

CSR Limited

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27 June 2023

Mr Justin Nelson
Principal Adviser - Listings Compliance
Australian Securities Exchange
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Justin,

CSR Limited (ASX: CSR) 2023 Annual General Meeting

CSR's Annual General Meeting (AGM) will be held today, Tuesday 27 June 2023, commencing at 10:00am (AEST).

Please find attached:

- 1) Chair's address;
- 2) Managing Director's address; and
- 3) Accompanying presentation slides.

The AGM will be held as a hybrid meeting providing shareholders with an opportunity to attend in person at CSR's head office or to participate online.

The AGM is accessible to shareholders, proxy holders and guests by video webcast available from CSR's website at <https://www.csr.com.au/investors-and-news/webcasts>.

Shareholders are able to vote and submit questions in real time during the meeting, by accessing the online meeting platform at <https://meetnow.global/M9VSL6P>. Shareholders will need to enter their SRN/HIN. Appointed proxy holders will need to contact Computershare Investor Services on +61 3 9415 4024 to obtain a username and password to be able to vote and submit questions during the meeting.

Detailed instructions on how to participate in the meeting are available on CSR's website at <https://www.csr.com.au/AGM2023>.

We look forward to engaging with shareholders during the meeting.

Yours sincerely



Jill Hardiman
Company Secretary

This announcement has been authorised for release by the board of directors of CSR Limited.



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**CSR Limited Annual General Meeting
27 June 2023**

**Chair's Address
by John Gillam**

Good morning everyone

I am pleased to be with you today to report on another strong performance by CSR this year.

Slide - Delivered Another Strong Performance

During the year, the team has continued to deliver for our customers in what continues to be a busy and high demand environment.

For the financial year ended 31 March 2023, CSR delivered a strong operational and financial performance, increasing group earnings for the third consecutive year with a 17% lift in net profit after tax (before significant items). The growth in net profit was driven by a 20% increase in Building Products earnings to a record \$273 million.

Of note is that Building Products earnings have grown by over 60% in the last four years driven by market activity, ongoing work optimising our operations and supply chain, increased product development and diversification across the breadth of construction markets.

Our Property business delivered earnings of \$72 million. This is the highest property result over the last 15 years and highlights both the value of our property assets, as well as the strength and depth of CSR's Property team leveraging these assets to deliver complex transactions with long lead times.

Aluminium delivered \$8 million in earnings as we grappled with a sharp increase in some raw material costs which reached historic highs during the year. While the market remains challenging in the year ahead, we have secured higher hedged pricing to support profitability in future years.

In an overall sense, we are pleased the team has delivered excellent results whilst making good progress on our strategic agenda. This has ensured we are maximising current market opportunities by being responsive to demand, unlocking incremental volume and providing good visibility on costs to offset inflation. This progress on our strategic agenda is providing a platform for growth and resilience so that we can outperform through the cycle.

Slide - Pipeline creating resilience in detached work done

The market outlook for Building Products is receiving a lot of commentary, particularly as the construction sector works through demand stimulated by the Government's Homebuilder program. This program started in 2020 and created significant demand which, combined with labour-market and supply-side restrictions, has greatly elongated timelines normally associated with residential construction.

Whilst there are lower current housing approvals compared to last year, the detached housing pipeline remains strong at 50% above historic averages. This represents a full year of housing activity before considering any new approvals.

Importantly this elevated pipeline has been sustained over the past year as completed projects have been replenished with new approvals.

Slide - Support across different construction segments

By focusing on adaptability to end-market demand and diversification across construction markets, CSR now has almost half of its Building Products volumes supplied beyond detached housing.

The outlook for medium density housing is holding up well, and we are seeing improved activity in the apartment sector. Non-residential markets are also well supported by a large pipeline of activity from announced projects in the healthcare and education sectors. And of course, there are initiatives in social and affordable housing which will add to longer-term demand.

As a result, across the whole market there is good underlying demand for building products, and this is likely to extend through our current financial year. While there may be differing views on the outlook for the construction market over the short-term, we remain positive about CSR's prospects.

When we announced our results last month, we noted that we are closely monitoring the factors influencing market dynamics and will manage the business accordingly. That position remains unchanged.

Slide - Property strategy delivering strong results

A core part of our strategy is focused on developing and extending our Property business.

CSR's Property team has a deep knowledge of the lifecycle of site management, including complex remediation needs, and they proactively manage our network to unlock significant value over time. We have independently assessed our freehold property assets which are now valued at \$1.5 billion on an "as is" basis. Note that this excludes the properties we own that are currently in use as long-term operating assets. It is also worth noting that the "as is" value is based on the current land asset and excludes additional value that our property team can generate by aligning site rehabilitation needs with long-term development opportunities.

Our current Property portfolio extends well beyond a 10 year horizon. One major asset is the 196-hectare site at Badgerys Creek adjacent to the new Western Sydney Airport. This site is of significant regional strategic importance and we are actively progressing rehabilitation works, while assessing structuring opportunities to maximise returns.

The strength of our development capability and rehabilitation expertise has significantly increased the valuation of our Property portfolio which is well positioned to deliver strong returns over the next decade and beyond.

Slide - Strong balance sheet supporting shareholder returns

CSR has started this financial year in a very strong position with net cash of \$132 million. This supports the continued investment in our operations to grow volumes, improve productivity, enhance safety and reduce emissions.

Our sustainability agenda is a key foundation for our strategy and we are making solid progress towards our stated 2030 sustainability targets, as confirmed by an independent review. Julie will talk more to our sustainability initiatives, as well as providing an outline on other key operational investment projects.

We have a robust balance sheet which combined with the strong operational performance has enabled CSR to deliver strong returns to shareholders through dividends and capital management over the last five years. Looking ahead, we are well placed to build on this strength.

The past year has seen a few changes to the board. We have welcomed Christy Boyce and Adam Tindall to the CSR board as non-executive directors. Their appointments ensure good governance is sustained in key board roles with the board maintaining the necessary mix of expertise, skills and experience. Christy's experience in strategic direction setting and change implementation and Adam's experience in investment management, property development and capital partnerships are both valued additions to the board.

We have also said farewell to two directors. Christine Holman retired from the board in November last year after six years service. And Matthew Quinn retired from the board last month after 10 years service. Both Christine and Matthew played strong roles on our board and we thank them both for their valued contribution and commitment.

In closing, I want to return to the performance of the CSR team led by our Managing Director & CEO Julie Coates which has delivered another excellent result.

