

20 March 2025

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

Dear Sir / Madam

Please see attached the Brickworks Limited Appendix 4D for the half year ended 31 January 2025, incorporating the interim financial report for that period, for immediate release to the market.

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

Yours faithfully

BRICKWORKS LIMITED

Susan Leppinus
Company Secretary

BRICKWORKS LIMITED

A.B.N. 17 000 028 526

ASX Appendix 4D

Half Year ended 31 January 2025

Results for announcement to the market

	31 January 2025	31 January 2024	% Change
Revenues from continuing operations (\$000's)	516,255	547,403	(5.69%)
Net profit/(loss) after tax from continuing operations before significant items (\$000's)	76,309	(36,655)	308.18%
Profit/(loss) from ordinary activities before tax attributable to members (\$000's) ¹	12,876	(136,666)	109.42%
Profit/(loss) from ordinary activities after tax attributable to members (\$000's) ¹	21,336	(52,075)	140.97%
Net profit/(loss) for the period attributable to members (\$000's) ¹	21,336	(52,075)	140.97%
Basic earnings/(loss) per share (cents per share) ¹	15.8	(38.6)	140.81%
Net tangible assets per share (dollars per share) ²	19.26	19.34	(0.41%)
Interim dividend declared – 100% franked (cents per share) (Record date: 9 April 2025)	25.00	24.00	4.17%

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

- **Statutory NPAT** including significant items, up 141% to \$21 million
- **Underlying NPAT** before significant items up 308% to \$76 million
- **Underlying EBIT from continuing operations** before significant items, up 228% to \$108 million (Underlying EBITDA up 472% to \$148 million)
 - **Property** EBITDA up 121% to \$38 million. Rental income up 8% to \$88 million for the half. Value of Property Trust assets \$1.99 billion
 - **Investments** EBITDA down 4% to \$73 million. Market value of listed investments \$3.26 billion
 - **Building Products Australia** EBITDA down 4% to \$50 million
 - **Building Products North America** EBITDA down 115% to a loss of \$3 million
- **Operating cash flow** up 11% to \$59 million
- **Gearing** (net debt to equity) increased to 22% (20% at 31 July 2024)
- **Interim dividend** of 25 cents fully franked, up 1 cent or 4% (Record date 9 April 2025, payment date 1 May 2025)

Additional information supporting the Appendix 4D disclosure requirements can be found in the Directors' Report and the Financial Report for the financial half year ended 31 January 2025.

This information should be read in conjunction with the most recent annual report.

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

¹Including discontinued operations.

²The net tangible assets calculation excludes right-of-use assets. Lease liabilities are included and reduce the net tangible assets per share.

BRICKWORKS

A.B.N. 17 000 028 526

INTERIM FINANCIAL REPORT HALF YEAR ENDED 31 JANUARY 2025

Directors' Report

The Directors of Brickworks Limited present their report and the financial report of Brickworks Limited and its controlled entities (referred to as the Brickworks Group or the Group) for the half year ended 31 January 2025.

Directors

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

- ▶ **Robert D. Millner AO** FAICD (Chairman)
- ▶ **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)

Highlights

- ▶ **Statutory NPAT** including significant items, up 141% to \$21 million
- ▶ **Underlying NPAT** before significant items up 308% to \$76 million
- ▶ **Underlying EBIT from continuing operations** before significant items, up 228% to \$108 million (Underlying EBITDA up 472% to \$148 million)
 - **Property** EBITDA up 121% to \$38 million. Rental income up 8% to \$88 million for the half. Value of Property Trust assets \$1.99 billion
 - **Investments** EBITDA down 4% to \$73 million. Market value of listed investments \$3.26 billion
 - **Building Products Australia** EBITDA down 4% to \$50 million
 - **Building Products North America** EBITDA down 115% to a loss of \$3 million
- ▶ **Operating cash flow** up 11% to \$59 million
- ▶ **Gearing** (net debt to equity) increased to 22% (20% at 31 July 2024).
- ▶ **Interim dividend** of 25 cents fully franked, up 1 cent or 4% (Record date 9 April 2025, payment date 1 May 2025)

Earnings Analysis

Brickworks Limited (ASX: BKW) ("Brickworks" or the "Company") posted a Statutory Net Profit After Tax of \$21 million for the half year ended 31 January 2025. The Underlying Net Profit After Tax was \$76 million.

Group Underlying Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA')¹ was \$148 million in the first half, compared to a loss of \$40 million in the prior corresponding period, which was significantly impacted by property revaluations.

On sales revenue of \$321 million (down 1%), **Building Products Australia** EBITDA was \$50 million, down 4% on the previous corresponding period. Margins remained consistent on softer volumes as a result of ongoing benefits from the portfolio rationalisation focussed on business unit performance, overhead cost reductions, price increases and productivity improvements across most operations.

Sales volume in **Building Products North America** was significantly lower during the period with sales revenue of \$194 million (down 13%) driving an EBITDA loss of \$3 million down 115%. This reflects continued challenging market conditions in core regions, the resultant impact of four plants being shut down for periods of six to eight weeks each to manage inventory levels, and disruption to available product lines in Brickworks Supply stores. Intense competition in the retail segment has resulted in some loss of market share at the company-owned Brickworks Supply store network. In addition, unusually extreme winter weather conditions in our key regions during the latter part of the half also contributed to a slower shipment rate.

Property EBITDA was \$38 million, compared to a loss of \$178 million in the prior period. The prior period was impacted by property revaluations as capitalisation rates expanded across the portfolio. Capitalisation rates remained stable this half with minimal impact on the valuation outcomes at 31 January 2025. Rental income continues to increase as new properties have been completed at Oakdale West, partially offset by the reduction in rent following the sale of the M7 Assets in January 2024.

At the end of the period, Brickworks' share of the net asset value within its Property Trusts was \$1.99 billion (vs. \$2.01 billion at 31 July 2024), which includes the impact of the sales of surplus properties within the Manufacturing Trust, including at Wetherill Park, NSW and Yatala, QLD.

Underlying EBITDA (\$million)	1H2024	1H2025	Change	Change %
Building Products Australia	52	50	(2)	(4%)
Building Products North America	21	(3)	(24)	(115%)
Property	(178)	38	216	121%
Investments	76	73	(3)	(4%)
Group Expenses	(11)	(10)	1	7%
Underlying EBITDA – Continuing Operations	(40)	148	188	472%

¹ All references to EBIT or EBITDA exclude discontinued operations, unless otherwise stated

Investments EBITDA was \$73 million down 4%. The market value of Brickworks' 25.65% shareholding in Washington H. Soul Pattinson & Company Limited ("Soul Patts") (ASX: SOL) was \$3.23 billion at 31 January 2025, down by \$119 million compared to 31 July 2024. Brickworks also holds a 14.46% stake in FBR Limited (ASX: FBR), with a market value of \$34 million at the end of the period down 3%.

Net borrowing costs were \$40 million, consistent with the prior corresponding period.

Significant items were \$55 million, for the period and included:

- ▶ A non-cash impairment loss of \$55 million (after tax) recognised in respect of the Brickworks North America Cash Generating Unit in line with the requirements of AASB 136 Impairment of Assets. This business has been impacted by a faster decline in market conditions than anticipated driving a 13% reduction in revenue compared to the prior corresponding period. In addition, strong competition in the retail segment has resulted in some loss of market share at the company-owned Brickworks supply store network. The resultant reduced demand has necessitated plant shutdowns during the period to control inventory levels, causing reduced plant efficiency and higher unit manufacturing costs. The subdued building activity and scaled back production will delay the realisation of further benefits expected from plant rationalisation and upgrades completed in recent years. Uncertainty around the timing of the market recovery, including factors such as labour shortages, elevated material costs, interest rate uncertainty and geopolitical volatility has resulted in a moderation of the short to medium term outlook for sales activity.
- ▶ Legal costs of \$13 million, associated with the proceedings filed against BGC (Australia) Pty Ltd and Midland Brick Pty Ltd seeking unspecified damages and other relief for alleged contravention of section 50 of the Competition and Consumer Act (the section 46 case has been discontinued).
- ▶ NZ Brick Distributors JV dissolution costs and acquisition costs of \$3 million (net of tax). In September 2024, the joint venture with CSR ceased operating, and Brickworks established a standalone NZ business. The costs incurred were primarily related to the dissolution of this Joint Venture, as well as foreign currency translation equity reserve recycled through the income statement giving rise to an additional expense.
- ▶ Other costs of \$1 million (net of tax) including plant commissioning associated with the restart of the Rocky Ridge plant in North America, Austral Precast exit activities and advisory and IT implementation costs.
- ▶ A non-cash gain on deemed disposal of \$9 million (net of tax arising from Brickworks' ownership stake in Soul Patts being diluted from 26.13% to 25.65% due to the placement of new Soul Patts shares, along with the issue of shares under the executive share scheme and dividend reinvestment plan.
- ▶ Significant items related to Soul Patts of \$17 million (net of tax), including a gain on the partial disposal of their Tuas Limited investment.

