

Financial Results

Year ended 31 July 2023

Mr. Lindsay Partridge (Managing Director)
Mr. Grant Douglas (Chief Financial Officer)
Mr. Mark Ellenor (Chief Operating Officer)

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Today

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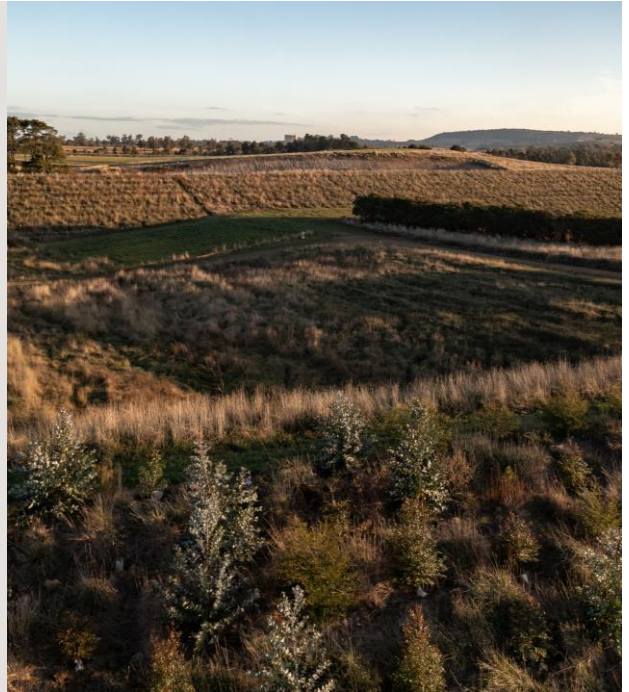
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Responsible Business

Section 01 Mr. Lindsay Partridge

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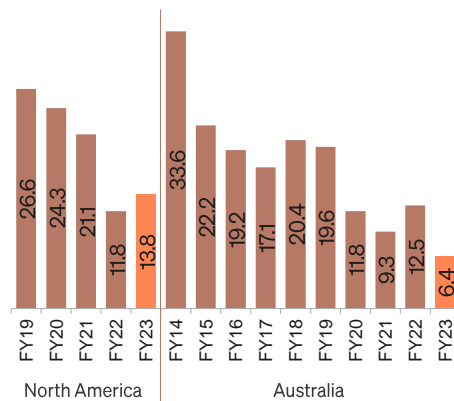
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Safety

A sustained decrease in workplace injuries has been achieved

- Overall, the reportable injury rate decreased to 10.0 in FY23, down from 12.2 in FY22¹
 - Improvement recorded in Australia, reflecting long-term downward trend
 - Increase in injury rate in North America, with 40% attributable to new employees (with less than one year of service)
- Fatal accident involving an employee of a contractor, at our Austral Masonry site in Cairns
- Continued implementation of safety management systems and procedures, together with behavioural leadership and safety training programs

Total Reportable Injury Frequency Rate (TRIFR)¹
Injuries per million work hours



¹ The FY22 TRIFR has been restated to reflect the date of injuries being incurred (rather than the treatment date)

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Sustainability Achievements

46%

reduction in carbon emissions (scope 1 and scope 2) in Australia since 2006

18%

energy efficiency improvement in North American operations since the initial acquisition in 2019

11%

percentage of biofuels in energy mix in FY23 (in Australia)

10 yrs

of our Longford Operation being carbon neutral

100 yrs

colourfast and durability warranty on our bricks

25%

of product volume in Australia was verified as sustainable by third parties in FY23

218,000

square metres of land rehabilitated in FY23

11%

mains water reduced in FY23 (from prior year)

\$261,000

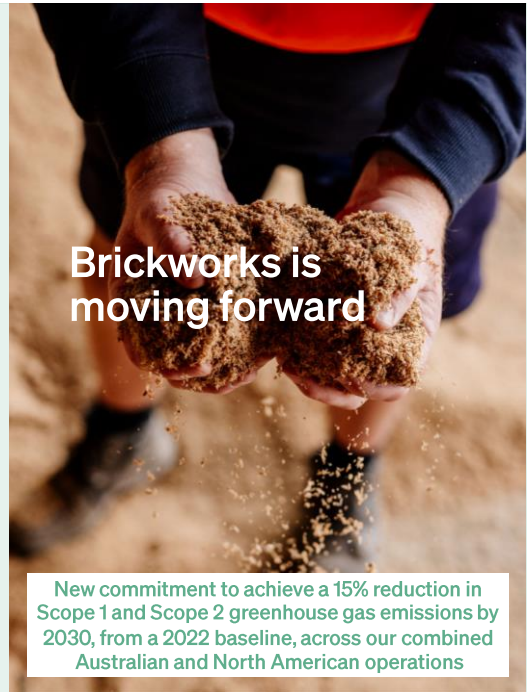
funds raised for Children's Cancer Institute (with over \$4.8 million contributions since 2002)