As I have noted, the team achieved this performance while making good progress in implementing our strategy which is providing a platform for growth and resilience so that we can outperform through the cycle.

We are able to achieve this as we are in a strong financial position and we are focused on building this strength in the year ahead.

On behalf of the board, I want to sincerely thank all of CSR's 2,700 employees for their terrific efforts this year, for looking after each other and for supporting our customers.

And finally, I want to also thank all shareholders for your continued support of CSR.

**CSR Limited Annual General Meeting
27 June 2023**

**CEO and Managing Director's Address
by Julie Coates**

Good morning everyone. And thank you to our shareholders who are joining us here as well as others who are with us online for the meeting today.

Slide - Driving further improvement in safety

I want to echo John's comments about the performance of the team this year. The team continue to work in a challenging and busy environment while ensuring safety stays at the top of all of our minds.

We are making good progress on our safety performance. This follows our focus over the past year to work on addressing high consequence risk which is leading to a reduction in these incidents across the business. Another area of focus is increased training for newer employees and contractor management. And we are really pleased to see our recordable injury rate reduce this year, with over 80% of our sites injury free over the last twelve months.

Slide - Never Walk Past capturing the hearts and minds of our people

A key program known as "Never Walk Past" which started last year has ensured all of us at CSR have a mindset to never walk past an unsafe act or condition. This program was developed by our safety and operational leaders and is being rolled out across the business to include employees at all sites to help capture the hearts and minds of our people and ensure all of our employees are engaged in making our workplaces safe.

Slide - Good momentum to deliver 2030 sustainability targets

Now turning to sustainability, as John noted a key part of this process involves further investment in our operations to improve efficiency, lower emissions and reduce energy and water use. In the past year, we invested \$85 million in capital projects with all of our investments assessed to ensure they meet our targeted rates of return while also progressing key sustainability criteria.

Slide - Progress on CSR's 2030 sustainability targets

We have progressed key projects at a number of sites including the investment at Gyprock Wetherill Park which will significantly reduce emissions through lower energy usage, drive an increase in recycled board capacity and deliver an 80% reduction in recycled paper waste through reuse in the process. Other works at the site include the installation of 2,000kW of solar PV capacity to lower electricity consumption from the grid. The project is well underway with commissioning targeted for late 2023.

Slide - Building Products diversification across end markets and build cycles

Looking at our Building Products results for the year, there are a couple of areas to highlight.

Overall our revenue increased 14% in the year which reflects the benefit of strong availability across all of our products for our customers with good volume growth in Gyprock and Hebel. The team have really managed the business well in a period of high demand and supporting our customers to deliver their project pipeline.

Looking at each of the business units, **Interior Systems** increased earnings which reflects the strength of the Gyprock brand and good market execution. We are also seeing the benefits of improved pricing discipline and product innovation which is delivering a higher value product mix supporting revenue and margin.

Commercial Interiors which includes Martini, Himmel and Potters in New Zealand improved performance as commercial fitout projects increased during the year. This follows our acquisition of the minority interest in the Martini joint venture in 2020 with additional investment to expand capacity at the Villawood site in western Sydney underway this year.

Masonry & Insulation also increased earnings through pricing and cost discipline across the business. Bradford is performing very well, capturing strong demand in the market and leveraging its leading position as a domestic manufacturer. This positions Bradford positively in the growing insulation market which is supported by the adoption of the National Construction Code as well as increased focus on energy efficiency in the building sector.

PGH Bricks is also much better positioned with enhanced flexibility to manage changes in activity across the network following key changes over the last few years including the acquisition of the Bricks JV and consolidation of the Horsley Park and Darra sites. In addition, recent investment at Oxley will improve productivity and efficiency which enables us to focus on optimising profitability through the cycle.

Construction Systems also increased earnings following strong revenue growth of 22%. Hebel continues to gain adoption through faster build times and a large installer base while Cemintel has increased its share in non-detached markets particularly in the school sector where prefinished panels are providing an attractive offer to the market.

Hebel is very well placed to increase share across all construction segments which is a key part of our strategy to build resilience through the cycle. Our \$75 million expansion of the Hebel site at Somersby on the Central Coast a few years ago ensures we have the capacity to double volumes over the medium term to support demand.

Building Products performed well with our EBIT margin increasing to 15%. This reflects our discipline to manage inflation and cost and deliver greater margin resilience through the cycle.

One area we continue to focus on is ensuring that we manage both the cost and ongoing supply of energy.

CSR uses significant amounts of energy, including both electricity and gas. Within Building Products, we have taken a number of steps over the past few years to hedge our energy costs and we have secured long-term visibility of our energy needs, so we are well placed for the year ahead.

Gas is particularly important in the medium term. Gas is a source of high heat in our business and plays an important role in “firming” an increasingly renewable-based electricity grid. We support efforts to increase gas supply for all Australian manufacturers, while the market manages the transition to a low carbon economy.

This will be a challenge for most manufacturing businesses both now and in future years. It is also an opportunity for businesses like CSR, given our diversified product portfolio, with different energy requirements, and our ability to support upstream investment by energy producers, just as we have always done.

Slide - Project tracking – visibility of strong commercial pipeline

Enhancing our diversification across our brands, market segments and the build process is a key part of our strategy where we have made good progress this year particularly in the commercial sector. Our work on project tracking has identified a significant increase in projects over the next two years in key sectors including hospitals, education and apartments.

This means we are able to bring more of our products and systems to more projects with better visibility and planning. Our work with a number of school projects in the last year featured Cemintel on the external facades with our acoustic insulation solutions in Bradford and Gyprock wall and ceiling systems delivering a fully integrated and compliant solution for the project.

Slide - Active project pipeline to deliver earnings over future years

Now turning to the Property business.

As John also noted earlier, our Property assets are key to our strategy. Property supports the strategic positioning of our sites today and for the future, ensuring operational flexibility as well as managing the transition of sites and maximising the value of our Property assets once released.

While we have an active project pipeline over future years, we have also progressed a number of projects that will deliver earnings in the near-term.

We have contracted the final \$102 million of earnings for the project at Horsley Park in western Sydney which will be delivered over the next two years.

At Schofields, we have an advanced road design with Transport NSW with review of the residential zoning of the site for a potential 1,525 lots nearing completion.

We have progressed discussions with short-listed parties in relation to the development of the 20-hectare industrial site at Darra in Queensland which includes consideration of a joint venture model. Based on progress to date, we expect this process to be completed later this calendar year.