- ▶ A \$10 million cost arising from the net impact of the income tax expense in respect of the equity accounted Soul Patts profit, offset by the impact of fully franked Soul Patts dividend income, adjusted for the movements in the franking account and the circular dividend impact.

Statutory Earnings Per Share ('EPS') was 15.8 cents, up 141% on the previous corresponding period. Underlying EPS from continuing operations was 56.3 cents, up 307%.

Cash Flow

Total **cash flow from operating activities** was \$59 million, up 11% from \$54 million. Higher dividends and distributions from Investments and Property were partially offset by the impact of Building Products in North America.

Capital expenditure was \$21 million during the period, down from \$36 million in the previous corresponding period, with the Company having now completed its major capital expenditure program. Major projects included the finalisation of upgrade works at the Rocky Ridge (Maryland) and Adel (Iowa) plants in North America.

Balance Sheet

During the half **total shareholders' equity** was down \$45 million to \$3.34 billion.

Net tangible assets ('NTA') per share was \$19.26 at 31 January 2025, down from \$19.42 at 31 July 2024.

Total interest-bearing debt was \$793 million at the end of the period. **Net debt** was \$721 million, an increase of \$40 million during the half. **Gearing** (net debt to equity) increased to 22% (31 July 2024 – 20%).

Net working capital was \$302 million at 31 January 2025, including finished goods inventory of \$300 million. The value of finished goods inventory increased during the period due to higher unit costs and the impact of foreign currency translation, despite a slight reduction in brick units on hand.

Dividends

Directors have declared a fully franked interim **dividend** of 25 cents per share for the half year ended 31 January 2025, up 4% from 24 cents. The record date for the interim dividend will be 9 April 2025, with payment on 1 May 2025.

Litigation Update

Court proceedings filed against BGC (Australia) Pty Ltd and Midland Brick Pty Ltd seeking unspecified damages and other relief for alleged contravention of section 50 of the Competition and Consumer Act are ongoing (the section 46 case has been discontinued). The case has been set down for hearing for approximately 5 weeks commencing in June 2025. There are significant upcoming milestones in the case as expert reports become due under the court ordered timetable, with the most imminent expert report being the service of Brickworks' independent economic expert's report on liability due 21 March 2025. The Board will continue to assess each significant milestone and take appropriate steps as the case proceeds.

Significant Items (\$m)	Gross	Tax	Net
Impairment of non-current assets	(74)	19	(55)
Legal Costs BGC/Midland proceedings	(13)	-	(13)
JV dissolution and acquisition costs	(3)	-	(3)
Other costs	-	(1)	(1)
Gain on deemed disposal of Soul Patts investment	18	(9)	9
Significant items relating to Soul Patts	17	-	17
Income tax expense from the carrying value of Soul Patts	-	(10)	(10)
Total	(55)	-	(55)

Sustainability

Our People

Full-time equivalent employee numbers were 1,803 at 31 January 2025 (1,852 at 31 July 2024), comprising 911 based in Australia and 892 in North America.

Brickworks continues to focus on inclusion and diversity. Gender diversity has significantly improved, with 42% of the executive leadership team in Australia being female. This compares to 7% in 2015. Across the global workforce, the proportion of female employees (in total) and at the senior executive level are 24% and 44% respectively.

Brickworks is also active in the community and has a long-standing partnership with the Children's Cancer Institute, having made direct and indirect contributions of over \$5.7 million since 2000.

Safety

The Company continues to make steady progress on improving workplace safety. The total recordable injury rate (injuries per million hours worked) for the first half was 10.1, up slightly from the record low rate of 9.7 achieved in financial year 2024.

Across our operations there were two lost time injuries during the half – one in Australia and one in North America, an improvement in North American performance versus two lost time injuries for the same period last year.

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

Environmental

Brickworks' sustainability strategy focuses on building safe, resilient, and sustainable cities. We are on track to achieve our 16 measurable sustainability targets under the Build for Living: Towards 2025 plan. Later this year, we will release our Towards 2030 strategy, which will build upon our extended climate objectives, including carbon reduction, energy efficiency, and product innovation.

For the second year in a row, we have been recognised by the leading Sustainability ESG rating firm, Sustainalytics, as a top-rated company based on leading ESG Risk Ratings in the construction materials sector. We plan to use this recognition to continue momentum on our sustainability journey.

The Company has made significant sustainability strides, reducing carbon emissions by 56% in Australia since 2006. To drive further progress, Brickworks introduced a carbon target in 2023 of a 15% reduction in Scope 1 and 2 greenhouse gas emissions by 2030, based on 2022 levels, across its Australian and North American operations. Greenhouse gas emissions decreased by 22% in FY2024 compared to FY2022, due to subdued market conditions allowing for increased maintenance activities and intermittent plant shutdowns. A 5% improvement in our scope 1 and 2 greenhouse gas intensity since FY2022 for brick production globally puts the Company in a good position to meet the carbon emission target when the demand resumes.

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

At the latest development at Oakdale Industrial Estate, the local environment is enhanced through initiatives such as land rehabilitation, water sensitive urban design, green corridors and using native species in landscaping. The Oakdale Industrial Estate currently has 22.6 MW of solar PV installed, 92 electric vehicle charging stations, and is targeting 5-star Green Star Building ratings on all future warehouse developments.

Property

Overview of Property Result

Property delivered an EBIT (and EBITDA) of \$38 million for the first half, compared to a loss of \$178 million in the prior corresponding period.

Rental Income was up 8% for the period, including the benefit of new properties being completed and leased at Oakdale West, partially offset by the reduction in rent following the sale of the M7 Assets (sold in January 2024).

Borrowing and other costs were up 20%, driven by higher interest rates and average debt levels.

Net Trust income contributed \$26 million in profit for the half, up slightly from the prior period.

During the first half, two new assets on the Oakdale West Estate, buildings 4C and 4D reached practical completion, providing a further 37,000m² of fully leased area to the JV Trust. A development profit of \$3 million was recorded on completion of these buildings in the current period, with the majority of development profit recognised in the previous financial year.

\$million	1H24	1H25	Change
<i>Rental Income (100%)</i>	81	88	8%
<i>Borrowing & Other Costs</i>	(31)	(37)	(20%)
<i>Net Trust Income (100%)</i>	51	51	1%
Net Trust Income (BKW 50%)	25	26	1%
Development Profit	48	3	(93%)
Admin / Other	(2)	(3)	(50%)
Property Trust Sales	(16)	9	152%
Brickworks Land Sales	-	3	100%
EBIT Ex Revaluations	55	38	(32%)
Revaluations	(233)	-	100%
Property EBIT	(178)	38	121%

In February 2025 (post period end), a significant milestone was achieved with the completion of Buildings 4A and 4B, the final two buildings at Oakdale West. These buildings will add 33,000m² to the Estate, with 17,500m² already leased and 15,500m² ready for immediate occupation. A small development profit will be recognised on these properties in the 2H25, with the majority of the development profit recognised in the previous financial year.

The Oakdale West Estate, which has been under construction for over 5 years, is a significant JV Asset, which will be valued at over \$1.8 billion following completion in February, with ~375,000m² gross lettable area contributing strong rental return to the Trusts.

Development activity focus in the Industrial JV Trust has now turned to Oakdale East Stage 2, with substantial progress on the construction of the second Amazon warehouse (57,400m²). This property is expected to be completed in early FY2026. In addition, construction is due to commence on a 42,000m² warehouse adjacent to this property late in the current financial year. A lease pre-commitment is currently under negotiation on this property. Oakdale East will be progressively built out over the next five years.