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Asset Growth & Shareholder Returns

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Asset Growth – Review of Past 5 Years

The past five years has been a period of transformation for Brickworks, with gross assets (on balance sheet) doubling to more than \$6.1 billion

Major Achievements and Initiatives Since FY2018

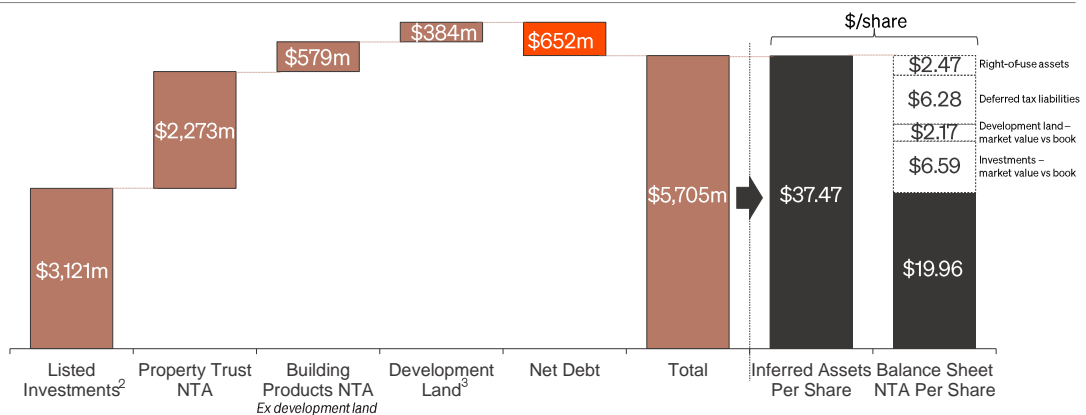
Building Products	<ul style="list-style-type: none"> International expansion, with the creation of Building Products North America Major capital investment program (Australia and North America) Portfolio refinement and optimisation (acquisitions, growth investment and divestments)
Property	<ul style="list-style-type: none"> Fast-tracked land releases and development of industrial facilities in response to market trends and strong customer demand Creation of Brickworks Manufacturing Trust \$1.7 billion increase in net property trust assets (since 31 July 2018)
Investments	<ul style="list-style-type: none"> SOL acquisition of Milton to create Australia's leading diversified investment company (Brickworks retains position as the largest shareholder) Strategic stake established in FBR, with Brickworks now the largest shareholder

Over the past five years, Brickworks gross assets (on balance sheet) have doubled to more than \$6.1 billion, and net assets have increased by almost 70% to \$3.6 billion (equating to \$19.96 per share)

Inferred Asset Backing

Brickworks' current inferred asset backing is over \$37 per share

Inferred Asset Value¹ (31 July 23)



1. Asset values as at 31 July 2023. Building Products NTA includes AASB 16 (Leases) right-of-use assets

2. Includes SOL and FBR shareholding at market price 31 July 23

3. "Development Land" comprises three sites identified for development, currently held at book value within Building Products. Based on independent market valuations, these sites have a combined "as-is" value of \$384 million

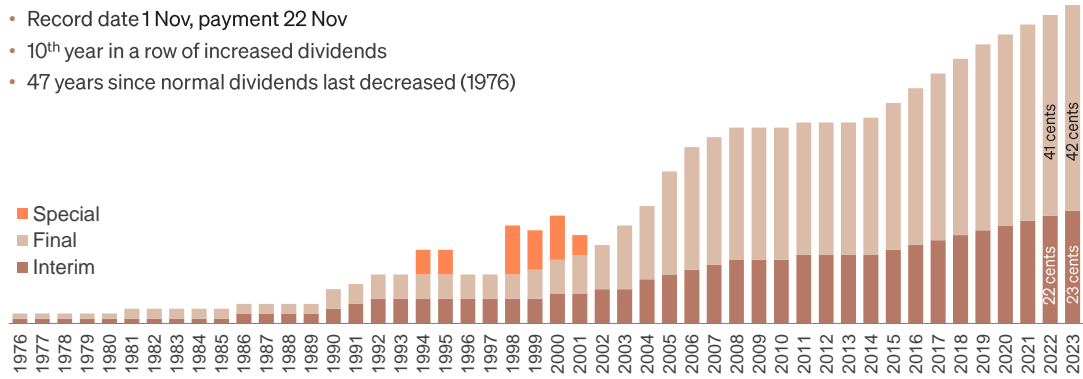
Dividends

Brickworks' normal dividend has now increased ten years in a row

Brickworks Dividend History

Cents per share

- The Board has declared a 42 cents per share fully franked final dividend, up 2%
- Record date 1 Nov, payment 22 Nov
- 10th year in a row of increased dividends
- 47 years since normal dividends last decreased (1976)



