

Financial Results

Half year ended 31 January 2024

Mr. Lindsay Partridge (Managing Director)

Mr. Grant Douglas (Chief Financial Officer)

Mr. Mark Ellenor (Chief Operating Officer)



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Today

Agenda

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Overview & 1H24 Highlights

Section 01 Mr. Lindsay Partridge

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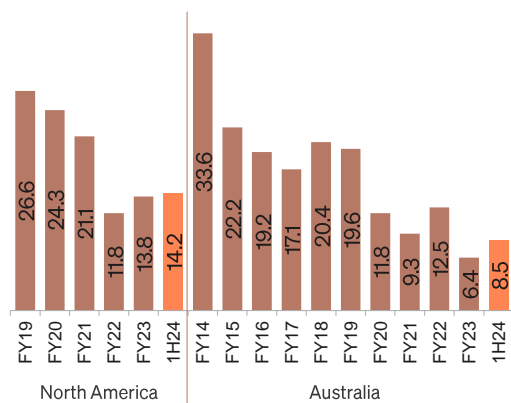
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Safety

A sustained decrease in workplace injuries has been achieved

- Overall, the reportable injury rate increased to 10.8 in 1H24, up from the record low of 10.0 achieved in FY23
- Over the longer term, there has been a general downward trend in injury rates across Australia and North America
- Three lost time injuries occurred during 1H24 (one in Australia and two in North America)
- Continued implementation of safety management systems and procedures, together with behavioural leadership and safety training programs

Total Reportable Injury Frequency Rate
Injuries per million work hours



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1H24 Financial Highlights

Although a reduction in property valuations resulted in a statutory loss, EBITDA in Building Products increased

(\$52m)

Statutory loss ↓ 115%

Includes \$249m loss on property revaluations and sales

18% gearing

Reduction in net debt

(\$40m) EBITDA ↓ 107%
Underlying

\$210m EBITDA ↓ 9%
Ex Property revals and sales

Continuing operations

24 cents

Interim Dividend ↑ 4%

Fully franked

Increase in Building Products EBITDA

In both Australia and North America

27%

1-year total shareholder return

+19% vs All Ordinaries Accumulation Index

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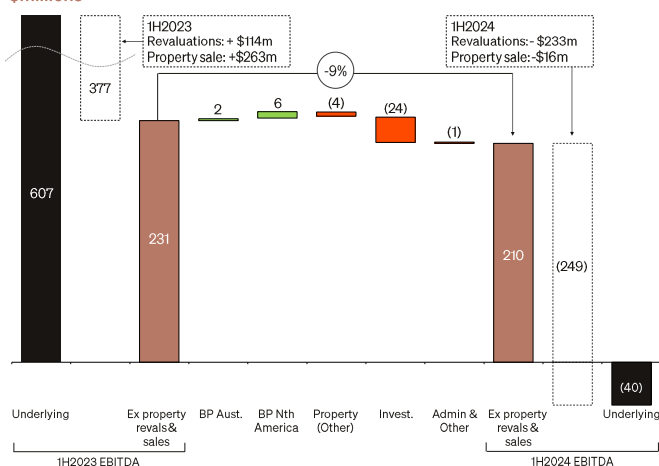
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Earnings Analysis - 1H24 EBITDA Bridge

Excluding the impact of property revaluations and sales, EBITDA was down 9%

EBITDA Bridge – 1H2024 v 1H2023

\$millions



UNDERLYING EBITDA (\$M)	1H23	1H24	CHANGE
BP Australia	50	52	5%
BP Nth America	14	21	43%
Property ex revals / sales	76	72	(6%)
Investments	100	76	(24%)
HO / Other Expenses	(10)	(11)	(12%)
EBITDA ex property revals / sales	231	210	(9%)
Property revaluations	114	(233)	(305%)
Property sales	263	(16)	(106%)
Underlying EBITDA	607	(40)	(107%)