A total of 15 assets were externally valued during the half, including 13 properties in the Manufacturing Trust in line with the annual valuation policy. Capitalisation rates remained stable with no significant impact on the valuation outcomes. The balance of the portfolio will be subject to external valuation at 31 July 2025.

Property Trust sales for the half, contributed \$9 million profit, including the sale of a surplus industrial building at Wetherill Park and vacant land at Yatala, both from the Manufacturing Trust. The sales also resulted in a cash distribution to Brickworks of \$26 million. A former quarry and buffer land near the Bowral brick factory was also sold during the half and provided \$3 million in profit.

Property administration expenses totalled \$3 million, up 50% from the prior period. The increase occurred due to two previously operational assets becoming suitable for development. The main expenses include rent and holding costs, such as rates and taxes.

Property Trust Assets

Estate	Developed Assets				
	Asset Value (\$m)	Rent (\$m p.a.)	WALE ² (yrs)	Cap. Rate ³	GLA ⁴ (m ²)
Interlink Park (NSW)	659	27	2.6	5.3%	192,200
Oakdale Central (NSW)	835	34	3.1	5.3%	245,200
Oakdale East 1 (NSW)	170	7	8.9	5.1%	37,100
Oakdale South (NSW)	624	24	4.3	5.3%	177,300
Rochedale (QLD)	320	17	8.4	5.6%	126,500
Oakdale West (NSW)	1,677	71	10.1	4.9%	341,800
Industrial JV Trust Total	4,285	179	7.1	5.2%	1,120,100
BKW Manufacturing Trust	372	18	14.6	5.3%	-
Total	4,657	198	7.8	5.2%	1,120,100

As at 31 January 2025, the total value of leased assets held within the two Property Trusts was \$4.66 billion. The annualised gross rent generated from these assets is \$198 million and the weighted average lease expiry is 7.8 years (7.1 years for the Industrial JV Trust). The average capitalisation rate across the portfolio is 5.2%, and there was one vacancy at the end of the period, a 4,400m² facility at Oakdale East Estate.

Including \$750 million worth of land under development, the total value of assets held within both Property Trusts was \$5.41 billion at the end of the period. Borrowings of \$1.42 billion are held within the Industrial JV Trust, giving a total net asset value of \$3.99 billion. Brickworks' 50% share of net asset value is \$1.99 billion, which is a 1% reduction versus 31 July 2024. This reduction reflects the sale of the surplus assets from the Manufacturing Trust during the period.

Gearing within the trusts was 26% at the end of the period, consistent with the gearing level at 31 July 2024. This comprises gearing of 33% within the stabilised Industrial JV Trust (well below the covenant of 60%), and no debt within the Brickworks Manufacturing Trust.

\$million	Jul 2024	Jan 2025	Change
Leased properties	4,525	4,657	3%
Land under development	872	750	(14%)
Total Property Trust assets	5,397	5,407	0%
Borrowings	(1,383)	(1,418)	(3%)
Net Property Trust assets	4,013	3,989	(1%)
Brickworks 50% share	2,007	1,995	(1%)
Gearing on trust assets ⁵	26%	26%	0%

² Weighted average lease expiry (by income)

³ Represents weighted average capitalisation rate based on asset values

⁴ Gross Lettable Area

⁵ Borrowings / total trust assets

Investments

Investments consist of Brickworks' shareholdings in Soul Patts (ASX: SOL) and FBR (ASX: FBR), in addition to interest income on cash holdings. The EBIT from Investments was \$73 million in the half year ended 31 January 2025, down 4% on the prior corresponding period.

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

Brickworks hold 94.3 million shares in Soul Patts (representing a 25.65% ownership stake), with the initial investment dating back to 1968. This shareholding is an important source of earnings and cash flow diversification for the Company and has been a key contributor to Brickworks' success for more than five decades.

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

The market value of Brickworks' shareholding in Soul Patts was \$3.23 billion at 31 January 2025, down \$119 million from 31 July 2024.

Soul Patts has delivered strong returns to Brickworks, with 25-year total shareholder return of 13.2% per annum (to 31 January 2025), 4.7% 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 earnings contribution of \$73 million for the half year ended 31 January 2025, down from \$76 million in the previous corresponding period.

During the period cash dividends of \$52 million were received from Soul Patts, up 8% on the previous corresponding period.

FBR Limited ('FBR')

Brickworks made an initial seed investment in FBR in 2006 and at the end of the period, Brickworks held 731.7 million shares, representing a 14.46% shareholding.

FBR has developed a bricklaying robot that has the potential to build walls faster than traditional methods.

At the end of the period, the market value of Brickworks stake in FBR was \$34 million.

Building Products Australia

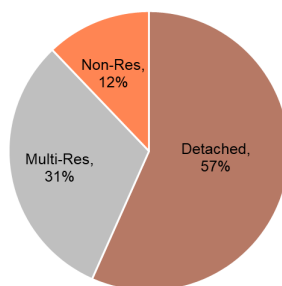
Market Conditions

Building Activity by State⁶

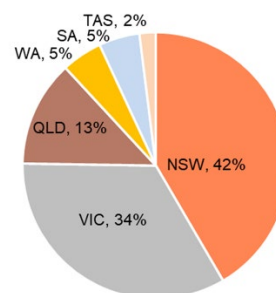
6 months to Dec 24 vs 6 months to Dec 23



Sales by Segment



Sales by Region



Residential commencements continue to be at historically low levels particularly in our key markets of New South Wales and Victoria. The multi residential segment has been particularly soft, down 24% in New South Wales and 12% in Victoria and remains at historically low levels, following several years of decline. Current activity levels in this sector remain the weakest since 2012.

Building activity continues to be subdued with extended approval timelines and higher costs. As a result, the usage of bricks, masonry, and roof tiles on-site is now typically lagging commencements by six months or more.

Non-residential building activity has varied significantly across the country. During the first half there was increased activity in Queensland (up 24%) and South Australia (up 14%) offset by declines in New South Wales (down 7%), Victoria (down 28%) and Western Australia (down 15%).

Overview of Result

Revenue for the half year ended 31 January 2025 was down 1% to \$321 million. The result was impacted by soft building activity in key markets during the period.

EBIT from continuing operations was \$22 million, broadly in line with the prior corresponding period. Excluding depreciation and amortisation, EBITDA was down by 4% to \$50 million, resulting in an EBITDA margin of 16% which was in line with the prior corresponding period.

Despite the lower sales volume margins were maintained as a result of the implementation of price increases, focus on cost control and productivity improvements across operations.

\$million	1H2024	1H2025	Change
Revenue	323	321	(1%)
EBITDA	52	50	(4%)
EBIT	23	22	(2%)
EBITDA margin	16%	16%	0%

The business continues to benefit from operational efficiencies generated over the past 12 months by consolidating Austral Bricks and Austral Masonry into one operating division, restructuring of Bristle Roofing and continuing to focus on cost control across the business.

During the period, Bristle Roofing recommenced production at the Wacol facility in Queensland and added a third shift at the Dandenong facility in Victoria, responding to increased demand driven by significant rationalisation of market capacity in roof tiles. Bristle Roofing is well placed to deliver continued improved performance and earnings growth.

The business continues to focus on product innovation. In response to growing demand for thin-brick cladding systems for high-rise commercial and multi-residential segments. Advanced Cladding Systems has recently installed a new low-cost high-speed thin brick cutting line in New South Wales with commissioning well progressed.

⁶ Detached House and Multi-residential Commencements. Non-residential value of work done. Source: BIS Oxford Economics Australian Building Forecasts, Nov 2024. Figures shown are for the 6 months ended in December. Data shown for NSW also includes ACT, to align with Brickworks sales regions.

Building Products

North America

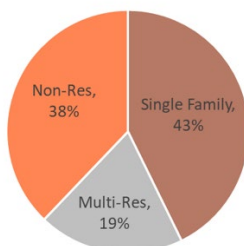
Market Conditions

Building Activity by Region⁷

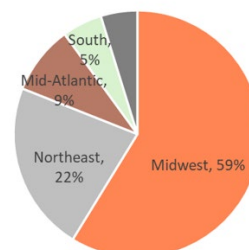
6 months to Dec 24 vs 6 months to Dec 23



Sales by Segment



Sales by Region



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

The Midwest, Northeast and Mid-Atlantic regions make up around 90% of sales. 57% of product is supplied into the non-residential and multi-residential segments, with the Northeast region being the largest market in these two segments. Both the non-residential and multi-residential segments are characterised by a higher proportion of premium products and typically attracts higher margin than the more competitive single-family segment.