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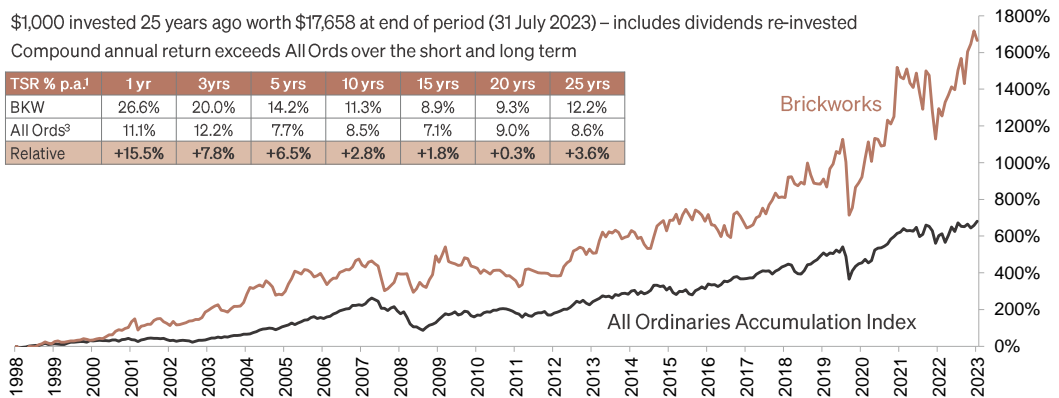
Shareholder Returns

Brickworks has created significant shareholder value over the long term

Total Shareholder Returns (25 Years)¹

- \$1,000 invested 25 years ago worth \$17,658 at end of period (31 July 2023) – includes dividends re-invested
- Compound annual return exceeds All Ords over the short and long term

TSR % p.a. ¹	1 yr	3 yrs	5 yrs	10 yrs	15 yrs	20 yrs	25 yrs
BKW	26.6%	20.0%	14.2%	11.3%	8.9%	9.3%	12.2%
All Ords ³	11.1%	12.2%	7.7%	8.5%	7.1%	9.0%	8.6%
Relative	+15.5%	+7.8%	+6.5%	+2.8%	+1.8%	+0.3%	+3.6%



1. Investment period shown is 31 July 1998 – 31 July 2023. Includes dividends re-invested.

2. Total shareholder return to 31 July 2023, assuming dividends re-invested.

3. All Ordinaries Accumulation Index

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FY23 Highlights

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FY23 Overview

Underlying NPAT \$508m

Although earnings are lower than the record achieved in the prior year, FY23 has been another successful year for Brickworks' diversified portfolio of businesses

Value of Property Trusts up by \$520m & strong development pipeline in place

Brickworks' share of WHSP market value up \$685m

Major capital program across Building Products largely completed, headlined by new brick plant in Western Sydney

Gearing (net debt / equity) of 18%

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FY23 Financial Highlights

\$784m

EBITDA ↓ 26%
(continuing operations)

\$508m

Underlying profit ↓ 32%
(continuing operations)

\$395m

Statutory profit ↓ 54%

\$3.34

Underlying EPS ↓ 32%
(continuing operations)

\$19.96

NTA Per Share ↑ 9%
vs 31 July 2022

42 cents

Final Dividend ↑ 2%
fully franked

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Divisional Review

Section 04 Mr. Mark Ellenor

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Property – FY23 Highlights

\$506m

EBIT ↓ 21%

**\$301m Sale
of Oakdale
East Stage 2**

>1 million m²

Leased area within Industrial JV Trust, following completion of new facilities at Oakdale West

+37%

Increase in net trust income, to \$50 million

\$520m

Increase in value of net Property Trust assets

21%

Gearing within Property Trusts, down from 24%

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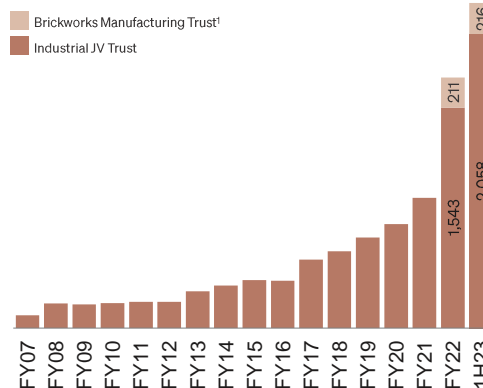
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Property Trust Asset Value

