function of good client relationships and product excellence developed over many decades. Brickworks retains key executives who have been dealing with clients for 10 - 20 years.

The Property Trust established 16 years ago to develop land surplus to operations also requires in depth property and development skills and experience.

Brickworks' short-term performance incentive (STI) and its long-term incentive (LTI) scheme are designed to prioritise these corporate objectives.

The STI program contains key performance measures for each executive outlined further in section 2.5.

The LTI program is outlined further in section 2.7.

2. Remuneration components

2.1. Remuneration structure

The core elements of Brickworks remuneration structure for the executive KMP are outlined below:

Total executive remuneration		
Fixed	At risk	
Fixed remuneration	Short term incentive	Long term incentive
Fixed remuneration having regard to the market for jobs of comparable size and responsibility	BKW's executives participate in an STI plan The STI is weighted 75% to relevant business unit financial metrics and 25% to individual performance metrics Refer to 2.5 for further details	For the MD, CEO and CFO, the LTI is assessed over three years and linked to: <ul style="list-style-type: none"> • Relative total shareholder return • Absolute total shareholder return For the other executives KMP grants are made following an assessment of prior year performance Refer to 2.7 for further details
<ul style="list-style-type: none"> • Base salary • Superannuation • Other benefits such as maintained motor vehicles • Other eligible salary sacrifice benefits 	<ul style="list-style-type: none"> • 100% cash • For the MD, CEO and CFO 50% deferred into equity for 1 year 	<ul style="list-style-type: none"> • For the MD, CEO and CFO, equity with performance assessed over three years • For other executives 20% of an LTI grant vests annually on 31 July over five years

2.2. Historical performance, shareholder wealth and remuneration

Financial Performance vs STI outcome

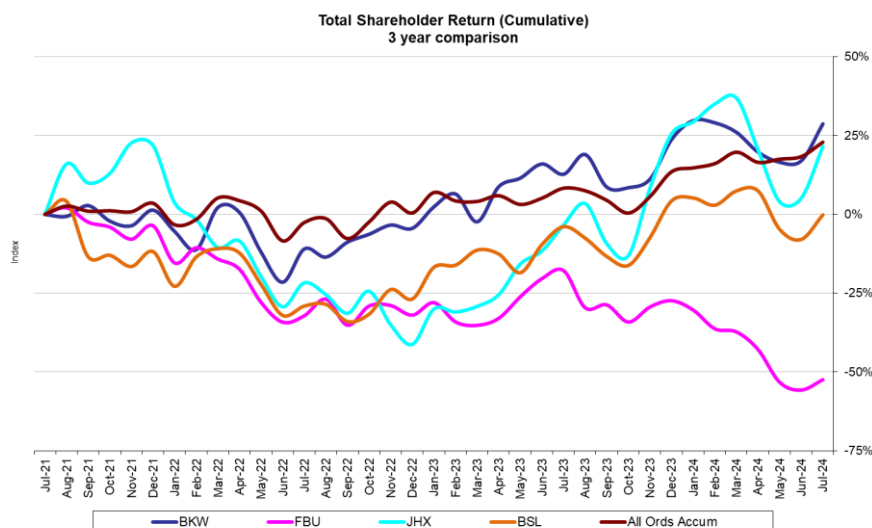
The following table demonstrates strong correlation between business performance and STI outcome over the past five years separately for the Group, Property division and Austral Bricks division.



Total Shareholder Returns (TSR)

Our diversified portfolio of assets has translated into consistently strong absolute shareholder returns, including a 10-year return of 10.7% for the year ended 31 July 2024 compared to an 8.3% return delivered by All Ords Accumulation Index over the same period. An investment in Brickworks shares has delivered strong absolute and relative returns over a wide range of time horizons, with a long-term annual shareholder return of 11.7% on a compound basis over the 25-year period.

Annual TSR	1 year	3 years	5 years	10 years	15 years	20 years	25 years
Brickworks Ltd	14.1%	8.8%	14.8%	10.7%	8.9%	8.7%	11.7%
All Ordinaries Accumulation Index	13.4%	7.1%	7.8%	8.3%	8.9%	8.7%	8.5%
BKW Relative Performance	0.7%	1.7%	7.0%	2.4%	0.0%	0.0%	3.2%

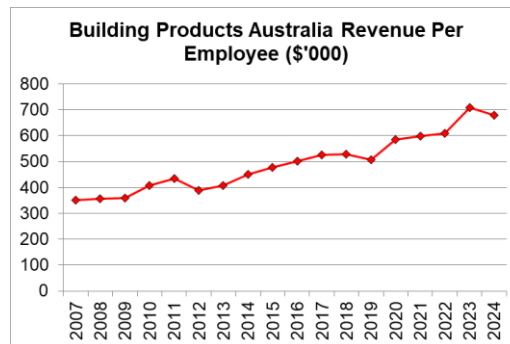


Employee Productivity

Brickworks Building Products productivity measures have also improved over time.

Australia

The following graph shows historical revenue per employee. Despite having grown substantially employee productivity has not been compromised in the process. The reduction in the current year was primarily due to the cyclical low in the residential construction industry in Australia despite the total number of employees reducing from 1,093 last year to 954 as at 31 July 2024.



United States

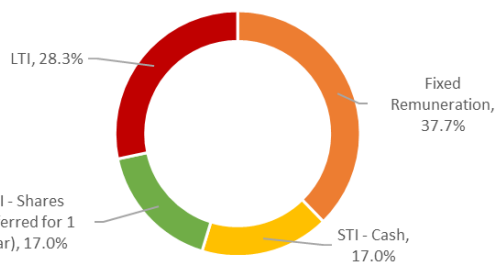
In North America, Building Products revenue per employee is consistent compared to FY2023. Overall, a significant improvement in productivity measures was observed over the last 3 years with Building Products revenue per employee increasing from US\$189,563 in FY2021 to USD\$321,205 in FY2024. This was driven by additional revenue and synergies related to the IBC acquisition in August 2021, continued rationalisation of manufacturing and retail operations and an increase in participation in the detached residential market.

2.3. Potential Remuneration Mix

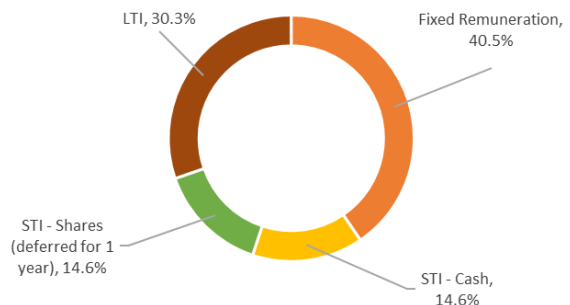
Total remuneration for the MD, CEO, CFO and the other executive KMP's comprises both fixed remuneration and an at-risk component (STI and LTI). The mix shown in the graph below is the potential remuneration based on the current remuneration at 31 July 2024 with STI and LTI based on maximum opportunities.

This structure is designed to retain and pay executives competitively based on their performance.

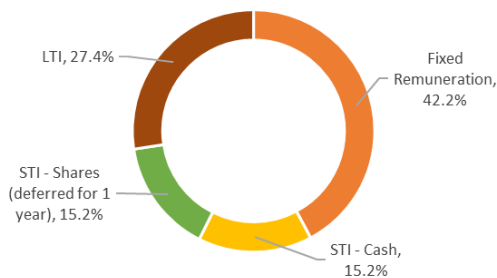
Potential MD Remuneration Mix



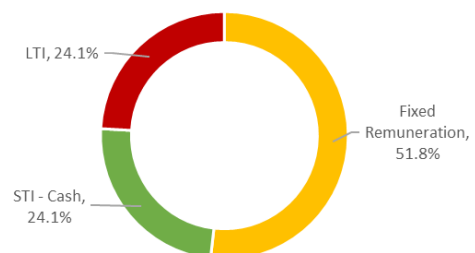
Potential CEO Remuneration Mix

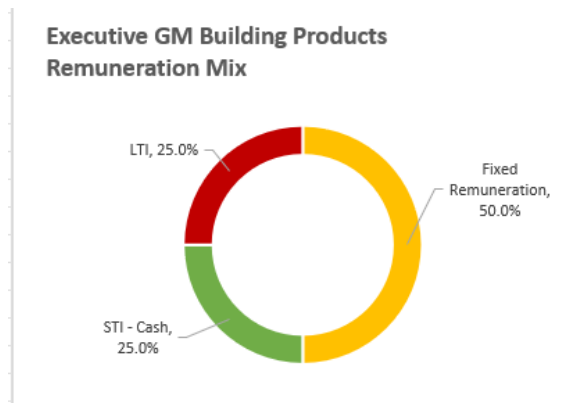


Potential CFO Remuneration Mix



Executive GM Property & Development Remuneration Mix





2.4. Remuneration Component – Fixed Remuneration

For the Managing Director, a 4% salary increase came into effect from 1 July 2023 for the FY2024.

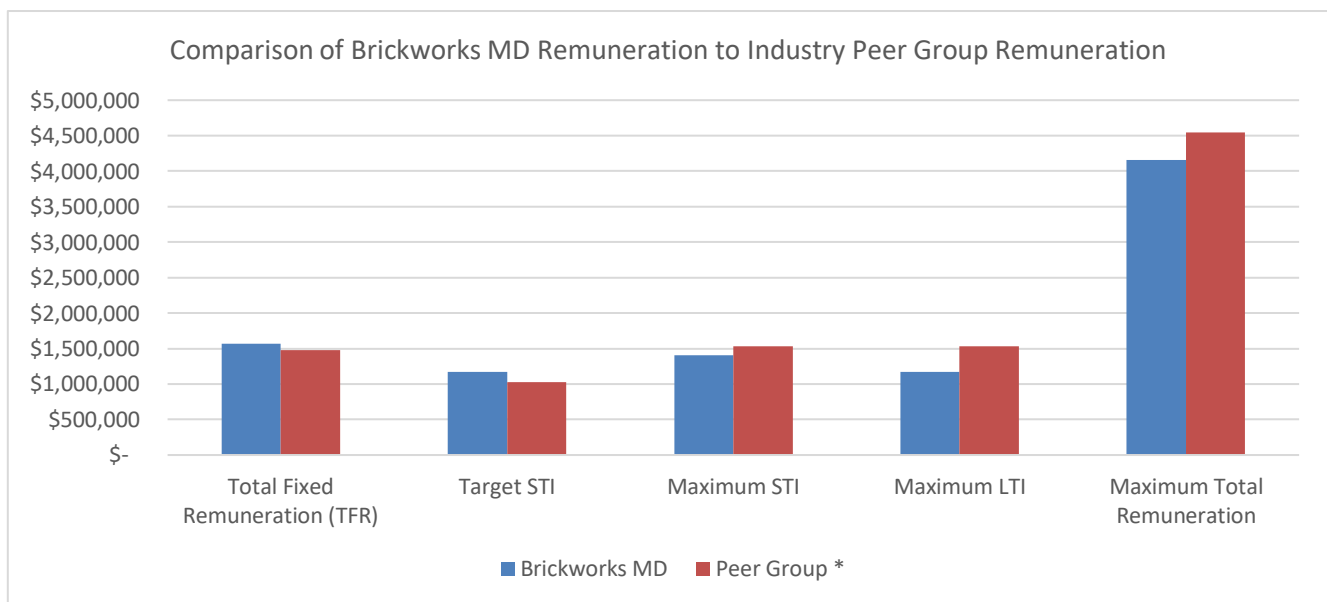
For the Chief Operating Officer (subsequently promoted to the Chief Executive Officer role), a 5.26% salary increase came into effect from 1 August 2023 for the FY2024.

For the Chief Financial Officer, an 8.33% salary increase came into effect from 1 August 2023 for the FY2024.

For the GGM Austral Bricks and Sales (subsequently promoted to the EGM Building Products Australia role), a 3.94% increase came into effect from 1 August 2023 for the FY2024.

For the EGM Property and Development, a 3.57% salary increase came into effect from 1 August 2023 for the FY2024.

A benchmarking exercise was undertaken by Aon dated August 2022 and shows the MD's target and maximum pay opportunities compared to market median of industry peers as set out below:



*The industry peer group includes 13 organisations engaged in property, manufacturing of construction materials, building products generally within 50% to 200% of BKW's one-year average market capitalisation as follows: Abacus, ADBRI, Boral, Charter Hall, Cromwell, CSR, Fletcher Building, Growthpoint Properties, Incitec Pivot, Nufarm, Orica, Orora and Reliance Worldwide Corporation.

By way of summary:

- Brickworks MD's TFR is positioned within the market with 6% above median and 8% below 75th percentile.
- The MD's Target STI opportunity is 15% above market median whilst the Maximum STI opportunity is between market 25th percentile and market median, similar positioning applies to the LTI of the MD, where the Maximum LTI sits reasonably between market median and market 25th percentile.
- Consequently, Brickworks MD's Target Total Remuneration is positioned at market median, and Maximum Total Remuneration is positioned within the market with 9% below market median of the 2022 comparator group.
- The MD's remuneration is reflective of the value that has been created for shareholders throughout his tenure as outlined below.

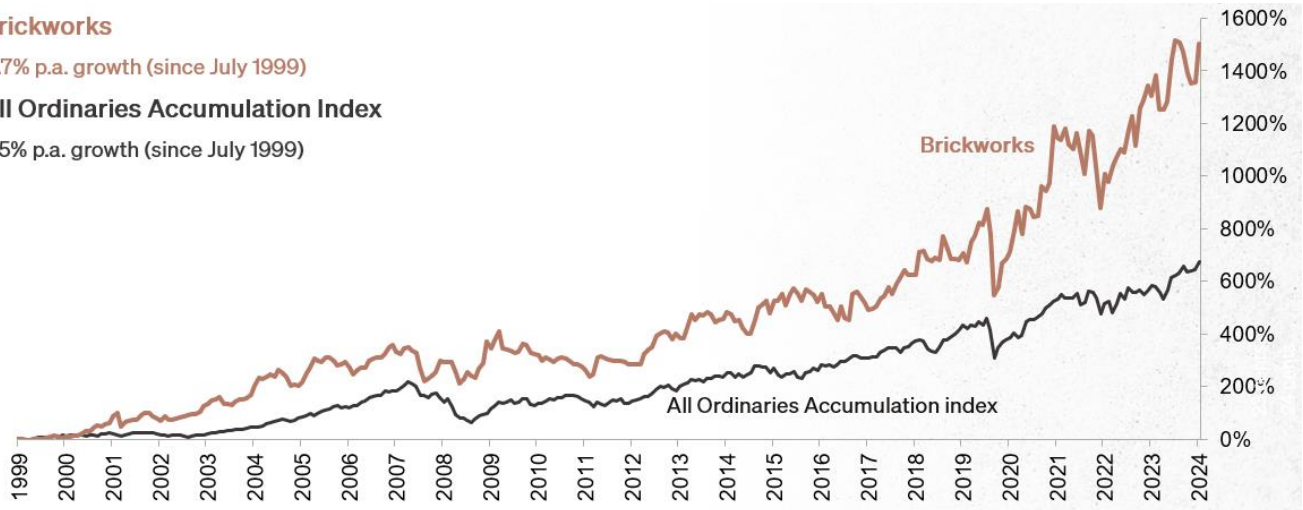
With the replacement of the MD, following his retirement in FY2024 there will be a benchmarking exercise performed in respect of the FY2025 remuneration for the CEO and CFO.

Brickworks

11.7% p.a. growth (since July 1999)

All Ordinaries Accumulation Index

8.5% p.a. growth (since July 1999)

**[Remuneration Component - Short Term Incentives (STI)]**

The information below outlines the Company's STI Plan for FY2024:

What is the purpose and objective of the STI?	<p>The STI is an annual incentive plan designed to reward executives for meeting or exceeding financial and non-financial objectives over a one-year period. The STI has been designed to foster an organisational culture of collaboration, co-operation and mutual respect which supports the objective of a long-term outperformance in both the financial and non-financial areas of the business, mainly with annual measures linked to the business strategy, set at the beginning of the financial year at levels that are challenging, yet achievable.</p>													
What is the target and maximum STI opportunity?	<p>MD, CEO and CFO</p> <p>The target STI opportunity for the MD is 75% of total fixed remuneration (including base salary, superannuation and car allowance) and maximum opportunity at 90% of fixed remuneration.</p> <p>The STI opportunity for the CEO and CFO is 60% of total fixed remuneration at target and 72% of total fixed remuneration at maximum.</p> <p>Other executive KMP</p> <p>For the Executive General Manager Building Products Australia and the Executive General Manager Property the STI is awarded up to a maximum of 50% of total fixed remuneration (including base salary and superannuation). Any excess STI earned above the maximum opportunity up to a cap of 72% will not be paid as a cash bonus but will be added to the long-term incentive share allocation for that year and will vest over the LTI's plan vesting period.</p>													
Is any part of the STI awarded deferred into equity?	<p>MD, CEO and CFO</p> <p>Half of any STI awarded to the MD, CEO and CFO will be deferred into shares for one year.</p> <p>Should the employment of either the MD, CEO or CFO be terminated other than for cause, all deferred STI payments will remain on foot and will be subject to a tenure of service requirement in the usual course as if their employment had continued with the Company.</p> <p>Other Executive KMP</p> <p>No STI awarded to other executive KMP is deferred into equity.</p>													
What is the target and maximum STI opportunity?	<p>The STI Target Opportunities are set out below:</p> <table border="1"> <thead> <tr> <th></th><th>Target STI opportunity</th><th>Max STI opportunity (cash) *</th></tr> </thead> <tbody> <tr> <td>MD</td><td>75% of total fixed remuneration (including base salary, car allowance and superannuation)</td><td>90% of total fixed remuneration</td></tr> <tr> <td>CEO/CFO</td><td>60% of total fixed remuneration (inc. base salary, car allowance and superannuation)</td><td>72% of total fixed remuneration</td></tr> <tr> <td>Other executive KMP</td><td>Between 10% and 50% of fixed remuneration (inc. base salary and superannuation)</td><td>50% of total fixed remuneration</td></tr> </tbody> </table> <p>** ***</p> <p>* For the MD, CEO and CFO maximum STI is met when the Group NPAT measure (before significant items, excluding equity accounted profit from associates (Soul Patts) and property revaluation gains) is at 110% of the profit target and all the other financial and non-financial KPIs are met.</p> <p>** STI as a proportion of base salary for an employee increases as that employee gains greater responsibility and has greater capacity to influence the performance of the business as a whole.</p> <p>*** Outperformance against the STI target above the maximum STI opportunity is recognised by the grant of performance rights to vest over the LTI plan's performance period.</p>			Target STI opportunity	Max STI opportunity (cash) *	MD	75% of total fixed remuneration (including base salary, car allowance and superannuation)	90% of total fixed remuneration	CEO/CFO	60% of total fixed remuneration (inc. base salary, car allowance and superannuation)	72% of total fixed remuneration	Other executive KMP	Between 10% and 50% of fixed remuneration (inc. base salary and superannuation)	50% of total fixed remuneration
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<p>How are STI performance measures determined?</p>	<p>Each year at the beginning of the year the Remuneration and Nomination Committee sets KPIs for the MD, CEO and CFO for the financial year, with a view to directly aligning the individuals' annual incentive opportunity to execution of the Group's business strategy.</p> <p>The MD determines the KPIs which are aligned to the delivery of the strategy and performance of the business for other executive KMP.</p> <p>STI profit targets are determined on an annual basis at the beginning of the financial year after consideration of many complex factors including:</p> <ul style="list-style-type: none"> the market outlook having regard to cyclical nature of building and construction industry; housing trends; energy supply; existing and new market competition; new and alternative products; interest rates; and cap rate changes. <p>Payments under the STI are determined by performance against KPIs set at the beginning of the financial year.</p> <p>STI performance measures and weightings vary by executive depending on individual accountabilities. The metrics and their rationale for selection are as follows:</p>										
<p>Why are the STI measures adopted considered appropriate?</p>	<p>Financial measures (MD, CEO and CFO: 75%)</p> <table border="1"> <tr> <td>Group NPAT (before significant items excluding equity accounted profit from associates (Soul Patts) and property revaluation gains/losses) – 37.5%</td><td>Focus attention on results and performance for segments for which they have direct responsibility. Property profit will include net property trust income, trust development profit, the sale of trust assets and Brickworks land sales (less Brickworks property admin and other costs). It will not include property revaluations arising from cap rate compression or expansion outside the control of management.</td></tr> <tr> <td>Cash generation – 37.5%</td><td>Managing cash to ensure cash and working capital is available whenever and wherever required by the business.</td></tr> </table> <p>Non-financial measures – (MD, CEO and CFO: 25%)</p> <table border="1"> <tr> <td>Quality of earnings – 12.5%</td><td>This measure considers the quality of earnings result including goodwill and asset impairment and windfall gains.</td></tr> <tr> <td>Safety and Health – 6.25%</td><td>This measure incentivises executives to demonstrate leadership in enhancing workplace health and safety and taking a sustainable approach to operations through process innovation.</td></tr> <tr> <td>People – 6.25%</td><td>The success of Brickworks depends on the people that work for the Company. This measure will only reward executives for superior performance and demonstration of effective leadership, talent development, retention, succession planning and gender diversity, which are critical to the success of the business and underpin financial performance.</td></tr> </table>	Group NPAT (before significant items excluding equity accounted profit from associates (Soul Patts) and property revaluation gains/losses) – 37.5%	Focus attention on results and performance for segments for which they have direct responsibility. Property profit will include net property trust income, trust development profit, the sale of trust assets and Brickworks land sales (less Brickworks property admin and other costs). It will not include property revaluations arising from cap rate compression or expansion outside the control of management.	Cash generation – 37.5%	Managing cash to ensure cash and working capital is available whenever and wherever required by the business.	Quality of earnings – 12.5%	This measure considers the quality of earnings result including goodwill and asset impairment and windfall gains.	Safety and Health – 6.25%	This measure incentivises executives to demonstrate leadership in enhancing workplace health and safety and taking a sustainable approach to operations through process innovation.	People – 6.25%	The success of Brickworks depends on the people that work for the Company. This measure will only reward executives for superior performance and demonstration of effective leadership, talent development, retention, succession planning and gender diversity, which are critical to the success of the business and underpin financial performance.
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<p>What is the financial and non-financial component of the STI Award for the MD, CEO and CFO and how is it applied?</p>	<p>Percentage of financial component of STI Award payable for the MD, CEO and CFO</p> <p>Profit – 37.5% of total available STI Award</p> <table border="1"> <thead> <tr> <th>Achievement</th><th>STI Award</th></tr> </thead> <tbody> <tr> <td>Below base profit</td><td>0%</td></tr> <tr> <td>Between base profit and target profit</td><td>Pro rata award on a straight-line basis between 60% and 100% of target STI</td></tr> <tr> <td>Between 100% and 110% of target profit</td><td>Pro rata award on a straight-line basis between 100% and 120% of target STI being Maximum STI.</td></tr> </tbody> </table> <p>Setting the Target for Profit Performance</p> <p>In setting the target for profit performance consideration is given to the prior year's performance. Budget may be set higher or lower than previous years after consideration of the many complex factors outlined above and including, but not limited to, the very cyclical nature of the Building Products operations.</p> <p>Where the budget is greater than the previous year, then 80% of last year's performance becomes the base profit and the budget becomes the target profit.</p> <p>Where the budget is less than the previous year, 80% of budget profit becomes the base profit and the prior year becomes the target profit.</p> <p>By using both last year's profit results and budget profit in tandem, the outcome of the bonus paid is properly referenced by the prior year. When the profit increases, the STI for profit performance aligns with improved performance and when the profit is lower than the prior year, any bonus paid will be below the prior year.</p>	Achievement	STI Award	Below base profit	0%	Between base profit and target profit	Pro rata award on a straight-line basis between 60% and 100% of target STI	Between 100% and 110% of target profit	Pro rata award on a straight-line basis between 100% and 120% of target STI being Maximum STI.		
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	<p>All property revaluation gains and losses were excluded from the profit measures used to determine the FY2024 incentive amounts payable.</p> <p>Cash Flow – 37.5% of total available STI Award</p> <table border="1"> <thead> <tr> <th>Achievement</th><th>STI Award</th></tr> </thead> <tbody> <tr> <td>Below base cash flow</td><td>0%</td></tr> <tr> <td>Between base profit and target cash flow</td><td>Pro rata award on a straight-line basis between 60% and 100% of target STI</td></tr> <tr> <td>Between 100% and 110% of target cash flow</td><td>Pro rata award on a straight-line basis between 100% and 120% of target STI being Maximum STI.</td></tr> </tbody> </table> <p>Setting the Target for Cash Performance</p> <p>In setting the target for cash performance consideration is given to the prior year's cash performance. Budget may be set higher or lower than previous years after consideration of the many complex factors outlined above and including, but not limited to, the very cyclical nature of the Building Products operations.</p> <p>Where Budget Cash Flow is greater than last year's Cash Flow, 80% of last year becomes the base cash flow and Budget becomes the target cash flow. Where Budget Cash Flow is less than the prior year, 80% of Budget Cash Flow becomes the base cash flow and last year's Cash Flow becomes the target cash flow.</p> <p>Cash flow is the Operating cash flow plus Investing cash flows generated from the sale of property assets including through the sale of land via the subscription of units in a trust.</p> <p>Other STI award criteria</p> <p>The remaining 25% of any STI Award is subject to the achievement of challenging non-financial measures with profit performance used to determine the maximum STI award for these components.</p> <ul style="list-style-type: none"> 12.5% of potential STI award (up to a maximum of 15%) is paid if all RONTA³/quality of earnings considerations are met (otherwise 12.5% of the STI award is forfeited) 6.25% of potential STI award (up to a maximum of 7.5%) is paid if all workplace health & safety ("WHS") initiatives and outcomes are met (otherwise 6.25% of the STI award is forfeited) 6.25% of potential STI award (up to a maximum of 7.5%) is paid if all succession planning criteria is met (otherwise 6.25% of the STI award is forfeited). 	Achievement	STI Award	Below base cash flow	0%	Between base profit and target cash flow	Pro rata award on a straight-line basis between 60% and 100% of target STI	Between 100% and 110% of target cash flow	Pro rata award on a straight-line basis between 100% and 120% of target STI being Maximum STI.						
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<p>What is the financial and non-financial component of the STI Award for other executive KMP and how is it applied?</p>	<p>Percentage of financial component payable for other executive KMP (other than the MD, CEO and CFO)</p> <p>Profit – 37.5% of total STI Award</p> <table border="1"> <thead> <tr> <th>Achievement</th><th>STI Award</th></tr> </thead> <tbody> <tr> <td>Below base profit</td><td>0%</td></tr> <tr> <td>Between base profit and target profit</td><td>Pro-rata award on a straight-line basis between 50% and 100%</td></tr> <tr> <td>> target profit</td><td>Pro rata award equal to the percentage over upper target to a maximum of 50% of total fixed remuneration in cash with outperformance against the profit target recognised by the grant of rights or shares over the LTI plans performance period</td></tr> </tbody> </table> <p>Operating cash flow – 37.5%</p> <table border="1"> <thead> <tr> <th>Achievement</th><th>STI Award</th></tr> </thead> <tbody> <tr> <td>Below Base Cash Flow</td><td>0%</td></tr> <tr> <td>Between Base Cash Flow and Target Cash Flow.</td><td>Straight line between 50% and 100%</td></tr> </tbody> </table> <p>The Cash Base and Target is set in the same manner as for the MD, CEO and CFO.</p> <p>In respect of the Building Products division the cash measure used is based on divisional EBITDA, research & development claim benefits achieved, changes in Days Sales Outstanding (DSO's) and inventory movements in the year. This KPI considers a strong focus on cash generation through improved cash collections and inventory management required from the senior Building Products executives and the wider management team.</p> <p>The remaining 25% of any STI Award is subject to the achievement of challenging non-financial measures.</p> <p>There is no upside available against cash and non-financial measures.</p>	Achievement	STI Award	Below base profit	0%	Between base profit and target profit	Pro-rata award on a straight-line basis between 50% and 100%	> target profit	Pro rata award equal to the percentage over upper target to a maximum of 50% of total fixed remuneration in cash with outperformance against the profit target recognised by the grant of rights or shares over the LTI plans performance period	Achievement	STI Award	Below Base Cash Flow	0%	Between Base Cash Flow and Target Cash Flow.	Straight line between 50% and 100%
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<p>When and how is the STI Award assessed?</p>	<p>MD, CEO and CFO</p> <p>At the end of the financial year the Remuneration and Nomination Committee assesses actual performance against their respective KPIs set at the beginning of the financial year and recommends the STI quantum to be paid to the individuals for approval by the Board.</p>														