In the Midwest region, which is Brickworks North America's single largest market, building activity was down 3% in the multi-residential segment and activity in the non-residential segment was slightly up 2%. Although the single-family market was up 16% in the period, this segment for Brickworks is typically dominated by lower margin sales, in a highly competitive market that is still subject to oversupply.

Similarly in the Northeast region the key multi-residential (down 7%) and non-residential (down 15%) segments were both down compared to the prior corresponding period. While the single-family market was up 19%, typically bricks have a smaller wall share in this region.

In the Mid-Atlantic region, building activity was mixed, with commencements up in the non-residential segment was up 23% and the single-family segment was up 13%. Multi-residential construction activity was down 3%.

Although building activity in the non-residential sector showed some signs of improvement, a large pipeline of work remains in the design phase and is not yet contracted. Within the non-residential segment there are some pockets of strength, however overall activity remained subdued due to regulatory, permitting, financing, and weather delays.

Overview of Result⁸

Sales volume in Building Products North America was significantly lower during the period with sales revenue of \$194 million (down 13%).

EBITDA for the half was a loss of \$3 million and EBIT was a loss of \$15 million.

\$million	1H2024	1H2025	Change
Revenue (\$US)	146	127	(12%)
EBITDA (\$US)	14	(2)	(115%)
EBIT (\$US)	4	(10)	(362%)
Revenue (\$AU)	224	194	(13%)
EBITDA (\$AU)	21	(3)	(115%)
EBIT (\$AU)	6	(15)	(360%)
EBITDA margin	9%	(2%)	(122%)

A significant driver of the negative performance during the half was a faster than anticipated decline in market conditions in core regions, coupled with unusually extreme winter weather conditions in our key regions in the latter part of the half impacting shipments.

Strong competition in the retail segment has resulted in some loss of market share at the company owned Brickworks Supply store network. In addition, earnings contribution was lower in all regions due to project delays, and disruption to available product lines in the Brickworks Supply stores.

Brickworks Supply primarily operates in the Midwest region and supplies both Company manufactured, and third party produced bricks. In the Midwest, the consolidation from six Glen-Gery plants to three (completed in 2023) and the strategy to transition to more Company manufactured bricks, has resulted in some disruption to short-term product availability for customers. This disruption is expected to be resolved as brick production and third-party products are realigned with market demand.

⁷ Single Family and Multi-residential Commencements. Non-residential value of work done. Source: Dodge Data & Analytics.

⁸ An average exchange rate of 1AUD=0.65 USD has been used to convert earnings in 1H25 (1AUD=0.65 USD in 1H24)

As a consequence of the lower sales volumes, manufacturing plants were slowed or taken offline to manage to the lower demand levels and to control inventory. Four out of eight plants were taken offline for periods of six to eight weeks at a time during the half, compared to the previous corresponding period where no plants were taken offline. Production volume was decreased by 15% compared to the prior corresponding period causing a reduction in plant efficiency and higher unit manufacturing costs, resulting in a significant decline in EBITDA margin during the half.

The Glen-Gery six-year plant rationalisation program is now complete. During the period, the Rocky Ridge plant commissioning was finalised, and brick shipments have commenced to the local and UK markets. A new packaging line was installed at the Adel plant during the period, driving further productivity improvements at this important Midwest residential brick plant.

Brickworks' fleet of plants and supply network in North America are now well placed to take advantage of the anticipated market recovery, over the medium term.

Outlook

Property Outlook

Property Trust

Demand for warehousing space has been exceptionally high over the last four years. This surge, driven by the growth in e-commerce and increasing inventory levels, has resulted in prime face rents in Sydney increasing an average of around 21% per annum for the last three years. Average face rents for Western Sydney are now in the range of \$220m² to \$240m²⁹. Whilst recent trends indicate an easing in demand, rents and incentives have held stable over the final quarter of 2024.

The current passing rent within the Western Sydney estates is now around \$164/m², and approximately 26% below the estimated market rent, providing the opportunity to increase rents as leases are renewed.

Looking forward, market rental growth is expected to slow in 2025 as occupier demand decreases. This will depend on the level of incoming supply and its impact on vacancy levels. The Brickworks Industrial JV assets, located at Eastern Creek next to existing key infrastructure, will continue to be attractive to tenants seeking prime industrial facilities in a superior location.

At Oakdale East Stage 2, construction of the 57,400m² Amazon facility is well progressed and forecast to be completed in early FY2026, contributing development profit in the second half of this financial year. A pre-commitment is under negotiation for the next adjacent facility, which is 42,000m², due to commence construction by early FY2026 and is expected to contribute to development profits in late FY2026. Resilient demand for serviced land capable of accommodating facilities over 30,000m² provides the opportunity to develop the remaining 151,000m² of gross lettable area within three to five years.

Work continues on the potential future development of sections of the Rochedale site, which could provide up to 115,000m² of Gross Lettable Area in the coming three to five years. The Rochedale area has limited industrial land and strong demand from tenants seeking to be close to the city and the Brisbane port area.

A feasibility assessment of the ex-manufacturing 14-hectare site in Bellevue Perth, WA (part of the Manufacturing Trust), for subdivision and sale by the Trust has commenced.

Brickworks 100% owned land

The largest additional parcel of land for potential development in Australia is at Craigieburn in Victoria, directly south of the Wollert factory site. Demand for industrial land in the northern area of Melbourne is growing, which will support rezoning the site to industrial. With an expected yield of around 600,000m² of Gross Lettable Area, 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, plans have been lodged with local authorities for a 185,000m² industrial estate on surplus quarry land at our Mid Atlantic property in Pennsylvania. The site, located close to the I-78 motorway linking New York to Washington D.C., is already zoned industrial. Work continues on obtaining a Preliminary Plan Approval the outcome of which is expected before mid-2025. If plan approval is secured, the feasibility of a JV development or sale will be considered.

Building Products Australia

With new housing approvals remaining at a cyclical low, subdued sales activity is expected to continue for the remainder of the current calendar year.

Price increases, a general easing of cost pressures and productivity improvements are expected to support margins, despite the impact of higher delivered gas costs and reduced plant utilisation on other production costs.

Looking beyond the short-term market weakness, the broader macro-economic environment is showing signs of demand returning to the building materials sector, supported by the recent cut in the cash rate. Residential commencements are at an inflection point, with demand expected to increase in the medium term, given the chronic housing undersupply. Oxford Economics November 2024 market forecasts indicate that modest growth is forecast for 2026 and the upswing is set to accelerate in 2027.

Constraints around housing affordability and trade availability are expected to continue. The federal government's National Housing Accord target of 1.2 million new dwellings which equates to 240,000 per year, well above historical levels, is a key policy initiative. However, it is unlikely that these targets will be met, unless a range of initiatives are implemented to remove constraints within the building approval process.



Brickworks is expecting strong demand for building products in Australia in the medium term and is well placed to deliver strong returns following re-structuring, portfolio rationalisation and significant investment in the manufacturing fleet completed in prior years.

⁹ Savills research report date September 2024

Building Products North America

In North America, market conditions across the segments and regions in which the Company operates remain mixed and competition in the single-family residential market, particularly in the key Midwest region remains strong. Challenges persist due to high mortgage interest rates and affordability issues. However, a pipeline of commercial projects is expected to underpin demand over the next 12-18 months, with the business experiencing an increase in product specifications and enquiries through design studios and architectural sales teams, totalling a 36% increase in the value of new opportunity enquiries over the prior 12 months.

The business is expecting sales to remain subdued for the remainder of the calendar year, with forecast commencements indicating a recovery in building activity across our core regions and segments from 2026 and further strengthening from 2027¹⁰. While positive projections exist, industry wide factors such as labour shortages, material cost increases, elevated interest rates and market uncertainties necessitate cautious optimism.

The business has made strong progress on key strategic priorities over the period, with its brick plant rationalisation program now complete. In total, eight plants have been closed over the past six years, and significant capital investment has been undertaken at the remaining eight plants. While the rationalisation program was disruptive to the North American operations, it is expected to deliver an increase in earnings over the medium term as we benefit from a more efficient set of modern plants and a retail and distributor network that is well placed to respond as market conditions improve.