Slide - Outlook for the year ending 31 March 2024 (YEM24)

So finally let's look at the outlook for the year ahead.

As we said at our full year results in May, we have made a strong start to the new financial year and this has continued.

The pipeline of detached housing projects under construction remains at historically high levels. CSR's focused execution into end markets and pricing discipline to manage inflationary cost pressures continues to support revenues.

As John mentioned, we are closely monitoring the factors influencing market dynamics and will manage the business accordingly.

Activity in the apartment market is improving as more projects have moved to construction stage, while non-residential activity remains strong, supported by a large pipeline of approvals.

In Property, as noted earlier YEM24 will include \$44 million in contracted earnings for the next tranche at Horsley Park with an additional \$58 million in contracted earnings in YEM25.

In relation to the investment in Aluminium, the team have done a good job managing what is a challenging market for aluminium due to the cost volatility and unpredictability in energy and raw materials. This continues to make forecasting challenging. However at this early stage in the year, our best estimate for YEM24 remains a loss in the range of -\$5 million to -\$15 million.

Aluminium is expected to return to profit in YEM25 and increasing in the following years due to higher hedged pricing, based on current cost assumptions.

Slide - Delivering results and improving the business for the future

So in summary, we have delivered a strong result while making good progress on our strategy which is providing a platform for growth and resilience.

We will continue to make investments to grow through improving manufacturing productivity, the variability of the cost base and responsiveness to customer demand. We are able to do this as we are in a very strong financial position which is supporting our strategy and the opportunity to improve shareholder returns.

Before handing over back to John, I want to take a moment to thank our CFO and EGM Property and Aluminium David Fallu for his contribution to CSR over the past six years. In March, we announced that David would be leaving CSR in September to take on the CFO role at another ASX-listed company. David has done a fantastic job as CFO as well as more recently leading our Property and Aluminium teams. And I'd like to thank David for his work at CSR and I wish him all the very best.

Earlier this month, we were pleased to announce that Sara Lom was appointed as CSR's next Chief Financial Officer. Over the last 8 years, Sara has made a very significant contribution to CSR as our Group Financial Controller. Her leadership in key roles working with our board, senior executives and finance teams has enhanced our financial and operational performance. This set her apart in what was an extensive search, so we are very pleased to have her on board for this new role.

In closing, I want to personally thank the team across CSR for all of their efforts this year which has delivered a great result.

I look forward to working with the team again in the year ahead to continue to create value for CSR.

CSR LIMITED

Annual General Meeting

27 June 2023



CSR

Delivered another strong performance

CSR Group Revenue
\$2.6bn

13%

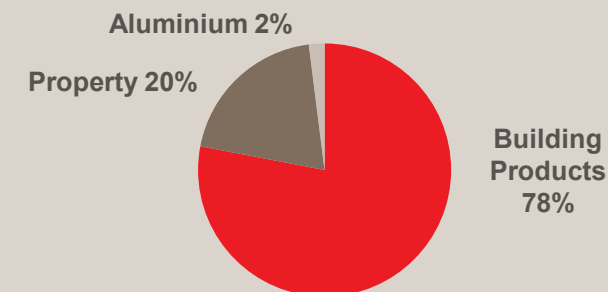
- Building Products revenue \$1.8bn, up 14%

CSR Group EBIT¹
\$330m

13%

- Building Products EBIT¹ \$273m, up 20%

EBIT by business¹



Net profit after tax
(before significant items)
\$225m

17%

- Statutory net profit after tax \$219m, down from \$271m (YEM22 included \$86m benefit of carry forward capital tax losses)

Earnings per share¹
46.9 cents

18%

Full year dividend
36.5 cents

Final dividend
20.0 cents
(fully franked)

- Fully franked with payout ratio at the top end of the dividend policy²
- \$36m in share buyback since July 2022

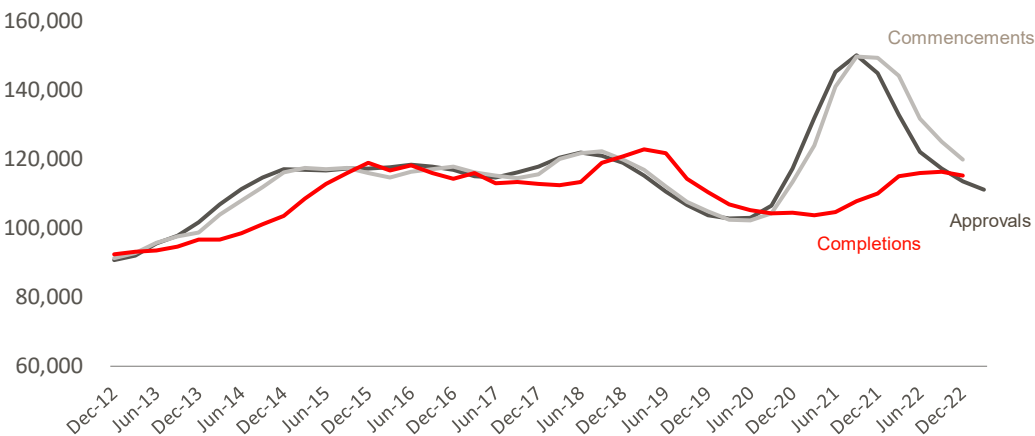
1. Earnings before interest and tax (EBIT) and earnings per share are all before significant items. They are non-IFRS measures and are used internally by management to assess the performance of the business and have been extracted or derived from CSR's financial statements for the year ended 31 March (YEM23). All comparisons are to the year ended 31 March 2022 (YEM22) unless otherwise stated.

2. CSR policy is to pay dividends between 60-80% of full year net profit after tax (before significant items). CSR is continuing to distribute franking credits as they are realised, with the YEM24 interim dividend likely to be partially franked.