³ Return on Net Tangible Assets.

	<p>These assessment methods have been chosen as they provide the Committee with an objective assessment of each individual's performance.</p> <p>Other executive KMP</p> <p>At the end of the financial year the CEO assess the executive KMP's actual performance against their respective KPIs set at the beginning of the financial year and determines the STI quantum to be paid to the executive KMP. The CEO provides these assessments to the Remuneration and Nomination Committee annually for review and approval.</p>
Is quality of earnings a relevant factor in assessing STI Awards?	<p>The Remuneration and Nomination Committee and the CEO have the discretion to consider the quality of earnings achieved including any significant items, acquisitions and divestments and one-off events/abnormal/non-recurring items in determining whether the financial KPIs have been achieved, wherever and whenever this is considered appropriate for linking remuneration reward to Company performance.</p> <p>The MD, CEO and CFO have 12.5% of their STI at risk in relation to quality of earnings and RONTA.</p>
Can the Board clawback STI Awards?	<p>The Board and the Remuneration and Nomination Committee have discretion about the remuneration outcomes wherever and whenever this is considered appropriate. This discretion also applies in the event of financial misstatement, reputational damage and/or evidence of misconduct.</p>

2.5. STI outcomes

The table below outlines the weighting of financial and non-financial KPIs in relation to each executive KMP for financial year 2024 and the performance achieved. Unless otherwise stated all earnings measures exclude significant items.

The Company does not disclose specific financial performance targets and even retrospective disclosure of such targets would put the Company at a potential competitive disadvantage. In setting the target for profit performance consideration is given to the prior year's performance. Budget may be set higher or lower than previous years after consideration of the many complex factors outlined above and including, but not limited to, the very cyclical nature of the Building Products operations. By using both last year's profit results and budget profit in tandem, the outcome of the bonus paid is properly referenced by the prior year. When the profit increases, the STI for profit performance aligns with improved performance and when the profit is lower than the prior year, any bonus paid will be below the prior year.

Executive KMP	Measure(s)	Performance	Outcome
Financial 75%			
MD, CEO & CFO	Group NPAT (before significant items excluding equity accounted profit from associates (Soul Patts) and property revaluation gains/losses).	<p>The Group NPAT (before significant items and excluding property revaluation gains/losses and equity accounted profit from Soul Patts) was \$75.8 million compared to \$269.9 million in the prior financial year.</p> <p>This translated into a partially achieved STI target.</p>	60% achieved
	Cash flow	<p>The Group Cash Flow for the year ended 31 July 2024 was \$224.8 million compared to \$427.1 million in the prior year. This translated into a partially achieved STI target.</p> <p>FY2024 Cash Flow measure includes:</p> <ul style="list-style-type: none"> Group operating cash flow of \$104.0 million. Group share of proceeds from the M7 asset sale by the Property Trust amounting to \$117.3 million cash proceeds from other property sales in Australia and North America \$3.5 million. <p>FY2023 Cash Flow measure included \$301.6 million from the sale of Oakdale East Stage 2 land to the Property Trust.</p>	66% achieved
EGM Building Products Australia	Divisional profit against target for the Austral Bricks ⁴ division	<p>The Austral Bricks divisional profit amounted to \$78.8 million compared to \$98.4 million in the prior financial year. This translated into a partially achieved STI target.</p>	82% achieved
	Cash Flow	<p>The Austral Bricks cash measure amounted to \$78.1 million compared to \$108.5 million in the prior financial year.</p> <p>This translated into a partially achieved STI target.</p>	71% achieved
EGM Property & Development	Divisional profit against target for Property	<p>Property divisional profit (excluding property devaluations and loss on disposal of the M7 assets by the Property Trust, achievement of which represented a separate KPI) amounted to \$121.4 million compared to the prior year profit of \$393.2 million.</p> <p>This translated into a partially achieved STI target.</p>	55% achieved

⁴ DT Fitzharris was Group General Manager Austral Bricks (Australia) and Sales prior to the restructure which occurred during the year. His annual STI targets were therefore set with the reference to the Austral Bricks division.

Executive KMP	Measure(s)	Performance	Outcome
	Cash Flow	<p>The Cash Flow measure applicable to the Property division amounted to \$46.0 million compared to \$348.9 million in the prior financial year. FY2024 amount includes proceeds from property sales in Australia of \$3.3 million. Proceeds from the sale of the M7 assets by the Property Trust are excluded given its achievement represented a separate KPI.</p> <p>The prior year amount included the subscription of units in the JV Property Trust (\$301.6 million) and proceeds from other property sales in Australia (\$11.2 million).</p> <p>This translated into a partially achieved STI target.</p>	52% achieved
Non-financial 25%			
MD, CEO & CFO	Quality of earnings (12.5%) The Remuneration and Nomination Committee has the discretion to consider the quality of earnings achieved including significant items (e.g. asset impairment losses)	The Remuneration and Nomination Committee determined that the quality of earnings measure was not met following consideration of the impairment and the Return on Net Tangible Assets for the Group (excl. investments in Soul Patts) which amounted to a negative 6.2%.	0% achievement of the KPI
	Safety (6.25%) Key lag target metrics across the Group: <ul style="list-style-type: none"> Where the last year's TRIFR is 5 or less, the TRIFR target is the average TRIFR over the past 3 years. Where the last year's TRIFR is between 5 and 20 the TRIFR target is +10% of last year's TRIFR. Where the last year's TRIFR is above 20, TRIFR target is same or better than last year. Other key lead target metrics <ul style="list-style-type: none"> 10% increase in safety device inspections and workplace inspections (Australia) Reportable environmental incidents less than last year or nil Random drug and alcohol testing greater than 25% of workforce (Australia) 	<p>An improvement in injury frequency rates with the Group Total Recordable Injury Frequency Rate (TRIFR) of 9.7 compared to 10.7 in the prior year.</p> <p>Other key lead target metrics all met, including:</p> <ul style="list-style-type: none"> presence of safety indicators met with respect to all required targets (on a like-for-like basis, excluding the impact of restructuring, there were 2,877 workplace inspections, compared to 2,321 in the prior year, and 597 safety device inspections compared to 536 in the prior year) drug and alcohol testing embedded into the business with approximately 70% of company employees tested in Australia in FY2024. Group significant incident reporting covers any incident with minor-moderate environmental impact (medium severity) or major to catastrophic impact (high severity). <p>In FY2024, Brickworks had zero high severity incidents across Australia and North America (FY2023: nil).</p> <p>In FY2024, Brickworks had 5 medium severity environmental incidents across Australia and North America, reducing from 9 medium severity incidents in the prior year.</p> <p>This translated into a fully achieved STI target.</p>	100% achievement of safety KPIs
	Succession Planning (6.25%) Key Metrics: <ul style="list-style-type: none"> Regular talent and succession reviews Mentoring program for emerging leaders in Australia 	<ul style="list-style-type: none"> Successful appointment of Mark Ellenor to an expanded role of the Chief Executive Officer in April 2024 and succeeding the former Managing Director from 1 August 2024 in full leadership role. Successful completion of bi-annual succession strategy sessions 	100% achievement of succession planning KPIs
	Return on Net Tangible Assets Austral Bricks Return on net tangible assets/ quality of earnings considerations	Return on Net Tangible Assets for the Austral Bricks division of 18.0% which translated into a fully achieved STI target	100% achievement of the RONTA KPI
EGM Building Products Australia	Safety Key lag target metrics across the Group: <p>Where the last year's TRIFR is 5 or less, the TRIFR target is the average TRIFR over the past 3 years. Where the last year's TRIFR is between 5 and 20 the TRIFR target is +10% of last year's TRIFR. Where the last year's TRIFR is above 20, TRIFR target</p>	An increase injury frequency rates with the Group Total Recordable Injury Frequency Rate (TRIFR) of 7.64 compared to 6.09 last year which was higher than the target.	0% achievement of the Safety KPI

Executive KMP	Measure(s)	Performance	Outcome
EGM Property & Development	Environmental Reportable environmental incidents less than last year or nil	There were two reportable environmental incidents in the Austral Bricks division compared to eight incidents last year. This translated into a fully achieved STI target.	100% achievement of the Environmental KPI
	Gender diversity improvement Gender diversity improvement by 2.5 percentage points compared to the prior year.	Female employees as a proportion of total workforce in the Austral Bricks and Austral Masonry divisions decreased from 19.7% to 19.3% which was below the STI target.	0% achievement of the Gender Diversity KPI
	WA Brick market exit Successful exit from the WA brick market	Exit from the WA brick market was successfully completed during the year with majority of the stock sold down	100% achievement of the WA brick market exit KPI
	Property Trust Return on net tangible assets/ quality of earnings considerations	Due to non-cash property devaluations return on Net Tangible Assets the Property division achieved a negative return of 5.2%. which was below the STI target.	0% achievement of the RONTA KPI
	Safety Target Metrics Category 1 safety events in the JV Trust - same or better than last year. Category 2 safety events actioned and closed out within 6 months.	Strong safety performance as measured by the number of safety events in the financial year ended 31 July 2024: <ul style="list-style-type: none"> ▶ No Category 1 events (FY2023: nil) ▶ All Category 2 events actioned and closed within 6 months 	100% achievement of other KPIs
	Mixture of Strategic and Operational relevant to the executive KMP <ul style="list-style-type: none"> ▶ Managing Property leases (occupancy 97%+) ▶ Successful sale of either Mid Atlantic or M7 estate. 	<ul style="list-style-type: none"> ▶ Actual Property Trust vacancy rate at 31 July 2024 (98.45%) ▶ The M7 asset sale was successfully completed by the Property Trust 	100% achievement of other KPIs

STI achieved

The table below outlines the weighting of financial and non-financial KPIs in relation to each executive KMP for 2024 and the performance achieved.

The following table outlines the percentage of target STI achieved (and forfeited) in relation to financial and non - financial KPIs, and the total STI awarded, for each executive KMP for 2024.

Executive KMP				Financial		Non-financial			STI awarded \$ **	STI over performance subject to LTI \$
	Target STI Opportunity \$	Max STI Opportunity \$	Weighting %	Achieved * %	Forfeited %	Weighting %	Achieved* %	Forfeited %		
MD	\$1,278,435	\$1,534,122	75%	63%	37%	25%	50%	50%	\$764,019	-
CEO	\$630,000	\$756,000	75%	63%	37%	25%	50%	50%	\$376,501	-
CFO	\$420,000	\$504,000	75%	63%	37%	25%	50%	50%	\$251,001	-
EGM Building Products Australia	\$369,000	\$369,000	75%	77%	23%	25%	60%	40%	\$267,075	-
EGM Property & Development	\$290,000	\$312,250	75%	53%	47%	25%	60%	40%	\$159,115	-

* Calculated as % of Target STI opportunity.

** 50% of the MD, CEO and CFO's STI awards deferred into equity, for one year being \$382,009 for the MD, \$188,250 for the CEO and \$125,500 for the CFO.

2.6. Remuneration Component - Long Term Incentives (LTI) for FY2024

What is the LTI?	The Group operates an LTI Plan through the Brickworks Deferred Employee Share Plan and Executive Rights Plan in which employees receive Brickworks Limited shares or performance rights. No consideration is payable by participants for shares or performance rights under the terms of the plan.												
What is the scope of the LTI?	<p>The LTI includes:</p> <ul style="list-style-type: none"> a broad-based employee share plan with 562 employees participating as at 31 July 2024 via 1,086,925 shares on allocation of which 30.36% remain unvested (and 69.64% vested). In addition, 20,013 shares in the plan were forfeited during the year to 31 July 2024; and an Executive Rights Plan with 35 employees participating as at 31 July 2024 via 683,798 rights on allocation of which 66.51% remain unvested (and 33.49% vested). 0 rights were forfeited during the year to 31 July 2024. 												
What is the purpose of the LTI?	<p>The primary purpose of the LTI is the retention of the Company's senior executive team.</p> <p>The LTI also provides alignment between executive remuneration and shareholders, as measured by the absolute and relative total shareholder return (TSR).</p>												
What is the LTI Opportunity for the MD, CEO and CFO?	The value of shares or performance rights granted to the MD was a fixed 75% of total fixed remuneration (including superannuation and car allowance) and to the CEO and CFO 60% of total fixed remuneration. This fixed allocation is subject to Brickworks meeting the absolute and relative TSR performance criteria set out below over the ensuing three-year period.												
What is the LTI Opportunity for other executive KMP?	<p>For all other executive KMP, the LTI base entitlement is up to 50% of total fixed remuneration (excluding car allowance) at target. The allocation made is determined following assessment by the Board of the prior year's performance against STI targets.</p> <p>In years where STI targets are not met in difficult market conditions the Board awards half the LTI opportunity to other executive KMP.</p>												
What LTI performance measures apply to executive KMP (other than the MD, CEO and CFO)?	The vesting of shares/ rights to other executive KMP is undertaken progressively on 31 July for 20% on each anniversary following the allocation date for five years.												
What LTI performance measures apply to the MD, CEO and CFO?	<p>50% of the award made is subject to Brickworks relative total shareholder return (TSR) vesting condition under which Brickworks' TSR is compared to the companies in the S&P/ASX 200 Franking Credit Adjusted Annual Total Return Index over a period of three years from 1 August 2023 to 31 July 2026.</p> <p>The share price used at commencement of each tranche for assessing both relative and absolute TSR performance of Brickworks shares is the 90-day Volume Weighted Average Price (VWAP) prior to 31 July 2023. The actual share price used to compare to the TSR target share price is the 90-day VWAP prior to 31 July 2026.</p> <p>The remaining 50% of the award is subject to an absolute TSR p.a. compounding vesting condition also over the same period.</p>												
How does the Relative TSR measure (50% of each award) work?	<p>A summary of the Relative TSR measure for the MD, CEO and CFO is as follows.</p> <p>Relative TSR measure</p> <table> <tr> <th>Performance Period</th><th>3-year performance period</th></tr> <tr> <td>Measure</td><td>Brickworks' relative TSR inclusive of all grossed dividends measured against the S&P/ASX 200 Franking Credit Adjusted Annual Total Return Index (XJOAI Franked Index)</td></tr> <tr> <td>Vesting</td><td> <p>Below the median - 0% vesting</p> <p>At the median - 50% vesting</p> <p>Between the median and 60th percentile - pro rata vesting on a straight-line basis between 50% and 100%</p> <p>At the 60th percentile or above - 100% vesting</p> </td></tr> <tr> <td>Re-testing</td><td>No re-testing. Testing to be undertaken once only at end of the 3-year period.</td></tr> <tr> <td>Dividends and voting rights</td><td> <p>No dividends or voting rights on unvested performance rights</p> <p>Compensation for dividends will be provided at the end of the performance period only on those rights that meet the performance criteria.</p> </td></tr> <tr> <td>Shareholder approval</td><td>Yes for allocations made to the Managing Director</td></tr> </table>	Performance Period	3-year performance period	Measure	Brickworks' relative TSR inclusive of all grossed dividends measured against the S&P/ASX 200 Franking Credit Adjusted Annual Total Return Index (XJOAI Franked Index)	Vesting	<p>Below the median - 0% vesting</p> <p>At the median - 50% vesting</p> <p>Between the median and 60th percentile - pro rata vesting on a straight-line basis between 50% and 100%</p> <p>At the 60th percentile or above - 100% vesting</p>	Re-testing	No re-testing. Testing to be undertaken once only at end of the 3-year period .	Dividends and voting rights	<p>No dividends or voting rights on unvested performance rights</p> <p>Compensation for dividends will be provided at the end of the performance period only on those rights that meet the performance criteria.</p>	Shareholder approval	Yes for allocations made to the Managing Director
Performance Period	3-year performance period												
Measure	Brickworks' relative TSR inclusive of all grossed dividends measured against the S&P/ASX 200 Franking Credit Adjusted Annual Total Return Index (XJOAI Franked Index)												
Vesting	<p>Below the median - 0% vesting</p> <p>At the median - 50% vesting</p> <p>Between the median and 60th percentile - pro rata vesting on a straight-line basis between 50% and 100%</p> <p>At the 60th percentile or above - 100% vesting</p>												
Re-testing	No re-testing. Testing to be undertaken once only at end of the 3-year period .												
Dividends and voting rights	<p>No dividends or voting rights on unvested performance rights</p> <p>Compensation for dividends will be provided at the end of the performance period only on those rights that meet the performance criteria.</p>												
Shareholder approval	Yes for allocations made to the Managing Director												

Brickworks obtained independent advice regarding the distribution of XJOAI returns above the median which is normally referred to as the index to establish what the level of the TSR performance was over the three previous years at the 75th percentile.

XJOAI Returns	1 July to 31 July 2024	1 July to 31 July 2023	1 Year to 31 July 2022	1 Year to 31 July 2021
At Index Level	7.5%	7.8%	(5.9%)	29.0%
At 60 th percentile	13.8%	13.8%	1.1%	40.1%
At 75th Percentile	27.0%	25.1%	9.1%	64.9%
BKW	15.3%	28.4%	(10.0%)	58.3%

We note the difficulty with delivering TSR results in excess of 27.0% in the current macroeconomic climate.

More appropriately, Brickworks has adopted the 60th percentile, which requires a very challenging hurdle for 100% vesting. At the 60th percentile the average annual return over a 4-year period ended 31 July 2024 was 17.2% compared to 31.5% at 75th percentile.

Overall, the Board's emphasis is on establishing long term sustainable profit streams. The over-arching objective is to reinvest to deliver sustainable long-term profits, while continually reducing production costs through technical innovation.

How does the Absolute TSR measure (50% of each award) work?

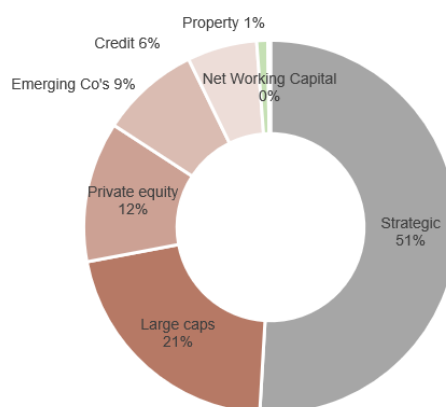
A summary of the Absolute TSR measure for the MD, CEO and CFO is as follows.

Absolute annual compounding TSR measure

Performance Period	3-year performance period
Vesting	<p>Less than 6% - 0% vesting</p> <p>Equal to 6%- 50% vesting</p> <p>Between 6% and 8% - pro rata vesting on a straight-line basis between 50% and 100%</p> <p>Equal to 8% or greater- 100% vesting</p>
Re-testing	No re-test. Testing is to be undertaken once only at end of the 3-year period
Dividends and voting rights	<p>No dividends or voting rights on unvested performance rights</p> <p>Compensation for dividends will be provided at the end of the performance period only on those rights that meet the performance criteria</p>

Why is an absolute TSR measure considered appropriate for LTI Awards to the MD, CEO and CFO?

- Brickworks has a diversified portfolio of assets through its investment in Washington H. Soul Pattinson & Company Limited (**Soul Patts**)
- Brickworks' look through asset exposure shows that, in addition to building products (25%) and property (30%), the Company has exposure to other companies in telecommunications, finance, energy and health through its investment in Soul Patts.