Investments

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

¹⁰ Dodge Data & Analytics Starts Forecast

Rounding of amounts

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

Auditor's independence declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 13 for the half year ended 31 January 2025, and forms part of this report.

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

Dated 20 March 2025



R.D. MILLNER AO

Director



**Shape the future
with confidence**

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 review of the half-year financial report of Brickworks Limited for the half-year year ended 31 January 2025, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

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

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive script.

Ernst & Young

A handwritten signature in black ink that reads 'J Inglis' in a cursive script.

Jodie Inglis
Partner
20 March 2025

Half Year

Financial Statements

Consolidated Income Statement

	Note	31 January 2025 \$'000	31 January 2024 \$'000
Continuing operations			
Revenue	2.2	516,255	547,403
Cost of sales		(367,723)	(380,140)
Gross profit		148,532	167,263
Gain on deemed disposal of associate	2.1, 3.2	18,367	-
Other income	2.2	6,406	3,758
Distribution expenses		(38,780)	(40,211)
Administration expenses		(30,177)	(30,658)
Selling expenses		(73,198)	(75,648)
Impairment of non-current assets		(73,962)	(4,481)
Restructuring costs		-	(10,584)
Loss on disposal of investments		-	(16,392)
Other expenses		(31,156)	(19,444)
Share of net profits/(loss) of associates and joint ventures	2.4	126,860	(69,641)
Profit/(loss) from continuing operations before finance costs and income tax		52,892	(96,038)
Finance costs	2.2	(40,016)	(39,707)
Profit/(loss) from continuing operations before income tax		12,876	(135,745)
Income tax benefit	2.5	8,460	84,315
Profit/(loss) from continuing operations after tax		21,336	(51,430)
Discontinued operations			
Loss from discontinued operations, net of income tax benefit		-	(645)
Profit/(loss) after tax		21,336	(52,075)
Profit/(loss) after tax attributable to:			
Shareholders of Brickworks Limited		21,336	(52,075)
		Cents	Cents
Earnings/(loss) per share attributable to the shareholders of Brickworks Limited			
Basic (cents per share)	2.6	15.8	(38.6)
Diluted (cents per share)	2.6	15.7	(38.6)
Basic (cents per share) from continuing operations	2.6	15.8	(38.2)
Diluted (cents per share) from continuing operations	2.6	15.7	(38.2)

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

Consolidated Statement of Other Comprehensive Income

	Note	31 January 2025 \$'000	31 January 2024 \$'000
Profit/(loss) after tax		21,336	(52,075)
Other comprehensive income/(loss), 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		(3,700)	(10,304)
Foreign currency translation		2,371	427
Income tax benefit relating to these items		1,110	3,091
Net other comprehensive loss that may be reclassified to Income Statement		(219)	(6,786)
<i>Items not to be subsequently reclassified to Income Statement</i>			
Net fair value (loss)/gain on financial assets at fair value through other comprehensive income		(1,467)	929
Share of (decrements)/increments in reserves attributable to associates and joint ventures		(16,553)	34,690
Income tax benefit/(expense) relating to these items		5,405	(10,522)
Net other comprehensive (loss)/profit not to be reclassified to Income Statement		(12,615)	25,097
Other comprehensive (loss)/income, net of tax	4.5	(12,834)	18,311
Total comprehensive income/(loss)		8,502	(33,764)
Total comprehensive income/(loss), attributable to:			
Shareholders of Brickworks Limited		8,502	(33,764)

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

Consolidated Balance Sheet

	Note	31 January 2025 \$'000	31 July 2024 \$'000
Cash and cash equivalents		71,704	62,574
Receivables		86,576	126,572
Inventories		378,187	355,157
Prepayments		16,387	10,367
Contract assets		785	1,231
Current income tax asset		395	892
Assets classified as held for sale		-	3,033
Derivative financial assets		175	828
Total current assets		554,209	560,654
Inventories		6,505	6,567
Financial assets at fair value through other comprehensive income		33,657	35,121
Investments accounted for using the equity method		4,247,037	4,224,022
Derivative financial assets		279	-
Property, plant and equipment		552,490	598,589
Right-of-use assets		286,246	314,747
Intangible assets		104,349	102,875
Total non-current assets		5,230,563	5,281,921
TOTAL ASSETS		5,784,772	5,842,575
Payables		120,784	138,102
Post-employment liabilities		1,004	963
Contract liabilities		5,788	5,793
Lease liabilities		56,322	55,386
Other financial liabilities	4.3	2,388	2,641
Liabilities directly associated with assets classified as held for sale		-	7,127
Provisions		65,980	77,815
Total current liabilities		252,266	287,827
Borrowings	4.1	782,592	732,077
Derivative financial liabilities		492	459
Post-employment liabilities		17,968	17,232
Lease liabilities		551,016	561,674
Other financial liabilities	4.3	9,720	9,029
Provisions		30,389	31,288
Deferred income tax liability		803,597	821,217
Total non-current liability		2,195,774	2,172,976
TOTAL LIABILITIES		2,448,040	2,460,803
NET ASSETS		3,336,732	3,381,772
Issued capital	4.4	412,063	407,015
Reserves	4.5	177,147	190,604
Retained profits		2,747,522	2,784,153
TOTAL EQUITY		3,336,732	3,381,772

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

Consolidated Statement of Changes in Equity

	Note	Issued capital \$'000	Reserves \$'000	Retained profits \$'000	Total \$'000
For the period ended 31 January 2025					
Balance at 1 August 2024		407,015	190,604	2,784,153	3,381,772
Profit after tax		-	-	21,336	21,336
Other comprehensive loss – net of tax		-	(12,834)	-	(12,834)
Net dividends paid	2.7	-	-	(58,526)	(58,526)
Share issue costs	4.4	(27)	-	-	(27)
Reserves recycled on investment disposal	4.5	-	974	559	1,533
Shares vested to employees		5,017	(5,017)	-	-
Shares purchased under Short-term incentive (STI) scheme	4.4, 4.5	(696)	696	-	-
Shares vested under STI scheme	4.4	754	(754)	-	-
Share based payments expense	4.5	-	3,478	-	3,478
Balance at 31 January 2025		412,063	177,147	2,747,522	3,336,732
For the period ended 31 January 2024					
Balance at 1 August 2023		399,835	168,830	2,992,351	3,561,016
Loss after tax		-	-	(52,075)	(52,075)
Other comprehensive income – net of tax		-	18,311	-	18,311
Net dividends paid	2.7	-	-	(56,817)	(56,817)
Share issue costs		(15)	-	-	(15)
Shares vested to employees	4.5	4,977	(4,977)	-	-
Share based payments expense	4.5	-	4,891	-	4,891
Share of associates transfer to outside equity interests		-	-	7	7
Balance at 31 January 2024		404,797	187,055	2,883,466	3,475,318

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

Consolidated Statement of Cash Flows

	31 January 2025 \$'000	31 January 2024 \$'000
Cash flows from operating activities		
Receipts from customers	588,649	629,507
Payments to suppliers and employees	(571,646)	(604,824)
Interest received	682	506
Interest and other finance costs paid	(37,334)	(40,392)
Dividends and distributions received	79,388	69,725
Income tax refunded/(paid)	(383)	(824)
Net cash from operating activities	59,356	53,698
Cash flows from investing activities		
Purchase of property, plant and equipment	(20,997)	(36,189)
Proceeds from sale of property, plant and equipment	3,626	2,635
Purchase of intangible assets	(29)	(453)
Purchase of investments	(2,962)	(2,751)
Proceeds from sale of equity accounted investments	26,295	117,303
Purchase of controlled entities, net of cash acquired	(364)	(1,097)
Net cash from investing activities	5,569	79,448
Cash flows from financing activities		
Proceeds from borrowings	145,000	84,000
Repayments of borrowings	(108,578)	(64,000)
Payment of principal portion of lease liabilities	(27,621)	(25,783)
Share issue costs 4.4	(27)	(15)
Dividends paid 2.7	(65,766)	(64,021)
Net cash used in financing activities	(56,992)	(69,819)
Net increase in cash held	7,933	63,327
Effects of exchange rate changes on cash	1,197	232
Cash at the beginning of the period	62,574	69,565
Cash at the end of the period	71,704	133,124

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

Notes

to the Half Year Financial Statements

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

1. About this Report

1.1. Basis of preparation

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

The half year report does not include all the disclosures normally included in an annual report. Accordingly, it is recommended that this report be read in conjunction with the Brickworks Annual Report for the year ended 31 July 2024 and any announcements to the market made during the financial half year in accordance with the Group’s continuous disclosure obligations under the *Corporations Act 2001*.