Increased profitability supporting investment and shareholder returns

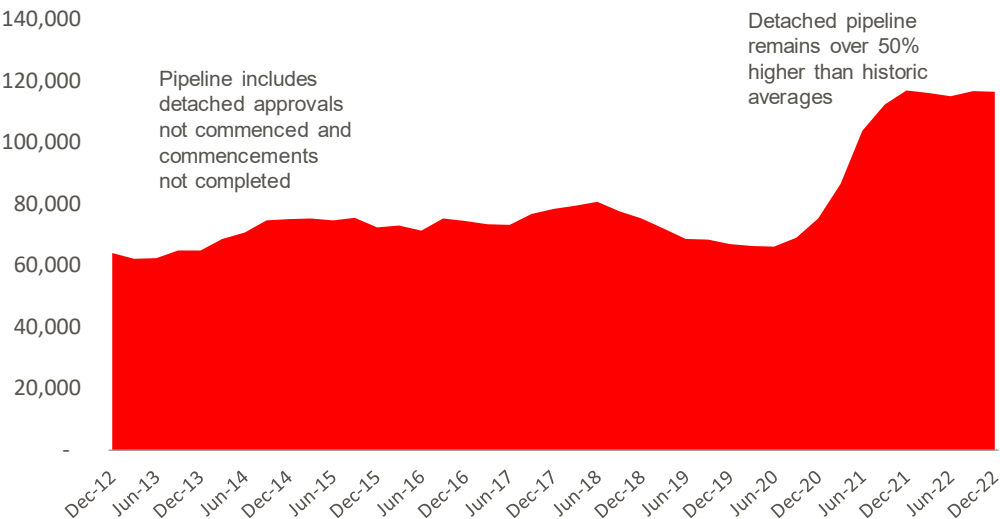
Pipeline creating resilience in detached work done

Detached completions extending timelines



Source: ABS, MAT

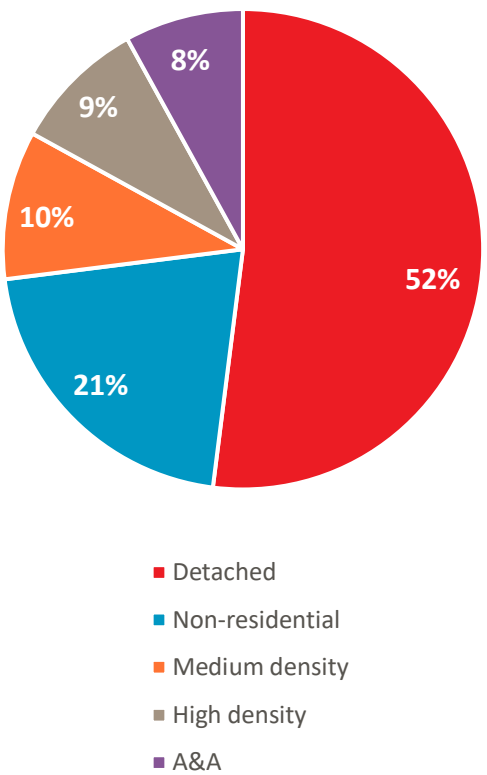
Pipeline of detached housing sustaining



Source: ABS

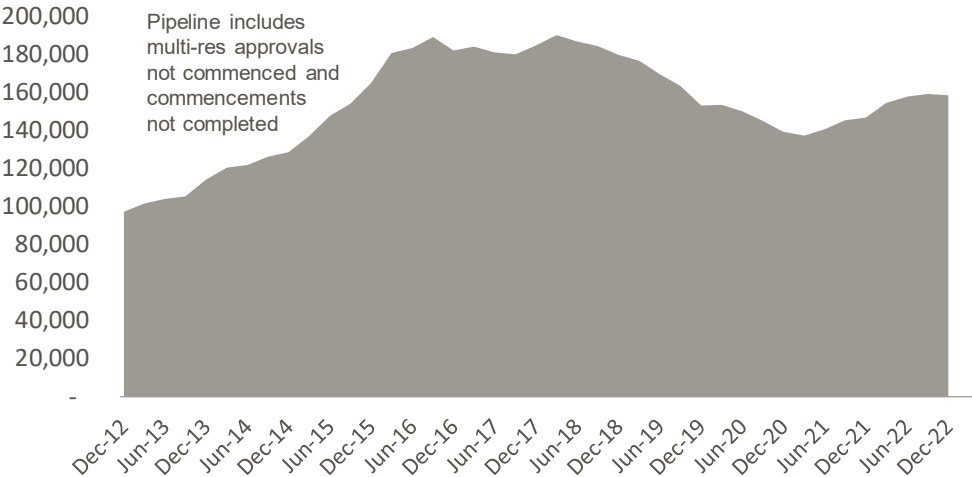
- Build times continue to be extended due to ongoing supply chain constraints and trade labour availability
- Detached pipeline remains strong as commencements continue to exceed completions
- Forward pipeline remains over 50% above historic averages – currently at ~110,000 detached homes
- Net overseas migration forecast to contribute strongly to population growth and support housing demand

CSR construction market diversification

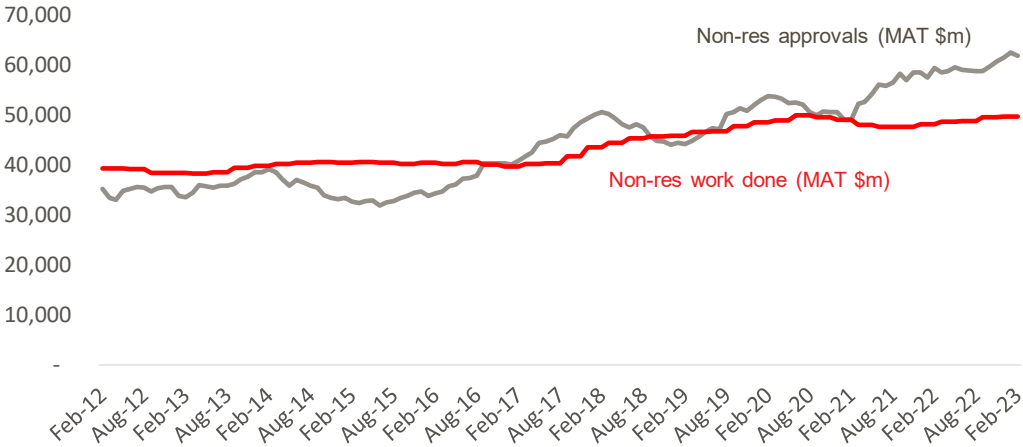


Support across different construction segments

Recovery in multi-res pipeline



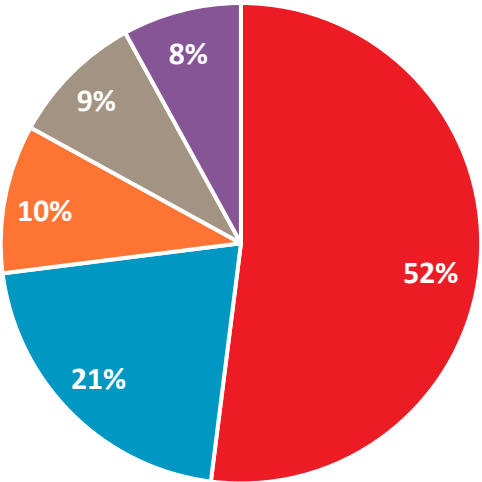
Non-res construction pipeline growth



Source: ABS, MAT.