<p>Why is an absolute TSR measure combined with a relative TSR measure considered appropriate for LTI Awards to the MD, CEO and CFO?</p>	<p>The Board believes that when combined with the STI, the performance criteria for the MD, CEO and CFO under the LTI provides the most suitable link to long-term security holder value creation because:</p> <ul style="list-style-type: none"> absolute TSR ensures vesting is commensurate with the Company's actual TSR, meaning there are no awards when TSR is negative and it also provides a good line of sight for the MD, CEO and CFO; measuring TSR on a relative basis levels the playing field by removing overall market movements and industry economics for the evaluation of MD, CEO and CFO performance. Relative TSR provides a relative, external market performance measure having regard to a peer group of ASX200 companies with which the Company competes for capital, customers and talent; the use of relative TSR ensures that the MD, CEO and CFO are motivated to deliver returns that are superior to what a security holder could achieve in the broader market and ensures as the most senior management they maintain a strong focus on security holder outcomes; Brickworks calculates its after tax TSR incorporating the full value of franking credits. The S&P ASX 200 Franking Credit adjusted annual total return Index also adjusts the total return for the tax effect of franking credits to ensure consistency of calculations; the use of the S&P/ASX 200 Franking Credit adjusted annual total return Index was chosen as the relative performance target following testing of this group against a range of historical and future share price/payout scenarios to confirm that outcomes align with the Company's historical notion of superior long-term performance. having regard to the overall size and market capitalisation of Brickworks, and the diverse nature of the Brickworks Group across Property, Building Products and its investment in Soul Patts, the Board considers the XJOAI Franked Index as the most appropriate Index for relative performance assessment; and while the Board appreciates that there are at times different views held by different stakeholders, it considers that these measures provide the appropriate balance between market and non-market measures.
<p>Are shareholders asked to approve LTI Awards made to the MD?</p>	<p>Yes. Performance rights allocated to the MD are put to shareholders for approval at the AGM.</p>
<p>Can the Board clawback LTI Awards?</p>	<p>Historically clawback clauses have not been applicable for LTI allocations. The Board and the Remuneration and Committee have discretion about the remuneration outcomes wherever and whenever this is considered appropriate. This discretion also applies in the event of financial misstatement, reputational damage and/or evidence of misconduct.</p>
<p>What happens to LTI Awards on a Change of Control of Brickworks?</p>	<p>If a change of control event occurs in relation to Brickworks Limited then any shares or performance rights held by the employee share plan trust on behalf of a participant will vest.</p>
<p>What dividend rights attached to LTI Awards?</p>	<p>Dividends will not be paid on unvested performance rights and will only be granted in proportion to the vested grants at the end of the performance period.</p>
<p>How are LTI Awards satisfied?</p>	<p>The Board has the discretion to either purchase shares on-market or to issue new shares for participants.</p> <p>During the year rights were granted to the MD, CEO and CFO and executive KMP through the LTI executive rights plan. Shares granted to employees other than the MD, CEO and CFO and executive KMP were issued as new shares.</p>
<p>Are executive KMP prohibited from entering financial derivatives in respect of Brickworks shares?</p>	<p>Under the Company's Securities Trading Policy Brickworks shares are not permitted to be used to secure any type of financial product such as margin loans or similar. Options, collars and/or other financial derivatives must not be used in respect of any Brickworks shares</p>

2.7. LTI Outcomes FY2024 MD, CEO and CFO

Brickworks TSR is defined as the change in share price plus dividends (grossed up for associated franking credits). This forms part of the criteria used for assessing the vesting of LTI plan shares and performance rights under the absolute TSR test and relative TSR test.

The current CEO and CFO have vesting in FY2024 for historical rights plan allocations made when they were in former roles at the Company.

ERP Awards Vesting FY2024	CEO	11,094
	CFO	4,133

Relative and absolute TSR performance (MD)

Rights allocations made to the Managing Director in 2021 were tested at 31 July 2024.

During the 3-year period from 1 August 2021 to 31 July 2024, Brickworks generated a compounding TSR of 33.4% (equal to an annual compounding TSR of 10.1%), which would place BKW at the 70th percentile of the S&P/ASX200 constituents. As this ranking is higher than the 60th percentile threshold for 100% vesting, all awards under the Relative TSR test will vest (25,303 rights).

During the 3-year period from 1 August 2021 to 31 July 2024, Brickworks generated a compounding TSR of 33.4% (equal to an annual compounding TSR of 10.1%) which was higher than the 8% pa compound measure and 100% of the awards under the absolute TSR test will vest (25,303 rights).

2.8. Other Company wide share plan

In addition to the Brickworks Deferred Employee Share Plan referred to above, Brickworks operates the Brickworks Exempt Employee Share Plan as part of the remuneration structure of the Group. All employees of Brickworks with a minimum 3 month's service are eligible to join the Brickworks Exempt Employee Share Plan, whereby the employee may salary sacrifice an amount toward the purchase of Brickworks ordinary shares and the Company contributes a maximum of \$3 per employee per week. The plans are aimed at encouraging employees to share in ownership of their Company and help to align the interests of all employees with that of the shareholders.

2.9. Market purchases

In accordance with ASX Listing Rule 10.14, the Company contribution to the Brickworks Exempt Employee Share Plan is unavailable to Directors of Brickworks.

An employee's right to transact shares in a share plan is governed by the trust deeds for those Plans and the Company's policy regarding trading windows.

At 31 July 2024, there were 765 employees participating in the Brickworks Deferred Employee Share Plan and the Brickworks Exempt Employee Share Plan, holding 1,186,984 shares and 35 employees participating in the Executive Rights Plan holding 214,623 shares (0.92% of issued capital).

During the year, all monthly share purchases through the Exempt Employee Share Plan were performed on market. Shares granted through the Deferred Employee Share Plan to employees were issued as new shares.

3. KMP Employment Contracts

3.1. Termination payments

A payment will be made by the Company to KMP upon termination or bona-fide retirement, equivalent to a proportion (not exceeding 100%) of each executive KMP's average base pay for the previous 3 years, and any unvested shares or performance rights held on behalf of the executive KMP will remain within the employee share plan and retain their performance/vesting criteria. If an executive KMP resigns, any unvested shares or rights will be forfeited. The Board and the Remuneration and Nomination Committee have discretion about the remuneration outcomes wherever and whenever this is considered appropriate. This discretion also applies in the event of financial misstatement, reputational damage and/or evidence of misconduct.

Brickworks does not have fixed term contracts with its executive KMP. It can terminate an executive KMP's employment on six months' notice (or payment in lieu of notice).

If the MD or any other executive KMP is subject to immediate termination (for cause as defined in their employment contract), Brickworks is not liable for any termination payments to the employee other than any outstanding base pay and accrued leave amounts. All unvested shares or performance rights held on their behalf by the Brickworks Deferred Employee Share Plan or the Brickworks Executive Rights Plan will be forfeited.

3.2. Executive KMP Restraint

All executive KMP's gain strategic business knowledge during their employment. Brickworks will use any means available to it by law to ensure that this information is not used to the detriment of the Company by any employee following termination. To protect the Group's interests, Brickworks had an enforceable restraint through the executive KMP's employment contract to prevent executive KMPs from either going to work for a competitor, or inducing other employees to leave the Company, for a specified period.

The terms of the restraint to prevent employees from going to work for a competitor, customer or supplier are for commensurate periods of between 6 and 12 months. A breach of the restraint conditions by an employee places at risk a potential monthly restraint payment at the discretion of the Company.

The termination payments referred to above, together with the fact that most executive KMP generally will also have unvested shares with a value in excess of the base remuneration for the restraint period at any time, are intended to discourage executive KMP with deep corporate knowledge and significant capacity to contribute to the profitability of the Company from seeking employment with competitors.

4. Non-executive Directors

The remuneration of non-executive Directors is determined by the full Board after consideration of Group performance and market rates for Directors' remuneration. Non-executive Director fees are fixed each year and are not subject to performance-based incentives. Brickworks' non-executive Directors are not employed under employment contracts.

The maximum aggregate level of fees which may be paid to non-executive Directors is required to be approved by shareholders in a general meeting. This figure is currently \$1,500,000 and was approved by shareholders at the 2022 Annual General Meeting. Brickworks' constitution requires that Directors must own a minimum of 500 shares in the Company within two months of their appointment. All Directors complied with this requirement during the year.

The Directors Fees, inclusive of superannuation guarantee charge, for FY2024 and FY2025 are as follows:

	FY2024	FY2025
Chair	\$293,857	\$305,611
NED Base Fee	\$146,929	\$152,805
Member - Audit & Risk Committee	\$9,042	\$15,000
Member - Remuneration & Nomination Committee	\$11,302	\$11,755
Chair - Audit & Risk Committee	\$28,934	\$40,000
Chair - Remuneration & Nomination Committee	\$43,345	\$45,079

Under legacy arrangements, non-executive Directors appointed prior to 30 June 2003 were entitled to receive benefits upon their retirement from office. These benefits were frozen with effect from 30 June 2003 and are not indexed. The Company has obtained specific independent legal advice regarding the entitlements of the three non-executive Directors referred to below which has confirmed that the amounts listed in the table will be payable, as they have been grandfathered under the previous legislation relating to the retirement benefits of non-executive Directors. These benefits for one participating Director, which have been fully provided for in the Company's financial statements, are as follows:

Name	Benefit as at 30 June 2003
R. Millner	\$300,000

5. Remuneration of Key Management Personnel

5.1. Table of Remuneration to KMP

The fees payable to non-executive Directors and the remuneration payable to other executive KMP during the financial year ended 31 July 2024 are disclosed in the following table.

	Year	Base fees/salary	Non-monetary benefits	Post Employment (Super)	Total fixed remuneration	Short Term Incentive	Long Term Incentive ⁵	Other	Total
Directors									
RD Millner	2024	266,414	-	27,547	293,961	-	-	-	293,961
	2023	254,793	-	26,860	281,653	-	-	-	281,653
MP Bunday	2024	185,465	-	20,476	205,941	-	-	-	205,941
	2023	163,883	-	17,276	181,159	-	-	-	181,159
DR Page	2024	187,236	-	-	187,236	-	-	-	187,236
	2023	178,993	-	-	178,993	-	-	-	178,993
RN Stubbs	2024	150,696	-	16,639	167,335	-	-	-	167,335
	2023	145,036	-	15,289	160,325	-	-	-	160,325
JA Fitzgibbon	2024	150,696	-	16,639	167,335	-	-	-	167,335
	2023	84,907	-	8,976	93,883	-	-	-	93,883
MJ Millner ⁶	2024	43,561	-	5,227	48,788	-	-	-	48,788
	2023	137,196	-	14,463	151,659	-	-	-	151,659
TJ Barlow ⁷	2024	18,413	-	2,085	20,498	-	-	-	20,498
RJ Webster ⁸	2023	47,477	-	4,985	52,462	-	-	-	52,462
LR Partridge	2024	1,677,181	28,630	27,610	1,733,421	764,019	1,174,762	1,810,622 ⁹	5,482,824
	2023	1,616,208	7,529	25,468	1,649,205	1,145,128	743,777	-	3,538,110
Total	2024	2,679,662	28,630	116,223	2,824,515	764,019	1,174,762	1,810,622	6,573,918
	2023	2,628,493	7,529	113,317	2,749,339	1,145,128	743,777	-	4,638,244

⁵ Reflects the grant date fair value of the shares/executive rights vested during the financial year. The share-based expense recognized in respect of LR Partridge (including cash-settled share-based payment) amounted to \$1,969,613 (2023: \$670,852). Current year expense includes the accelerated share-based expense following the MD retirement. Vesting conditions continue to apply.

⁶ MJ Millner retired on 21 November 2023 and was paid a retirement benefit of \$150,000 recognised as an expense in prior years.

⁷ TJ Barlow was appointed on 14 June 2024.

⁸ RJ Webster retired on 22 November 2022 and was paid a retirement benefit of \$93,750 in FY2023 which had been recognised as an expense in prior years.

⁹ Represents the final retirement payment recognised as an expense in FY2024 and paid on 2 August 2024. Includes a retirement benefit of \$1,646,700, as well as the statutory in lieu of notice entitlement of \$163,922.

	Year	Base fees/salary	Non-monetary benefits	Post Employment (Super)	Total fixed remuneration	Short Term Incentive	Long Term Incentive ¹⁰	Other	Total
Other Key Management Personnel									
MA Ellenor ¹¹	2024	1,022,601	10,697	27,610	1,060,908	376,501	225,578	-	1,662,987
	2023	1,464,045	46,291	25,468	1,535,804	438,825	275,522	-	2,250,151
GS Douglas ¹²	2024	672,601	18,107	27,610	718,318	251,001	81,903	-	1,051,222
	2023	582,104	13,901	23,360	619,365	362,757	106,516	-	1,088,638
MM Kublins	2024	597,101	6,759	27,610	631,470	159,115	393,291	-	1,183,876
	2023	579,208	7,697	25,468	612,373	271,340	399,307	-	1,283,020
DT Fitzharris ¹³	2024	414,517	40,580	16,194	471,291	267,075	318,640	-	1,057,006
RC Bakewell ¹⁴	2023	476,996	24,446	14,754	516,196	-	382,809	178,324	1,077,329
Total	2024	2,706,820	76,143	99,024	2,881,987	1,053,692	1,019,412	-	4,955,091
	2023	3,102,353	92,335	89,050	3,283,738	1,072,922	1,164,154	178,324	5,699,138

Note: In addition to the total benefits above, these KMPs accrued leave entitlements during the year as follows:

- ▶ L R Partridge: net decrease of \$389,980 in accrued leave entitlements (2023: \$210,566 increase)
- ▶ M A Ellenor: net increase of \$163,220 in accrued leave entitlements (2023: \$32,067 increase)
- ▶ G S Douglas: net increase of \$32,002 in accrued leave entitlements (2023: \$61,795 increase)
- ▶ M Kublins: net decrease of \$3,538 accrued leave entitlements (2023: \$21,434 decrease)
- ▶ D Fitzharris: net decrease of \$24,359 accrued leave entitlements
- ▶ R C Bakewell: Nil in accrued leave entitlements (2023: \$70,448 net increase in accrued leave entitlements)

5.2. Director and Key Management Personnel shareholdings and performance rights

The number of shares held in Brickworks Limited during the financial year by each director and key management personnel, including their related entities are set out below.

Non-Executive Directors

	Held 31 July 2023	Acquired	Shares Disposed	Held 31 July 2024
RD Millner	4,817,967	-	-	4,817,967
MP Bunday	3,970	-	-	3,970
DR Page	17,400	-	-	17,400
RN Stubbs	1,000	-	-	1,000
JA Fitzgibbon	500	500	500	500
TJ Barlow ¹	N/A	2,000	-	2,000
MJ Millner ²	4,797,141			N/A

1. Todd Barlow was appointed to the Board on 14 June 2024.
2. Michael Millner retired as a director on 21 November 2023. This represents the number of shares held as at his retirement date.

¹⁰ Reflects the grant date fair value of the shares/executive rights vested during the financial year. The share-based expense recognized in respect of the KMP listed below (including cash-settled share-based payment) was as follows:

- MA Ellenor \$294,013 (2023: \$298,354)
- GS Douglas \$294,393 (2023: \$136,977)
- MM Kublins \$372,363 (2023: \$444,444)
- DT Fitzharris \$201,196
- RC Bakewell (2023: \$448,417)

¹¹ MA Ellenor was EGM - Building Products from August 2022, Chief Operating Officer from August 2023 and Chief Executive Officer from April 2024. The prior year USD denominated remuneration was translated using an AUD/USD rate of 0.6725 representing an average rate for FY2023. Includes a secondment allowance of AUD 378,781 (USD 254,730) which ceased to be paid on 1 August 2023 on MA Ellenor's return to Australia.

¹² GS Douglas is considered KMP from 29 August 2022 following his appointment to the CFO role in the prior year.

¹³ DT Fitzharris is considered KMP from 1 January 2024 following his appointment to the role of the Executive GM – Building Products Australia.

¹⁴ RC Bakewell ceased employment on 28 February 2023. Other benefits represent a termination benefit of \$178,324.

Executive Key Management Personnel

Executive Director and Key Management Personnel shareholdings and performance rights

#	Held 31 July 2023				Granted as Remuneration ¹		Shares Acquired ²	Shares Disposed	Held 31 July 2024			
	FPO	DESP	ERP	STI Def	ERP	STI Def			FPO	DESP	ERP	STI Def
LR Partridge	226,000	6,973	82,049	33,182	90,779	20,558	100,644	(196,598)	130,406	0	141,385	20,558
MA Ellenor	14,824	2,955	38,572	N/A	22,789	N/A	15,260	(4,000)	26,084	0	50,270	N/A
GS Douglas	1,326	1,459	11,126	N/A	29,299	6,512	6,151	(5,273)	2,204	0	36,296	6,512
MM Kublins	67,525	3,566	57,545	N/A	9,815	N/A	21,938	(28,048)	61,415	0	50,802	N/A
DT Fitzharris	95,500	3,216	42,598	N/A	12,013	N/A	16,527	-	112,027	0	42,593	N/A

#

FPO Fully paid ordinary shares**DESP** Deferred Employee Share Plan**ERP** Executive Rights Plan**STI Deferred** Short Term Incentive Deferred Plan – MD and CFO's 50% of STI awards deferred into equity restricted for one year.

1. Granted as remuneration under the ERP or STI Deferred Plan.

2. Shares acquired through vesting under the DESP, ERP or STI Deferred Plans and FPO shares purchased.

No options over unissued shares or interests in Brickworks Limited or a controlled entity were granted or lapsed during or since the end of the financial year and there were no options outstanding at the date of this report. No shares or interests have been issued during or since the end of the year as a result of the exercise of any option over unissued shares or interests in Brickworks or any controlled entity.

5.3. Liabilities recognised in respect of Key Management Personnel

Due to a delay in the allocation of shares and executive rights during the year, the Group entered into an arrangement with impacted employees (including KMP) to compensate them for the difference in share price between the scheduled and actual allocation of LTI during the financial year.

The Group has recognised a cash settled share-based payment expense, which is recognised as a liability representing Board approved compensation for the difference in the allocation price of:

- ▀ Shares and executive rights allocated as part of the FY2023 LTI plans. This includes executive rights allocated to the MD/CEO/CFO following the 2023 AGM approval.
- ▀ Shares allocated to the MD/CFO FY23 as part of the deferred STI scheme
- ▀ Executive rights allocated to the MD/CFO as part of the FY2022 LTI plants following the 2022 AGM approval.

The liability, which will be paid in cash, will be paid subject to vesting of the underlying executive rights and deferred STI they are derived from and is subject to annual remeasurement with reference to the share price at the balance date. Cash settled share-based payment expense recognised in the current financial year in respect of each KMP with reference to the vesting period was as follows:

- ▀ LR Partridge \$519,625
- ▀ MA Ellenor \$21,999
- ▀ GS Douglas \$103,243
- ▀ MM Kublins \$5,937
- ▀ DT Fitzharris \$7,291.

Note – a similar compensation arrangement was established for all employees allocated executive rights or shares under the Deferred Employee Share Plan for the FY2023 allocation

Auditor's Independence Declaration

Following a mandatory partner rotation, the financial year ended 31 July 2024 is the fourth year with Jodie Inglis as audit partner.

The Directors received an independence declaration from the auditor, EY. A copy has been included on page 67 of the report.

Provision of non-audit services by external auditor

During the year the external auditors, EY, provided non-audit services to the Group, totalling \$78,500. The non-audit services were for the provision for tax advisory services, as well as advisory services in relation to sustainability.

The Directors are satisfied that the provision of non-audit services is compatible with general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and the scope of each type of services provided means that auditor independence was not compromised.

The details of total amounts paid to the external auditors are included in note 7.3 to the financial statements.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, EY, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify EY during or since the financial year.

Proceedings on behalf of the Company

No person has applied for leave of the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Indemnification of Directors and officers

The Company's Rules provide for an indemnity of Directors, executive officers and secretaries where liability is incurred in connection with the performance of their duties in those roles other than as a result of their negligence, default, breach of duty or breach of trust in relation to the Company. The Rules further provide for an indemnity in respect of legal costs incurred by those persons in defending proceedings in which judgment is given in their favour, they are acquitted or the Court grants them relief.

Since the end of the previous financial year, the Company has paid insurance premiums in respect of Directors' and officers' liability. The insured persons under those policies are defined as all Directors (being the Directors named in this Report), executive officers and any employees who may be deemed to be officers for the purposes of the *Corporations Act 2001*.

Rounding of Amounts

The Company has applied the relief available to it under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and accordingly, amounts in the financial report and Directors' report have been rounded off to the nearest \$1,000 where allowed under that instrument.

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

Dated: 26 September 2024



R.D. MILLNER AO

Director



**Building a better
working world**

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's independence declaration to the directors of Brickworks Limited

As lead auditor for the audit of the financial report of Brickworks Limited for the financial year ended 31 July 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 audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

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

Ernst & Young

Jodie Inglis
Partner
26 September 2024

Consolidated

Financial Statements

Consolidated Income Statement

	Note	31 July 2024 \$'000	31 July 2023 \$'000
Continuing operations			
Revenue	2.2	1,089,414	1,181,859
Cost of sales		(758,005)	(832,135)
Gross profit		331,409	349,724
Loss on deemed disposal of associate		-	(994)
Other income	2.2	6,322	277,834
Distribution expenses		(79,437)	(94,017)
Administration expenses		(59,149)	(60,920)
Selling expenses		(147,805)	(151,390)
Impairment of non-current assets	3.2,3.3	(189,027)	(62,701)
Restructuring costs		(20,505)	(41,033)
Loss on sale of investments		(16,392)	-
Other expenses		(49,356)	(35,952)
Loss on derecognition of associate		-	(11,273)
Share of net profits of associates and joint ventures	2.3	60,710	402,729
(Loss)/profit from continuing operations before finance cost and income tax		(163,230)	572,007
Finance costs	2.2	(79,395)	(59,563)
(Loss)/profit from continuing operations before income tax		(242,625)	512,444
Income tax benefit/(expense)	4.1	125,390	(107,180)
(Loss)/profit from continuing operations after tax		(117,235)	405,264
Discontinued operations			
Loss from discontinued operations, net of income tax benefit	6.5	(1,650)	(10,570)
(Loss)/profit after tax		(118,885)	394,694
(Loss)/profit after tax attributable to:			
Shareholders of Brickworks Limited		(118,885)	394,694
		Cents	Restated Cents ¹
Earnings per share attributable to the shareholders of Brickworks Limited			
Basic (cents per share)	2.4	(88.2)	293.9
Diluted (cents per share)	2.4	(88.2)	292.5
Basic (cents per share) from continuing operations	2.4	(87.0)	301.7
Diluted (cents per share) from continuing operations	2.4	(87.0)	300.4

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

¹ The prior year Earnings Per Share measure was restated to reflect the adjustments to the weighted average number of shares outstanding during the prior period. Refer note 2.4.