The net value of Brickworks' share of Property Trust assets increased by \$520 million during the year

\$MILLION	FY22	FY23	CHANGE
Leased properties	3,763	4,908	30%
Land under development	867	878	1%
Total Property Trust assets	4,630	5,786	25%
Borrowings	(1,123)	(1,239)	10%
Net Property Trust assets	3,507	4,547	30%
BKW 50% share	1,754	2,274	30%
Gearing	24%	21%	(13%)

BKW share of Net Property Trust Assets \$millions



¹ During the year, the Brickworks Manufacturing Trust capitalised stamp duty costs, resulting in an increase in assets (despite a small revaluation loss)

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OAKDALE EAST STAGE 2 - 28 AUGUST 2023

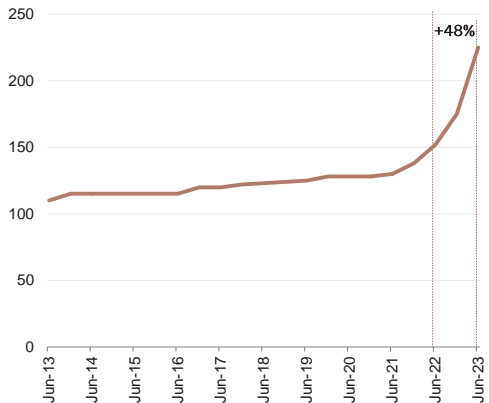


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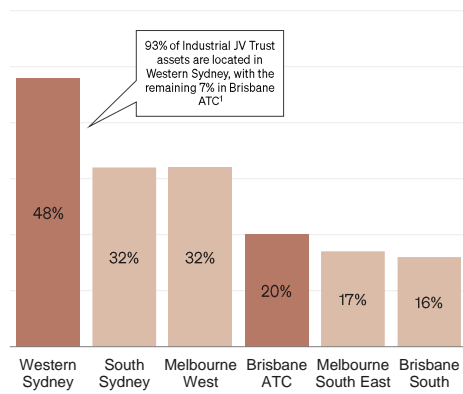
Market Trends – Prime Industrial Rent

Market rent for prime industrial property has increased significantly in the past 12 months, particularly in Western Sydney

Western Sydney Average Prime Industrial Rent
\$ per square metre



Prime Industrial - Rental Growth
12 months to June 23



¹ Australian Trade Coast (economic development precinct including Brisbane port and airport regions)
Source: Colliers Research

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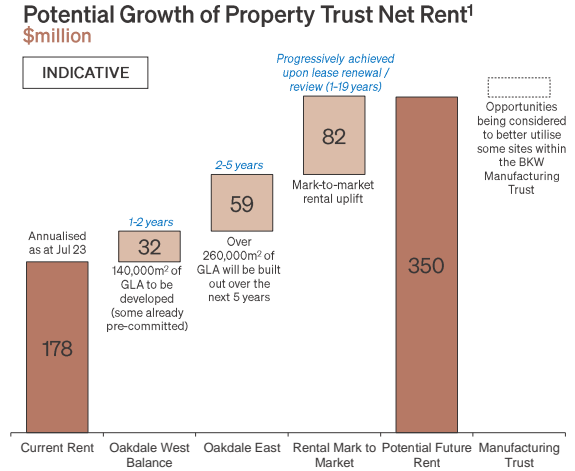
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Property Trust Rent – Future Growth (Existing Trust Assets)

There is a considerable opportunity to increase rental income from the Property Trusts over the coming years

- Current annualised rent is \$178 million
- The average passing rent within Industrial JV Trust is \$148/m², 34% below current market rent (~\$225/m²)
- At market, the rent potential (of current Trust assets) is circa \$350 million. This includes:
 - Completion of Oakdale West (+\$32m)
 - Completion of Oakdale East (+\$59m)
 - Mark-to-market rental uplift on currently leased assets - upon renewals (+\$82m)
- No further capital investment is required by Brickworks to achieve uplift in rent
- Future market rent to continue to be supported by the significant increase in construction costs, strong demand and tight supply.
 - The step-change increase in market rent should eventually be fully reflected in valuations



1. Forecasts assume net rent of \$225/m² (representing the June 2023 average market rent for prime industrial property in Western Sydney)
Source: Colliers Research

