



**Building
something
great**

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2023 Annual General Meeting Addresses and Presentation Slides

Boral Limited (Boral) attaches the addresses and presentation slides to be given by the Chairman, Ryan Stokes and CEO & Managing Director, Vik Bansal at Boral's Annual General Meeting today.

This release was authorised to be given to ASX by the Company Secretary of Boral Limited.

Jean-Paul Wallace

Company Secretary

For media enquiries, please contact:

Shane Murphy
FTI Consulting
0420 945 291

For investor enquiries, please contact:

Luke Thrum
Head of Investor Relations
0447 894 834



Chairman's Address

Ryan Stokes AO



I now turn to my Chairman's address.

I would like to start with a recap of our FY23 performance. We delivered strong operating and financial results facing into an inflationary environment. Disciplines were established to improve customer service, realise price, and deliver cost efficiencies across the business.

All key financial metrics were stronger in FY23, with revenue up 17%, earnings up 106%, and EBIT margin up 289 basis points to 6.7%. While there is still much work to be done, the result demonstrates clear progress towards our performance improvement objectives as our new operating model gains traction.

The performance also reflects increasing execution across the business, an intensified focus on customer service, and cost reduction through procurement initiatives and process standardisation.

We maintained a disciplined approach to capital management through the year, and consistent with our strategy, Capex of \$223 million was in line with Depreciation. Key capital projects included the completion of the Geelong cement facility, progress on the Berrima chlorine bypass and several concrete plant upgrades.

Looking ahead, we recognise the need for incremental capital expenditure across our quarry and mobile assets. The board will consider this within the context of incremental returns, and the requirement to ensure adequate quarry production life across Boral's operational geographies.

Our renewed focus on cash management is also proving effective in driving higher cash conversion.

Our balance sheet is in a strong position, with year-end net debt of \$338 million, and net debt to underlying EBITDA of 0.7 times, down from 1.4 times in FY22.

The Board resolved not to pay a dividend in FY23, with consideration given to Boral's low franking credit balance.

Seven Group Holdings, where I am Managing Director and CEO, holds a controlling 71.6% interest in Boral. This investment not only reflects our confidence in the underlying business and assets, but also our belief in Boral's potential to deliver sustainable performance improvement and growth.

The results achieved in FY23 further affirm this belief, showing clear progress on our performance journey and refocused strategy. They also provide some perspective on the potential that can be unlocked on the path to becoming a more profitable, competitive, and customer-focused business.

Moving to safety.

The health and safety of our people and all those we interact with through our operations remains a key priority.

Our Total Recordable Injury Frequency Rate (TRIFR) improved 47% in FY23, reflecting a more engaged workforce, enhanced working environment and the effectiveness of our new operating model.

While we were pleased to see the improvement in FY23, there is more work to be done. We recognise the need for continuous improvement when it comes to keeping our people safe.

Turning to strategy.

Our core strategic focus in FY23 was implementing Boral's new PEMA operating model, comprising the five pillars of People, Assets, Markets, Environment, and Financials. From an SGH perspective, the model is closely aligned with our core value of the Owner's Mindset and operating approach.

We made good progress on each pillar, which is a credit to the management team and our broader workforce. Together, we're building a performance-based culture with a focus on accountability and execution, and our people are embracing this approach.

Some of the key strategic focus areas in FY23 that remain relevant in FY24 include:

- Increasing the shift towards a frontline focused workforce;
- Reducing our cost to serve, through organisational design and operating efficiencies;
- Enhancing our customer service while remaining disciplined with pricing;
- Growing our integrated network and leveraging demand opportunities;
- Optimising and improving the returns from our fixed and mobile assets; and
- Executing our Property strategy to maximise the long-term value of our portfolio.

Boral's values were also refreshed during the year, which was integral to the development of our culture. Our five key values – **safety, teamwork, ambition, accountability, and respect** – are guiding how we behave, and underpin what matters to Boral as an organisation.

Sustainability

As a leading construction materials company, we are committed to reducing – and where practical eliminating – the environmental impacts of our operations.

We have taken a genuine approach to decarbonisation, ensuring our progress is sustainable, both environmentally and commercially, while effectively positioning us to meet our Safeguard Mechanism obligations.

We believe the Safeguard Mechanism must be complemented by an effective Carbon Border Adjustment Mechanism (CBAM). Without it, local industry will be significantly disadvantaged through relatively higher production costs, effectively moving manufacturing and carbon emissions offshore – contributing to carbon leakage.