Consolidated Statement of Other Comprehensive Income

	Note	31 July 2024 \$'000	31 July 2023 \$'000
(Loss)/profit after tax		(118,885)	394,694
Other comprehensive income, net of tax			
<i>Items that may be subsequently reclassified to Income Statement</i>			
Share of decrements in reserves attributable to associates and joint ventures		(7,369)	(40,632)
Foreign currency translation		169	2,344
Income tax benefit relating to these items	4.1	2,211	12,190
Net other comprehensive loss that may be reclassified to Income Statement		(4,989)	(26,098)
<i>Items not to be subsequently reclassified to Income Statement</i>			
Share of increments in reserves attributable to associates and joint ventures		14,800	17,267
Net fair value gain/(loss) on financial assets at fair value through other comprehensive income		19,953	(2,155)
Income tax expense relating to these items	4.1	(10,264)	(6,498)
Net other comprehensive income not to be reclassified to Income Statement		24,489	8,614
Other comprehensive income/(loss), net of tax		19,500	(17,484)
Total comprehensive (loss)/income		(99,385)	377,210
Total comprehensive (loss)income, attributable to:			
Shareholders of Brickworks Limited		(99,385)	377,210

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

Consolidated Balance Sheet

	Note	31 July 2024 \$'000	31 July 2023 \$'000
Cash and cash equivalents	5.2	62,574	69,565
Receivables	3.1	126,572	147,387
Inventories	3.1	355,157	319,122
Prepayments		10,367	12,770
Contract assets	3.1	1,231	1,321
Current income tax asset	4.2	892	1,095
Assets classified as held for sale	6.5	3,033	13,532
Derivative financial assets	5.4,5.8	828	417
Total current assets		560,654	565,209
Inventories	3.1	6,567	7,180
Financial assets at fair value through other comprehensive income	5.3	35,121	13,107
Investments accounted for using the equity method	6.3	4,224,022	4,397,730
Derivative financial assets	5.4	-	2,446
Property, plant and equipment	3.2	598,589	631,858
Right-of-use assets	3.3	314,747	375,720
Intangible assets	3.2	102,875	144,437
Total non-current assets		5,281,921	5,572,478
TOTAL ASSETS		5,842,575	6,137,687
Payables	3.1	138,102	136,032
Post-employment liabilities	3.5	963	984
Contract liabilities	3.1	5,793	8,465
Lease liabilities	3.3	55,386	46,840
Other financial liabilities	5.5	2,641	2,922
Liabilities directly associated with assets classified as held for sale	6.5	7,127	16,760
Provisions	3.4	77,815	93,226
Total current liabilities		287,827	305,229
Borrowings	5.4	732,077	711,552
Derivative financial liabilities	5.4	459	457
Post-employment liabilities	3.5	17,232	16,165
Lease liabilities	3.3	561,674	561,662
Other financial liabilities	5.5	9,029	10,608
Provisions	3.4	31,288	29,971
Deferred income tax liability	4.2	821,217	941,028
Total non-current liability		2,172,976	2,271,443
TOTAL LIABILITIES		2,460,803	2,576,672
NET ASSETS		3,381,772	3,561,015
Issued capital	5.6	407,015	399,835
Reserves	5.7	190,604	168,829
Retained profits		2,784,153	2,992,351
TOTAL EQUITY		3,381,772	3,561,015

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 year ended 31 July 2024					
Balance at 1 August 2023		399,835	168,829	2,992,351	3,561,015
Loss after tax		-	-	(118,885)	(118,885)
Other comprehensive income – net of tax		-	19,500	-	19,500
Net dividends paid	2.5	-	-	(89,313)	(89,313)
Share issue costs	5.6	(26)	-	-	(26)
Issue of shares through employee share plan	5.7	3,600	(3,600)	-	-
Shares vested to employees	5.6	3,366	(3,366)	-	-
Shares purchased under STI scheme	5.6	(754)	754	-	-
Shares vested under STI scheme	5.6	994	(994)	-	-
Share based payments expense	7.1	-	9,481	-	9,481
Balance at 31 July 2024		407,015	190,604	2,784,153	3,381,772
For the year ended 31 July 2023					
Balance at 1 August 2022		392,263	183,615	2,684,116	3,259,994
Profit after tax		-	-	394,694	394,694
Other comprehensive loss – net of tax		-	(17,484)	-	(17,484)
Net dividends paid	2.5	-	-	(86,459)	(86,459)
Share issue costs	5.6	(23)	-	-	(23)
Issue of shares through employee share plan	5.7	2,521	(2,521)	-	-
Shares vested to employees	5.6	5,216	(5,216)	-	-
Shares purchased under STI scheme	5.6	(994)	994	-	-
Shares vested under STI scheme	5.6	852	(852)	-	-
Share based payments expense	7.1	-	10,293	-	10,293
Balance at 31 July 2023		399,835	168,829	2,992,351	3,561,015

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

Consolidated Statement of Cash Flows

	Note	31 July 2024 \$'000	31 July 2023 \$'000
Cash flows from operating activities			
Receipts from customers		1,175,311	1,265,608
Payments to suppliers and employees		(1,124,044)	(1,237,135)
Interest received		1,370	635
Interest and other finance costs paid		(77,121)	(55,554)
Dividends and distributions received		128,910	124,944
Income tax paid		(383)	(1,357)
Net cash from operating activities		104,043	97,141
Cash flows from investing activities			
Purchases of property, plant and equipment		(73,345)	(113,662)
Proceeds from sale of property, plant and equipment		4,589	28,809
Purchases of intangible assets		(1,527)	(2,121)
Purchase of investments		(11,233)	(29,910)
Proceeds from sale of investments		117,303	-
Purchase of controlled entities, net of cash acquired ¹		(3,344)	(1,903)
Net cash from/(used in) investing activities		32,443	(118,787)
Cash flows from financing activities			
Proceeds from borrowings		208,622	285,061
Repayments of borrowings		(197,647)	(160,000)
Payment of principal portion of lease liabilities		(53,351)	(44,358)
Share issue costs		(27)	(23)
Dividends paid		(100,633)	(97,436)
Net cash used in financing activities		(143,036)	(16,756)
Net decrease in cash held		(6,550)	(38,402)
Effects of exchange rate changes on cash		(441)	1,884
Cash at the beginning of the financial year		69,565	106,083
Cash at the end of the financial year	5.2	62,574	69,565
(Loss)/Profit after tax		(118,885)	394,694
<i>Adjustments for non-cash items</i>			
Depreciation and amortisation		37,119	36,934
Amortisation of right-of-use assets		53,799	38,523
Non-cash amortisation of borrowing costs		(1,975)	(5,518)
Capitalised borrowing costs on qualifying asset		-	(310)
Net fair value change on derivatives		2,036	(1,388)
Impairment of assets held for sale		-	5,933
Impairment of non-current assets		189,027	62,701
Loss on deemed disposal of associate		-	994
Net gains on disposal of property, plant and equipment		(2,330)	(297,900)
Loss on derecognition of an associate		-	11,273
Loss on sale of investments		16,392	-
Non-cash share based payment expense		9,481	10,293
Share of net profit/(loss) of investments accounted for using the equity method		68,200	(277,785)
Net cash provided by operating activities before changes in assets and liabilities		252,864	(21,556)
<i>Changes in assets and liabilities net of effects from business combinations</i>			
(Increase)/decrease in receivables		25,444	5,811
(Increase)/decrease in inventories		(28,217)	19,864
(Increase)/decrease in net contract assets		(1,378)	132
Movement in right of use assets and lease liabilities		(1,145)	5,513
(Increase)/decrease in prepayments		2,399	(812)
(Decrease)/increase in payables		(3,151)	(12,910)
(Decrease)/increase in provisions		(16,261)	541
(Decrease)/increase in post-employment liabilities		540	(478)
(Decrease)/increase in other financial liabilities		740	406
(Decrease)/increase in current and deferred income tax		(127,792)	100,630
Net cash provided by operating activities		104,043	97,141

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

¹ Includes a deferred consideration payment of \$ 3.3 million in the current year (2023: \$1.9 million). Refer Note 5.5.

Notes

to the Consolidated Financial Statements

1. About this report

This section sets out the basis upon which the financial statements are prepared as a whole. Significant and other accounting policies underpinning the recognition and measurement basis of assets and liabilities are summarised throughout the notes to the financial statements. Other accounting policies are outlined in note 7.6.

1.1. Statement of compliance and basis of preparation

The financial statements comprise Brickworks Limited and its controlled entities (the “Group”).

Brickworks Limited (ABN 17 000 028 526) is a for profit company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Stock Exchange (ASX code: BKW).

The nature of the operations and principal activities of the Group are described in note 2.1.

The Group’s consolidated financial statements are general purpose financial statements which:

- have been prepared in accordance with Australian Accounting Standards (AASBs), other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*;
- comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB);
- incorporate the results of each controlled entity from the date Brickworks Limited obtains control and until such time as it ceases to control an entity;
- have been prepared on a historical cost basis, except for derivative financial instruments, financial assets at fair value through other comprehensive income and investment property held within the property trusts, which have been measured at fair value. Other financial assets including receivables and borrowings have been measured at amortised cost;
- are presented in Australian dollars, which is the Group’s functional currency¹;
- adopt all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or after 1 August 2023;
- do not early adopt any Accounting Standards and Interpretations that have been issued or amended but are not yet effective as disclosed in Note 7.6.

The financial statements were authorised for issue in accordance with a resolution of directors on 26 September 2024.

1.2. Key estimates or judgements

In the process of applying the Group’s accounting policies, management has made a number of judgements and applied estimates of future events. The areas involving a higher degree of judgement and complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the following areas:

Note	Judgement/Estimate
3.2(a)	Property, plant and equipment
3.2(c)	Non-current assets impairment assessment
3.3	Right-of-use assets and lease liabilities
3.4	Provisions
6.3(b)	Equity accounted investments - Fair value of investment property

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.

1. About this report (continued)

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 statement of financial position.

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.	Operating Assets and Liabilities	Provides a breakdown of individual line items in the balance sheet that are considered most relevant to users of the financial report.
4.	Income Tax	Provides the information considered most relevant to understanding the taxation treatment adopted by the Group during the financial year.
5.	Capital and Risk Management	Provides information about the capital management practices of the Group and its exposure to various financial risks.
6	Group Structure	Explains significant aspects of the Brickworks' group structure, including its controlled entities and equity accounted investments in which the Group has an interest. When applicable, it also provides information on business acquisitions or disposals of subsidiaries made during the year.
7.	Other	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.

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 July 2024	Building Products Australia	Building Products North America	Property	Investments	Continuing operations	Discontinued operations ²	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE							
Sale of goods ³	603,516	439,282	-	-	1,042,798	1,318	1,044,116
Revenue from supply and install contracts ⁴	40,316	-	-	-	40,316	1,293	41,609
Interest received	-	-	-	1,370	1,370	-	1,370
Rental revenue	212	49	57	-	318	-	318
Other operating revenue	1,584	2,996	32	-	4,612	-	4,612
Revenue	645,628	442,327	89	1,370	1,089,414	2,611	1,092,025
RESULT							
Segment EBITDA	102,473	43,139	(94,651)	137,346	188,307	(2,456)	185,851
Amortisation of right-of-use assets	(44,147)	(9,652)	-	-	(53,799)	-	(53,799)
Depreciation and amortisation	(17,036)	(20,083)	-	-	(37,119)	-	(37,119)
Segment EBIT (before gain on sale of land and buildings)	41,290	13,404	(94,651)	137,346	97,389	(2,456)	94,933
Loss on sale of investments	-	-	(16,392)	-	(16,392)	-	(16,392)
Gain on sale of land and buildings	-	322	1,079	-	1,401	-	1,401
Total segment EBIT	41,290	13,726	(109,964)	137,346	82,398	(2,456)	79,942
<u>Unallocated expenses</u>							
▀ Significant items					(229,717)	119	(229,598)
▀ Borrowing costs ⁵					(78,650)	-	(78,650)
▀ Other unallocated expenses					(16,656)	-	(16,656)
Profit/ (loss) before income tax					(242,625)	(2,337)	(244,962)
Income tax (expense)/benefit ¹					125,390	687	126,077
Profit/ (loss) after income tax					(117,235)	(1,650)	(118,885)

¹ Included in the income tax expense is tax benefit related to significant items amounting to \$51,199,000.

² Refer to Discontinued operations – Note 6.5.

³ Recognised at a point in time.

⁴ Recognised over time.

⁵ Borrowing costs are presented inclusive of fair value change on derivatives \$2,036,000 and exclude items disclosed in the "Significant items" line.

2. Financial Performance (continued)

2.1 Segment Reporting (continued)

31 July 2024 (continued)	Building Products Australia	Building Products North America	Property	Investments	Continuing operations	Discontinued operations ²	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS							
Segment assets	997,380	583,030	2,007,140	2,250,269	5,837,819	3,033	5,840,852
Unallocated assets					1,723	-	1,723
Total assets					5,839,542	3,033	5,842,575
LIABILITIES							
Segment liabilities	725,069	150,192	7,123	481,123	1,363,507	7,127	1,370,634
Borrowings					732,077	-	732,077
Other unallocated liabilities		-			358,092	-	358,092
Total liabilities					2,453,676	7,127	2,460,803
OTHER							
Share of profit of an associate and a joint venture	1,509	-	(91,464)	150,665	60,710	-	60,710
Carrying value of investments accounted for by the equity method	20,278	-	2,007,140	2,196,604	4,224,022	-	4,224,022
Acquisition of non-current segment assets	32,569	45,647	9,172	2,061	89,449	-	89,449
Non-cash expenses other than depreciation and amortisation	145,121	142,533	-	-	287,654	-	287,654
31 July 2023							
REVENUE							
Sale of goods ³	682,253	445,283	-	-	1,127,536	6,070	1,133,606
Revenue from supply and install contracts ⁴	50,972	-	-	-	50,972	33,760	84,732
Interest received	-	-	-	635	635	-	635
Rental revenue	182	99	72	-	353	-	353
Other operating revenue	994	1,315	54	-	2,363	-	2,363
Revenue	734,401	446,697	126	635	1,181,859	39,830	1,221,689
RESULT							
Segment EBITDA	100,479	33,355	236,657	158,707	529,198	(6,112)	523,086
Amortisation of right-of-use assets	(29,537)	(8,272)	-	-	(37,809)	(714)	(38,523)
Depreciation and amortisation	(18,133)	(18,801)	-	-	(36,934)	-	(36,934)
Segment EBIT (before gain on sale of land and buildings)	52,809	6,282	236,657	158,707	454,455	(6,826)	447,629
Gain on sale of land and buildings	-	6,513	268,860	-	275,373	-	275,373
Total segment EBIT	52,809	12,795	505,517	158,707	729,828	(6,826)	723,002
Unallocated expenses							
▮ Significant items					(143,851)	(8,265)	(152,116)
▮ Borrowing costs ⁵					(53,100)	-	(53,100)
▮ Other unallocated expenses					(20,433)	-	(20,433)
Profit/ (loss) before income tax					512,444	(15,091)	497,353
Income tax (expense)/benefit ¹					(107,180)	4,521	(102,659)
Profit/ (loss) after income tax					405,264	(10,570)	394,694

¹ Included in the income tax expense is tax benefit related to significant items amounting to \$43,366,000.

² Refer to Discontinued operations – Note 6.5.

³ Recognised at a point in time.

⁴ Recognised over time.

⁵ Borrowing costs are presented net of fair value change on derivatives (\$1,388,000) and exclude items disclosed in the "Significant items" line.

2. Financial Performance (continued)

2.1 Segment Reporting (continued)

31 July 2023 (continued)	Building Products Australia	Building Products North America	Property	Investments	Continuing operations	Discontinued operations ¹	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS							
Segment assets	1,117,074	591,096	2,273,675	2,138,352	6,120,197	13,532	6,133,729
Unallocated assets					3,958	-	3,958
Total assets					6,124,155	13,532	6,137,687
LIABILITIES							
Segment liabilities	720,829	157,696	16,243	454,790	1,349,558	16,760	1,366,318
Borrowings					711,552	-	711,552
Other unallocated liabilities		-			498,802	-	498,802
Total liabilities					2,559,912	16,760	2,576,672
OTHER							
Share of profit of an associate and a joint venture	1,959	-	240,171	160,599	402,729	-	402,729
Carrying value of investments accounted for by the equity method	19,620	-	2,273,675	2,104,435	4,397,730	-	4,397,730
Acquisition of non-current segment assets	69,743	44,337	6,762	23,148	143,990	-	143,990
Non-cash expenses other than depreciation and amortisation	102,730	53,597	-	-	156,327	5,933	162,260

The Group has a large number of customers to which it provides products, with no individual customers that account for more than 10% of external revenues.

Recognition and measurement

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker (CODM) to effectively allocate Group resources and assess performance and for which discrete financial information is available.

Management identifies the Group's operating segments based on the internal reports that are reviewed and used by the Board of Directors in their role as the CODM. The operating segments are identified based on the consideration of the nature of products sold and services provided. Discrete information about each of these business divisions is presented to the Board of Directors on a recurring basis. A number of operating segments have been aggregated to form the Building Products segment. The accounting policies used by the Group in reporting segments internally are the same as those disclosed in the significant accounting policies, with the exception that significant items (i.e. those items which by their size and nature or incidence are relevant in explaining financial performance) are excluded from trading profits. This approach is consistent with the manner in which results are reported to the CODM.

¹ Refer to Discontinued operations – Note 6.5.

2. Financial Performance (continued)

2.1 Segment reporting (continued)

Significant items

	Note	31 July 2024 \$'000	31 July 2023 \$'000
Impairment of non-current assets ¹	3.2	(189,027)	(49,240)
Plant relocation and commissioning costs ²		(13,553)	(25,015)
Legal costs ³		(11,182)	(2,385)
Site closures and other restructuring activities– Australia ⁴		(10,952)	(5,762)
Site closures and other restructuring activities - North America ⁵		(4,914)	(13,429)
Austral Bricks Western Australia exit costs ⁶		(1,168)	(32,265)
Other costs including advisory and IT implementation costs ⁷		(13,610)	(6,014)
Significant items from continuing operations before income tax (excluding associates)		(244,406)	(134,110)
Income tax benefit on other significant items (excluding associates) ⁸		66,779	37,820
Significant items from continuing operations after income tax (excluding associates)		(177,627)	(96,290)
Loss on deemed disposal of associate		-	(994)
Income tax expense arising on deemed disposal		-	298
Gain on deemed disposal of associate after income tax		-	(696)
Loss on derecognition of associate		-	(11,273)
Income tax expense arising on derecognition of associate		-	1,673
Loss on derecognition of associate after income tax		-	(9,600)
Significant one-off transactions of associate ⁹		14,689	2,526
Income tax expense arising from the carrying value of the investment in the associates (Soul Patts) ⁸		(15,544)	1,095
Significant items after income tax (associates)		(855)	3,621
Significant items from continuing operations after income tax (including associates)		(178,482)	(102,965)
Impairment of assets held for sale ¹⁰		-	(5,933)
Gain on disposal of assets held for sale ¹⁰		-	693
Other significant items ¹⁰		119	(3,025)
Significant items from discontinued operations before income tax	6.5	119	(8,265)
Income tax (expense)/benefit ¹⁰		(36)	2,480
Significant items from discontinued operations after income tax		83	(5,785)

Recognition and measurement

Significant items are those which by their size and nature or incidence are relevant in explaining the financial performance of the Group compared to the prior year.

¹ Disclosed in 'Impairment of non-current assets' line on the Income Statement. An assessment was conducted in line with the value-in-use methodology at 31 July 2024 resulting in an impairment loss of \$59.9 million in respect of Property, Plant and Equipment, \$42.8 million in relation to Intangible assets and \$69.7 million in relation to Right-of-use assets. An impairment loss of \$16.6 million was also recognised following a review of carrying amounts of assets impacted by site closures undertaken as part of restructure activities. The impairment loss was related to the assets within the Building Products North America (\$96.4 million) and Building Products Australia (\$92.6) operating segments.

² Disclosed in 'Cost of Sales' (\$9.3 million) and 'Other Expenses' (\$4.3 million) line on the Income Statement.

³ Disclosed in 'Other Expenses' line on the Income Statement

⁴ Disclosed in 'Restructuring costs' (\$14.1 million) and in 'Other Income' \$3.1 million on the Income Statement.

⁵ Disclosed in 'Restructuring costs' (\$4.9 million) line on the Income Statement.

⁶ Disclosed in 'Restructuring costs' (\$1.5 million) and \$0.3m in "Other Income" lines on the Income Statement.

⁷ Disclosed in 'Other Expenses' (\$12.9 million) and 'Finance costs' (\$0.7 million) lines on the Income Statement.

⁸ Disclosed in 'Income tax expense' line on the Income statement.

⁹ Disclosed in 'Share of net profits of associates and joint ventures' line on the Income Statement.

¹⁰ Disclosed in the 'Losses from discontinued operations, net of income tax benefit' line on the Income statement.

2. Financial Performance (continued)

2.2. Revenues and expenses

(a) Revenue and other income

	31 July 2024	31 July 2023
	\$'000	\$'000
REVENUE		
<i>Revenue from contracts with customers</i>		
Sale of goods	1,042,798	1,127,536
Revenue from supply and install contracts ¹	40,316	50,972
	1,083,114	1,178,508
<i>Other operating revenue</i>		
Interest received	1,370	635
Rental revenue	318	353
Insurance claim settlement	2,067	-
Other	2,545	2,363
Total operating revenue from continuing operations	1,089,414	1,181,859
OTHER INCOME		
Net gain on disposal of property, plant and equipment	2,330	276,310
Net fair value change on derivatives	-	1,388
Lease modification gain	3,131	-
Other items	861	136
Total other income from continuing operations	6,322	277,834

Current year

In the current year the Group sold properties in Australia and North America with a gain of \$1.4 million recognised in respect of these transactions. Disposals of other plant and equipment resulted in a gain of \$1.2 million recognised in the current financial year.

Prior year

In the prior year 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 represented the Group's initial investment in this trust (refer Note 6.3). 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 year 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.

¹ All remaining performance obligations related to supply and install contracts are expected to be recognised within one year.

2. Financial Performance (continued)

2.2 Revenue and expenses (continued)

Recognition and measurement

Revenue is recognised when control of the asset has passed to the buyer and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable net of discounts, allowances and goods and services tax (GST). Trade discounts and volume rebates give rise to variable consideration. The variable consideration is estimated at contract inception and constrained until the associated uncertainty is subsequently resolved. The application of the constraint on variable consideration increases the amount of revenue that will be deferred.

The Group's contracts for the sale of goods and associated freight generally include one performance obligation. The revenue is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 30 to 60 days from delivery.

Performance obligations arising from supply and install contracts are satisfied over time. On that basis, the Group recognise revenue from these contracts over time.

The performance obligation related to supply and install contracts is satisfied over time and payment is generally due upon completion of installation and acceptance of the customer. In some contracts, short-term advances are required before the installation service is provided.

Revenue from the sale of land held for resale is recognised at the point at which any contract of sale in relation to industrial land has become unconditional, and at which settlement has occurred for residential land.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint ventures are accounted for in accordance with the equity method of accounting.

Rental income from investment properties is accounted for on a straight-line basis over the term of the rental contract.

Net gain/(loss) on disposal of property, plant and equipment is recognised when the risks and rewards have been transferred and the Group does not retain either continuing managerial involvement to the degree usually associated with ownership, or effective control over the assets sold. The gain is measured as a difference between the amount receivable under the sale contract and the carrying value of the disposed asset.

(b) Expenses

	31 July 2024	31 July 2023
	\$'000	\$'000
SPECIFIC EXPENSE DISCLOSURES		
Wages and salaries	254,881	264,528
Post-employment benefits expense	16,808	15,743
Share based payments expense	9,481	10,293
Health insurance expense – North America	15,953	15,677
Other	8,616	12,306
Employee benefits expense from continuing operations	305,739	318,547
Depreciation of property, plant and equipment	35,966	35,850
Amortisation of right-of-use assets	53,799	37,809
Amortisation of intangible assets	1,153	1,084
Depreciation and amortisation from continuing operations	90,918	74,743
Interest and finance charges paid/payable	50,316	37,697
Interest on lease liabilities	26,298	21,553
Net fair value change on derivatives	2,036	-
Unwind of discounting on deferred consideration – Redland Brick acquisition	745	313
Total finance costs from continuing operations	79,395	59,563

Recognition and measurement

Employee benefits expense includes salaries and wages, leave entitlements (refer note 3.4), post-employment benefit (refer note 3.5), share based payments and other employee entitlements. The expense is charged against profit in their respective expense categories when services are provided by employees, except for share based payment expense which is recognised based on the vesting period (refer note 7.1).

Finance costs expense relates primarily to the interest on interest bearing liabilities and is recognised in the period in which they are incurred, except when they are included in the costs of qualifying assets in which they are capitalised up to the point that the asset is ready for its intended use.

2. Financial Performance (continued)

2.3. Share of net profits of associates and joint ventures

		31 July 2024	31 July 2023
		\$'000	\$'000
Share of net of profits/(losses) of associates	6.3 (a)	150,665	160,599
Share of net profits/(losses) of joint ventures	6.3 (b)	(89,955)	242,130
		60,710	402,729

Recognition and measurement

Share of net profits of associates and joint ventures is accounted for using the equity method. The consolidated income statement reflects the Group's share of the results of associates and joint ventures.

Accounting policies applied with respect to the Group's investments in associates and joint ventures are further outlined in Note 6.3.