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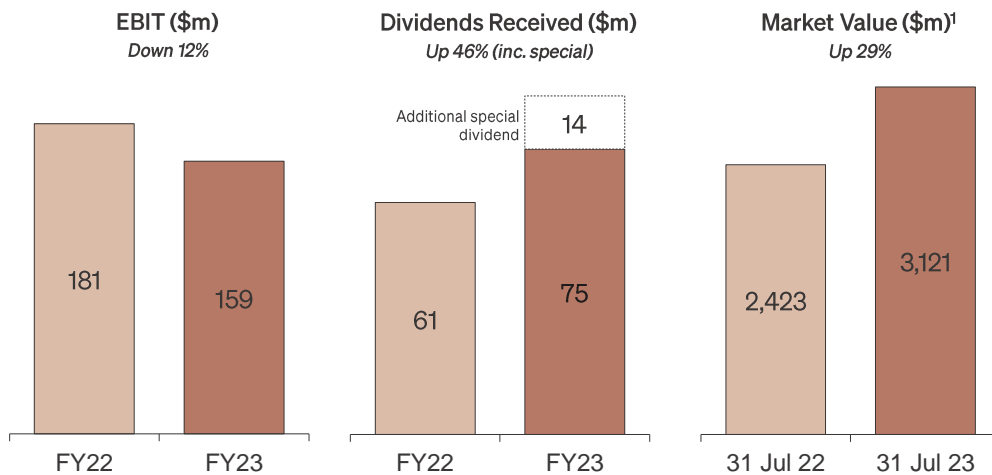
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Investments – FY23 Result

Although EBIT was lower, Investments delivered higher dividends and increased market value in FY23



1. The majority of the FBR stake was acquired during 1H23. As such, FY23 includes the SOL and FBR holdings, whereas FY22 only includes SOL

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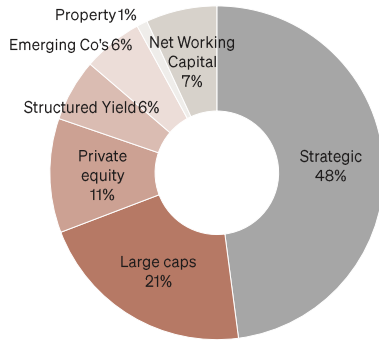
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Investments - Major Shareholder in WHSP (ASX:SOL)

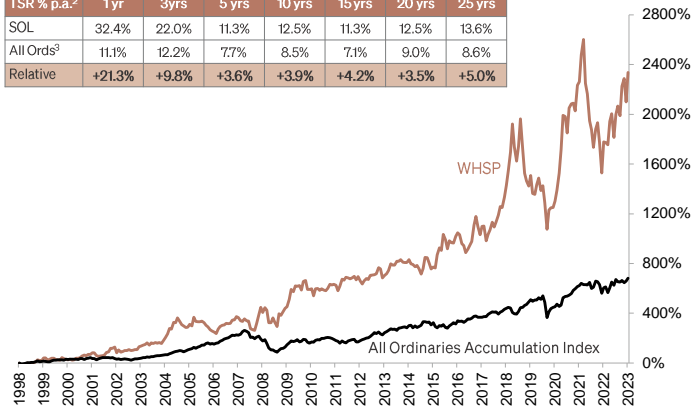
Brickworks is the largest shareholder in Australia's leading publicly listed investment house

WHSP Asset Exposure¹



WHSP Total Shareholder Returns

TSR % p.a. ²	1 yr	3 yrs	5 yrs	10 yrs	15 yrs	20 yrs	25 yrs
SOL	32.4%	22.0%	11.3%	12.5%	11.3%	12.5%	13.6%
All Ords ³	11.1%	12.2%	7.7%	8.5%	7.1%	9.0%	8.6%
Relative	+21.3%	+9.8%	+3.6%	+3.9%	+4.2%	+3.5%	+5.0%



1. As at 31 July 2023
2. Investment period shown is to 31 July 1998 – 31 July 2023. Includes dividends re-invested
3. All Ordinaries Accumulation Index

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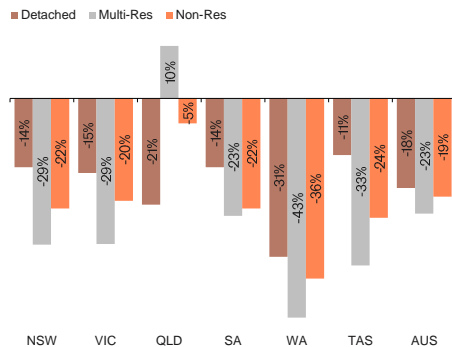
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Building Products Australia