We welcomed the Federal Government’s announcement in August that it was conducting a review into carbon leakage risks and developing policy options to address this leakage, including through a potential Carbon Border Adjustment Mechanism (CBAM). Boral is actively engaging with the Department of Climate Change and Energy on this issue and we look forward to seeing the outcomes in 2024.

Boral is taking a leadership role in the development of lower carbon products and the circular economy through our construction materials recycling business. Both segments are experiencing rapid growth, as our customers increasingly seek solutions to enhance their environmental performance and credentials. Vik will talk in more detail on these shortly.

Board renewal and governance

Moving to Board renewal and governance.

In June this year, Paul Rayner, Non-executive Director and Chair of Boral’s Audit & Risk Committee, retired after almost 15 years on the Board. I would like to acknowledge the outstanding contribution that Paul made during his tenure and thank him for his dedication and commitment to the Company.

Karen Moses has also announced that she will retire from the Board at the conclusion of today’s meeting, after 7.5 years as a Non-executive Director. I would like to thank Karen for the significant contribution she has made during her tenure and wish her well in the future.

We have commenced a review for new Non-Executive Directors with the appropriate skills and experience to support Boral to achieve its performance objectives.

Closing comments

On behalf of the Board, I would like to thank you – Boral’s shareholders – for your ongoing support.

I would also like to thank the Boral management team, led by Vik Bansal – and our whole workforce for an outstanding FY23.

I look forward to working with the Board and management in FY24, as we execute our strategy to drive enduring positive change at Boral.

The Board is confident Boral is on the right path to becoming a more sustainable, high-performing organisation, that will deliver long-term value for shareholders.

I will now hand over to Vik Bansal for his CEO & MD address.

I now invite Vik Bansal to address the meeting.



CEO's Address

Vik Bansal



Thank you, Ryan, and good morning ladies and gentlemen.

It is a pleasure to join you today, and a privilege to address the shareholders of Boral.

This morning, I would like to run through the following:

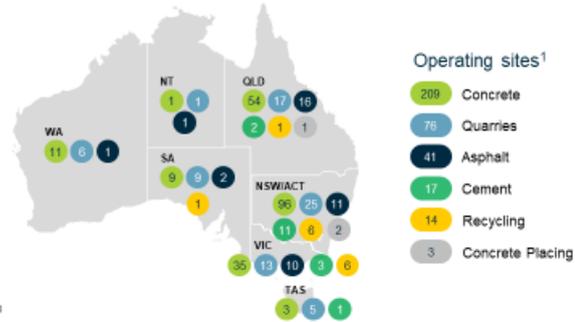
- A brief recap on Boral today.
- Our operational and financial performance for FY23.
- Our operating model and how this is driving Boral's strategy; and
- Update on first quarter trading and outlook for FY24.

Boral today

Australia's largest integrated construction materials company with a rich legacy and significant social contribution

-  ~360 operating sites¹
-  ~7,500 employees and contractors²
-  ~14,000 customers
-  ~8,500 suppliers
-  ~50 million tonnes moved per year
-  ~4,000 kilometres of road paving per year
-  ~3,500 heavy road vehicles

- A rich legacy founded in 1946
- Large integrated network provides a competitive advantage
- Strategy focused on strengthening and growing the core
- Diverse revenue base across regions, products and customer segments
- Assets base comprises prized upstream assets combined with extensive downstream footprint in close proximity to customer, and ~3,800 hectares of surplus property



1. Operating sites include transport, fly ash, depots and JV sites as at 30 June 2023
2. Full-time equivalent from continuing operations

I would like to start with an overview of Boral's business today.

We are the largest vertically integrated construction materials company in Australia.

Our operational reach spans 360 sites across each state and territory, and we employ approximately 7,500 employees and contractors.

We serve almost 14,000 customers and work with around 8,500 suppliers.

We move approximately 50 million tonnes of product and pave around 4,000 kilometres of road every year.

Rarely a day goes by that you wouldn't pass one of our sites or our 3,500 vehicles.....or enter a building, use a road, bridge, tunnel, footpath, or other piece of critical infrastructure, that our people and products are responsible for.