2.4. Earnings per share (EPS)

	31 July 2024	Restated 31 July 2023
(Loss)/profit after tax attributable to shareholders of Brickworks Limited (\$'000)	(118,885)	394,694
(Loss)/profit from continuing operations after tax (\$'000)	(117,235)	405,264
Weighted average number of ordinary shares (thousand)	152,433	152,166
Less: reciprocal interest with Soul Patts	(17,152)	(17,152)
Less: weighted average number of treasury shares (thousand)	(504)	(699)
Weighted average number of ordinary shares used in the calculation of basic EPS (thousand)	134,777	134,315
Weighted average number of ordinary shares used in the calculation of diluted EPS (thousand)	134,777	134,921
Basic EPS (cents per share)	(88.2)	293.9
Diluted EPS (cents per share)	(88.2)	292.5
Basic EPS (cents per share) from continuing operations	(87.0)	301.7
Diluted EPS (cents per share) from continuing operations	(87.0)	300.4

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

The weighted average number of shares during the year includes an adjustment for 17,151,975 shares related to the cross-shareholding between Brickworks and Soul Patts. In the current year 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 (restated 2023: 17,151,975 shares).

Recognition and measurement

Basic earnings per share (EPS) is calculated by dividing the profit attributable to shareholders of Brickworks Limited, after eliminating the effect of earnings related to the parent entity's shareholding arrangements and excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year.

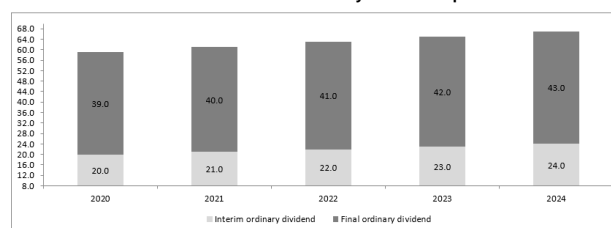
Diluted EPS adjusts the figures used in the determination of basic EPS to reflect the after income tax effect of interest and other finance costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to these shares. Diluted earnings per share are shown as being equal to basic earnings per share if potential ordinary shares are non-dilutive to existing ordinary shares.

2. Financial Performance (continued)

2.5. Dividends and franking credits

Type of dividend (fully franked)	Cents per share	Total amount \$'000	Date paid/payable
2022 Final	41.0	62,420	23-Nov-22
2023 Interim	23.0	35,016	2-May-23
2023 Final	42.0	64,021	22-Nov-23
2024 Interim	24.0	36,612	1-May-24
2024 Final ¹	43.0	65,597	27-Nov-24

Dividends declared in each financial year – cents per share



	31 July 2024	31 July 2023
	\$'000	\$'000
2023 Final ordinary dividend (PY: 2022)	64,021	62,420
2024 Interim ordinary dividend (PY: 2023)	36,612	35,016
Group's share of dividend received by associated company	(11,320)	(10,977)
	89,313	86,459
Franking account balance on a tax paid basis	150,419	156,608

¹ The impact on the franking account of dividends resolved to be paid after 31 July 2024, but not recognised as a liability, will be a reduction in the franking account of \$28.1 million (2023: \$27.4 million).

¹ The final dividend for the 2024 financial year has not been recognised as a liability in this financial report because it was resolved to be paid after 31 July 2024. The amounts disclosed as recognised in 2024 are the final dividend in respect of the 2023 financial year and the interim dividend in respect of the 2024 financial year.

3. Operating Assets and Liabilities

This section provides further information about the Group's operating assets and liabilities, including its working capital, property, plant and equipment, right-of-use assets, intangible assets, lease liabilities and provisions.

3.1. Working Capital

(a) Receivables

	31 July 2024	31 July 2023
	\$'000	\$'000
Trade receivables	127,211	148,591
Allowance for expected credit losses	(5,005)	(6,568)
Net trade receivables	122,206	142,023
Other debtors	4,366	5,364
Total	126,572	147,387
Movement in allowance for expected credit losses		
Opening balance	6,568	2,548
Trade debts provided	2,786	6,048
Trade debts written-off	(4,383)	(2,057)
Foreign currency exchange difference	34	29
Closing balance	5,005	6,568
Receivables past due		
Past due 0-30 days	6,658	8,853
Past due 30+ days	3,925	13,624
	10,583	22,477

(b) Inventories

	31 July 2024	31 July 2023
	\$'000	\$'000
Current		
Raw materials and stores	62,372	49,560
Work in progress	5,622	5,433
Finished goods	287,163	264,129
Total	355,157	319,122
Non-current		
Raw materials	6,567	7,180

Write-down of inventories recognised as an expense for the 2024 financial year amounted to \$6.8 million (2023: \$29.0 million).

(c) Current payables

	31 July 2024	31 July 2023
	\$'000	\$'000
Trade payables and accruals	138,102	136,032

Average terms on trade payables are 30 days from statement.

As at 31 July 2024 the contract assets amounted to \$1.2 million (2023: \$1.3 million) and contract liabilities to \$5.8 million (2023: \$8.5 million). There has been no allowance for expected credit losses recognised related to the contract assets.

Recognition and measurement

Trade receivables are initially recognised at the value of the invoice issued to the customer and subsequently measured at amortised cost and are subject to impairment.

The Group recognises **an allowance for expected credit losses (ECLs)** for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

Inventories are measured at:

- Raw materials: the lower of actual cost and net realisable value.
- Finished goods and work in progress: the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Fixed overheads are applied on the basis of normal production capacity.

Net realisable value represents the estimated selling price less all estimated costs of completion and the estimated costs necessary to make the sale. Cost of sales excludes freight costs which are classified as distribution expenses in the Income statement.

Contract assets are initially recognised for revenue earned from supply and install contracts as receipt of consideration is conditional on successful completion of installation. Upon completion of installation and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

Contract liabilities include advances received in relation to supply and install contracts as well as transaction price allocated to customer incentive programs.

Trade and other payables are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services. Payables are stated at amortised cost.

3. Operating Assets and Liabilities (continued)

3.2. Property, plant and equipment and intangible assets

(a) Property, plant and equipment

	Note	Land and buildings		Plant and equipment		Total	
		2024	2023	2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost		412,166	322,262	783,989	839,370	1,196,155	1,161,632
Accumulated depreciation and impairment losses		(77,450)	(48,389)	(520,116)	(481,385)	(597,566)	(529,774)
Net carrying amount 31 July		334,716	273,873	263,873	357,985	598,589	631,858
Net carrying amount at 1 August		273,873	291,663	357,985	344,350	631,858	636,013
Additions (net of CWIP commissioned) ¹		85,236	11,508	(11,041)	101,974	74,195	113,482
Acquisitions through business combinations		-	-	-	308	-	308
Disposals		(2,149)	(26,150)	(110)	(20,237)	(2,259)	(46,387)
Reclassification of assets		2,492	-	(2,492)	-	-	-
Impairment losses		(19,585)	(1,562)	(56,913)	(45,665)	(76,498)	(47,227)
Foreign currency exchange difference		3,697	6,128	3,562	5,391	7,259	11,519
Depreciation expense		(8,848)	(7,714)	(27,118)	(28,136)	(35,966)	(35,850)
Net carrying amount 31 July		334,716	273,873	263,873	357,985	598,589	631,858

As at 31 July 2024 capital works in progress (CWIP), disclosed as part of plant and equipment, amounted to \$82.4 million (2023: \$134.0 million).

Impairment losses of \$76.5 million include:

- \$59.9 million of impairment losses recognised based on an assessment of CGU asset carrying amounts in line with value-in-use methodology and related to Brickworks North America and Austral Masonry assets. (Note 3.2c)
- \$16.6 million of impairment losses recognised following a review of carrying amounts of assets impacted by site closures undertaken as part of restructure activities and primarily related to the Austral Bricks CGU (\$11.6 million), Brickworks North America CGU (\$2.1 million), Bristle Roofing CGU (\$1.8 million) and Austral Masonry (\$1.1 million) (Note 2.1).

Recognition and measurement

Property, plant and equipment is measured at cost less depreciation and impairment losses. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

Depreciation commences on assets when it is deemed, they are capable of operating in the manner intended by management. Assets are depreciated over their estimated useful lives, except for leasehold improvements which are depreciated over the shorter of their estimated useful life and the remaining lease period. Depreciation is charged to the income statement based on the rates indicated below.

Freehold land	not depreciated
Buildings	2.5%-4.0% prime cost
Plant and equipment	4.0%-33.0% prime cost, 7.5%-22.5% diminishing value

Carrying amounts are assessed for **impairment** whenever there is an indication, they may be impaired. If the carrying amount of an asset is greater than its estimated recoverable amount, the carrying amount is written down to its recoverable amount.

Significant accounting judgements, estimates and assumptions

Estimation of useful lives of assets has been based on historical experience. The condition of assets is assessed at least annually and considered against the remaining useful lives. Adjustments to useful lives are made when considered necessary.

Management is required to make significant estimates and judgements in assessing the carrying amount of property, plant and equipment for impairment. This assessment is performed in consideration of impairment indicators at an individual asset level (e.g. site closures or plant relocations) or with reference to valuations supporting the carrying amounts at the Cash Generating Unit (CGU) level – refer to Note 3.2 (c).

¹ Additions to plant and equipment include nil (2023: \$0.3 million) capitalised borrowing costs in the current year.

3. Operating Assets and Liabilities (continued)

3.2 Property, plant and equipment and intangible assets (continued)

(b) Intangible assets

	Goodwill	Brand names	Other	Total
	\$'000	\$'000	\$'000	\$'000
Cost	308,280	20,477	26,357	355,114
Accumulated amortisation and impairment losses	(236,236)	(11,477)	(4,526)	(252,239)
Net carrying amount 31 July 2024	72,044	9,000	21,831	102,875
Net carrying amount 1 August 2023	101,625	20,149	22,663	144,437
Additions	-	-	1,528	1,528
Acquisitions through business combinations	290	-	-	290
Impairment losses	(30,276)	(11,302)	(1,207)	(42,785)
Foreign currency exchange difference	405	153	-	558
Amortisation expense	-	-	(1,153)	(1,153)
Net carrying amount 31 July 2024	72,044	9,000	21,831	102,875
Cost	307,114	20,149	24,830	352,093
Accumulated amortisation and impairment losses	(205,489)	-	(2,167)	(207,656)
Net carrying amount 31 July 2023	101,625	20,149	22,663	144,437
Net carrying amount 1 August 2022	100,252	19,632	21,626	141,510
Additions	-	-	2,121	2,121
Foreign currency exchange difference	1,373	517	-	1,890
Amortisation expense	-	-	(1,084)	(1,084)
Net carrying amount 31 July 2023	101,625	20,149	22,663	144,437

Impairment losses of \$42.8 million (2023: nil) were recognised in the current year based on an assessment of CGU asset carrying amounts in line with value-in-use methodology and related to Brickworks North America and Austral Masonry assets. (Note 3.2c)

Recognition and measurement

Recognition and measurement

Goodwill represents the excess of the cost of acquisition over the fair value of the identifiable assets and liabilities acquired. Goodwill is not amortised, but tested annually and whenever there is an indicator of impairment.

Brand names obtained through acquiring businesses are measured at fair value at the date of acquisition. The brand names have been assessed as having an indefinite useful life, as the brands have been part of the building products industry for a long time and the Group intends to continue trading under these brands.

Other intangible assets are valued at cost on acquisition. If the intangible is considered to have an indefinite useful life, it is carried at cost less any impairment write-downs. If the intangible has a definite life, it is amortised on a straight-line basis over the expected future life of that right. Other intangible assets include a newly implemented ERP system which is amortised over an estimated useful life of 20 years on a straight-line basis.

Intangible assets with definite useful life are assessed for impairment whenever there is an indication, they may be impaired. If the carrying amount of an asset is greater than its estimated recoverable amount, the carrying amount is written down to its recoverable amount.

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually and whenever there is an indicator of impairment. For impairment testing purposes, these assets are allocated to the Group's Cash Generating Units ('CGUs'). Impairment is determined by assessing the recoverable amount of the CGU to which the goodwill relates.

3. Operating Assets and Liabilities (continued)

3.2 Property, plant and equipment and intangible assets (continued)

(c) Impairment assessment

(i) Allocation of goodwill and intangible assets with indefinite useful lives to cash generating units

Building Products North America and national divisions within the Building Products Australia operating segment are CGUs which represent the lowest level at which the results are monitored for internal reporting purposes.

During the year Group's CGUs consisted of Austral Bricks East Coast, Austral Bricks WA, Austral Masonry and Bristle Roofing in Australia, as well as Brickworks North America with goodwill allocated to CGUs (or a Group of CGUs in respect of Austral Bricks) for impairment testing purposes.

At 31 July 2024 the following CGUs representing business operations had allocations of goodwill tested for impairment:

- Austral Bricks CGU Group: \$72.0 million (2023: \$72.0 million);
- Building Products North America: \$30.3 million (2023: \$29.6 million).

For the purpose of impairment assessment outlined below brand names with indefinite useful lives with a carrying value of \$20.5 million (2023: \$20.1 million) have been allocated to the following CGUs, which form part of the Building Products Australia and North America operating segments:

- Austral Bricks CGU Group: \$9.0 million (2023: \$9.0 million);
- Building Products North America: \$11.3 million (2023: \$11.1 million).

Each CGU tested for impairment has been valued based on value-in-use methodology, using the assumptions outlined in point (iv) below.

Furthermore, impairment indicators have been identified in respect of the Austral Masonry CGU at 31 July 2024. Consequently, this CGU has also been tested for impairment based on value-in-use methodology.

The consolidation of Austral Bricks and Austral Masonry into one national operating division was announced in the current year with the integration complete by 31 July 2024. Due to the interdependent nature of cash flows generated by these operations, following the restructure, the consolidated Austral Bricks and Austral Masonry business represents a single Brickworks Australia CGU.

For impairment testing purposes, as at 31 July 2024 the new Brickworks Australia CGU represented an aggregation of the existing Austral Bricks and Austral Masonry CGUs with goodwill of \$72.0 million and brand names with indefinite useful lives with a carrying amount of \$9.0 million have been allocated to this CGU.

(ii) Results of impairment assessment – current year

An impairment assessment was conducted in line with the value-in-use methodology at 31 July 2024. Based on the assessment, the Group recognised an impairment loss of \$172.4 million in respect of the Brickworks North America CGU and Austral Masonry CGUs. The table below summarises key drivers of the impairment loss recognised as at 31 July 2024.

Brickworks North America	Austral Masonry
<p>Following significantly reduced activity during the second half of the current financial year, the short to medium-term outlook for non-residential building in the key markets of the Northeast and Midwest regions of the United States has weakened.</p> <p>Following the completion of a significant plant rationalisation and upgrade program, subdued building activity has resulted in scaled back production output and a delay in realisation of the full benefits of these initiatives.</p> <p>Strong competition, particularly in the single-family housing segment, resulting in pricing and volume pressure in selected regional markets.</p>	<p>An accelerated deterioration in multi-residential building activity in the second half of the current financial year, with June 2024 commencements across Australia forecast to be at the lowest level for more than a decade.</p> <p>The decline has been particularly severe in the high-rise segment (4+ storeys) in Sydney and Brisbane representing key markets for Austral Masonry.</p> <p>A delay in realisation of the full benefits from the increased invested capital in Austral Masonry, including the new plant at Oakdale, in Western Sydney, New South Wales, following scaled back production output in response to the decline in market activity.</p> <p>Higher costs across the business, such as land tax and raw materials, yet to be fully recovered by recent price increases.</p>

The loss was allocated as follows:

- Brickworks North America: \$94.3 million - (\$41.6 million allocated to goodwill and brand names resulting in full impairment of their carrying amounts, \$12.8 million allocated to Right-of-Use assets and \$39.9 million allocated to Property, Plant & Equipment);
- Austral Masonry: \$78.1 million - (\$56.9 million allocated to Right-of-Use assets and \$20.0 million allocated to Property, Plant & Equipment and \$1.2 million allocated to Intangible Assets with finite useful lives);

The impairment loss was recognised within 'Impairment of non-current assets' in the consolidated income statement.

(iii) Results of impairment assessment – prior year

In the prior year an impairment loss was recognised in respect of non-current assets related to the Austral Bricks Western Australia CGU of (\$47.6 million) and Bristle Roofing CGU (\$1.6 million),

The impairment loss was recognised within 'Impairment of non-current assets' in the consolidated income statement.

3. Operating Assets and Liabilities (continued)

3.2 Property, plant and equipment and intangible assets (continued)

(d) Impairment assessment (continued)

(iv) Austral Bricks, Austral Masonry and Building Products North America impairment assessment - key assumptions

Significant accounting judgements, estimates and assumptions

Management is required to make significant estimates and judgements in assessing the carrying amount of non-financial assets for impairment. The valuations used to support the carrying amounts of each CGU (including goodwill, other intangible assets and property, plant and equipment) are based on forward-looking assumptions that are by their nature uncertain. The nature and basis of the key assumptions used to estimate the future cash flows and discount rates, and on which the Group has based its projections when determining the recoverable value of each CGU, are set out below.

The valuations used to support the carrying amounts of the intangible assets are based on forward looking key assumptions that are, by nature, uncertain. Any changes in the assumptions can lead to significant changes in the recoverable amounts of the CGUs. The Group has based its impairment testing upon conditions existing as at 31 July 2024 and what the Management and the Directors believe can reasonably be expected at that date.

Calculation method	<p>The recoverable amount of each CGU is determined on the basis of value-in-use (VIU), unless there is evidence to support a higher fair value less cost to sell.</p> <p>VIU calculations use cash flows projections, inclusive of working capital movements, and are based on financial projections approved by the Board covering a five-year period. Estimates beyond five years are calculated with a growth rate that reflects the long-term growth rate.</p>
Sales volumes	<p>Sales volumes are management forecasts reflecting independent external forecasts of underlying economic activity for the market sectors and geographies in which each 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 in Australia and North America from external sources. Management further assesses sales mix and market share of the relevant CGU.</p>
Sales prices	<p>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.</p>
Costs	<p>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 CGUs operate.</p>
Terminal value earnings	<p>For Austral Bricks the terminal value earnings are based on the 7-year average historical earnings moderated to reflect structural changes to the market in which the CGU operates.</p> <p>For Austral Masonry and Brickworks North America, the terminal value earnings are based on the average cashflows forecast over the 3 final years of the forecast period. This takes into account:</p> <ul style="list-style-type: none"> - the nature of newly acquired businesses and forecast benefits from the plant rationalisation program completed in the current year (North America) - a range of strategic initiatives, including transition to the new manufacturing facility at Oakdale and continued growth of premium products (Austral Masonry).
Long-term growth rates (LTGR)	<p>Long-term growth rates used in cash flow valuation reflect 2.5% (2023: 2.5%).</p>
Discount rate	<p>For 2024, the post-tax discount rate calculated including the impact of AASB 16 - Leases for the Australian CGUs was 9.84% (2023: 9.31%) and 11.38% (2023: 9.34%) for the North American CGU.</p>

3. Operating Assets and Liabilities (continued)

3.2 Property, plant and equipment and intangible assets (continued)

(c) Impairment assessment (continued)

(v) Sensitivity to changes in assumptions

In respect of Brickworks North America and Austral Masonry, given an impairment was recognised in the year, the carrying value of the CGU's are held at their recoverable amount. Therefore, any negative change in a key assumption will result in an impairment charge being recognised.

The table below illustrates the impact of key assumptions on the non-current assets impairment for the Austral Bricks CGU where the carrying amount approximates the recoverable amount.

	Austral Bricks
The excess of CGUs recoverable amount over its carrying amounts (\$ millions)	12.2
Change in the assumption required for the model to break even	
Reduction in EBIT over the forecast period	(5.8%)
Reduction in LTGR	From 2.50% to 2.26%
Increase in post-tax WACC	From 9.84% to 10.0%

3. Operating Assets and Liabilities (continued)

3.3. Right-of-use assets and lease liabilities

	Note	Right-of-use assets				Liabilities
		Property \$'000	Equipment \$'000	Vehicles \$'000	Total \$'000	
As at 1 August 2023		207,350	167,434	936	375,720	(608,502)
New and modified leases		23,583	37,571	1,931	63,085	(63,314)
Leases terminated		(1,373)	(149)	(302)	(1,824)	5,016
Depreciation expense		(20,245)	(32,543)	(1,011)	(53,799)	-
Impairment losses	3.2	(43,324)	(26,239)	(181)	(69,744)	-
Payment of principal portion of lease liability						51,780
Foreign exchange difference		1,177	126	6	1,309	(2,040)
As at 31 July 2024		167,168	146,200	1,379	314,747	(617,060)
As at 1 August 2022		197,459	133,484	1,572	332,515	(543,772)
New and modified leases		43,101	51,933	642	95,676	(105,525)
Leases terminated		(263)	(222)	(194)	(679)	1,020
Depreciation expense		(20,157)	(16,531)	(1,121)	(37,809)	
Impairment losses	3.2	(13,868)	(1,606)	-	(15,474)	-
Payment of principal portion of lease liability						41,562
Foreign exchange difference		1,078	376	37	1,491	(1,787)
As at 31 July 2023		207,350	167,434	936	375,720	(608,502)

During the year, the Group recognised rent expense of \$3.7 million (2023: \$5.6 million) from short-term leases and variable lease payments.

Impairment losses of \$69.7 million (2023: \$15.5 million) were recognised in the current year based on an assessment of CGU asset carrying amounts in line with value-in-use methodology and related to Brickworks North America and Austral Masonry assets. (Note 3.2c)

¹ \$55.4 million (2023: \$46.8 million) included in current liabilities and \$561.7 million (2023: \$561.7 million) in non-current liabilities.

3. Operating Assets and Liabilities (continued)

3.3 Right-of-use assets and lease liabilities (continued)

Recognition and measurement

The Group recognises **right-of-use assets** at the commencement of the lease (i.e. the date the underlying asset is available for use). The initial measurement of right-of-use assets includes the amount of liabilities recognised and lease payments made at or before the commencement date, less any incentives received. Where an obligation exists to dismantle, remove, or restore a leased asset or the site it is located on and a provision has been raised, the right of-use asset also includes these restoration costs. Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities.

Unless the Group is reasonably certain to obtain the ownership of the leased asset at the end of the lease term, the right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment assessments under AASB 136 Impairments of Assets.

At the commencement of a lease, the Group recognises **lease liabilities** measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under residual value guarantees. The lease payments also include renewal periods where the Group is reasonably certain to exercise the renewal option. Outgoings and other variable lease payments that do not depend on an index or a rate are recognised as expense as incurred.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Sale and leaseback transactions

When we sell and lease back the same asset, the accounting treatment depends on whether the control of the asset has been transferred to the buyer:

- If yes, the Group measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the rights retained by us as a seller lessee. Accordingly, the Group recognises only the amount of any gain or loss that related to the rights transferred to the buyer-lessor.
- If not, as a seller-lessee the Group continues to recognise the transferred asset and recognises a financial liability equal to the transfer proceeds.

Short-term lease and leases of low-value assets

The Group applies a recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies a recognition exemption to leases that are considered of low value. Lease payments on short-term and low-value leases are recognised as expense on a straight-line basis over the lease term.

Judgements in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

After initial recognition, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew.

3. Operating Assets and Liabilities (continued)

3.4. Provisions

	Employee benefits	Remediation and make good	Workers compensation	Site Closures	Other	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance 1 August 2023	56,949	54,782	4,451	4,885	2,130	123,197
Recognised / (reversed)	82,824	2,960	2,745	3,258	4,662	96,449
Foreign currency exchange difference	(3,218)	76	-	78	5	(3,059)
Settled	(82,529)	(11,672)	(3,814)	(7,090)	(2,379)	(107,484)
Closing balance 31 July 2024	54,026	46,146	3,382	1,131	4,418	109,103
Current	51,608	18,679	3,382	1,131	3,015	77,815
Non-current	2,418	27,467	-	-	1,403	31,288
Total	54,026	46,146	3,382	1,131	4,418	109,103
Opening balance 1 August 2022	58,797	42,921	4,288	14,290	2,155	122,451
Recognised / (reversed)	87,425	16,806	3,499	11,489	2,274	121,493
Foreign currency exchange difference	365	172	-	294	25	856
Settled	(89,638)	(5,117)	(3,336)	(21,188)	(2,324)	(121,603)
Closing balance 31 July 2023	56,949	54,782	4,451	4,885	2,130	123,197
Current	53,362	28,398	4,451	4,885	2,130	93,226
Non-current	3,587	26,384	-	-	-	29,971
Total	56,949	54,782	4,451	4,885	2,130	123,197

Recognition and measurement

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that settlement will be required and the obligation can be reliably measured. The amount recognised as a provision represents the best estimate of the consideration required to settle the present obligation at reporting date and uncertainties surrounding the obligation.