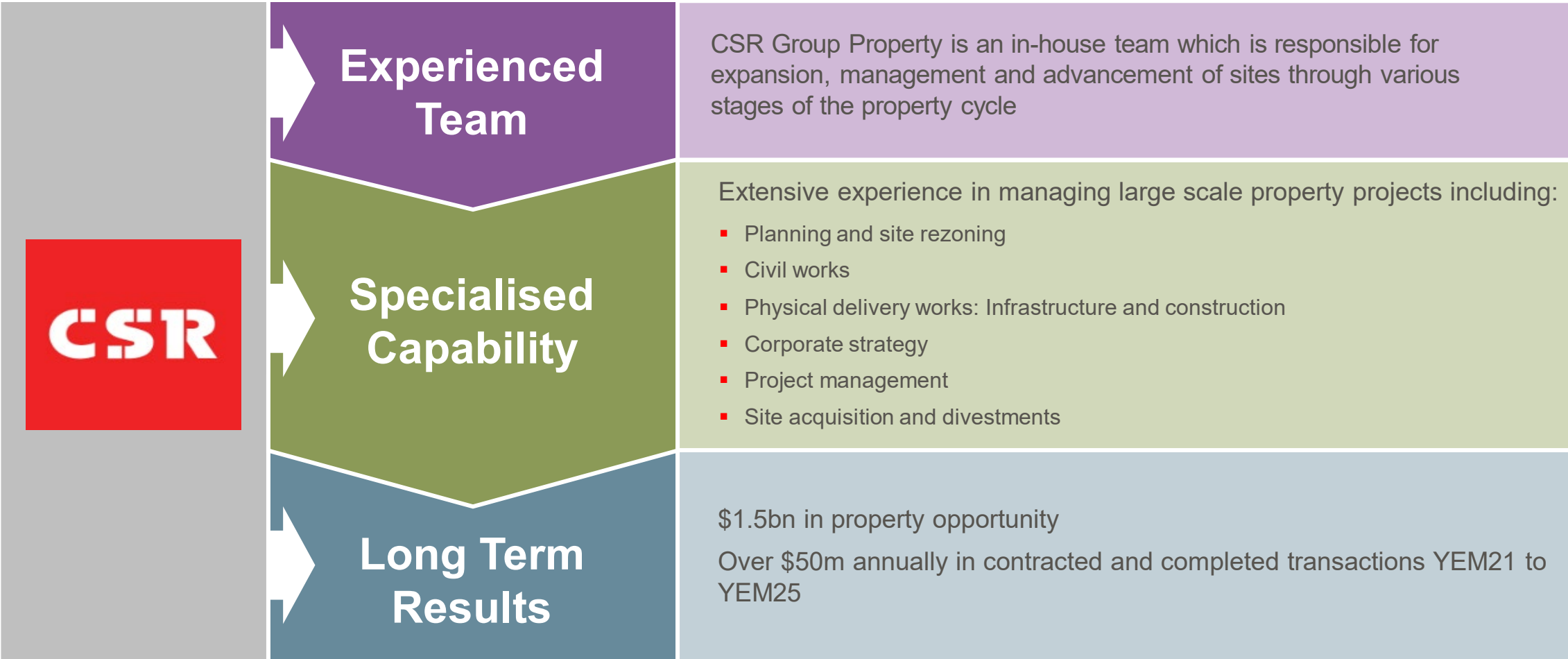
- CSR has ~48% exposure to non-detached markets
- Medium density stable while high density starting to improve
- Non-residential market has also improved with approvals supporting a large pipeline of activity
- CSR has exposure across all of these markets and the business is adaptable to changes in end market demand

CSR construction market diversification



- Detached
- Non-residential
- Medium density
- High density
- A&A

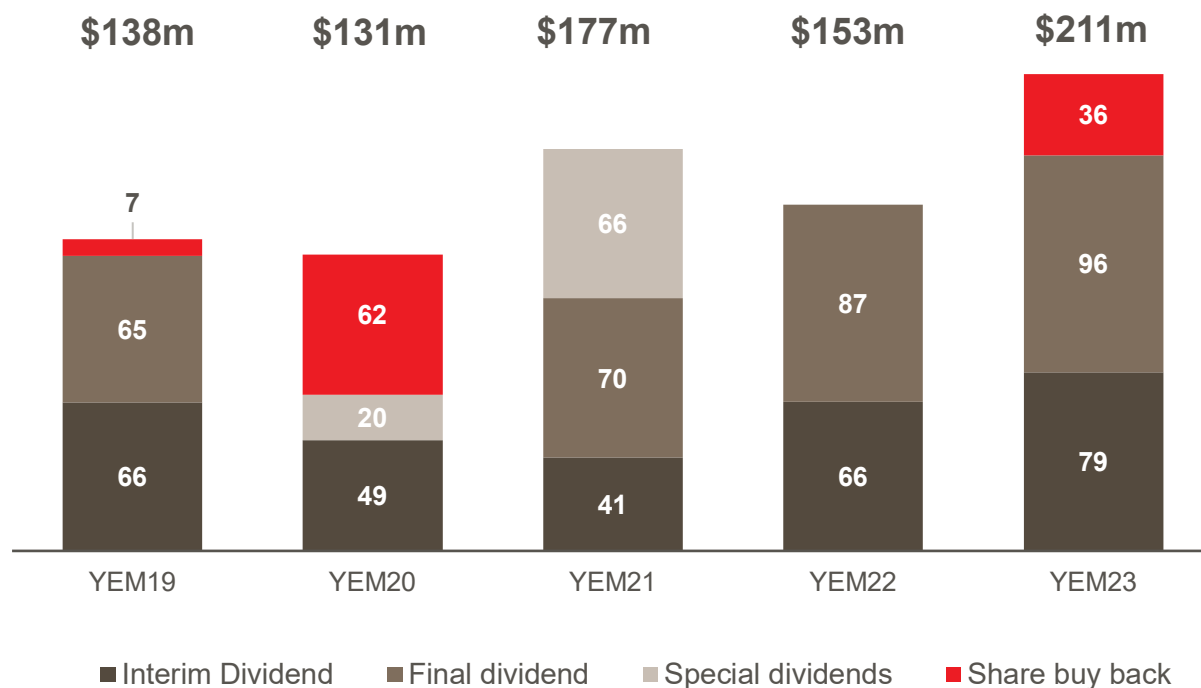
Property strategy delivering strong results



Property supports the strategic positioning of our sites, ensuring operational flexibility, managing the transition of sites and maximising the value of our Property assets once released.

