
ASX Announcement**4 November 2021****CSR Limited delivers half year net profit after tax (before significant items) of \$86.6 million, up 30%**

CSR Limited (ASX:CSR) announces net profit after tax (NPAT before significant items) for the half year ended 30 September 2021 of \$86.6 million, up 30% from the prior comparable period.

Statutory net profit after tax of \$156.6 million included a significant item relating to the recognition of \$71.2 million in carry forward capital tax losses. This result compares to statutory net profit of \$58.7 million in the prior comparable period.

Trading revenue of \$1.1 billion was up 6% with earnings before interest and tax (EBIT before significant items) of \$132.6 million, up 41% which included the following results:

- **Building Products** – EBIT of \$120.6 million, up 25% reflecting positive conditions in the detached market, strong operational execution, manufacturing performance and good cost control in a COVID constrained environment.
- **Property** – EBIT of \$6.6 million was delivered following the Moss Vale site sale. The final transaction at Horsley Park was secured in July 2021. In total, this project is expected to generate proceeds of \$408 million by the year ending 31 March 2025 (YEM25).
- **Aluminium** – EBIT increased to \$18.3 million, up from \$6.2 million in the prior comparable period with performance reflecting improved spot pricing and hedged position.

Interim dividend of 13.5 cents per share (fully franked) declared which is at the top end of CSR's dividend policy.

Consistent with CSR's Property strategy which is actively unlocking value from its property assets, CSR has also secured the sale of the 41 hectare site at Warner, QLD with EBIT of ~\$30 million expected to be completed in YEM23.

Maximising the current market opportunity with strong execution, while progressing strategy and managing COVID disruption

Commenting on the result, CSR Managing Director & CEO Julie Coates said,

“CSR's businesses have performed very well despite the ongoing impacts of COVID on our operations. In Building Products, we made the most of the positive conditions in the detached market. The team executed well to deliver a strong result underpinned by good manufacturing performance and ongoing cost discipline. Our first priority was to keep our people safe and minimise COVID disruptions at our sites and for our customers.”

“We have also made good progress across a number of key strategic initiatives. We continue to develop our customer solutions and supply chain opportunities in Building Products. And we are unlocking further value from our property assets and development capabilities, securing the final tranche at Horsley Park with expected proceeds in excess of \$400 million from the 52 hectare site over a six year period.”

“CSR continues to deliver strong cash generation to invest in growth opportunities in the business as well as returns for shareholders with the interim dividend at the top end of our dividend policy.”

Outlook for the financial year ending 31 March 2022

Building activity during the period grew in line with expectations going into the year. Declines in high density and commercial construction partly offset the strong detached market. We expect activity in the second half which has fewer trading days than the first half to reflect the traditional seasonality of the building industry. Completion times for projects continue to lengthen, reflecting supply chain congestion, cost pressures and labour constraints which are impacting the broader industry.

The diversified nature of Building Products across product, geography and end markets positions the business well for the second half and beyond. This is supported by continued focus on maximising market opportunity, executing strategy and maintaining cost and operational discipline while returning to more normalised levels of investment.

In Property, EBIT for YEM22 is expected to be ~\$34 million which includes completion of the next tranche of Horsley Park Stage 2 project which is on track to deliver EBIT of \$18 million. In addition, EBIT of ~\$11 million is forecast to be realised from smaller transactions at Chirnside Park, VIC and Thornton, QLD.

In Aluminum, based on significant hedge positions, EBIT for YEM22 is expected to be in the range of \$35 to \$41 million, assuming all other revenue and cost areas (including coal costs) are unchanged. As aluminium prices have improved, CSR has significantly increased its hedge position for the next four years to provide more certainty of future earnings.

In summary, CSR’s largest business, Building Products is performing well in the current market and progressing its strategy to diversify and grow the business for the future. Group earnings will also be supported over coming years by contracted transactions from Property and a strong hedge position in Aluminium.

Half year results webcast details

CSR will present its results for the half year ended 30 September 2021 at 10.00am AEDT time today, Thursday 4 November 2021, via webcast.

The webcast is available from CSR's website at www.csr.com.au or [Click here](#).

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

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