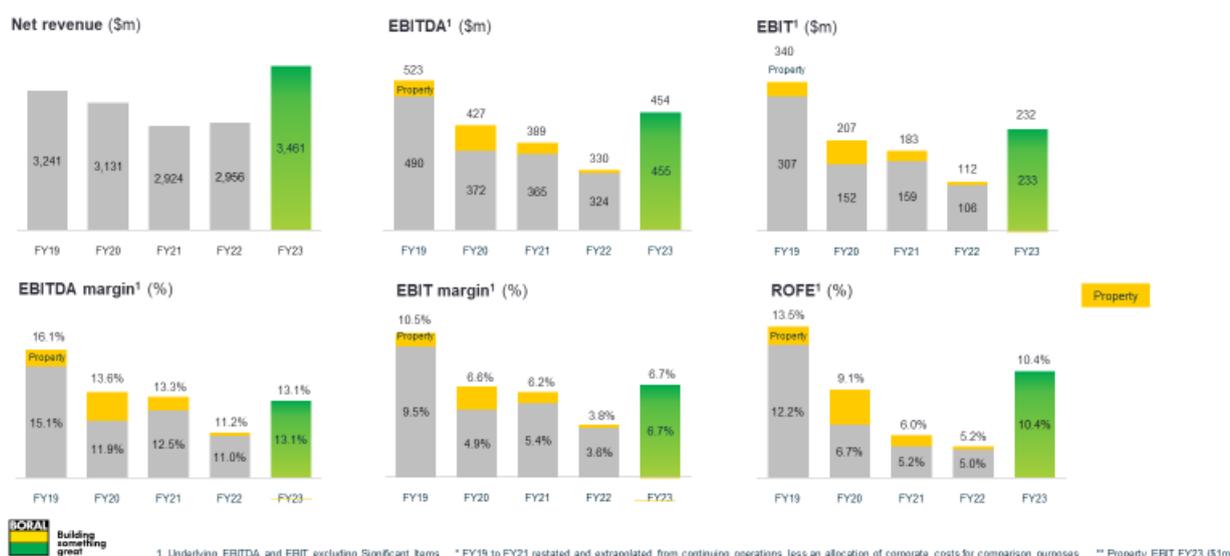
I wanted to call out these stats – because they demonstrate the scale of our operations and reinforce the significant opportunity in front of us.

Our assets are unparalleled, strategically located and they form a national footprint. We also have great people, who are excellent at what they do, passionate about the business and want to see it succeed.

I believe strongly that we have the platform, the capabilities, and the desire to deliver on promise of Boral.

FY23 financial results

FY23 earnings has recovered from FY20 to FY22 decline



Moving to our FY23 performance and financial results.

FY23 was a year of transition for Boral. We introduced a new operating model and started the simplification and standardisation of our business. It was also a year of high inflation, which had a significant impact on our industry.

Despite this, we improved our key operational and financial metrics materially.

Sales volumes were up between 5–7% across our quarries, cement, concrete and asphalt segments. Recycling volumes were up 13%. This was a positive shift after the declines of recent years.

Group net revenue was up 17% to \$3.5 billion, due to the increase in volumes and long overdue price traction across all regions and products.

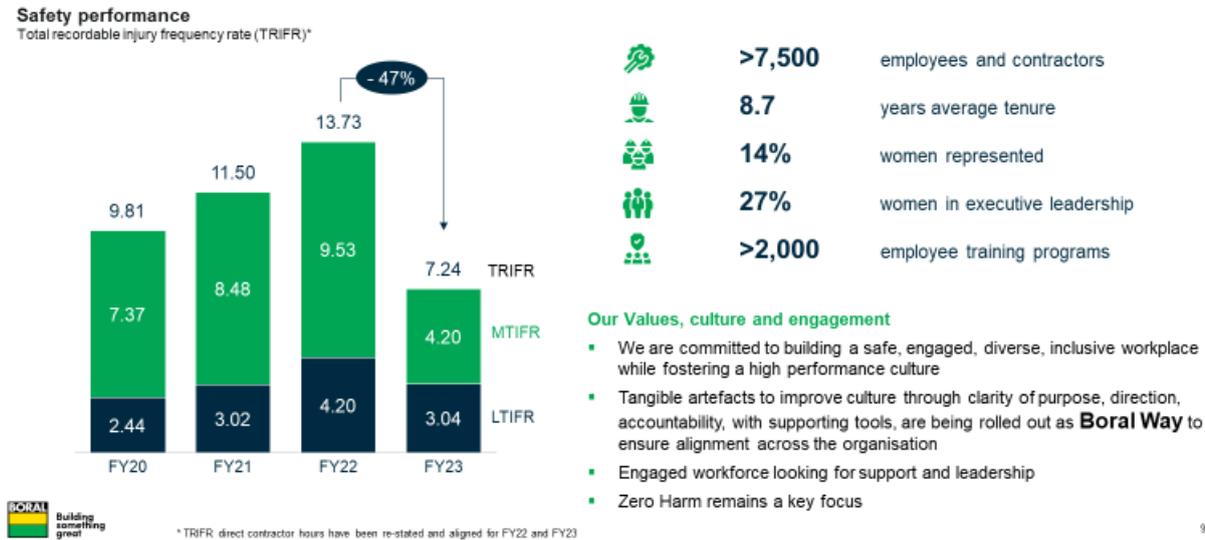
EBIT was up 106% to \$232 million, enabled by volume, price, and cost initiatives. We faced significant cost pressures across all major categories, particularly materials, cartage, and energy. We mitigated this through improved procurement, through technology solutions and by applying clear cost accountability with process standardisation.