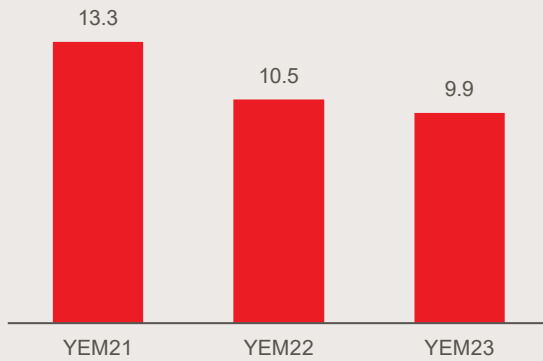
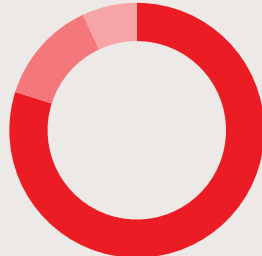
Strong balance sheet supporting shareholder returns

Capital Management (A\$m) (Dividends and share buybacks)



- Final dividend to be paid of 20.0 cps (fully franked)
- Payout ratio at the top end of the dividend policy of 60-80% full year NPAT (before significant items)
- Continuing to distribute franking credits as they are realised, with the YEM24 interim dividend likely to be partially franked
- \$36m completed in the share buyback since July 2022
- Strong financial position supporting organic growth and the opportunity for bolt-on acquisitions while increasing shareholder returns

Driving further improvement in safety















Improvement in safety over last three years	Key focus areas driving improvement	Progress in YEM23	Strategy																				
<p>26% improvement in total recordable injury frequency rate since March 2021</p>  <table><tr><th>Year</th><th>Frequency Rate</th></tr><tr><td>YEM21</td><td>13.3</td></tr><tr><td>YEM22</td><td>10.5</td></tr><tr><td>YEM23</td><td>9.9</td></tr></table>	Year	Frequency Rate	YEM21	13.3	YEM22	10.5	YEM23	9.9	<ul style="list-style-type: none">Managing high potential consequence risk as core priorityEncouraging transparency & accuracy of reporting through “reviewed risk rating” of all incidentsEmpowering teams at site level to help lead & take ownership for safetySignificant improvement in metrics and data transparency	<ul style="list-style-type: none">All sites have Risk Reduction plans focussed on CSR wide Top Risks <p>80% of CSR sites with no recordable injuries in the last 12 months</p>  <table><tr><th>Injury Count</th><th>Percentage</th><th>Number of Sites</th></tr><tr><td>Zero recordable injuries</td><td>80%</td><td>115</td></tr><tr><td>1 recordable injury</td><td>13%</td><td>19</td></tr><tr><td>>1 recordable injury</td><td>7%</td><td>10</td></tr></table>	Injury Count	Percentage	Number of Sites	Zero recordable injuries	80%	115	1 recordable injury	13%	19	>1 recordable injury	7%	10	<ul style="list-style-type: none">Continued improvement in the quality of Risk Reduction plansRollout of “Never Walk Past” cultural safety change program with 500 leaders completing the program in YEM23Increased focus on contractor management, particularly in Supply & Install
Year	Frequency Rate																						
YEM21	13.3																						
YEM22	10.5																						
YEM23	9.9																						
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Continuing to build safety leadership culture across CSR

Never walk past – capturing the hearts and minds of our people



Good momentum to deliver 2030 sustainability targets

2009-2020	Set new targets in 2020	Progress in YEM23	Sustainability Focus Areas
<ul style="list-style-type: none"> CSR set four intensity targets <p>TEN YEAR TARGETS COMPLETED IN 2020</p> <div>  <p>WASTE PRODUCTION (Kg/Tonne of product) Achieved ↓57% reduction</p> </div> <div>  <p>WATER CONSUMPTION (Ltr/Tonne of product) Achieved ↓13% reduction</p> </div> <div>  <p>ENERGY CONSUMPTION (GJ/tonne of product) Achieved ↓24% reduction</p> </div> <div>  <p>TOTAL SCOPE CO₂e (Kg/Tonne of product) Achieved ↓32% reduction</p> </div> <ul style="list-style-type: none"> Completed TCFD climate change scenario analysis on CSR's largest businesses to guide strategic decisions, based on the financial impact analysis Developed staged approach to assess the risks and opportunities 	<h3>2030 Sustainability Targets</h3> <div>  <p>7 AFFORDABLE AND CLEAN ENERGY 50% of electricity generated by renewable energy 20% energy reduction (GJ) p/t of saleable product (intensity)</p> </div> <div>  <p>11 SUSTAINABLE CITIES AND COMMUNITIES 5% of indirect spend by Procurement to be spent with social enterprises</p> </div> <div>  <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION 75% reduction in solid waste to landfill 30% reduction of potable water consumed (ltr) p/t of saleable product (intensity)</p> </div> <div>  <p>13 CLIMATE ACTION 30% reduction of greenhouse gas emissions (CO₂e) kg p/t of saleable product</p> </div> <div>  <p>15 LIFE ON LAND Enhance biodiversity outcomes on CSR sites and developments</p> </div>	<ul style="list-style-type: none"> Independent review for alignment to 2030 targets confirmed business is on track for reducing emissions and energy use Developed an overarching Sustainability Framework aligned to CSR's strategy Further work underway on refinement of goals, commitments and metrics across the five pillars Once finalised, this work will be integrated into CSR's sustainability strategy in YEM24 	<p>CSR'S SUSTAINABILITY FOCUS AREAS</p> <div>  <p>Empowering our people Thriving, inclusive and high performing team that is empowered to make the change we need</p> </div> <div>  <p>Transition to Net Zero Decarbonising our business to operate in a low/no carbon world</p> </div> <div>  <p>Closing the Loop Contributing to a circular building industry</p> </div> <div>  <p>Leading Through Innovation Innovating to advance sustainability at CSR and across the building sector</p> </div> <div>  <p>Building Communities Building long-term, mutually beneficial community relationships</p> </div>