Provision for employee benefits is recognised in respect of the benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Estimated future payments include related on-costs, reflect assumptions regarding future wage and salary levels, employee departures and periods of service, and have been discounted using market yields on Australian high quality corporate bond rates.

Provision for remediation and make good leases is recognised for the estimated costs of restoring operational and quarry sites to their original state in accordance with relevant approvals. Where an obligation exists to dismantle, remove, or restore a leased asset or the site it is located on and a provision has been raised. The settlement of this provision will occur as the operational site nears the end of its useful life, or once the resource allocation within the quarry is exhausted, which varies based on the size of the resource and the usage rate of the extracted material. The landfill opportunities created through the extraction of clay and shale is considered to be a valuable future resource. No provision is made for future rehabilitation costs when the rehabilitation process is expected to be cash flow positive.

Provision for workers compensation relates to the Group's self insurance for workers compensation program. The subsidiaries of the Group are licensed self insurers in New South Wales, Victoria, Western Australia and Australian Capital Territory for workers compensation insurance. The provision is determined with reference to independent actuarial calculations provided annually based on incidents reported before year end. The timing of the future outflows is dependent upon the notification and acceptance of relevant claims, and would be satisfied over a number of future financial periods.

Provision for site closures is recognised for the estimated costs of permanently closing manufacturing sites. The timing of the future outflows is expected to occur within the next financial year.

3. Operating Assets and Liabilities (continued)

3.5. Post-employment liabilities

Following the acquisition of Glen-Gery in November 2018, the Group participated in two multi-employer defined benefit pension schemes, being Aluminium, Brick and Glass Workers International Union ("AB&GW") and National Integrated Group Pension Plan ("NIGPP"), which are both held in the United States. In the prior years, Glen-Gery ceased to participate in the NIGPP.

As the Group is unable to identify its share of the assets and liabilities for the AB&GW scheme as insufficient information is available on which to calculate this split (as confirmed with the scheme actuaries), it is accounted for on a defined contribution basis.

Unfunded vested benefits are allocated among active employer participating groups. This allows the multi-employer plan to assess employers who withdraw from a plan with a share of the plan's total unfunded vested liability. That share of unfunded liability is not determined with reference to the employer's participants nor the assets that were accumulated by that employer's contributions. When an employer withdraws, it may be required to pay the entire withdrawal liability over time, or a lesser amount based on certain limitations related to the period of payments and the net worth of the employer.

The minimum contribution requirements for the AB&GW scheme are based on a minimum monthly charge per active employee.

In total, the AB&GW plan has a deficit as at 31 July 2024 of \$21.43 million (2023: \$20.4 million). Management currently does not have any plans on withdrawing from this scheme.

The contribution rates agreed to be paid by the Group include an element of rehabilitation funding with respect to the total plan deficit. In respect of the scheme, the arrangement gives rise to a present obligation and as such a liability of \$18.2 million (2023: \$17.1 million) has been recognised at a present value of future committed contribution amounts required in respect of this scheme.

Total expected contributions to the plan, including an element of rehabilitation funding, for the next annual reporting year, being the year ending 31 July 2025, amount to \$1.7 million (2023: \$1.5 million).

	Post-employment liabilities
	\$'000
Opening balance 1 August 2023	17,149
Recognised/(reversed)	1,177
Settled	(639)
Foreign currency exchange difference	508
Closing balance 31 July 2024	18,195
Current	963
Non-current	17,232
Total	18,195
Opening balance 1 August 2022	16,810
Recognised/(reversed)	94
Settled	(570)
Foreign currency exchange difference	815
Closing balance 31 July 2023	17,149
Current	984
Non-current	16,165
Total	17,149

Recognition and measurement

Multi-employer plans are defined contribution plans or defined benefit plans that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

Where a multi-employer plan is a defined benefit plan, an entity shall account for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as for any other defined benefit plan.

When sufficient information is not available to use defined benefit accounting for a multi-employer plan that is a defined benefit plan, an entity shall account for the plan as if it were a defined contribution plan.

Contributions payable to a defined contribution plan are recognised as a liability, after deducting any contribution already paid. Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the period in which the employees render the related service, they shall be discounted using the rate applicable to high quality corporate bonds.

4. Income Tax

This section provides the information considered most relevant to understanding the taxation treatment adopted by the Group during the financial year.

The Group is subject to income taxes in Australia and United States of America. The entities incorporated in the United States of America are not part of the Australian tax consolidated group and therefore taxed separately.

Tax consolidation

Brickworks Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group (Tax Group) under the Australian Tax Consolidation regime. Brickworks Limited is the head entity of that group.

The Tax Group has entered into a tax sharing agreement whereby each company in the group contributes to the income tax payable based on the current tax liability (or current tax asset) of the entity. These tax amounts are measured as if each entity in the tax consolidated group continues to be a standalone taxpayer in its own right. Such amounts are reflected in amounts receivable from or payable to other entities in the Tax Group. In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At balance date, the possibility of default is considered remote.

Tax expense, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the Tax Group are recognised in the separate financial statements of the members of the group. Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses and tax credits of the members of the group are recognised by the parent company (as head entity of the Tax Group).

4.1. Income tax expense

	Note	31 July 2024 \$'000	31 July 2023 \$'000
(Loss)/profit from continuing operations before income tax		(242,625)	512,444
Loss from discontinued operations before income tax benefit	6.5	(2,337)	(15,091)
(Loss)/profit before income tax		(244,962)	497,353
Prima facie tax expense calculated at 30%		(73,489)	149,206
(Decrease) / increase in income tax expense due to:			
Franked dividend income		(25,748)	(26,597)
Recoupment of unrecognised capital losses		(23,265)	-
R&D tax incentive		(4,167)	(2,580)
Share of net profits of associates		(3,908)	(23,186)
Non-deductible legal expense		3,351	-
(Under)/overprovided in prior years		(2,572)	3,255
Tax rate difference in overseas entities		3,049	206
Loss on derecognition of associate		-	1,709
Disposal of land		-	(1,702)
Business acquisition costs		-	1,437
Other non-allowable items		672	911
Income tax (benefit)/expense attributable to profit		(126,077)	102,659
Current tax (benefit)/expense		(10,203)	(24,258)
Deferred tax expense relating to movements in deferred tax balances	4.2	(90,037)	123,662
(Underprovided)/overprovided in prior years		(2,572)	3,255
Utilisation of carried forward capital losses		(23,265)	-
Total income tax (benefit)/expense on profit		(126,077)	102,659
Income tax expense / (benefit) attributable to:			
Profit from continuing operations		(125,390)	107,180
Loss from discontinued operations	6.5	(687)	(4,521)
Income tax (benefit)/expense attributable to profit		(126,077)	102,659
Income tax expense / (benefit) recognised directly in equity			
Tax effect on movements in reserves attributable to equity accounted investments		2,067	(7,010)
Tax effect on movements in reserves attributable to financial instruments		5,986	1,318
Income tax expense / (benefit) recognised in other comprehensive income		8,053	(5,692)

4. Income Tax (continued)

4.2. Income tax assets and liabilities

(a) Current income tax liability / (asset)

	31 July 2024	31 July 2023
	\$'000	\$'000
Current income tax liability	-	-
Current income tax asset	(892)	(1,095)

Recognition and measurement

Current tax represents the amount expected to be paid or recovered in relation to taxable income for the financial year measured using rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent it is unpaid (or refundable).

(b) Net deferred income tax liability

	Balance Sheet		Movement through Income Statement	
	31 July 2024	31 July 2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Equity accounted investments in associated and joint ventures	1,029,944	1,084,726	(63,793)	143,744
Property, plant and equipment	(69,845)	(45,239)	(30,385)	582
Provisions	(41,187)	(52,938)	20,230	(14,095)
Tax losses and rebates	(82,327)	(46,984)	(19,258)	(10,175)
Intangibles	(6,187)	3,931	(10,118)	2,009
Other	(9,181)	(2,468)	13,287	1,597
Net deferred income tax liability	821,217	941,028	(90,037)	123,662

Recognition and measurement

Deferred tax is recognised based on the amounts calculated using the balance sheet liability method in respect of temporary differences between the carrying values of assets and liabilities for financial reporting and tax purposes. The tax cost base of assets is determined based on management's intention for that asset on either use or sale as appropriate. No deferred income tax is recognised for a taxable temporary difference arising from an investment in a subsidiary, associate or a joint venture where the timing of the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset or liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by reporting date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. The amount of benefit brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law. The utilisation of tax losses depends on the ability of the Group to generate future taxable profits. The Group considers that it is probable that future taxable profits will be available to utilise those deferred tax assets. The utilisation of the tax losses also depends on the ability of the Group to satisfy certain tests at the time the losses are recouped.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

5. Capital and Risk Management

This section provides information about the Group's capital management and its exposure to various financial risks.

The Group's activities expose it to a variety of financial risks: liquidity risk, market risk (including interest rate risk and foreign exchange risk) and credit risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance where the Group's exposure is material.

The Board approves written principles for overall risk management, as well as policies covering specific areas such as interest rate risk, foreign exchange risk, credit risk and the use of derivative financial instruments. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Group holds the following financial assets and liabilities at balance date:

	Note	31 July 2024 \$'000	31 July 2023 \$'000
Financial assets			
Cash and cash equivalents	5.2	62,574	69,565
Receivables	3.1(a)	126,572	147,387
Financial assets at fair value through other comprehensive income	5.3	35,121	13,107
Derivative financial assets	5.4(c), 5.8(a)	828	2,863
Total financial assets		225,095	232,922
Financial liabilities			
Trade and other payables	3.1(c)	138,102	136,032
Borrowings	5.4(a)	732,077	711,552
Lease liabilities	3.3	617,060	608,502
Other financial liabilities	5.5	11,670	13,530
Derivative financial liabilities	5.4(c)	459	457
Total financial liabilities		1,499,368	1,470,073

Recognition and measurement

Assets and liabilities 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).

All assets and liabilities measured at fair value are identified in the relevant notes to the financial statements, and are either categorised as Level 1 or Level 2. There were no transfers between category levels during the current or prior financial year.

A financial liability is derecognised when the obligation under the liability has been discharged, cancelled or expires, with any resulting gain recognised in the income statement.

5.1. Capital management

The Group manages its capital to ensure that all entities in the Group can continue as going concerns while maximising the return to shareholders through an appropriate balance of net debt and total equity.

The Group's capital structure consists of debt disclosed in note 5.4, cash and cash equivalents (refer note 5.2), issued capital (note 5.6), reserves (note 5.7) and retained profits. The capital structure can be influenced by the level of dividends paid, issuance of new shares, returns of capital to shareholders, or adjustments in the level of borrowings through the acquisition or sale of assets.

The Group's capital structure is regularly measured using net debt to equity, calculated as net debt divided by a sum of net debt and total equity. Net debt represents total drawn at the reporting date (refer note 5.4) less cash and cash equivalents (note 5.2) and total equity includes contributed equity (note 5.6), reserves (note 5.7) and retained earnings.

The Group's strategy during the year was to maintain the total debt to capital employed (at a consolidated level) below a loan facilities banking covenant limit of 40% imposed per the syndicated loan facility agreement disclosed in note 5.4 (2023: 40%).

	31 July 2024 \$'000	31 July 2023 \$'000
Net debt	681,521	652,030
Total equity	3,381,772	3,561,015
Capital employed	4,063,293	4,213,045
Net debt to capital employed	16.8%	15.5%

5. Capital and Risk Management (continued)

5.2. Cash and cash equivalents

	31 July 2024	31 July 2023
	\$'000	\$'000
Cash on hand	62,574	69,565

Recognition and measurement

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits. For the purpose of the statement of cash flows, cash and cash equivalents is equal to the balance disclosed in the balance sheet.

5.3. Financial assets at fair value through other comprehensive income

The Group's financial assets at fair value through other comprehensive income represent listed equities of FBR Limited, a publicly traded entity 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. In the current financial year the Group acquired additional shares in FBR Limited for a consideration of \$2.1 million.

	Market value	
	31 July 2024	31 July 2023
	\$'000	\$'000
Equities - Listed	35,121	13,107
Total	35,121	13,107

5.4. Borrowings

(a) Available loan facilities

	31 July 2024	31 July 2023
	\$'000	\$'000
Current		
Interest-bearing loans	-	-
	-	-
Non-current		
Interest-bearing loans	744,095	721,595
Unamortised borrowing costs	(12,018)	(10,043)
	732,077	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 July 2024 approximated their carrying amount (2023: carrying amount).

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).

There were no other changes to the Group's loan facilities in the current year.

5. Capital and Risk Management (continued)

5.4 Borrowings (continued)

Recognition and measurement

Borrowings are recorded initially at fair value of the consideration received, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost. Any difference between the proceeds and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. When the Group expects that it will continue to satisfy the criteria under its banking agreement that ensures the financier is not entitled to call on the outstanding borrowings, and the term is greater than 12 months, the borrowings are classified as non-current.

(b) Management of liquidity risk

The Group manages liquidity risk by maintaining a combination of adequate cash reserves, bank facilities and reserve borrowing facilities, continuously monitored through forecast and actual cash flows, and matching the maturity profiles of financial assets and liabilities. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due. At 31 July 2024 the Group had AUD 399.0 million and USD 59.0 million of unused bank facilities (2023: AUD 226.0 million and USD 52.0 million).

These facilities are subject to various terms and conditions, including various negative pledges regarding the operations of the Group, and covenants that must be satisfied at specific measurement dates.

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

Facility	Currency	Limit (\$m)	Drawn (\$m)	Available (\$m)	Maturity date
Tranche C	AUD	104	40	64	December 2026
Tranche E	AUD	100	-	100	August 2027
Syndicated loan facility (AUD)		204	40	164	
Tranche E1	USD	100	43	57	August 2027
Tranche D	USD	55	55	-	June 2028
Syndicated loan facility (USD)		155	98	57	
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	181	100	81	November 2028
Bi-Lateral Facilities	AUD	144	20	124	November 2027
Bi-Lateral Facilities	AUD	112	82	30	November 2026
Bi-Lateral Facilities (AUD)		437	202	235	
Bi-Lateral Facilities	USD	67	65	2	November 2028
Bi-Lateral Facilities	USD	20	20	-	November 2027
Bi-Lateral Facilities	USD	18	18	-	November 2026
Bi-Lateral Facilities (USD)		105	103	2	

5. Capital and Risk Management (continued)

5.4 Borrowings (continued)

(b) Management of liquidity risk (continued)

The table below analyses the undiscounted value of the Group's financial liabilities and derivatives based on the remaining period at the reporting date to maturity. For bank facilities the cash flows have been estimated using interest rates applicable at the end of the reporting period.

	1 year or less \$'000	1 to 5 years \$'000	5 to 10 years \$'000	Total \$'000
31 July 2024				
Trade and other payables	138,102	-	-	138,102
Borrowings	48,311	773,597	97,988	919,896
Lease liabilities	78,903	321,759	389,943	790,605
Other financial liabilities	2,641	8,473	2,311	13,425
Derivatives	(828)	459	-	(369)
	267,129	1,104,288	490,242	1,861,659
31 July 2023				
Trade and other payables	136,032	-	-	136,032
Borrowings	44,920	719,885	98,994	863,799
Lease liabilities	70,584	301,264	414,970	786,818
Other financial liabilities	2,922	8,589	4,490	16,001
Derivatives	(417)	(1,989)	-	(2,406)
	254,041	1,027,749	518,454	1,800,244

(c) Management of interest rate risk

The Group's main interest rate risk arises from fluctuations in the BBSY bid rate and Term SOFR relating to bank borrowings. Where appropriate, the Group uses interest rate derivatives to eliminate some of the risk of movements in interest rates on borrowings, and increase certainty around the cost of borrowed funds.

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 3.41% (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. During the financial year ended 31 July 2024 the Group did not enter into new interest rate swap arrangements.

	Notional Principal Amount		Average Interest Rate		Fair value	
	2024 \$'000	2023 \$'000	2024 %	2023 %	2024 \$'000	2023 \$'000
Less than 1 year	75,000	25,000	2.38	2.77	828	417
1 to 3 years	100,000	175,000	4.19	3.41	(459)	1,989
3 to 5 years	-	-	-	-	-	-
Total asset / (liability)	175,000	200,000	3.41	3.33	369	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.

Recognition and measurement

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and the nature of the item being hedged. The Group designates certain derivatives as either fair value or cash flow hedges.

Changes in the fair value of derivatives that are designated as **fair value hedges** are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated and qualify as **cash flow hedges** is recognised in equity reserves. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts deferred in equity are recycled in the income statement when the hedged item is recognised in the income statement.

Changes in the fair value of **derivatives which do not qualify for hedge accounting** are recognised immediately in the income statement.

Sensitivity analysis

At 31 July 2024, if interest rates had been +/- 1% per annum throughout the year, with all other variables being held constant, the profit after income tax for the year would have been \$3.8 million higher/lower respectively (2023: \$4.0 million higher/lower). There would not have been any other significant impacts on equity.

5. Capital and Risk Management (continued)

5.5. Other financial liabilities

	31 July 2024	31 July 2023
	\$'000	\$'000
Deferred consideration related to business combinations:		
Current	2,641	2,922
Non-current	9,029	10,608
Total	11,670	13,530

Recognition and measurement

Deferred consideration resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. The deferred consideration liability represents present value of future payments.

5.6. Contributed equity

	2024	2023	2024	2023
	Number of shares	Number of shares	\$'000	\$'000
Contributed equity				
Ordinary shares, fully paid	152,550,751	152,244,695	416,493	410,150
Treasury shares	(413,991)	(517,193)	(9,478)	(10,315)
			407,015	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 plan	306,056	469,032	6,369	9,083
Share issue costs			(26)	(23)
Closing balance 31 July	152,550,751	152,244,695	416,493	410,150
Movement in treasury shares				
Opening balance 1 August	(517,193)	(445,339)	(10,315)	(8,827)
Bonus shares through employee share plan	(100,158)	(309,412)	(2,769)	(6,562)
Shares purchased under Short-term incentive (STI) scheme	(27,070)	(46,822)	(754)	(994)
Shares vested under STI scheme	46,822	32,692	994	852
Shares vested to employees	183,608	251,688	3,366	5,216
Closing balance 31 July	(413,991)	(517,193)	(9,478)	(10,315)

Recognition and measurement

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Treasury shares represent own equity instruments which are issued or acquired for later payment as part of employee share-based payment arrangements and deducted from equity. These shares are held in trust by the trustee of the Brickworks Deferred Employee Share Plan and vest in accordance with the conditions attached to the granting of the shares. The accounting policy applied in respect of share-based payments is disclosed in Note 7.1.

5. Capital and Risk Management (continued)

5.7. Reserves

	Note	Capital Profits Reserve	Equity Adjustments Reserve	General Reserve	Foreign Currency Reserve	Share- based Payments Reserve	Investment 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	3,660	12,878	1,510	3,264	168,829
Other comprehensive income for the year		-	(8,053)	-	169	-	19,953	7,431	19,500
Issue of shares through employee share plan		-	-	-	-	(3,600)	-	-	(3,600)
Shares purchased under Short-term incentive (STI) scheme		-	-	-	-	754	-	-	754
Shares vested under Short-term incentive (STI) scheme		-	-	-	-	(994)	-	-	(994)
Shares vested to employees	7.1	-	-	-	-	(3,366)	-	-	(3,366)
Share based payments expense	7.1	-	-	-	-	9,481	-	-	9,481
Balance at 31 July 2024		88,102	15,237	36,125	3,829	15,153	21,463	10,695	190,604
Balance at 1 August 2022		88,102	17,598	36,125	1,316	10,180	3,665	26,629	183,615
Other comprehensive income for the year		-	5,692	-	2,344	-	(2,155)	(23,365)	(17,484)
Issue of shares through employee share plan		-	-	-	-	(2,521)	-	-	(2,521)
Shares purchased under Short-term incentive (STI) scheme		-	-	-	-	994	-	-	994
Shares vested under Short-term incentive (STI) scheme		-	-	-	-	(852)	-	-	(852)
Shares vested to employees	7.1	-	-	-	-	(5,216)	-	-	(5,216)
Share based payments expense	7.1	-	-	-	-	10,293	-	-	10,293
Balance at 31 July 2023		88,102	23,290	36,125	3,660	12,878	1,510	3,264	168,829

Nature and purpose of reserves

Capital profits reserve represents amounts allocated from Retained Profits that were profits of a capital nature.

Equity adjustments reserve includes amounts for tax adjustments posted directly to equity.

General reserve represents amounts for the future general needs of the operations of the entity.

Foreign currency translation reserve represents differences on translation of foreign entity financial statements.

Share-based payments reserve represents the value of bonus shares and rights granted to employees that have been recognised as an expense in the income statement but are yet to vest to employees.

Investment revaluation reserve represents amounts arising on the remeasurements of financial assets at fair value through other comprehensive income.

Associates and JVs reserve represents the Group's share of its associates and joint ventures reserves balances. The Company is unable to control this reserve in any way, and does not have any ability or entitlement to distribute this reserve, unless it is received from its associates or joint ventures in the form of dividends or trust distributions.

5. Capital and Risk Management (continued)

5.8. Management of other risks

(a) Foreign exchange risk

Translation risk

The Group is exposed to fluctuations in US dollars (USD) related to translation of investments in overseas subsidiaries. Foreign currency translation risk is the risk that upon consolidation for financial reporting the value of investment in foreign domiciled entities will fluctuate due to changes in foreign currency rates.

The Group uses USD denominated borrowings to hedge the Group's net investment in overseas subsidiaries. The related exchange gains/losses on foreign currency movements are recognised in the Foreign Currency Translation Reserve. As at 31 July 2024 the net investment in the US subsidiaries of the Group of USD 276.9 million (2023: USD 297.9 million) was hedged with USD denominated borrowings of USD 261.0 million (2023: USD 263.0 million).

Transaction risk

The Group does not have any material exposure to unhedged foreign currency receivables. Export sales are all made through Australian agents or direct to overseas customers using Australian dollars or letters of credit denominated in Australian dollars. The trading of the Group's NZ joint venture entity, which is in New Zealand dollars (NZD) is not material to the Group as a whole. Accordingly, any reasonably foreseeable fluctuation in the exchange rate of NZD would not have a material impact on either profit after tax or equity of the Group.

The Group has a limited exposure to foreign currency fluctuations due to its importation of goods. The main exposure is to USD and Euros (EUR). 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. As at 31 July 2024 the Group had no outstanding foreign currency forward contracts (2023: nil).

The overall level of exposure to foreign currency purchases is not material to the Group. Accordingly, any reasonably foreseeable fluctuation in the exchange rate of the USD and EUR resulting in changes to foreign currency receivables and payables would not have a material impact on either profit after tax or equity of the Group.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. The credit risk on liquid funds and derivative financial instruments is considered low because these assets are held with banks with high credit ratings assigned by international credit-rating agencies.

The maximum exposure to trade credit risk at balance date to recognised financial assets is the carrying amount net of provision for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements. The Group's debtors are based in the building and construction industry; however, the Group minimises its concentration of credit risk by undertaking transactions with a large number of customers. The Group ensures there is not a material credit risk exposure to any single debtor.

The Group holds no significant collateral as security, and there are no significant credit enhancements in respect of these financial assets. The credit quality of financial assets that are neither past due nor impaired is appropriate and is reviewed regularly to identify any potential deterioration in the credit quality. There are no significant financial assets that would otherwise be past due or impaired whose terms have been renegotiated.