Overview of Market Activity and Key Exposure

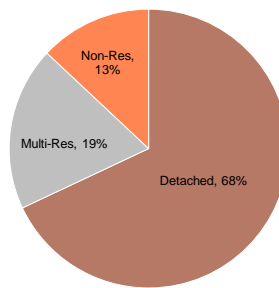
Building Activity by State¹

12 months to Jun 23 (vs 12 months to Jun 22)



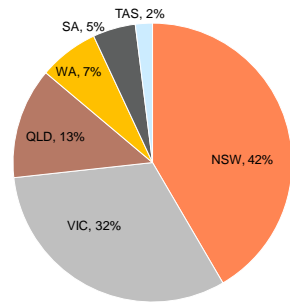
Segment Exposure

Sales revenue by end market



Regional Exposure

Sales revenue by state



1. Detached House and Multi-Residential Commencements. Non-Residential value of work done. Source: BIS Oxford Economics Jun 2023 forecast. Data shown for NSW also includes ACT, to align with Brickworks' sales regions.

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Building Products Australia FY23 Result

Building Products Australia EBITDA was down by 13% (excluding the impact of land sales included in last year's result)

- Sales resilient, despite the decline in commencements
- Margins were adversely impacted by inflationary pressures, including:
 - Austral Bricks unit cost increases include electricity +28%, labour +13%, maintenance +12%
 - Raw materials cost increases of circa 20% across Austral Masonry and Bristle Roofing
- Price increases partially offset cost impacts; additional increases implemented late in year
- Additional -\$5 million EBIT impact (vs the prior period) following the launch of the Brickworks Manufacturing Trust
- Exit of Austral Bricks Western Australia

\$MILLION	FY22	FY23	CHANGE
Revenue	694	734	6%
EBITDA	205	100	(51%)
EBIT	153	53	(65%)
EBITDA (Ex Land Sales ¹)	116	100	(13%)
EBIT (Ex Land Sales)	64	53	(17%)
EBITDA margin	16.7%	13.7%	(18%)

1. "Land Sales" includes \$89 million profit from sale of land into the BKW Manufacturing Trust (FY2022)

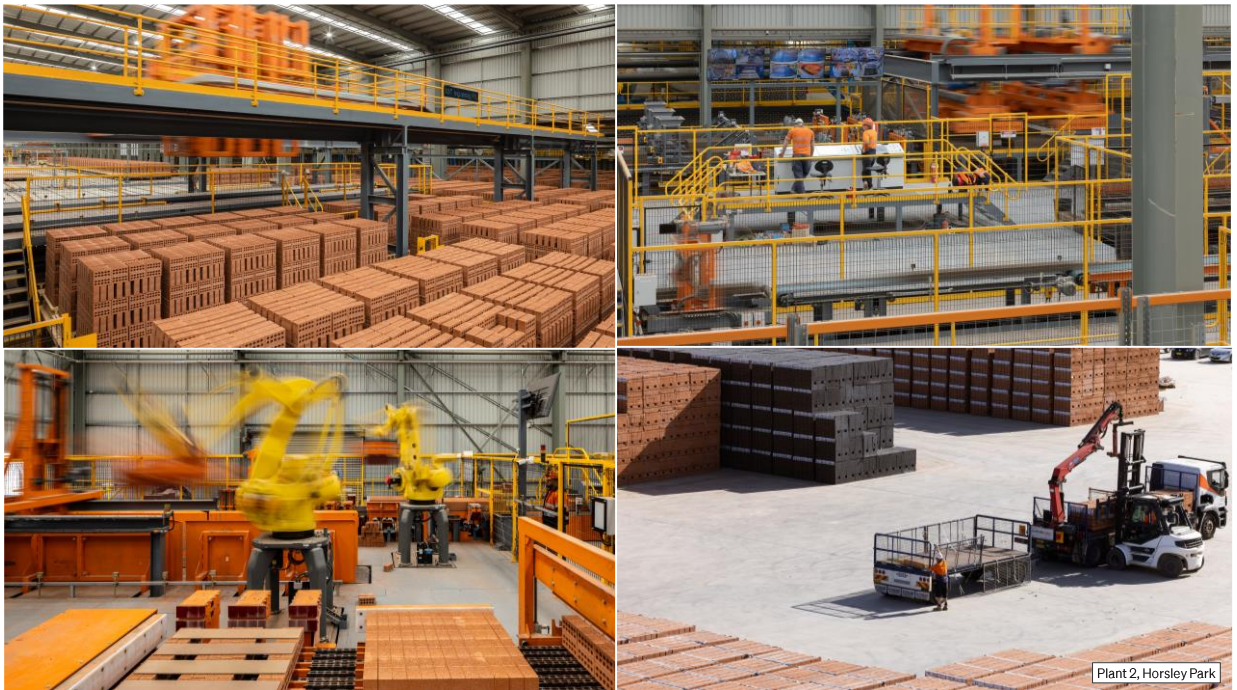
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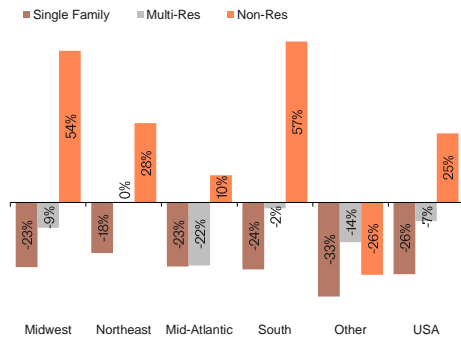
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Building Products North America