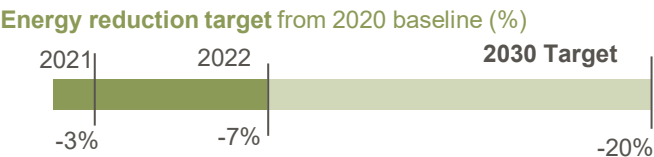
Broadening sustainability focus areas, goals and commitments

Progress on CSR's 2030 sustainability targets

Sustainability is a strategic foundation with a whole of business focus



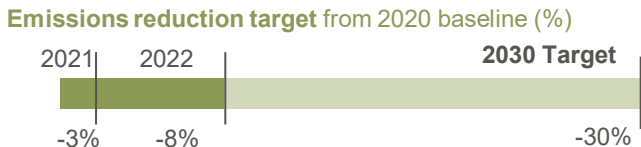
Energy
2022
2.52
GJ/tonne of saleable product



17 CSR sites have a total capacity of 3,100kW, work underway on \$3m project at Gyprock Wetherill Park for additional capacity of 2,000kW



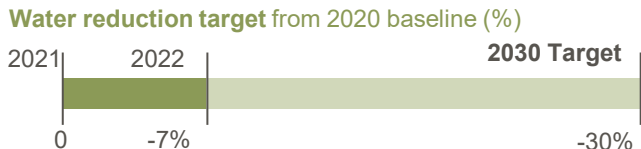
Emissions
2022
205.5
kg/tonne of saleable product



TCFD climate change modelling completed on five of CSR's businesses
\$23m project underway at Gyprock Wetherill Park to increase stucco capacity, drive significant reduction in gas & electricity usage and increase recycled board capacity

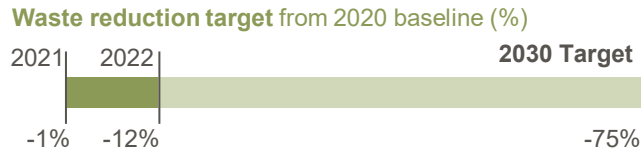


Water
2022
381.4
ltr/tonne of saleable product



Significant projects underway including \$13m new water treatment plant and automation project at Bradford Brendale to reduce potable water by 80%, saving of 35 million litres each year

Waste
2022
12,127
tonnes

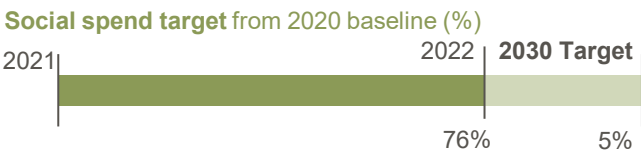


New targets to reduce waste by 2025 in line with the Australian Packaging Covenant:

- All packaging is either 100% reusable, recyclable or compostable
- 50% average recycled content in packaging
- A plan to phase out problematic/unnecessary plastics



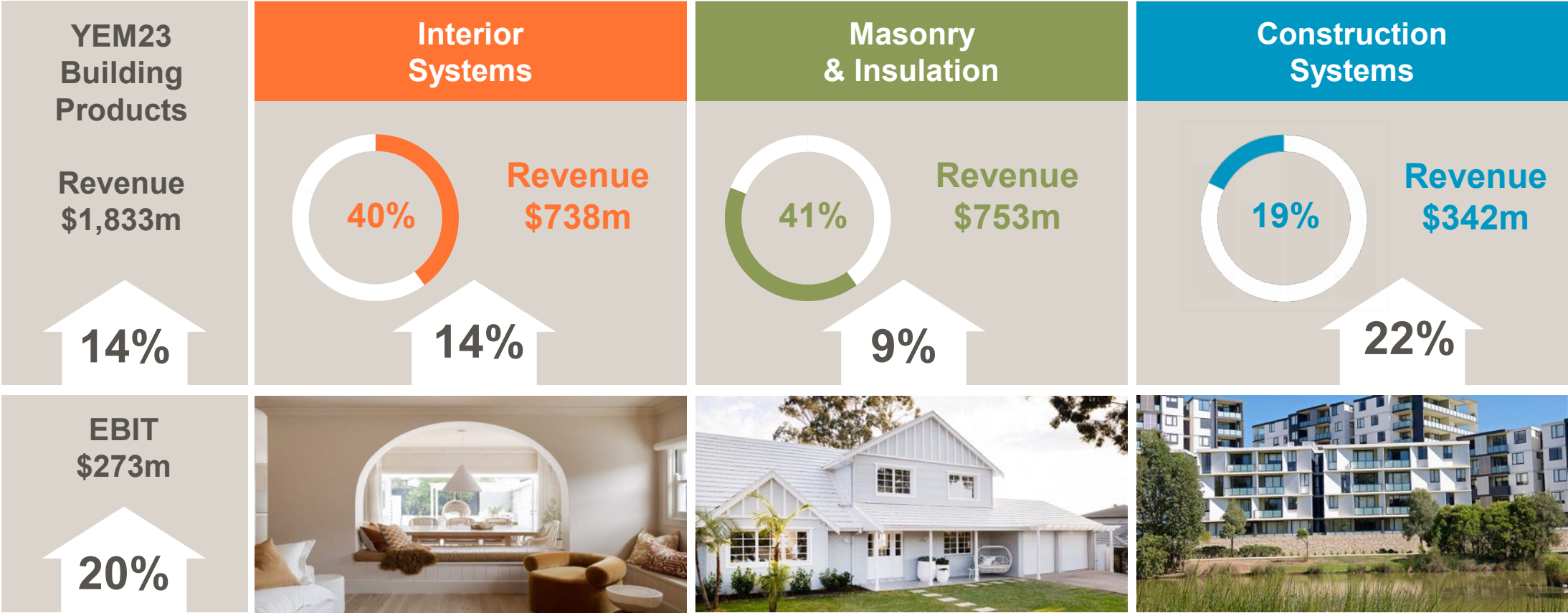
Social Spend
2022
\$5m



CSR now tracking at 76% of social spend target (including indigenous and disability owned businesses)
\$39 million was spent with over 90 suppliers with diversity equity credentials

Note: Data as of 30 June 2022.