The accounting policies and measurement bases adopted in this report are consistent with those applied in the Brickworks Annual Report for the year ended 31 July 2024, except for the adoption of new and amended standards set out in note 5.3. The Group has not early adopted any other standard, interpretation or amendments that has been issued but not yet effective.

The half year report is presented in Australian dollars, which is the Parent entity’s functional currency¹.

1.2. Key estimates or judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities. The significant judgements made by management in applying the Group’s accounting policies are the same as those applied to the annual financial statements as at and for the year ended 31 July 2024.

1.3. Notes to the half year financial report

The notes are organised into the following sections:

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

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

2. Financial Performance

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

2.1. Segment reporting

Management identified the following reportable business segments:

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

31 January 2025	Building Products Australia \$'000	Building Products North America \$'000	Property \$'000	Investments \$'000	Consolidated \$'000
REVENUE					
Sale of goods	302,230	193,735	-	-	495,965
Revenue from supply and install contracts	17,412	-	-	-	17,412
Interest received	-	-	-	682	682
Rental revenue	99	-	241	-	340
Other operating revenue	1,330	526	-	-	1,856
Revenue	321,071	194,261	241	682	516,255
RESULT					
Segment EBITDA	49,969	(3,133)	26,296	73,347	146,479
Depreciation of right-of-use assets	(19,558)	(3,949)	-	-	(23,507)
Depreciation and amortisation	(8,261)	(8,084)	-	-	(16,345)
Segment EBIT (before gain/(loss) on sale of investments, land and buildings)	22,150	(15,166)	26,296	73,347	106,627
Equity accounted gain on asset sales	-	-	8,602	-	8,602
Gain on sale of land and buildings	-	-	3,027	-	3,027
Total Segment EBIT	22,150	(15,166)	37,925	73,347	118,256
<u>Unallocated expenses</u>					
Significant items					(55,374)
Borrowing costs					(39,708)
Other unallocated expenses					(10,298)
Profit before income tax					12,876
Income tax benefit ¹					8,460
Profit after income tax					21,336

¹ Included in the income tax benefit is a tax benefit related to significant items amounting to \$401,000.

31 January 2024

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

¹ Borrowing costs include items disclosed below in the "Significant items" line.

² Included in the income tax benefit is a tax expense related to significant items amounting to \$2,351,000.

Significant items		31 January 2025 \$'000	31 January 2024 \$'000
Impairment of non-current assets ¹	2.3	(73,755)	(4,296)
Legal costs ²		(13,209)	(2,294)
JV dissolution and acquisition costs ³		(3,016)	(2,820)
Plant relocation and commissioning costs ⁴		(1,279)	(7,814)
Other costs including advisory and IT implementation costs ²		(1,182)	(1,069)
Austral Precast exit activities ⁵		1,939	133 ⁷
Restructuring costs		-	(7,881)
Significant items from continuing operations before income tax (excluding associates)		(90,502)	(26,041)
Income tax benefit on other significant items (excluding associates) ⁶		19,263	7,596
Significant items from continuing operations after income tax (excluding associates)		(71,239)	(18,445)
Gain on deemed disposal of associate	3.2	18,367	-
Income tax expense arising on deemed disposal ⁶		(8,764)	-
Gain on deemed disposal of associate after income tax		9,603	-
Significant one-off transactions of associate ⁸		16,761	13,710
Income tax expense arising from the carrying value of the investment in the associate (Soul Patts) ⁶		(10,098)	(9,947)
Significant items after income tax (associates)		6,663	3,763
Significant items from continuing operations after income tax (including associates)		(54,973)	(14,682)

¹ Disclosed in 'Impairment of non-current assets' line on the Income Statement.

² Disclosed in 'Other expenses' line on the Income Statement.

³ Disclosed in 'Other expenses' (\$2,156,000), 'Finance costs' (\$306,000) and 'Share of net profits of associates and joint ventures' (\$554,000) lines on the Income Statement.

⁴ Disclosed in 'Cost of sales' line on the Income Statement.

⁵ Disclosed in 'Other income' \$2,916,000 and 'Other expenses' (\$977,000) lines on the Income Statement.

⁶ Disclosed in 'Income tax expenses' line on the Income Statement.

⁷ Presented in discontinued operations in the prior period net of the income tax expense (\$40,000).

⁸ Disclosed in 'Share of net profits/(loss) of associates and joint ventures' line on the Income Statement.

2.2. Revenues and expenses

	31 January 2025	31 January 2024
	\$'000	\$'000
REVENUE		
<i>Revenue from contracts with customers</i>		
Sale of goods	495,965	519,216
Revenue from supply and install contracts	17,412	24,118
	513,377	543,334
<i>Other operating revenue</i>		
Interest received – other corporations	682	506
Rental revenue	340	146
Other	1,856	3,417
Total operating revenue from continuing operations	516,255	547,403
OTHER INCOME		
Net gain on disposal of property, plant and equipment	3,478	731
Gain on lease modification	2,916	2,600
Other income	12	427
Total other income from continuing operations	6,406	3,758
FINANCE COSTS		
Interest and finance charges paid/payable	25,766	24,639
Interest on lease liabilities	13,536	12,816
Net fair value change on derivatives	408	1,748
Unwind of discounting deferred consideration - Redland Brick acquisition	306	504
Total finance costs from continuing operations	40,016	39,707

2.3. Impairment of non-current assets

Results of impairment assessment

Impairment indicators have been identified in respect of the Building Products North America cash-generating unit (CGU) at 31 January 2025, and as the result, the CGU was tested for impairment at that date.

An impairment assessment was conducted in line with the value-in-use methodology at 31 January 2025. Based on the assessment, the Group recognised an impairment loss of \$73.8 million in respect of the Building Products North America CGU.

Key drivers of the impairment loss are noted below:

- A faster than previously anticipated decline in market conditions in the current period driving a 13% reduction in the Building Products North America revenue when compared to the prior corresponding period;
- Strong competition in the retail segment resulting in a loss of market share across the Company-owned Brickworks supply network, particularly across the Midwest region where supply has been disrupted due to industry consolidation activity;
- Timing of the anticipated market recovery given factors such as continued labour shortages and elevated material costs, interest rate uncertainty and geopolitical volatility resulting in a moderation of the short to medium-term outlook for sales activity and production volumes. This has led to a delay in the realisation of further benefits expected to be delivered from the plant rationalisation and upgrades completed in recent years.

Building Products North America CGU impairment assessment – key assumptions

Calculation method	The recoverable amount of the Building Products North America CGU is determined based on the value-in-use (VIU) model. The VIU calculations use cash flows projections, inclusive of working capital movements, and are based on the most recent financial projections approved by the Board, covering a five-year period, moderated to reflect the current period performance. Estimates beyond the five-year period are calculated with a growth rate that reflects the long-term growth rate.
Sales volumes	Sales volumes are based on management forecasts reflecting independent external forecasts of underlying economic activity for the market sectors, and geographies in which the Building Products North America CGU operates. A major driver of sales volumes is the level of activity in the relevant segment of the building sector. Management has assessed the reported forecast construction activity data from external sources and further evaluated the sales mix and market share of the Building Products North America CGU.
Sales prices	Management expects to achieve price growth over the forecast period. The assumed increases vary across the different geographies, in which the Building Products North America CGU operates. Historical price growth achieved is taken into consideration when forecasting price growth in the forecast period.
Costs	Costs are calculated based on historical gross margins, known cost increases, and estimated inflation rates over the period that are consistent with the locations in which the Building Products North America CGU operates, including a range of board-approved strategic initiatives currently in process of implementation.
Terminal value earnings	The terminal value is based on the average cashflows forecast over the 3 (three) final years of the forecast period, taking into account a range of strategic initiatives.
Long-term growth rates	Long-term growth rate of 2.5% (2024: 2.5%) has been applied in the cash flow valuation.
Discount rate	For 2025, the post-tax discount rate, calculated including the impact of AASB 16 – <i>Leases</i> for the Building Products North America CGU, was 12.87% (2024: 11.38%).