Our EBIT margin increased by 289 basis points to 6.7%; and Return on Funds Employed (ROFE) doubled to 10.4%.

It is pleasing to see strong improvement in both earnings and margins, which demonstrates improving operating leverage through greater operational discipline.

Safety and People

TRIFR improvement of 47% equates to 83 fewer people injured than previous 12 months



Moving to Safety and People.

Safety is our highest priority and, as the Chairman stated, our TRIFR performance in FY23 improved by 47% year on year. This was a significant reversal of the trend from recent years.

More important than the statistics, is the fact that 83 fewer people were injured than in the previous year. Several initiatives drove this outcome, including the simplification of safety discussions and metrics, combined with accountability, engagement, and ownership at all levels.

We will always strive for Zero Harm – and more work is ahead of us than behind us to be best in class.

In addition to our focus on safety, we have also undertaken significant work over the past 12 months to improve Boral’s culture. Our people are critical to our success, and it is important our culture supports our people to deliver their best.

The **Boral Way** is fundamental to this and underpins our Good to Great strategy. It is essentially a strategy on a page, with our purpose at the core – Building Something Great.

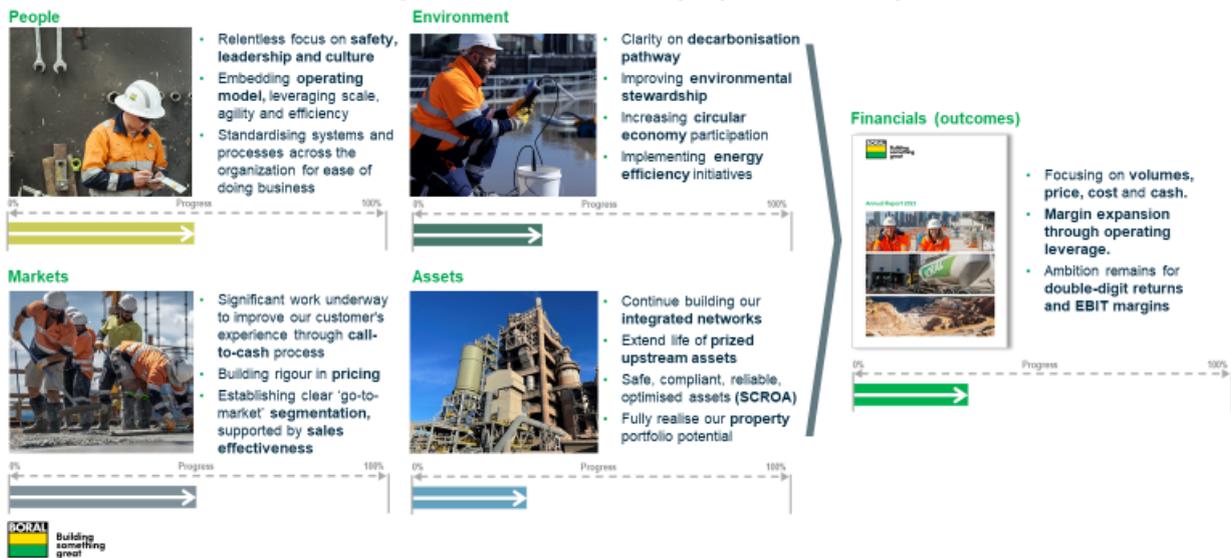
The Boral Way provides clarity around our strategic focus and operating cadence across the PEMA Pillars, which I will discuss shortly.

Our management teams were highly engaged in developing how we wish to operate. We have spent considerable time presenting and discussing it with employees, outlining our expectations and gaining their support.

