



# CSR LIMITED ANNUAL GENERAL MEETING

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26 June 2019

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# CHAIRMAN'S ADDRESS

John Gillam



CSR

# Inclose – CSR innovation delivering new façade systems



**CSR Inclose**  
High performance,  
engineered  
building envelope  
solutions

  
Designed and  
manufactured  
in Australia

  
Suitable for  
commercial or multi-  
residential projects

  
Minimises  
construction waste  
and improves site  
productivity

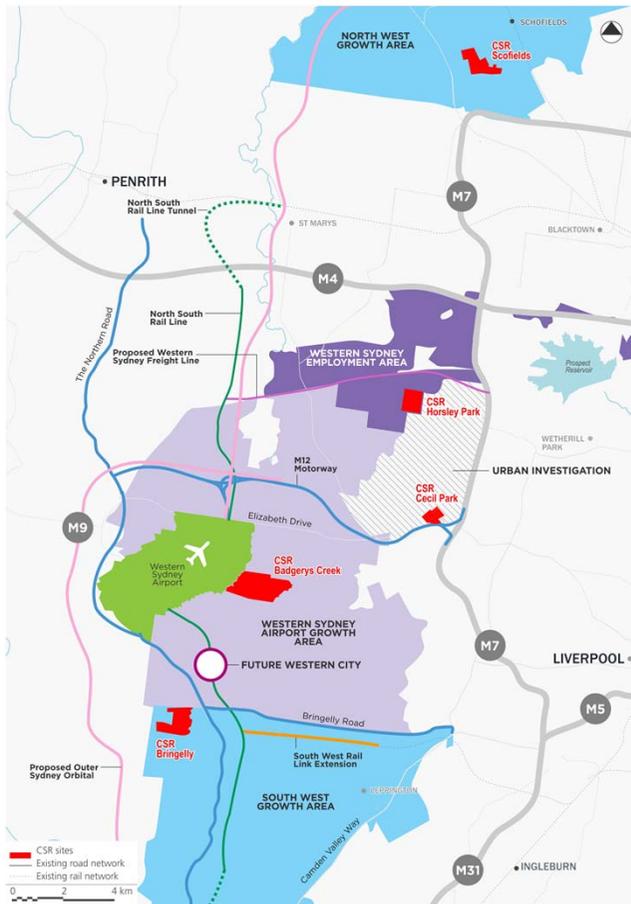
First project  
completed at the  
ANU in Canberra

# Hebel – delivering factories of the future



 <b>Safety and productivity</b>	 <b>Energy</b>	 <b>Water</b>	 <b>Local sourcing</b>	 <b>Environment</b>	 <b>Recycling</b>	 <b>Product innovation</b>
Increased automation	Peak load flexibility	Aimed to have zero water waste	Collaboration with local manufacturers and raw material suppliers	Underground storage of raw materials to minimise dust emissions	Waste dust capture recycled back into the manufacturing process	Unique product range and service capability

## Significant property portfolio in Western Sydney



- CSR’s landholdings within the PGH Bricks’ network in Western Sydney total 455 hectares.
- A number of these sites are already zoned or in the process of being rezoned over the next five years.
- The future land uses in the Western Sydney portfolio include a diversified combination of residential, mixed use and industrial/flexible employment.
- Scale of the landholdings and PGH Bricks’ profitability supports reinvestment in our operational network.

## Appointment of Julie Coates as CSR Managing Director

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- Joining CSR as Managing Director in September 2019
- Currently Managing Director Australia and New Zealand at Goodman Fielder Limited
- 30 years' experience across manufacturing, retail and FMCG sectors
- Prior roles include Managing Director of Big W and other senior roles at Woolworths

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# MANAGING DIRECTOR'S REPORT

Rob Sindel



# YEM19 sustainability at a glance

CSR is committed to sustainable practices by contributing to a positive impact on the environment while also improving the energy efficiency, comfort and performance of homes and buildings.