(c) Equity price risk

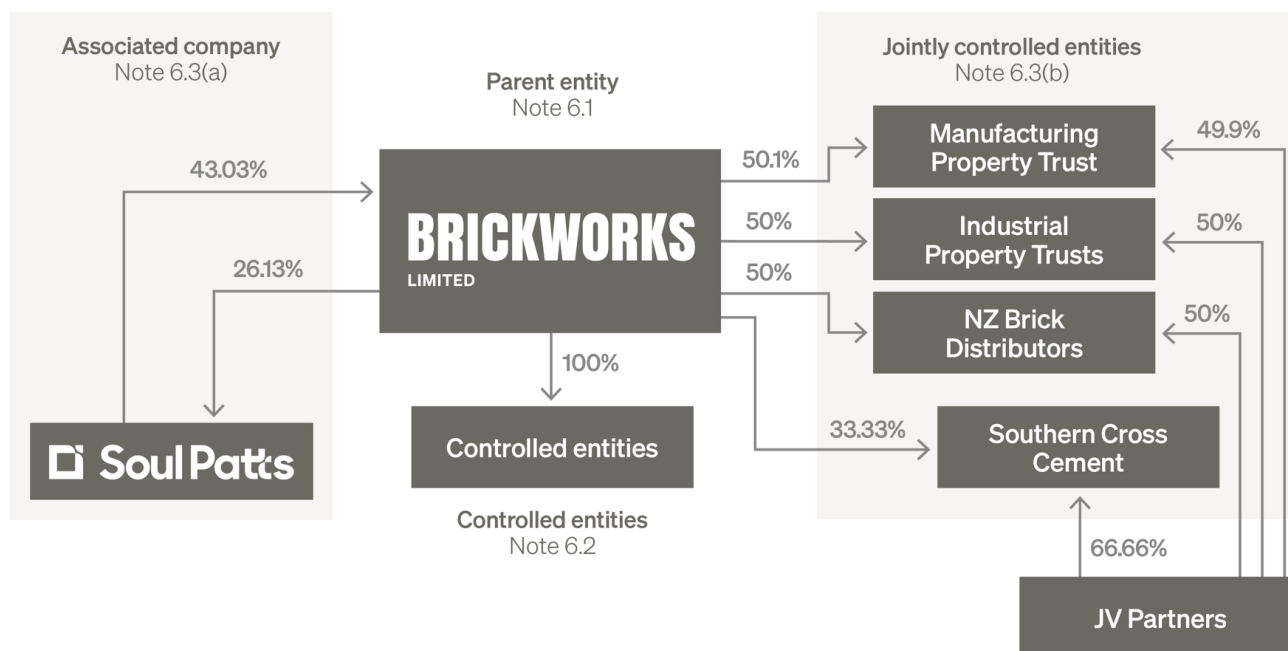
The Group's listed equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. At 31 July 2024, the exposure to equity investments at fair value listed on the Australian Stock Exchange was \$35.1 million (2023: \$13.1 million). The Group has determined that an increase/decrease of 10% in the share price could have an impact of approximately \$3.5 million (2023: \$1.3 million) increase/decrease on the other comprehensive income and equity attributable to the Group on pre-tax basis.

The Group has significant indirect exposure to equity price risk through its investment in Washington H Soul Pattinson Co Ltd (Soul Patts). This investment is accounted for as an equity accounted investment. Soul Patts has a significant listed investment portfolio which is accounted for at fair value through profit and loss or other comprehensive income. As a result, fluctuations in equity prices would potentially impact both the Group's net profit after tax and equity reflecting the Group's share of fair value movements recognised by Soul Patts.

At the time of preparing this report, there was no publicly available information regarding the effects of any reasonably foreseeable fluctuations in equity values on net profit or equity of Soul Patts at 31 July 2024 or subsequently.

6. Group structure

This section explains significant aspects of Brickworks' group structure, including equity accounted investments that the Group has an interest in and its controlled entities. When applicable, it also provides information on business acquisitions made during the financial year.



6.1. Parent entity disclosures

	31 July 2024 \$'000	31 July 2023 \$'000
Statement of financial position		
Current assets	19,667	21,402
Non-current assets	1,044,756	1,084,888
Current liabilities	(6,531)	(2,455)
Non-current liabilities	(23,662)	(73,284)
Net assets	1,034,230	1,030,551
Equity		
Issued capital	407,015	399,835
Reserves	76,132	86,139
Retained earnings	551,083	544,577
Total equity	1,034,230	1,030,551
Statement of financial performance		
Profit after tax	90,018	72,506
Total comprehensive income	90,018	72,506

The parent entity's contingent liabilities of \$28.7 million (2023: \$26.8 million) were associated with a shareholder guarantee provided as part of joint venture arrangements and bank guarantees issued in the ordinary course of business.

There are no contractual commitments for the acquisition of property, plant and equipment of the parent entity (2023: nil).

6. Group Structure (continued)

6.2. Controlled entities

Details of wholly owned entities within the Brickworks Group of companies are as follows.

Entity	% Group's interest		Entity	% Group's interest	
	2024	2023		2024	2023
Incorporated in Australia			Incorporated in Australia		
A.C.N. 000 012 340 Pty Ltd ¹	100	100	Brickworks Sub Holding Co No. 4 Pty Ltd ¹	100	100
A.C.N. 074 202 592 Pty Ltd ¹	100	100	Brickworks Sub Holding Co No. 5 Pty Ltd ¹	100	100
AP Installations (NSW) Pty Ltd ¹	100	100	Brickworks Sub Holding Co No. 6 Pty Ltd ¹	100	100
AP Installations (Qld) Pty Ltd ¹	100	100	Brickworks Sub Holding Co No. 7 Pty Ltd ¹	100	100
Austral Bricks (NSW) Pty Ltd ¹	100	100	Brickworks Sub Holding Co No. 8 Pty Ltd ¹	100	100
Austral Bricks (Qld) Pty Ltd ¹	100	100	Bristile Guardians Pty Ltd ¹	100	100
Austral Bricks (SA) Pty Ltd ¹	100	100	Bristile Holdings Pty Ltd ¹	100	100
Austral Bricks (Tas) Pty Ltd ¹	100	100	Bristile Pty Ltd ¹	100	100
Austral Bricks (Tasmania) Pty Ltd ¹	100	100	Bristile Roofing (East Coast) Pty Ltd ¹	100	100
Austral Bricks (Vic) Pty Ltd ¹	100	100	Bristile Roofing Holdings Pty Ltd ¹	100	100
Austral Bricks (WA) Pty Ltd ¹	100	100	Capital Battens Pty Ltd ¹	100	100
Austral Bricks Holdings Pty Ltd ¹	100	100	Christies Sands Pty Ltd ¹	100	100
Austral Masonry (NSW) Pty Ltd ¹	100	100	Clifton Brick Holdings Pty Ltd ¹	100	100
Austral Masonry (Qld) Pty Ltd ¹	100	100	Clifton Brick Manufacturers Pty Ltd ¹	100	100
Austral Masonry (Vic) Pty Ltd ¹	100	100	Daniel Robertson Australia Pty Ltd ¹	100	100
Austral Masonry Holdings Pty Ltd ¹	100	100	Davman Builders Pty Ltd ¹	100	100
Austral Precast (NSW) Pty Ltd ¹	100	100	Hallett Brick Pty Ltd ¹	100	100
Austral Precast (Qld) Pty Ltd ¹	100	100	Hallett Roofing Services Pty Ltd ¹	100	100
Austral Precast (Vic) Pty Ltd ¹	100	100	Horsley Park Holdings Pty Ltd ¹	100	100
Austral Precast (WA) Pty Ltd ¹	100	100	International Brick & Tile Pty Ltd ¹	100	100
Austral Precast Holdings Pty Ltd ¹	100	100	J. Hallett & Son Pty Ltd ¹	100	100
Austral Roof Tiles Pty Ltd ¹	100	100	Lumetum Pty Ltd ¹	100	100
Austral Cement Pty Ltd ¹	100	100	Metropolitan Brick Company Pty Ltd ¹	100	100
Auswest Timbers Holdings Pty Ltd ¹	100	100	Nubrik Concrete Masonry Pty Ltd ¹	100	100
Bowral Brickworks Pty Ltd ¹	100	100	Nubrik Pty Ltd ¹	100	100
Brickworks Bioenergy Pty Ltd ²	100	-	Pilsley Investments Pty Ltd ¹	100	100
Brickworks Building Products Pty Ltd ¹	100	100	Prestige Equipment Pty Ltd ¹	100	100
Brickworks Building Products (NZ) Pty Ltd ¹	100	100	Southern Bricks Pty Ltd ¹	100	100
Brickworks Building Products North America Pty Ltd ¹	100	100	The Austral Brick Co Pty Ltd ¹	100	100
Brickworks Cement Pty Limited ¹	100	100	The Warren Brick Co Pty Ltd ¹	100	100
Brickworks Construction Materials Pty Limited ¹	100	100	Visigoth Pty Ltd ¹	100	100
Brickworks Finance Pty Ltd ¹	100	100	Incorporated in New Zealand		
Brickworks Supercentres Pty Ltd ¹	100	100	Brickworks NZ Limited ²	100	-
Brickworks Head Holding Co Pty Ltd ¹	100	100	Incorporated in the United States of America		
Building Products Head Tenant Pty Ltd ¹	100	100	Brickworks North America Corporation	100	100
Brickworks Industrial Developments Pty Ltd ¹	100	100	Brickworks Eddie Acquisition Corporation	100	100
Brickworks Properties Pty Ltd ¹	100	100	Brickworks Supply LLC	100	100
Brickworks Property Finance Co Pty Ltd	100	100	Glen-Gery Corporation	100	100
Brickworks Specialised Building Systems Pty Ltd ¹	100	100	Landmark Stone Products, LLC	100	100
Brickworks Sub Holding Co No. 1 Pty Ltd ¹	100	100	Sioux City Brick & Tile Company	100	100
Brickworks Sub Holding Co No. 2 Pty Ltd ¹	100	100			
Brickworks Sub Holding Co No. 3 Pty Ltd ¹	100	100			

Recognition and measurement

Control is achieved when the Group is exposed to, or has rights to, variable returns from its involvement with an entity and has the ability to affect those returns through its power to direct the activities of the entity.

The financial statements have been prepared by consolidating the financial statements of Brickworks Limited and its controlled entities. All inter-entity balances and transactions are eliminated. All wholly owned entities within the Group have been consolidated in these financial statements.

¹ The entity is part of a deed of cross guarantee (refer note 6.4.).

² The entity was incorporated in the current year.

6. Group Structure (continued)

6.3. Investments accounted for using the equity method

	Note	31 July 2024 \$'000	31 July 2023 \$'000
Associated companies	6.3(a)	2,196,604	2,104,435
Joint ventures	6.3(b)	2,027,418	2,293,295
Total investments accounted for using the equity method		4,224,022	4,397,730

Recognition and measurement

Under the **equity method**, the investments are carried in the consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of an associate or a joint venture.

After applying the equity method of accounting, the Group determines whether it is necessary to recognise an additional impairment loss with respect to its investment in an associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment is impaired. If there is such evidence, the Group calculates the amount of impairment as a difference between the recoverable amount of the associate or joint venture and its carrying amount, and the recognises the loss as 'Share of net profits of associates and joint ventures' in the income statement.

The consolidated income statement reflects the Group's share of the results of operations of the associate/jointly controlled entity.

(a) Associated company

	Group's interest		Contribution to Group profit before tax		Carrying value		Market value of shares	
	2024	2023	2024	2023	2024	2023	2024	2023
	%	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Washington H. Soul Pattinson and Company Limited	26.13	26.13	150,665	162,295	2,196,604	2,104,435	3,348,177	3,107,674
FBR Limited ¹		-	-	(1,696)	-	-	-	-
Total			150,665	160,599	2,196,604	2,104,435	3,348,177	3,107,674

Washington H. Soul Pattinson and Company Limited's ("Soul Patts") shares are publicly traded on the Australian Stock Exchange (ASX code: SOL). The nature of Soul Patts's activities is outlined below:

Strategic Portfolio	Significant investments in listed companies with low correlations, the majority held over the long-term, generally with board representation.
Large Caps	Actively managed investments focused on Australian listed companies that deliver earnings growth and dividends over the long-term.
Private Equity	Investments in unlisted companies with strategic merger & acquisition opportunities.
Emerging Companies	Actively managed equity and equity-like investments in ASX ex-100 companies and unlisted companies.
Credit	Actively managed credit investments – comprising loans, bonds, and structured instruments – aimed at achieving strong risk-adjusted returns.
Property	Actively managed direct property investments and equity accounted joint ventures, largely positioned towards infrastructure development.

¹ At 31 July 2024 the Group's investment in FBR was classified as Fair Value Through Other Comprehensive Income (FVOCI) (refer note 5.3).

6. Group Structure (continued)

6.3 Investments accounted for using the equity method (continued)

(a) Associated company (continued)

In addition to the Group owning 26.13% (2023: 26.13%) of issued ordinary shares of Soul Patts, at 31 July 2024, Soul Patts owned 43.03% (2023: 43.12%) of issued ordinary shares of Brickworks Limited.

The information disclosed below reflects the total amounts reported in the financial statements of Soul Patts amended to reflect adjustments made by the Group in applying the equity method of accounting.

	31 July 2024 \$'000	31 July 2023 \$'000
Current assets	1,159,816	1,717,298
Non-current assets	8,505,012	7,253,879
Current liabilities	(350,058)	(375,241)
Non-current liabilities	(898,724)	(529,081)
Outside equity interest (OEI)	(9,603)	(13,141)
Net assets	8,406,443	8,053,714
Equity accounted carrying value	2,196,604	2,104,435
Revenue	831,993	629,465
Profit after tax attributable to members	576,637	621,145
Other comprehensive income	61,275	(70,187)
Total comprehensive income	637,912	550,958
Dividends received by Brickworks Limited from the associate	85,827	88,657

Soul Patts' lease commitments and contractual commitments for the acquisition of property, plant and equipment were not publicly available at the time of preparation of this report (2023: nil and \$27 million, respectively). The Group has no legal liability for any expenditure commitments incurred by associates.

Recognition and measurement

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

The associate's accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

The consolidated financial statements include eliminations related to the cross share-holding arrangement between the Group and the associate.

6. Group Structure (continued)

6.3 Investments accounted for using the equity method (continued)

(b) Joint ventures

Information relating to joint ventures is outlined below.

	Group's interest		Contribution to Group profit before tax		Carrying value		Principal activity
	2024	2023	2024	2023	2024	2023	
	%	%	\$'000	\$'000	\$'000	\$'000	
Domiciled in Australia							
BGAI Erskine Trust	50.0	50.0	13,010	37,472	231,692	236,856	Property development, management and leasing
BGAI1 Capicure Trust	-	50.0	(378)	7,201	-	27,407	As above
BGAI1 Heritage Trust	-	50.0	(18)	16,348	-	75,542	As above
BGAI1 Oakdale Trust	50.0	50.0	(32,212)	33,559	287,446	348,915	As above
BGAI1 Oakdale East Trust	50.0	50.0	(356)	5,319	68,398	70,649	As above
BGAI1 Oakdale South Trust	50.0	50.0	(25,666)	51,065	244,841	277,567	As above
BGAI2 Rochedale BT Trust	50.0	50.0	(1,873)	1,122	12,591	15,725	As above
BGAI2 Rochedale Trust	50.0	50.0	(9,234)	(1,070)	77,459	90,179	As above
BGAI2 Rochedale North Trust	50.0	50.0	(9,325)	947	18,240	28,308	As above
BGMG1 Oakdale West Trust	50.0	50.0	(13,185)	82,339	561,126	585,476	As above
BGMG Oakdale East Stage 2 Trust	50.0	50.0	-	-	302,094	301,275	As above
Brickworks Goodman Manufacturing Trust (BGMT)	50.1	50.1	(12,227)	5,869	203,253	215,776	As above
Property trusts			(91,464)	240,171	2,007,140	2,273,675	
Southern Cross Cement	33.33	33.33	797	826	12,068	11,272	Import of cement
Domiciled in New Zealand							
NZ Brick Distributors	50.00	50.00	712	1,133	8,210	8,348	Import and distribution of building products
Total			(89,955)	242,130	2,027,418	2,293,295	

Property Trusts and Southern Cross Cement have balance dates of 30 June. The balance date for NZ Brick Distributors is 31 March.

Current year

During the current year, 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 4.1).

Prior year

In the prior year 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 represented the Group's initial investment in this trust (refer Note 2.2).

6. Group Structure (continued)

6.3 Investments accounted for using the equity method (continued)

(b) Joint ventures (continued)

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

	31 July 2024	31 July 2023
	\$'000	\$'000
Share of fair value adjustment of properties held by joint venture	(140,460)	190,621
Share of joint venture property rental profits	48,996	49,550
Total equity accounted (loss)/profit from Property Trusts	(91,464)	240,171

The information disclosed below reflects the total amounts reported in the financial statements of joint ventures amended to reflect adjustments made by the Group in applying the equity method of accounting. This information has been aggregated due to the similarity of the risk and return characteristics.

	31 July 2024	31 July 2023
	\$'000	\$'000
Current assets	233,799	169,841
Non-current assets	5,284,985	5,757,595
Current liabilities	(61,065)	(87,619)
Non-current liabilities	(1,399,595)	(1,233,581)
Net assets	4,058,124	4,606,236
Equity accounted carrying value	2,027,418	2,293,295
Other balance sheet disclosures		
Cash and cash equivalents	27,327	19,552
Current financial liabilities	(29,175)	(30,765)
Non-current financial liabilities	(1,406,386)	(1,231,655)
Revenue	255,432	232,198
Depreciation and amortisation	(5,135)	(4,077)
Interest income	1,097	509
Interest expense	(85,474)	(56,267)
Profit after tax	(179,065)	485,062
Other comprehensive income	-	-
Total comprehensive income	(179,065)	485,062
Distributions received by Brickworks Limited from the joint ventures	43,083	36,287
Joint ventures' expenditure commitments		
Capital commitments	196,370	236,680
Contingent liabilities of joint ventures		
Contingent liabilities incurred jointly with other investors	-	-
<i>The entity has no legal liability for any contingent liabilities incurred by joint ventures.</i>		

6. Group Structure (continued)

6.3 Investments accounted for using the equity method (continued)

(b) Joint ventures (continued)

Recognition and measurement

A **joint venture** is a type of arrangement whereby the parties that have joint control of the arrangement have rights to net assets of the joint venture. Joint control is the contractually agreed sharing of control arrangement, which exists only when the decisions about relevant activities require unanimous consent of the parties sharing control.

The joint venture's accounting policies conform to those used by the Group. When reporting dates of joint ventures are not identical to the Group and the joint venture is not a disclosing entity, the financial information used is internal management reports for the same period as the Group's financial year.

Profits or losses on transactions with the joint venture are deferred to the extent of the Group's ownership interest where properties remain classified as inventory by the joint venture until such time as they realised by the joint venture on sale. There were no unrealised eliminated profits as at 31 July 2024 (2023: nil).

Investment property held by the joint venture, which is property held to earn rentals and/or for capital appreciation, is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in fair value of investment property are included in the equity accounted share of the joint venture's profit and recognised in the income statement of the Group in the period in which they arise.

Significant accounting judgements, estimates and assumptions

Management is required to make significant estimates and judgements in assessing the fair value of investment property. An independent valuation specialist was engaged to assess the fair value of investment properties held by the joint venture. The fair value of investment properties is determined using recognised valuation techniques such as the capitalisation of net income method and discounted cash flow method.

The assessment of fair value of each development property that meets the definition of an investment property, takes into account the expected costs to complete, the stage of completion and associated profit and risk adjustments, capitalisation rates, expected rental income, letting up periods and incentives. External valuations are typically performed when the development property reaches practical completion. From time to time, an independent valuation of the development property may be commissioned. A profit and risk adjustment was reflected by the Group to derive an adjusted end value which is then compared to the forecast costs to complete to determine the fair value increase in the period. The profit and risk adjustment of 20% was determined based on the location, size and status of the development at the valuation date.

6.4. Deed of cross guarantee

Brickworks Limited and a number of its subsidiaries ("Closed Group") are parties to a deed of cross guarantee under which each company, including Brickworks Limited, supports liabilities and obligations of other members of the Closed Group. By entering into the deed, the wholly owned entities have been relieved from the requirement to prepare a financial report and directors' report under ASIC Corporations (Wholly-owned companies) Instrument 2016/785. The entities covered in the deed are listed in Note 6.2. Members of the Closed Group and parties to the deed of cross guarantee are identical.

Set out below is a consolidated balance sheet, consolidated income statement and a summary of movements in consolidated retained profits of the Closed Group.

	31 July 2024	31 July 2023
	\$'000	\$'000
CONSOLIDATED BALANCE SHEET		
Current assets		
Cash and cash equivalents	40,975	55,437
Receivables	71,342	91,072
Inventories	177,575	154,897
Other assets	6,143	8,334
Contract assets	1,081	920
Assets classified as held for sale	3,033	13,532
Total current assets	300,149	324,192
Non-current assets		
Receivables	778,051	835,011
Other financial assets	373,717	354,149
Inventories	6,567	7,180
Investments accounted for using the equity method	2,216,882	2,124,055
Property, plant and equipment	349,914	374,478
Right-of-use assets	269,504	315,124
Intangibles	102,874	103,705
Total non-current assets	4,097,509	4,113,702
Total assets	4,397,658	4,437,894

6. Group Structure (continued)

6.4 Deed of cross guarantee (continued)

	31 July 2024 \$'000	31 July 2023 \$'000
Current liabilities		
Trade and other payables	373,588	373,201
Lease liabilities	45,368	39,682
Income tax payable	6,305	5,240
Contract liabilities	188	661
Liabilities directly associated with assets classified as held for sale	7,127	16,760
Provisions	70,241	82,855
Total current liabilities	502,817	518,399
Non-current liabilities		
Borrowings	732,077	711,552
Derivative financial liabilities	459	457
Lease liabilities	498,713	496,312
Provisions	29,518	28,175
Deferred income tax liabilities	292,437	307,555
Total non-current liabilities	1,553,204	1,544,051
Total liabilities	2,056,021	2,062,450
Net assets	2,341,637	2,375,444
Equity		
Contributed equity	407,015	399,835
Reserves	143,693	128,699
Retained profits	1,790,929	1,846,910
Total equity	2,341,637	2,375,444
CONSOLIDATED INCOME STATEMENT		
(Loss)/profit before income tax	(32,741)	267,073
Income tax benefit/(expense)	66,073	(31,965)
Profit after income tax expense	33,332	235,108
MOVEMENT IN CONSOLIDATED RETAINED EARNINGS		
Retained profits at the beginning of the year	1,846,910	1,698,261
Profit after income tax expense	33,332	235,108
Dividends paid	(89,313)	(86,459)
Retained profits at the end of the year	1,790,929	1,846,910

6. Group Structure (continued)

6.5. Discontinued operations

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 January 2025.

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

(a) Financial performance and cashflow information

	31 July 2024	31 July 2023
	\$'000	\$'000
Results of discontinued operations		
Revenue	2,611	39,830
Expenses	(5,067)	(46,656)
Operating loss	(2,456)	(6,826)
Impairment loss recognised on the measurement to fair value less costs to sell	-	(5,933)
Gain on disposal of assets held for sale	-	693
Other significant items	119	(3,025)
Loss before tax	(2,337)	(15,091)
Income tax benefit/(expense)	687	4,521
Loss after tax	(1,650)	(10,570)
Cash flows from discontinued operations		
Net cash used in operating activities	(473)	(2,906)
Net cash from/(used) in investing activities	-	107
Net cash from financing activities	(999)	(1,541)
Net cash inflow/(outflow)	(1,472)	(4,340)
Basic (cents per share) from discontinued operations	(1.2)	(7.9)
Diluted (cents per share) from discontinued operations	(1.2)	(7.9)

The prior year Earnings Per Share measure was restated to reflect the adjustments to the weighted average number of shares outstanding during the prior period. Refer note 2.4.