Diversification across end markets and build cycles



GYPROCK®

martini

Bradford™

PGH BRICKS & PAVERS

hebel®
The better way to build

afs
smarter permanent formwork™

HIMMEL™
INTERIOR SYSTEMS

POTTER
INTERIOR SYSTEMS

Monier™
ROOFING

CEMINTEL®

Project tracking – visibility of strong commercial pipeline



- **Hospitals** – 113 projects planned to commence in the next 24 months
 - Total of \$38B construction value
 - 4x increase over last 24 months



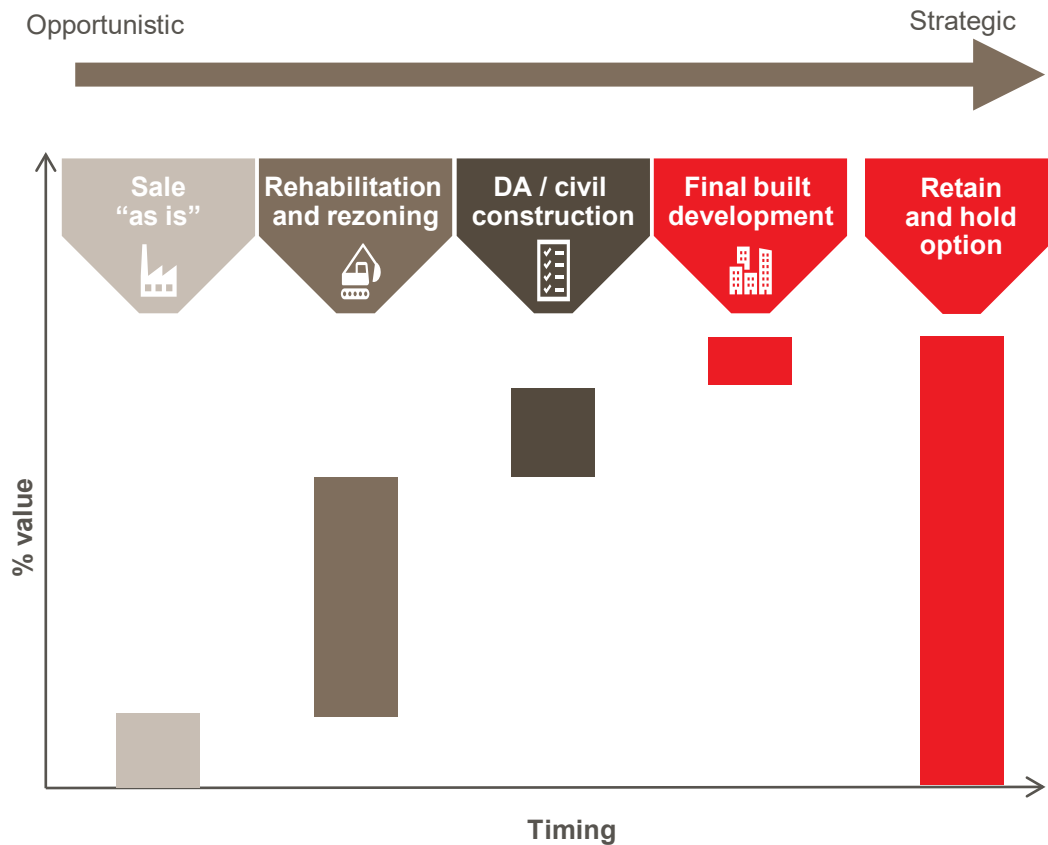
- **Education** – over 1,000 projects planned to commence in the next 24 months
 - Total construction value of \$22B
 - Greater penetration of CSR products and systems per project



- **Apartments** – 174 projects at tender stage (firm) and due to commence in the next 24 months
 - Total construction value of \$6.3B

Well positioned to capture non-residential opportunities

Active project pipeline to deliver earnings over future years



MAJOR SITES	TYPE	YEM24	YEM 25-30	Beyond
Horsley Park, NSW (Industrial)	Final \$102m EBIT contracted to be completed by YEM25	✓	✓	
Darra, QLD (Industrial)	Progressing development options for Darra, including JV model	✓		
Schofields, NSW (Residential)	90ha site proposed to be rezoned residential for approximately 1,525+ lots <ul style="list-style-type: none"> • Stage 1 (32ha) • Stage 2 (58ha) – currently PGH Bricks operating plant. Timing based on operational network requirements 		✓	✓
Badgerys Creek, NSW (Industrial)	196ha industry site adjacent to the Western Sydney Airport Rehabilitation of former quarries underway		✓	✓

Contracted Property earnings to YEM25 with significant projects to deliver earnings over the next 10 years

Outlook for the year ending 31 March 2024 (YEM24)



Building Products

- Strong start to the year has continued – pipeline of detached housing at historically high levels. Focused execution and pricing discipline to manage inflationary cost pressures
- Closely monitoring the factors influencing market dynamics and will manage the business accordingly
- Apartment market is improving, while non-residential activity remains strong, supported by a large pipeline of approvals
- Well diversified across brands, market segments and the build cycle – adaptable to end market demand. Incremental investments have improved manufacturing productivity, the variability of the cost base and responsiveness to customer demand
- Focused on providing a platform for growth and resilience to deliver improved performance through the cycle



Property

- YEM24 will include \$44 million in contracted earnings for the next tranche at Horsley Park, NSW with an additional \$58 million in contracted earnings in YEM25.
- Work continues on major projects at Darra, Schofields and Badgerys Creek.



Aluminium

- While cost volatility and unpredictability in energy and raw materials makes forecasting challenging, at this early stage in the year, the best estimate for YEM24 is a loss in the range of -\$5 million to -\$15 million (excluding net RERT income, which was \$13 million in YEM23).
- Aluminium is expected to return to profit in YEM25 and increasing in the following years due to higher hedged pricing, based on current cost assumptions.

Delivering results and improving the business for the future



Progressing strategy and delivering results

- Work to reorganise the business, build capability, focus on Supply Chain and Customer Solutions is supporting performance with EBIT margin in Building Products of 15%
- Incremental investments in manufacturing and plant consolidation has improved variability of cost base
- Unlocking value from Property and development capability – currently valued on an “as is” basis of \$1.5 billion with \$72 million earnings in YEM23



More responsive to demand

- Ongoing manufacturing investment to improve safety, sustainability and productivity
- Building an optimised network to improve customer service



Growth and resilience

- Quality of product, brand and distribution platform supporting continued volume growth and improving performance through the cycle
- Product portfolio adaptable to end market demand



Strong financial position

- Financial position supports investment and shareholder returns with \$175m of dividends and \$36m in the share buyback for YEM23
- Track record of margin management