## ENVIRONMENT

CSR is committed to contributing to an overall positive impact on the environment and reducing reliance on non-renewable resources



↓ 2.6%  
decrease in CO<sub>2</sub>e  
in 2018



2020 target  
exceeded target to minimise  
waste production and CO<sub>2</sub>e  
emissions



↑ 0.8%  
increase in potable  
water in 2018



↓ 0.1%  
reduction in waste sent to  
landfill in 2018. A 14%  
improvement over last five  
years



## PEOPLE

CSR recognises that a sustainable workplace is one that provides a safe, rewarding and diverse environment for our employees



20%  
Improvement in safety  
LTIFR in YEM19  
(per million hours worked).



21%  
Female participation in  
YEM19, up from 18% in  
YEM18



25%  
TRIFR improved by 25% in  
YEM19 (per million hours  
worked)



\$3.1m  
investing in training in  
YEM19



## COMMUNITY

CSR maintains ongoing dialogue with our key stakeholders and the community to ensure we are meeting our social licence to operate



6 years  
CSR volunteers have  
donated their time for  
Business Clean Up Day over  
the last six years



\$158,369  
donated to CSR Community  
Support Program in YEM19



633 hours  
volunteered with ABCN  
Student Mentor Program

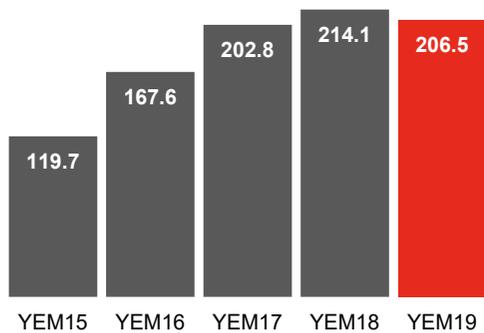


519 students  
mentored  
by CSR employees



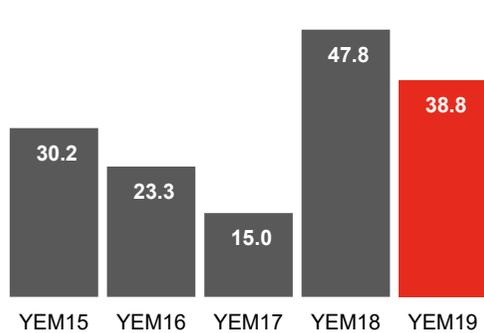
# EBIT overview by business

## Building Products (A\$m)



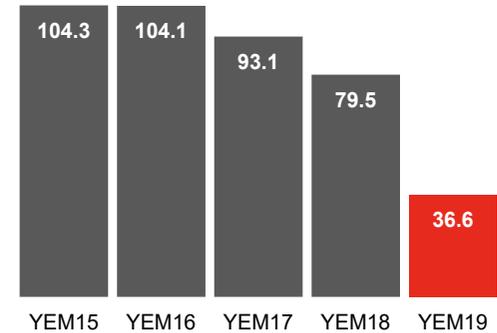
- › Solid performance across most products and segments with some moderation in volumes in the second half of the year
- › Includes \$14m in long-term growth investments including digital platforms and Inclose façade systems

## Property (A\$m)



- › Includes Stage 1 of industrial property at Horsley Park, NSW and settlements from the residential development at Chirnside Park, VIC
- › Ongoing investment in a number of major projects in Western Sydney