The loss was allocated as follows:

- \$16.9 million allocated to Right-of-use assets;
- \$56.9 million allocated to Property, plant & equipment.

Sensitivity to changes in assumptions

Given an impairment loss was recognised at 31 January 2025, the carrying value of the Building Products North America CGU's are held at their recoverable amount. Therefore, any negative change in a key assumption will result in an additional impairment charge being recognised.

2.4. Share of net profits of associates and joint ventures

	Note	31 January 2025 \$'000	31 January 2024 \$'000
Share of net profits of associates	3.2	89,426	89,509
Share of net profits/(losses) of joint ventures	3.3	37,434	(159,150)
		126,860	(69,641)

2.5. Income tax expense

	Note	31 January 2025 \$'000	31 January 2024 \$'000
Profit/(loss) from continuing operations before income tax		12,876	(135,745)
Loss from discontinued operations before income tax benefit		-	(921)
Profit/(loss) before income tax for the period		12,876	(136,666)
Prima facie tax expense/(benefit) calculated at 30%		3,863	(41,000)
<i>(Decrease)/increase in income tax expense due to:</i>			
Franked dividend income		(15,562)	(14,430)
Recoupment of unrecognised capital losses		(5,510)	(23,356)
Research and development tax incentive		(3,673)	(4,138)
Gain on deemed disposal		(3,252)	-
Share of net profits of associates		5,512	(2,476)
Non-deductible legal expenses		4,137	346
Tax rate differences in overseas entities		3,767	33
Over/(under)provided in prior years		1,258	(772)
Business acquisition costs		600	374
Other non-deductible items		400	828
Income tax benefit attributable to profit		(8,460)	(84,591)
Current income tax benefit		(11,779)	(15,553)
Deferred tax expense/(benefit) relating to movements in deferred tax balances		7,571	(44,910)
Over/(under)provided in prior years		1,258	(772)
Recoupment of unrecognised capital losses		(5,510)	(23,356)
Total income tax benefit on profit/(loss)		(8,460)	(84,591)
Income tax benefit attributable to:			
Profit from continuing operations		(8,460)	(84,315)
Loss from discontinued operations		-	(276)
Income tax benefit attributable to profit/(loss)		(8,460)	(84,591)

2.6. Earnings per share (EPS)

	31 January 2025	31 January 2024
Profit/(loss) after tax attributable to shareholders of Brickworks Limited (\$'000)	21,336	(52,075)
Profit/(loss) from continuing operations after tax (\$'000)	21,336	(51,430)
Weighted average number of ordinary shares (thousand)	152,807	152,363
Less: weighted average reciprocal interest with Soul Patts	(16,888)	(17,152)
Less: weighted average number of treasury shares (thousand)	(494)	(470)
Weighted average number of ordinary shares used in the calculation of basic EPS (thousand)	135,425	134,741
Weighted average number of ordinary shares used in the calculation of diluted EPS (thousand) ¹	136,025	134,741
Basic EPS (cents per share)	15.8	(38.6)
Diluted EPS (cents per share)	15.7	(38.6)
Basic EPS (cents per share) from continuing operations	15.8	(38.2)
Diluted EPS (cents per share) from continuing operations	15.7	(38.2)

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

The weighted average number of shares used in the EPS was adjusted to remove the weighted average number of treasury shares outstanding during the period and to account for the reciprocal interest with Soul Patts.

The weighted average number of shares during the period included an adjustment for 16,887,579 shares related to the cross-shareholding between Brickworks and Soul Patts. Soul Patts held 65,645,140 Brickworks shares. As of 31 January 2025, Soul Patts was 25.65% owned by Brickworks (31 July 2024: 26.13%), and the resulting weighted average reciprocal interest of 16,887,579 shares was treated as treasury shares (31 July 2024: 17,151,975 shares).

2.7. Dividends and franking credits

	31 January 2025 \$'000	31 January 2024 \$'000
2024 Final ordinary dividend – 43.0 cents per share paid on 27/11/2024 (PY: 42.0 cents per share paid on 22/11/2023)	65,766	64,021
Group's share of dividend received by associated company	(7,240)	(7,204)
	58,526	56,817
2025 Proposed interim ordinary dividend 25.0 cents per share not recognised as a liability (PY: interim ordinary dividend 24.0 cents per share)	38,236	36,583

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

3. Investments accounted for using the Equity Method

3.1. Investments accounted for using the equity method

This section provides the information that is considered relevant to understand the Group's investments in associated company (Soul Patts) and joint venture arrangements, including Property Trusts.

	31 January 2025	31 July 2024
	\$'000	\$'000
Associated companies	2,239,830	2,196,604
Joint ventures	2,007,207	2,027,418
Total investments accounted for using the equity method	4,247,037	4,224,022

3.2. Associated company

	Group's interest		Contribution to Group profit before tax		Carrying value		Market value of shares	
	31 Jan 2025	31 Jul 2024	31 Jan 2025	31 Jan 2024	31 Jan 2025	31 Jul 2024	31 Jan 2025	31 Jul 2024
	%	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Soul Patts	25.65	26.13	89,426	89,509	2,239,830	2,196,604	3,229,341	3,348,177
Total			89,426	89,509	2,239,830	2,196,604	3,229,341	3,348,177

During the reporting period, Soul Patts issued additional shares to third-party investors, which diluted the Group's ownership interest from 26.13% to 25.65%.

The dilution was accounted for as a deemed disposal, resulting in a gain of \$18,367,000, which has been recognised in the Income Statement. The gain reflects the difference between the carrying amount of the disposed interest and the fair value of the consideration received, calculated as follows:

	31 January 2025
	\$'000
Carrying amount of the disposed interest	(40,513)
Fair value of consideration received	58,858
Equity reserves recycled in the income statement	22
Gain on deemed disposal	18,367

3.3. Joint ventures

Information relating to joint ventures is outlined below.

	Group's interest		Contribution to Group profit before tax		Carrying value		Principal activity
	31 Jan 2025	31 Jul 2024	31 Jan 2025	31 Jan 2024	31 Jan 2025	31 Jul 2024	
	%	%	\$'000	\$'000	\$'000	\$'000	
Domiciled in Australia							
BGAI Erskine Trust	50.0	50.0	2,918	5,470	231,670	231,692	Property development, management and leasing
BGAI Capicure Trust	-	-	-	(378)	-	-	As above
BGAI Heritage Trust	-	-	-	(18)	-	-	As above
BGAI Oakdale Trust	50.0	50.0	4,328	(39,215)	288,568	287,446	As above
BGAI Oakdale East Trust	50.0	50.0	1,186	(2,131)	68,289	68,398	As above
BGAI Oakdale South Trust	50.0	50.0	3,090	(36,292)	244,252	244,841	As above
BGAI Rochedale BT Trust	50.0	50.0	224	(2,127)	12,608	12,591	As above
BMGW Rochedale Trust	50.0	50.0	1,718	(12,116)	77,635	77,459	As above
BMGW Rochedale North Trust	50.0	50.0	371	(10,455)	18,077	18,240	As above
BMGW Oakdale West Trust	50.0	50.0	10,104	(45,510)	565,182	561,126	As above
BGMG Oakdale East No. 2 Trust	50.0	50.0	-	-	302,094	302,094	As above
Brickworks Goodman Manufacturing Trust (BGMT)	50.1	50.1	13,636	(16,938)	186,273	203,253	As above
Property trusts			37,575	(159,710)	1,994,648	2,007,140	
Southern Cross Cement	33.3	33.3	372	224	12,441	12,068	Import of cement
Domiciled in New Zealand							
NZ Brick Distributors	50.0	50.0	(513)	336	118	8,210	Import and distribution of building products
Total			37,434	(159,150)	2,007,207	2,027,418	

During the current period, the Group established a wholly owned subsidiary in New Zealand which acquired certain assets and liabilities of the NZ Brick Distributors JV. This transaction was classified as a business combination in line with AASB 3 *Business Combinations*. This has resulted in a substantial disposal of the Group's investment in the NZ Brick Distributors JV. Accordingly, the cumulative foreign currency translation reserve (FCTR) balance of \$1,548,000 was recognised in the income statement as part of other expenses, in accordance with AASB 121 *The Effects of Changes in Foreign Exchange Rates*. These amounts were previously recognised in other comprehensive income (OCI) and accumulated in the FCTR within equity reserves.