Alignment on direction and strategy of the business is the foundation to building a good, high performing culture, which is what we are trying to achieve. Our aim is to ensure every employee in Boral can see their contribution to the success of Boral. We are helping our people through deep commercial and financial training which helps them understand the tangibles in their control.

PEMAF – a sustainable business framework

How we think about 'PEMAF' is the way we run our business every day... Our Boral Way



Moving to PEMA – the framework that underpins the Boral Way and is core to how we run our business every day.

This slide summarises each of the five pillars, with arrows to give a visual on how far progressed we are across each category.

I just spoke about our **People**, and their importance in execution and delivery. Our operating model supports a “decentralised but standardised” way of working. In a business with 300 plus remote sites, centralisation is untenable.

While we are decentralised, we are doing it with clarity and proper guardrails in place. Freeing up our regional P&L to engage with customers, without second guessing, is a key to agility and accountability across the business.

On **Environment**, we are managing our decarbonisation pathway, while growing our lower carbon product and recycling businesses.

Our ambition remains to be net zero by 2050. We recently updated our FY25 targets to a 12-14% reduction in absolute Scope 1 and 2 emissions from a FY19 base year. It was needed due to regulatory changes to planned projects plus we have a much needed clarity to our obligations under safeguard mechanism.

We are also assessing and realigning our FY30 targets and will confirm these in the next 12 months. This will include consideration of our obligations under the Safeguard Mechanism and alignment to the global cement industry.

I wish to reiterate the Chairman’s statement on CBAM (Carbon Border Adjusted Mechanism). It is imperative that CBAM is introduced at the earliest opportunity in Australia to avoid leakage of carbon to our neighbours in Asia. Imported clinker and cement is lot more carbon intensive, considering its origin and shipping to its destination.

CBAM will also give confidence to the industry in Australia for hundreds of millions of dollars of investment required to deliver the commitments under the Safeguard Mechanism. Industry confidence is crucial not only for future investment but to support ongoing operations and job security across the Australian cement industry.

We are a leader in lower carbon concrete in Australia. As our customers' needs have evolved, we have developed a range of lower carbon product solutions, including our ENVISIA®, Envirocrete® and INNOVOTM Asphalt ranges.

Twenty eight percent of our concrete sales volumes were from lower carbon concrete products in FY23, a 300% increase on the previous year. We expect this adoption rate to continue increasing as our customers recognise the performance benefits.

Boral is also playing an integral role developing the circular economy in Australia. We are one of the largest recyclers of construction and demolition materials in Australia, and a significant user of industrial waste materials such as recycled asphalt pavement.

In FY23, Boral Recycling processed more than 2.2 million tonnes of material, for direct sale to our external customers, as well as for use in our Quarries, Asphalt and Concrete operations.

On **Markets**, we are focusing intently on customer experience, as we see this as a major opportunity. A key aspect involves revamping our call-to-cash process, which will both improve our service offering and support working capital management.

Simplifying Boral goes a long way to improving our customer service. Being a vertically integrated business has an inherent risk of internal focus. Risk is where people lose line of sight between internal transactions and true "moments of truth" with external paying customers. We are working to ensure that the "concept of ONE UP" is part of Boral DNA which stands for servicing optimally everyone all the time.

This is a multiyear work, but I can say with conviction that this has a bigger tangible value upside for Boral than anything else.

We are committed to maintaining rigor around pricing, which is even more critical in FY24 than FY23 considering the market environment. While the steep rate of inflation might have subsided, we are not in a deflationary environment; this means the cost increases faced by our business are not going backwards.

On **Assets**, we want safe, compliant, reliable, and optimised assets to create a true competitive advantage. As I stated, we already have an unrivalled, integrated network of assets. However, we believe there is significant potential to extract greater value from them. Significant work is in progress to improve maintenance and utilisation of our Fixed Assets and Mobile Assets.

Each of these four pillars will contribute to greater **Financial** outcomes including margin expansion, and improved returns.

Our ambition remains for double-digit returns and EBIT margins and I am confident this will be delivered.

Outlook

Trading performance for the first quarter of FY24 has been pleasing, with price escalation from last year holding up.

Based on current external factors, and assuming no material changes in market demand or the price environment, Boral re-confirms FY24 guidance for underlying EBIT in the range of \$270-300m, an increase of 23%¹ on FY23.



1. Based on mid-point of FY24 EBIT guidance (\$285m).

Moving to FY24 Outlook Statement.

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With that, I will hand the meeting back to the Chairman.



¹ Based on mid-point of FY24 EBIT guidance (\$285m).