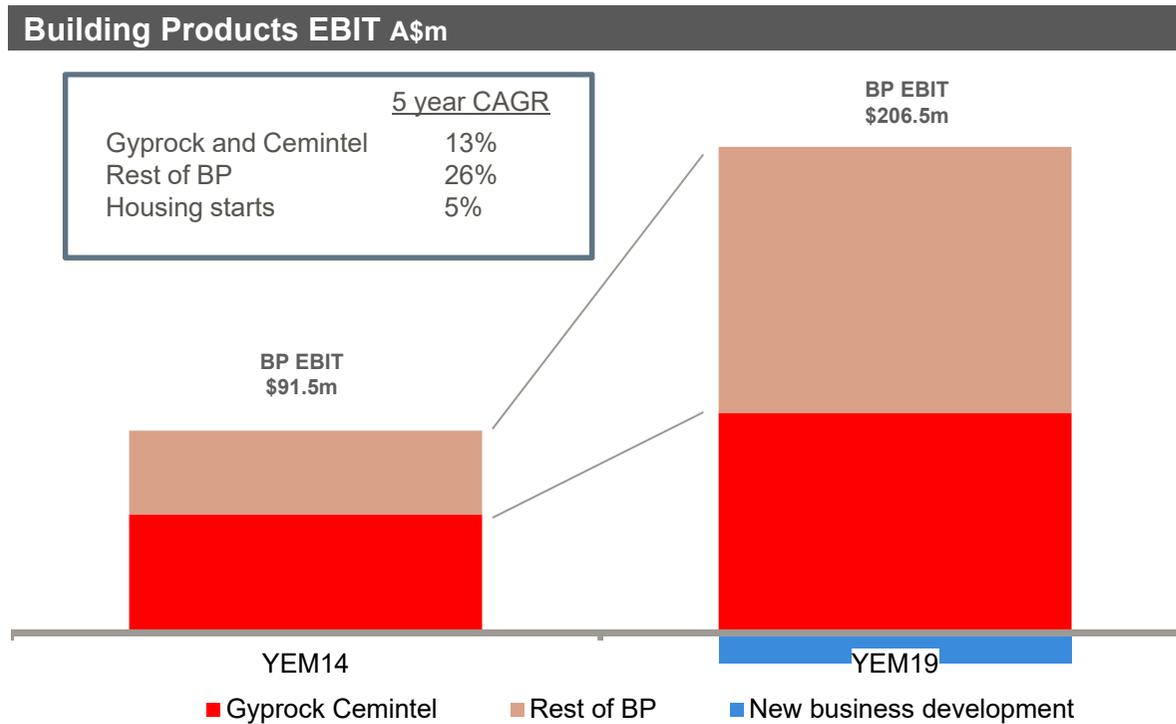
## Aluminium (A\$m)



- › Higher realised aluminium price offset by significant step-up in electricity costs

## Growth and resilience of the Building Products portfolio

- Lightweight Systems (including Gyprock and Cemintel) have grown by a CAGR of 13% since YEM14 - ahead of housing starts CAGR up 5%
- Rest of Building Products CAGR of 26% since YEM14 includes the benefit of acquisitions and industry consolidation in bricks

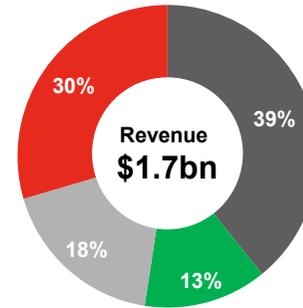
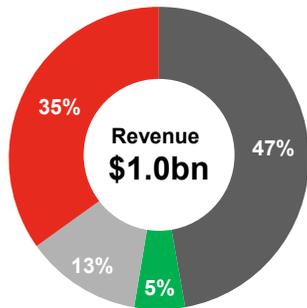


# Broader revenue base from wider addressable market

**YEM14 Building Products revenue**

**YEM19 Building Products revenue**

- Lightweight Systems
- Construction Systems
- Bricks
- Energy and Roofing Solutions



**Lightweight Systems**

GYPROCK CEMINTEL

HIMMEL INTERIOR SYSTEMS POTTER INTERIOR SYSTEMS

RONDO

**Construction Systems**

hebel The better way to build

afs smarter permanent formwork.

inclose Unified Rainscreen Facades

VELOCITY Accelerating Quality Building

**Bricks**

PGH BRICKS & PAVERS

**Energy and roofing solutions**

Bradford martini

EDMONDS Technologies for a Sustainable Future

MONIER ROOFING

## Outlook for year ending 31 March 2020 (YEM20)

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- Volumes in the two months of this financial year ending 31 March 2020 remain broadly consistent with the final quarter of last year.
- Recent reductions in interest rates, improving credit availability, stable tax policies and first homeowner support have boosted hopes for an improvement in consumer confidence and demand for housing. The timing of any positive impact is difficult to predict.



- While the quantum of earnings may fluctuate due to the timing of transactions, the ongoing development of a number of major projects will underpin Property earnings over the next 10 years.



- Contracts are now in place for ~75% of alumina volumes linked to the US\$ aluminium price to replace the current alumina contract which expires in December 2019. A contract for the balance of GAF's requirements is expected to be finalised within the first half of this financial year.