6. Group Structure (continued)

6.5 Discontinued operations (continued)

	31 July 2024	31 July 2023
	\$'000	\$'000
Assets and liabilities classified as held for sale		
Receivables	2,856	6,698
Inventories	-	2,479
Contract assets	-	4,325
Other assets	177	30
Assets classified as held for sale	3,033	13,532
Payables	1,227	4,967
Provisions	2,300	4,147
Contract liabilities	-	2,894
Lease liabilities	3,600	4,752
Liabilities held for sale	7,127	16,760
Net assets/(liabilities) held for sale	(4,094)	(3,228)

Recognition and measurement

A discontinued operation is component of the entity that has been disposed of or is classified as held for sale and that represents a cash-generating unit or a group of cash-generating units and is part of a single co-ordinated plan to dispose of such line of business or area of operations. The results of discontinued operations are presented separately in the consolidated income statement.

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sales is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from the employee benefits and financial assets.

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in the excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets classified as held for sale (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is component of the entity that has been disposed of or is classified as held for sale and that represents a cash-generating unit or a group of cash-generating units and is part of a single co-ordinated plan to dispose of such line of business or area of operations. The results of discontinued operations are presented separately in the consolidated income statement.

Significant accounting judgements, estimates and assumptions

Management is required to make significant estimates and judgements in assessing the fair value of assets held for sale. The fair value of these assets is determined based on management's assessment on the values that would be recovered through a sale rather than through continuing use of assets.

7. 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.

7.1. Share based payments

At 31 July 2024, there were 765 employees participating in the Brickworks Deferred Employee Share Plan and the Brickworks Exempt Employee Share Plan, holding 1,186,984 shares (0.78% of issued capital).

(a) Salary sacrifice arrangements

Brickworks Limited has an employee share ownership plan, which allows all employees who have achieved 3 months service with the Group to purchase Brickworks Limited shares, using their own funds plus a contribution of up to \$156 per annum from the Group. All shares acquired under salary sacrifice arrangements are fully paid ordinary shares, purchased on-market under an independent trust deed.

(b) Equity-based compensation plans

Deferred Employee Share Plan

The following table shows the number of fully paid ordinary shares held by the Brickworks Deferred Employee Share Plan that had been granted as remuneration. This table does not include any shares held in the plan that were purchased by the employee under the salary sacrifice arrangements described above.

	Unvested No. of shares	Vested No. of shares	Total No. of shares
Opening balance	383,702	785,361	1,169,063
Granted	162,158	-	162,158
Vested	(183,608)	183,608	-
Forfeited / withdrawn	(32,262)	(212,035)	(244,297)
Closing balance	329,990	756,934	1,086,924

The unvested shares vest to employees at 20% per year for each of the following 5 years, provided ongoing employment is maintained. All shares granted to employees provide dividend and voting rights to the employee.

Executive Rights Plan

The rights vest at 20% per year for each of the following 5 years, provided ongoing employment is maintained. In addition, a performance hurdle related to the Group's Total Shareholder Return (TSR) is applicable to rights granted to the Managing Director, Chief Executive Officer and Chief Financial Officer.

250,819 rights were allocated in the current year (2023: 218,059). 229,001 rights vested on 31 July 2024 (2023: 185,370). There were no rights forfeited in the current year (2023: nil).

A fair value of rights with a TSR performance hurdle has been determined with reference to an independent valuation. A summary of key valuation assumptions is outlined below.

2024

Grant date	23-Nov-23
Valuation method	Monte-Carlo simulation
Performance period	3 years
Grant date share price	\$25.70
Estimated volatility	23.08%
Risk free rate (2.69-yr rate)	3.97%

7. Other Disclosures (continued)

7.1 Share based payments (continued)

(b) Equity-based compensation plans (continued)

	2024	2023
	\$	\$
Expense arising from share-based payment transactions	9,481,021	10,292,819
Fair value of vested shares held by the plan at the end of the year (based on 31 July share price)	21,814,838	20,348,704
Fair value of shares granted during the year	6,933,751	8,457,457
Fair value of executive rights granted during the year	3,957,176	5,835,149

More information regarding the Brickworks Employee Share Plans is outlined in the Remuneration Report included in the Directors' Report.

Recognition and measurement

The fair value determined at the grant date of the equity-settled **share based payments** is expensed over the vesting period, with a corresponding increase to the employee share reserve.

Unvested shares are included in the Contributed Equity as Treasury Shares (refer note 5.6).

7.2. Related party transactions and compensation of key management personnel ("KMP")

(a) Related party transactions

During the year material transactions took place with the following related parties:

- Property transactions with various trusts (listed in note 6.3) which are jointly owned by Group and Goodman Australia Industrial Fund, an unlisted property trust. There were no related party transactions this year. During the prior year, the Group sold the Oakdale East Stage 2 land into the Property trust for a consideration of \$301.3 million and realising a profit of \$262.6 million. All transactions with the property trust are at arm's length value.
- Directors and their direct-related entities are able, with all staff members, to purchase goods produced by the Group on terms and conditions no more favourable than those available to other customers.
- There were no other transactions with KMP during the year (2023: nil).

(b) Compensation paid to KMP

	2024	2023
	\$	\$
Short-term benefits	7,086,311	8,402,201
Post-employment benefits	215,247	202,367
Termination benefits	1,810,622	178,324
Share-based payment	3,131,579	1,999,044
Total compensation paid to KMP	12,243,759	10,781,936

The amounts disclosed in the table are the amounts recognised as an expense during the year related to KMP of the Group.

7.3. Auditor's remuneration

	2024	2023
	\$	\$
Fees for auditing the statutory financial report of the parent covering the group	1,292,990	1,279,715
Other assurance services	15,500	-
Taxation services	63,000	119,952
Other services (Climate change and sustainability services)	-	5,450
Fees for other services	78,500	125,402
Total fees	1,371,490	1,405,117

The financial statements of the Group are audited by EY. Details of non-audit services provided by EY are outlined in the Directors' Report.

7. Other Disclosures (continued)

7.4. Commitments and contingencies

(a) Commitments

	31 July 2024 \$'000	31 July 2023 \$'000
Contracted capital expenditure		
Within one year	12,006	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 operating segment. These have not been provided for at balance date.

(b) Contingencies

	31 July 2024 \$'000	31 July 2023 \$'000
Shareholder guarantee provided as part of joint venture arrangements and bank guarantees issued in the ordinary course of business	60,577	59,461

The Group does not anticipate that any of the bank guarantees issued on its behalf will be called upon.

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.

7.5. 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.

7.6. Other accounting policies

(a) Other accounting policies

Foreign exchange differences arising on the translation of monetary items are recognised in the income statement, except when deferred in equity as a qualifying cash flow or net investment hedge.

Revenues, expenses and assets are recognised net of **goods and services tax (GST)**, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable or payable to the taxation authority is included as a current asset or liability.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing cash flows which are classified as operating cash flows.

(b) New accounting standards, interpretations and amendments adopted by the Group

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

(c) New standard not yet applicable

Certain new accounting standards, amendments and interpretations have been issued that are not effective for the financial year ended 31 July 2024. However, the Group intends to adopt the following new or amended standards and interpretations, if applicable, when they become effective with no significant impact being expected on the Consolidated Financial Statements of the Group:

- Amendments to AASB 101 *Classification of Liabilities as Current or Non-current*
- AASB 18 *Presentation and disclosure in Financial Statements*

Consolidated Entity

Disclosure Statement

Below is the Group consolidated entity disclosure statement as at 31 July 2024 as required by the *Corporations Act 2001* (section 295(3A)).

Entity Name		Entity Type	Body Corporate Country of Incorporation	Body Corporate % of Share Capital Held	Country of tax residence
Brickworks Limited		Body Corporate	Australia		Australia
A.C.N. 000 012 340 Pty Ltd		Body Corporate	Australia	100	Australia
A.C.N. 074 202 592 Pty Ltd		Body Corporate	Australia	100	Australia
AP Installations (NSW) Pty Ltd		Body Corporate	Australia	100	Australia
AP Installations (QLD) Pty Ltd		Body Corporate	Australia	100	Australia
Austral Bricks (NSW) Pty Ltd		Body Corporate	Australia	100	Australia
Austral Bricks (QLD) Pty Ltd		Body Corporate	Australia	100	Australia
Austral Bricks (SA) Pty Ltd		Body Corporate	Australia	100	Australia
Austral Bricks (TAS) Pty Ltd		Body Corporate	Australia	100	Australia
Austral Bricks (Tasmania) Pty Ltd		Body Corporate	Australia	100	Australia
Austral Bricks (VIC) Pty Ltd		Body Corporate	Australia	100	Australia
Austral Bricks (WA) Pty Ltd		Body Corporate	Australia	100	Australia
Austral Bricks Holdings Pty Ltd		Body Corporate	Australia	100	Australia
Austral Cement Pty Ltd		Body Corporate	Australia	100	Australia
Austral Masonry (NSW) Pty Ltd		Body Corporate	Australia	100	Australia
Austral Masonry (QLD) Pty Ltd		Body Corporate	Australia	100	Australia
Austral Masonry (VIC) Pty Ltd		Body Corporate	Australia	100	Australia
Austral Masonry Holdings Pty Ltd		Body Corporate	Australia	100	Australia
Austral Precast (NSW) Pty Ltd		Body Corporate	Australia	100	Australia
Austral Precast (QLD) Pty Ltd		Body Corporate	Australia	100	Australia
Austral Precast (VIC) Pty Ltd		Body Corporate	Australia	100	Australia
Austral Precast (WA) Pty Ltd		Body Corporate	Australia	100	Australia
Austral Precast Holdings Pty Ltd		Body Corporate	Australia	100	Australia
Austral Roof Tiles Pty Ltd		Body Corporate	Australia	100	Australia
Auswest Timbers Holdings Pty Ltd		Body Corporate	Australia	100	Australia
Bowral Brickworks Pty Ltd		Body Corporate	Australia	100	Australia
Brickworks Bioenergy Pty Ltd		Body Corporate	Australia	100	Australia
Brickworks Building Products (NZ) Pty Ltd	1	Body Corporate	Australia	100	Australia
Brickworks Building Products North America Pty Ltd		Body Corporate	Australia	100	Australia
Brickworks Building Products Pty Ltd		Body Corporate	Australia	100	Australia
Brickworks Cement Pty Ltd		Body Corporate	Australia	100	Australia
Brickworks Construction Materials Pty Ltd		Body Corporate	Australia	100	Australia
Brickworks Finance Pty Ltd		Body Corporate	Australia	100	Australia
Brickworks Head Holding Co Pty Ltd	2	Body Corporate	Australia	100	Australia
Brickworks Industrial Developments Pty Ltd		Body Corporate	Australia	100	Australia
Brickworks Properties Pty Ltd		Body Corporate	Australia	100	Australia
Brickworks Property Finance Co Pty Ltd		Body Corporate	Australia	100	Australia
Brickworks Specialised Building Systems Pty Ltd		Body Corporate	Australia	100	Australia
Brickworks Sub Holding Co No. 1 Pty Ltd	2	Body Corporate	Australia	100	Australia
Brickworks Sub Holding Co No. 2 Pty Ltd	2	Body Corporate	Australia	100	Australia
Brickworks Sub Holding Co No. 3 Pty Ltd	2	Body Corporate	Australia	100	Australia
Brickworks Sub Holding Co No. 4 Pty Ltd	2	Body Corporate	Australia	100	Australia
Brickworks Sub Holding Co No. 5 Pty Ltd	2	Body Corporate	Australia	100	Australia
Brickworks Sub Holding Co No. 6 Pty Ltd	2	Body Corporate	Australia	100	Australia
Brickworks Sub Holding Co No. 7 Pty Ltd	2	Body Corporate	Australia	100	Australia
Brickworks Sub Holding Co No. 8 Pty Ltd	2	Body Corporate	Australia	100	Australia
Brickworks Supercentres Pty Ltd		Body Corporate	Australia	100	Australia
Bristile Guardians Pty Ltd	2	Body Corporate	Australia	100	Australia
Bristile Holdings Pty. Ltd.		Body Corporate	Australia	100	Australia
Bristile Pty Ltd		Body Corporate	Australia	100	Australia
Bristile Roofing (East Coast) Pty Ltd		Body Corporate	Australia	100	Australia
Bristile Roofing Holdings Pty Ltd		Body Corporate	Australia	100	Australia
Building Products Head Tenant Pty Ltd		Body Corporate	Australia	100	Australia
Capital Battens Pty Ltd		Body Corporate	Australia	100	Australia
Christies Sands Proprietary Limited		Body Corporate	Australia	100	Australia
Clifton Brick Holdings Pty. Ltd.		Body Corporate	Australia	100	Australia
Clifton Brick Manufacturers Pty. Ltd.		Body Corporate	Australia	100	Australia
Daniel Robertson Australia Pty Ltd		Body Corporate	Australia	100	Australia
Davman Builders Proprietary Limited		Body Corporate	Australia	100	Australia
Hallett Brick Pty Ltd		Body Corporate	Australia	100	Australia
Hallett Roofing Services Pty. Ltd.		Body Corporate	Australia	100	Australia
Horsley Park Holdings Pty Ltd		Body Corporate	Australia	100	Australia
International Brick & Tile Pty Ltd		Body Corporate	Australia	100	Australia
J. Hallett & Son Pty. Ltd.		Body Corporate	Australia	100	Australia
Lumetum Pty Ltd		Body Corporate	Australia	100	Australia
Metropolitan Brick Company Pty Limited		Body Corporate	Australia	100	Australia
Nubrik Concrete Masonry Pty. Ltd.		Body Corporate	Australia	100	Australia
Nubrik Pty Ltd		Body Corporate	Australia	100	Australia
Pilsley Investments Pty Ltd		Body Corporate	Australia	100	Australia

Entity Name		Entity Type	Body Corporate Country of Incorporation	Body Corporate % of Share Capital Held	Country of tax residence
Prestige Equipment Pty Ltd		Body Corporate	Australia	100	Australia
Southern Bricks Pty. Ltd.		Body Corporate	Australia	100	Australia
The Austral Brick Co Pty Ltd		Body Corporate	Australia	100	Australia
The Warren Brick Co Pty Limited		Body Corporate	Australia	100	Australia
Visigoth Pty Limited		Body Corporate	Australia	100	Australia
Brickworks NZ Limited		Body Corporate	New Zealand	100	New Zealand
Brickworks Eddie Acquisition Corporation		Body Corporate	USA	100	USA
Brickworks North America Corporation		Body Corporate	USA	100	USA
Brickworks Supply LLC		LLC Type Entity	USA	100	USA
Glen-Gery Corporation		Body Corporate	USA	100	USA
Sioux City Brick & Tile LLC		LLC Type Entity	USA	100	USA
Landmark Stone Products, LLC		LLC Type Entity	USA	100	USA
Brickworks Holding Trust No. 1		Trust	N / A	N / A	Australia
Brickworks Holding Trust No. 2		Trust	N / A	N / A	Australia
Brickworks Holding Trust No. 3		Trust	N / A	N / A	Australia
Brickworks Holding Trust No. 4		Trust	N / A	N / A	Australia
Brickworks Holding Trust No. 5		Trust	N / A	N / A	Australia
Brickworks Holding Trust No. 6		Trust	N / A	N / A	Australia
Brickworks Sub Trust No.1		Trust	N / A	N / A	Australia
Brickworks Sub Trust No.2		Trust	N / A	N / A	Australia
Brickworks Sub Trust No.3		Trust	N / A	N / A	Australia
Brickworks Sub Trust No.4		Trust	N / A	N / A	Australia
Brickworks Sub Trust No.5		Trust	N / A	N / A	Australia
Brickworks Sub Trust No.6		Trust	N / A	N / A	Australia
Brickworks Sub Trust No.7		Trust	N / A	N / A	Australia
Brickworks Sub Trust No.8		Trust	N / A	N / A	Australia
The Clay Tile Trust		Trust	N / A	N / A	Australia

1. Brickworks Building Products (NZ) Pty Ltd is incorporated in and operates in Australia and has a registered branch in New Zealand. The branch operations have tax obligations in New Zealand under the New Zealand *Income Tax Act 2007*.
2. Trustee of a trust in the consolidated entity

Directors'

Declaration

In the opinion of the Directors:

1. the complete set of the financial statements and notes of the consolidated entity, as set out on pages 68 to 114, and the additional disclosures included in the Remuneration Report section of the Directors' Report designated as audited, are in accordance with the Corporations Act 2001:
 - (a) comply with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 31 July 2024 and of the performance for the year ended on that date of the consolidated entity;
2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board;
3. the consolidated entity disclosure statement required by section 295(3A) of the Corporations Act 2001, as set out on pages 115 to 116, is true and correct;
4. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
5. as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 6.4 will be able to meet any obligations or liabilities to which they are or may become subject to, by virtue of the Deed of Cross Guarantee.

This declaration is made after receiving the declaration required to be made to the Directors in accordance with s295A of the Corporations Act 2001 for the financial year ended 31 July 2024.

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



R.D. Millner AO
Chairman

Dated 26 September 2024

Independent auditor's report to the members of Brickworks Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Brickworks Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated balance sheet as at 31 July 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 year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 July 2024 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Valuation of investment properties held within joint venture property trusts

Why significant	How our audit addressed the key audit matter
<p>At 31 July 2024, the Group's total assets include interests in joint venture property trusts that are equity accounted with a carrying value of \$2,007.1 million. The primary assets of these joint venture property trusts are investment properties that are carried at fair value. Fair value was addressed by the directors with reference to independent property valuations obtained during the year.</p> <p>As disclosed in Not 6.3(b) to the financial report, the Group recognised a loss of \$91.5 million for its share of changes in fair value of investment properties held within the joint venture property trusts.</p> <p>As also disclosed in Note 6.3(b) to the financial report, the valuation of investment properties is inherently judgemental. The valuations are highly sensitive to changes in key inputs such as the expected development costs to complete, the stage of completion and associated profit and risk adjustments, capitalisation rates, expected rental income, letting up periods and incentives.</p> <p>This was considered a key audit matter due to the significance of the judgements required in determining the fair value of investment properties which impacts the share of profits recognised from the joint venture property trusts.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Discussed with management the following matters related to the investment properties held within the joint venture property trusts: <ul style="list-style-type: none"> movements in the investment property portfolio; changes in the condition of each property; controls in place relevant to the investment property valuation process; and the status of investment properties under development. Performed the following procedures on the independent valuations of selected properties: <ul style="list-style-type: none"> Assessed the reasonableness of key valuation assumptions and inputs adopted, including expected development costs to complete, stage of completion and associated profit and risk adjustments, capitalisation rates, expected rental income, letting up periods and incentives, and other valuation adjustments. Involved our real estate valuation specialists to assist with the assessment of the valuation assumptions and methodologies; Recalculated property valuations calculated using the Capitalisation Approach; and Assessed the qualifications, competence, and objectivity of the Group's external independent property valuation specialists. Evaluated that the Group's assessment that property valuations conducted during the year appropriately reflect the fair value as at the Balance Sheet date by reviewing available market data and assessing whether there are any material changes in the key inputs to the valuation calculation since the date of the external independent property valuations. Assessed the adequacy of the disclosures contained in Note 6.3(b) to the financial report.

Impairment assessment of goodwill and other non-current assets

Why significant	How our audit addressed the key audit matter
<p>At 31 July 2024, the Group's consolidated balance sheet includes goodwill and other intangible assets totalling \$102.9 million, and property plant and equipment and right of use assets totalling \$913.3 million.</p> <p>The Directors have assessed goodwill and other intangible and tangible assets for impairment at 31 July 2024 and have recognised a total impairment of goodwill, other intangible and tangible assets of \$172.4 million.</p> <p>Impairment expense of \$16.6 million was also recognised in respect of specific asset impairments in the year. The Group has therefore recognised total impairment expenses of \$189.0 million.</p> <p>As disclosed in Note 3.2(c) to the financial report, the impairment assessment incorporated significant judgements and estimates, specifically concerning factors such as forecast cashflows, discount rates and terminal growth rates. The estimates and assumptions relate to future performance, market, and economic conditions.</p> <p>This was considered a key audit matter due to the level of judgement and estimation exercised in the impairment assessment.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Assessed the Group's determination of the Cash Generating Units used in the impairment models, based on our understanding of the Group's business and cash inflows. Assessed whether the impairment testing methodology used by the Group met the requirements of Australian Accounting Standards. Assessed the mathematical accuracy of the value in use cash flow models including the consistency of the cashflow forecasts with Board approved business forecasts. Assessed the reasonableness of future cash flow forecasts used by the Group by considering our knowledge of the business, historical forecasting accuracy and corroborating data with external information where possible. Evaluated the appropriateness of discount and terminal growth rates applied with involvement from our valuation specialists. Performed sensitivity analysis on key assumptions including discount rates and terminal value growth rates. Assessed the adequacy of the disclosures relating to goodwill and other intangible assets in Note 3.2(c) to the financial report including those made with respect to judgments and estimates.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2024 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- a. The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and;
- b. The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of:
 - i. The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
 - ii. The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

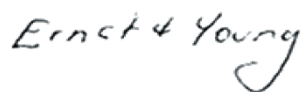
Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 47 to 65 of the directors' report for the year ended 31 July 2024.

In our opinion, the Remuneration Report of Brickworks Limited for the year ended 31 July 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Ernst & Young



Jodie Inglis
Partner
Sydney
26 September 2024

Statement of Shareholders

Ordinary as at 31 August 2024

Shareholders

Number of holders	27,558
Voting entitlement is one vote per fully paid ordinary share % of total holdings by or on behalf of 20 largest shareholders	68.02%

Distribution of shareholdings:

1 - 1,000	19,217
1,001 - 5,000	6,717
5,001 - 10,000	934
10,001 - 100,000	632
100,001 and over	58
	27,558

Holdings of less than marketable parcel of 19 shares	712
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Substantial Shareholders

The names of the substantial shareholders as disclosed in the shareholder notices received by the Company:

Substantial Shareholder	Number of Shares
Washington H Soul Pattinson and Company Limited	65,645,140

20 Largest Shareholders

as disclosed on the Share Register as at 31 August 2024

		Number of Shares	%
1	WASHINGTON H SOUL PATTINSON & COMPANY LIMITED	65,645,140	43.03
2	CITICORP NOMINEES PTY LIMITED	9,721,620	6.37
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	9,470,354	6.21
4	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	8,112,854	5.32
5	J S MILLNER HOLDINGS PTY LIMITED	3,018,836	1.98
6	WILDESMEADOW PTY LTD	828,000	0.54
7	NATIONAL NOMINEES LIMITED	824,633	0.54
8	BNP PARIBAS NOMS PTY LTD	801,850	0.53
9	T G MILLNER HOLDINGS PTY LIMITED	698,509	0.46
10	ARGO INVESTMENTS LIMITED	584,009	0.38
11	MUTUAL TRUST PTY LTD	496,999	0.33
12	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	484,377	0.32
13	BKI INVESTMENT COMPANY LTD	436,209	0.29
14	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	413,124	0.27
15	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	398,329	0.26
16	BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	380,013	0.25
17	MR GREGORY JAMES STONIER	374,686	0.25
18	MR JAMES WILLIAM STONIER	369,685	0.24
19	MRS KATHRYN ELIZABETH HOZACK	360,886	0.24
20	MILLANE PTY LIMITED	341,349	0.22
		103,761,462	68.03

Corporate Information

Registered Office

738 - 780 Wallgrove Road
Horsley Park NSW 2175
Telephone: (02) 9830 7800
Website: www.brickworks.com.au
Email: info@brickworks.com.au

Auditors

Ernst & Young

Bankers

National Australia Bank

Share Register

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne Victoria 3001
Telephone: 1300 855 080 (Australia)
+ 61 3 9415 4000 (International)

Principal Administration Office

738 - 780 Wallgrove Road
Horsley Park NSW 2175
Telephone: (02) 9830 7800
Email: info@brickworks.com.au

Important Dates

2024 annual result released	26 September 2024
Record date for final ordinary dividend	5 November 2024
Annual General Meeting	26 November 2024
Payment date for final ordinary dividend	27 November 2024
2025 half-year end	31 January 2025
2025 half-year result announced	20 March 2025
Record date for interim ordinary dividend	9 April 2025
Payment date for interim ordinary dividend	1 May 2025
2025 financial year end	31 July 2025
2025 annual result released	25 September 2025

The above dates are indicative only and are subject to change