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

	31 January 2025	31 January 2024
	\$'000	\$'000
Share of joint venture property rental profits	25,587	25,381
Share of profit on disposal of assets held by joint venture	8,602	-
Share of fair value adjustment of properties held by joint venture	3,386	(185,091)
Total equity accounted profit from Property Trusts	37,575	(159,710)

4. Capital and Risk Management

4.1. Borrowings

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

	31 January 2025 \$'000	31 July 2024 \$'000
Non-current		
Interest-bearing loans	793,024	744,095
Unamortised borrowing costs	(10,432)	(12,018)
	782,592	732,077

There were no refinancing activities carried out during the period.

The maturity profile of the Group's loan facilities at 31 January 2025 is outlined below.

Facility	Currency	Limit (\$m)	Drawn (\$m)	Available (\$m)	Maturity date
Tranche C	AUD	104	100	4	December 2026
Tranche E	AUD	100	-	100	August 2027
Syndicated loan facility (AUD)		204	100	104	
Tranche E1	USD	100	-	100	August 2027
Tranche D	USD	55	55	-	June 2028
Syndicated loan facility (USD)		155	55	100	
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	90	60	30	November 2026
Bi-Lateral Facilities	AUD	51	-	51	November 2028
Bi-Lateral Facilities	AUD	105	105	-	November 2027
Bi-Lateral Facilities	AUD	25	-	25	November 2028
Bi-Lateral Facilities	AUD	39	-	39	November 2027
Bi-Lateral Facilities	AUD	22	22	-	November 2026
Bi-Lateral Facilities	AUD	75	75	-	November 2028
Bi-Lateral Facilities	AUD	30	25	5	November 2028
Bi-Lateral Facilities (AUD)		437	287	150	
Bi-Lateral Facilities	USD	25	25	-	November 2028
Bi-Lateral Facilities	USD	29	-	29	November 2028
Bi-Lateral Facilities	USD	20	20	-	November 2027
Bi-Lateral Facilities	USD	18	18	-	November 2026
Bi-Lateral Facilities	USD	13	13	-	November 2028
Bi-Lateral Facilities (USD)		105	76	29	

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

4.2. Financial instruments

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

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

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

The Group's financial assets at fair value through other comprehensive income represent listed equities of FBR, 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.

	Market value	
	31 Jan 2025	31 July 2024
	\$'000	\$'000
Equities – Listed	33,657	35,121
Total	33,657	35,121

(b) Derivative financial instruments

Interest rate swaps

The Group has entered into interest rate swaps contracts which allow the Group to swap floating rates into an average fixed rate of 3.86% (2024: 3.41%). The contracts require settlement of net interest receivable or payable usually around every 90 days. The settlement dates are aligned with the dates on which interest is payable on the underlying bank borrowings and are brought to account as an adjustment to borrowing costs.

The fair value of interest rate swaps is outlined below.

	Notional Principal Amount		Average Interest Rate		Fair value asset/(liability)	
	31 Jan 2025	31 Jul 2024	31 Jan 2025	31 Jul 2024	31 Jan 2025	31 Jul 2024
	\$'000	\$'000	%	%	\$'000	\$'000
Less than 1 year	25,000	75,000	2.93	2.38	175	828
1 to 3 years	194,000	100,000	3.98	4.19	(214)	(459)
Total	219,000	175,000	3.86	3.41	(39)	369

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

4.3. Other financial liabilities

	31 January 2025 \$'000	31 July 2024 \$'000
Deferred consideration related to business combinations		
Current	2,388	2,641
Non-current	9,720	9,029
Total	12,108	11,670

4.4. Contributed equity

	31 January 2025 Number of shares	31 July 2024 Number of shares	31 January 2025 \$'000	31 July 2024 \$'000
Contributed equity				
Ordinary shares, fully paid	152,944,922	152,550,751	425,001	416,493
Treasury shares	(528,459)	(413,991)	(12,938)	(9,478)
			412,063	407,015
Movement in ordinary issued capital				
Opening balance 1 August	152,550,751	152,244,695	416,493	410,150
Issue of shares through employee share plans	394,171	306,056	8,535	6,369
Share issue costs			(27)	(26)
Closing balance	152,944,922	152,550,751	425,001	416,493
Movement in treasury shares				
Opening balance 1 August	(413,991)	(517,193)	(9,478)	(10,315)
Bonus shares through employee shares plan	(140,887)	(100,158)	(4,052)	(2,769)
Shares purchased under STI scheme	(23,717)	(27,070)	(696)	(754)
Shares vested under STI scheme	27,070	46,822	754	994
Shares vested to employees	23,066	183,608	534	3,366
Closing balance	(528,459)	(413,991)	(12,938)	(9,478)

4.5. Reserves

	Capital Profits Reserve	Equity Adjustments Reserve	General Reserve	Foreign Currency Reserve	Share- based Payments Reserve	Investments revaluation reserve	Associates and JVs Reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 August 2024	88,102	15,237	36,125	3,829	15,153	21,463	10,695	190,604
Other comprehensive loss for the year	-	6,515	-	2,371	-	(1,467)	(20,253)	(12,834)
Shares purchased under STI scheme	-	-	-	-	696	-	-	696
Reserves recycled on investment disposal	-	246	-	1,548	-	-	(820)	974
Shares and performance rights vested to employees	-	-	-	-	(5,771)	-	-	(5,771)
Share based payments expense	-	-	-	-	3,478	-	-	3,478
Balance at 31 January 2025	88,102	21,998	36,125	7,748	13,556	19,996	(10,378)	177,147
Balance at 1 August 2023	88,102	23,290	36,125	3,661	12,878	1,510	3,264	168,830
Other comprehensive income for the year	-	(7,432)	-	427	-	930	24,386	18,311
Change in ownership interest in the associate	-	-	-	-	-	-	-	-
Shares purchased under STI scheme	-	-	-	-	-	-	-	-
Shares and performance rights vested to employees	-	-	-	-	(4,977)	-	-	(4,977)
Share based payments expense	-	-	-	-	4,891	-	-	4,891
Balance at 31 January 2024	88,102	15,858	36,125	4,088	12,792	2,440	27,650	187,055

5. Other Disclosures

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

5.1. Commitments and contingencies

(a) Commitments

	31 January 2025	31 July 2024
	\$'000	\$'000
Contracted capital expenditure		
Within one year	8,525	12,006

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

(b) Contingencies

	31 January 2025	31 July 2024
	\$'000	\$'000
Shareholder guarantee provided as part of joint venture arrangements and bank guarantees issued in the ordinary course of business	48,790	60,577

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.

Court proceedings filed against BGC (Australia) Pty Ltd and Midland Brick Pty Ltd seeking unspecified damages and other relief for alleged contravention of section 50 of the Competition and Consumer Act (the section 46 case has been discontinued) are ongoing. The case has been set down for hearing for approximately 5 weeks commencing in June 2025. There are significant upcoming milestones in the case as expert reports become due under the court ordered timetable, with the most imminent expert report being the service of Brickworks' independent economic expert's report on liability due 21 March 2025. The Board will continue to assess appropriate steps at each significant milestone in the case.

5.2. Events occurring after balance date

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

5.3. New accounting standards

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 July 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

There were no new accounting standards, interpretations and amendments significantly impacting the Group in the half year ended 31 January 2025.

Directors'

Declaration

The Directors of the company declare that:

1. The financial statements and notes, as set out on pages 14 to 33, are in accordance with the Corporations Act 2001:
 - a. comply with accounting standards and the Corporations Regulations 2001; and
 - b. give a true and fair view of the Group's financial position as at 31 January 2025 and of its performance for the half year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Dated 20 March 2025



R.D. MILLNER AO

Director



**Shape the future
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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

Independent auditor's review report to the members of Brickworks Limited

Conclusion

We have reviewed the accompanying half-year financial report of Brickworks Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated balance sheet as at 31 January 2025, the consolidated income statement, the consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, explanatory notes and the directors' declaration.

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

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 January 2025 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

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

Directors' responsibilities for the half-year financial report

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

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

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 January 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



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

A handwritten signature in black ink that reads "Ernst & Young".

Ernst & Young

A handwritten signature in black ink that reads "J Inglis".

Jodie Inglis
Partner
Sydney
20 March 2025