Overview of Market Activity and Key Exposure

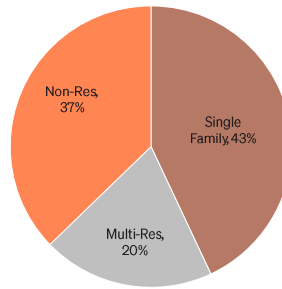
Building Activity by Region¹

12 months to Jun 23 (vs 12 months to Jun 22)



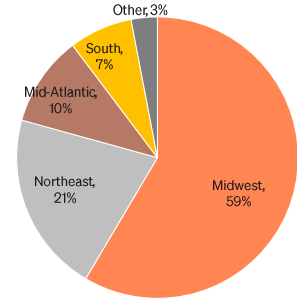
Segment Exposure

Sales revenue by end market



Regional Exposure

Sales revenue by region



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

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Building Products North America – FY23 Result¹

Building Products North America EBITDA decreased, with margins adversely impacted by significant inflationary pressures

- Uplift in revenue driven by:
 - Strong price rises achieved
 - Increased sales through retail network
- Earnings include a \$7 million benefit from the sale & leaseback of a retail outlet
- Margins impacted by inflationary pressures and supply chain issues
 - A tight labour market led to significantly higher labour costs
- Multi-year plant rationalisation program complete
- Extensive upgrades to Adel and Sergeant Bluff

AU\$MILLION	FY22	FY23	CHANGE
Revenue	399	447	12%
EBITDA	48	40	(18%)
EBIT	25	13	(49%)
EBITDA (Ex Land Sales)	35	33	(5%)
EBIT (Ex Land Sales)	12	6	(47%)
EBITDA margin	8.8%	7.5%	(16%)

1. An average exchange rate for each half year period is used to convert from \$US to \$AU. The conversion rates used are: 1H23 US\$0.67; 2H23 US\$0.67; 1H22 US\$0.73; 2H22 US\$0.71

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Financials

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Financials – FY23 Overview

- Lower earnings across all divisions
- Borrowing costs increased due to a higher average interest rate on debt and additional leases (including the Brickworks Manufacturing Trust)
- Underlying tax lower, in line with earnings decrease
- Significant items and discontinued operations decreased statutory NPAT by \$114 million

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\$MILLION	FY22	FY23	CHANGE
Total EBITDA	1,058	784	(26%)
Depreciation & amortisation	76	75	(1%)
EBIT	982	709	(28%)
Borrowing costs	(20)	(53)	(163%)
Underlying income tax	(216)	(148)	31%
Underlying NPAT (from continuing operations)	746	508	(32%)
Significant items & discontinued items	108	(114)	NA
Statutory NPAT	854	395	(54%)

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Financials – Significant items

- A non-cash impairment of \$35 million, primarily related to Austral Bricks WA, as reported in 1H23 (in consideration of the loss of market share and poor outlook for that business)
- \$23 million in costs associated with the exit from the Western Australian brick market in 2H23
- \$18 million plant relocation and commissioning
 - Oakdale East masonry plant
 - Horsley Park brick plant
- \$14 million restructuring costs, primarily relating to plant closures in North America
- A \$1 million tax benefit arising from the carrying value of WHSP
- Significant items relating to Investments of -\$8 million
- Other costs include acquisitions, legal and IT

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\$MILLION	GROSS	TAX	NET
Impairment of non-current assets	(49)	15	(35)
Austral Bricks WA exit costs	(32)	10	(23)
Plant relocation / commissioning	(25)	7	(18)
Restructuring	(19)	5	(14)
Income tax arising from the carrying value of WHSP	-	1	1
Significant items relating to Investments	(10)	2	(8)
Other costs	(8)	2	(7)
TOTAL	(144)	41	(103)

Financials – Cash Flow Reconciliation

- Decrease in operating cash flow
 - Lower Building Products earnings
 - Plant commissioning expenses incurred
 - Higher borrowing costs
- Elevated capital expenditure of \$114 million for the period, primarily related to construction of the new brick plant in Sydney
 - Major capital program now largely completed
- Dividend payments of \$97 million

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\$MILLION	FY22	FY23
Statutory net profit after tax	854	395
Depreciation, amortisation	78	75
Non-cash impairments	164	69
Gain on deemed disposal of an associate	(722)	12
Non-cash revaluations within Property Trust	(614)	(191)
Share of profits of associates not received as dividends	82	(87)
Losses / (gains) on disposals of PPE	(115)	(298)
Working capital movements	(6)	18
Changes in tax provisions	413	101
Other items	(4)	3
Operating cash flow	130	97
Acquisitions (net of cash)	75	2
Capital expenditure	134	114
Dividends paid	94	97

Financials – Key Indicators

- Total shareholder's equity increased by \$301 million during the year, or \$1.92 per share
 - Reflects strong statutory profit, offset by dividend payments
- Net debt increased by \$159 million to \$652 million, primarily due to capital investments
- Gearing increased to 18%
 - Higher net debt partially offset by increased asset base
- Significant headroom within existing banking covenants

	FY22	FY23	CHANGE
NTA per share	\$18.34	\$19.96	9%
Shareholders equity	\$3,260m	\$3,561m	9%
Shareholders equity per share	\$21.48	\$23.40	9%
Underlying return on shareholders equity	23%	14%	(38%)
Operating cash flow	\$130m	\$97m	(26%)
Net debt	\$493m	\$652m	(32%)
Gearing (net debt / equity)	15%	18%	(21%)
Interest cover	35x	13x	(63%)

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Outlook

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Northside House (Melbourne, VIC)
San Selmo Corso - Potenza

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Outlook

- Significant growth in net rental income is forecast from the Property Trusts over the coming years (from new developments and lease renewals of existing assets)
- In FY24 we expect lower development profits (vs FY23) due to the timing of development completions, and we expect the portfolio valuation to be underpinned by the strong rental growth (even if capitalisation rates expand further)

Property

- Continuing to evaluate the development potential or sale of additional sites

- A period of weaker demand is expected once the existing backlog of work is completed
- Margins will be supported by higher prices, prior period rationalisation activities and plant efficiency improvements following recent capital investments

Building Products

- Reduced capital investment over the medium term

Investments

- History of long-term outperformance by WHSP expected to continue

- Following a period of significant investment, our short-term priority is to maximise returns from the enlarged asset base and increase cash generation

Group

- With a diversified portfolio of high-quality assets and low gearing, Brickworks is well placed to meet future challenges

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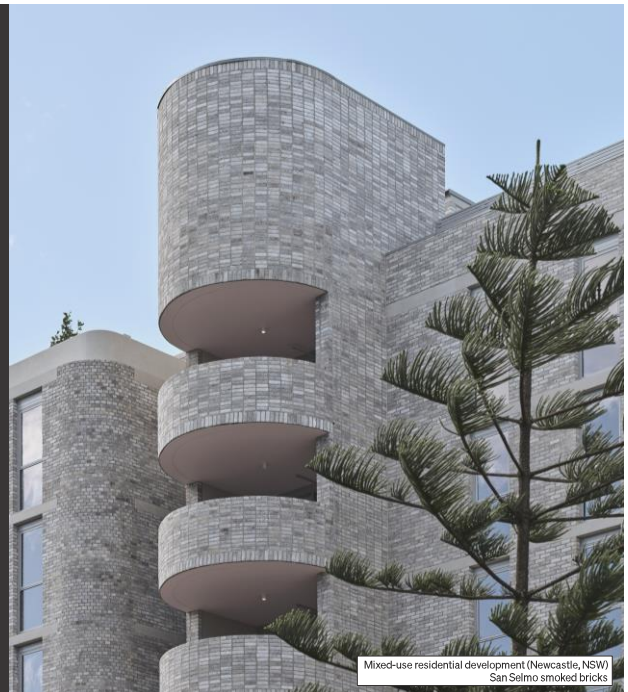
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Questions

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Mixed-use residential development (Newcastle, NSW)
San Selmo smoked bricks

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Thank you

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