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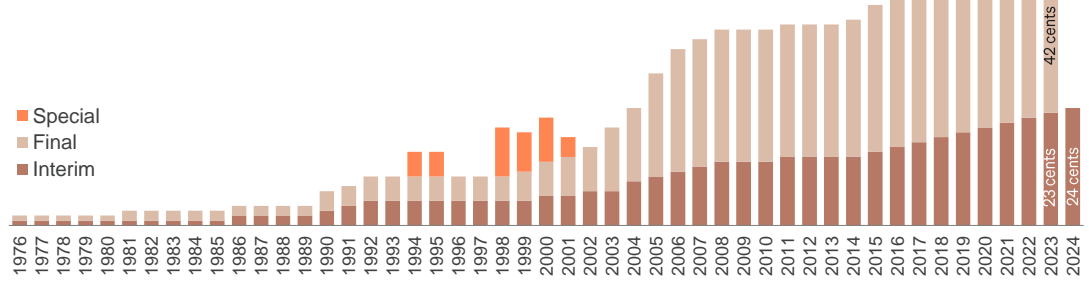
Dividends

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

Brickworks Dividend History

Cents per share

- The Board has declared a 24 cents per share interim fully franked dividend, up 4%
- Record date 10 April, payment 1 May
- 10th year in a row of increased interim dividend
- 48 years since full-year normal dividends last decreased (1976)



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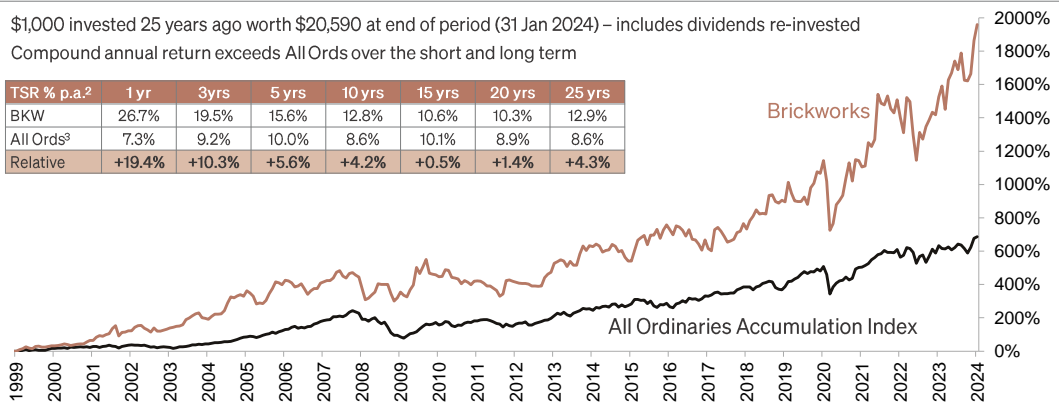
Total Shareholder Returns

Brickworks has created significant shareholder value over the long term

Total Shareholder Returns (25 Years)¹

- \$1,000 invested 25 years ago worth \$20,590 at end of period (31 Jan 2024) – includes dividends re-invested
- Compound annual return exceeds All Ords over the short and long term

TSR % p.a. ²	1 yr	3yrs	5 yrs	10 yrs	15 yrs	20 yrs	25 yrs
BKW	26.7%	19.5%	15.6%	12.8%	10.6%	10.3%	12.9%
All Ords ³	7.3%	9.2%	10.0%	8.6%	10.1%	8.9%	8.6%
Relative	+19.4%	+10.3%	+5.6%	+4.2%	+0.5%	+1.4%	+4.3%



1. Investment period shown is 31 Jan 1999 – 31 Jan 2024. Includes dividends re-invested.

2. For the period 1 Feb 2024 to 20 Mar 2024.

3. Total shareholder return to 31 Jan 2024, assuming dividends re-invested.

4. All Ordinaries Accumulation Index

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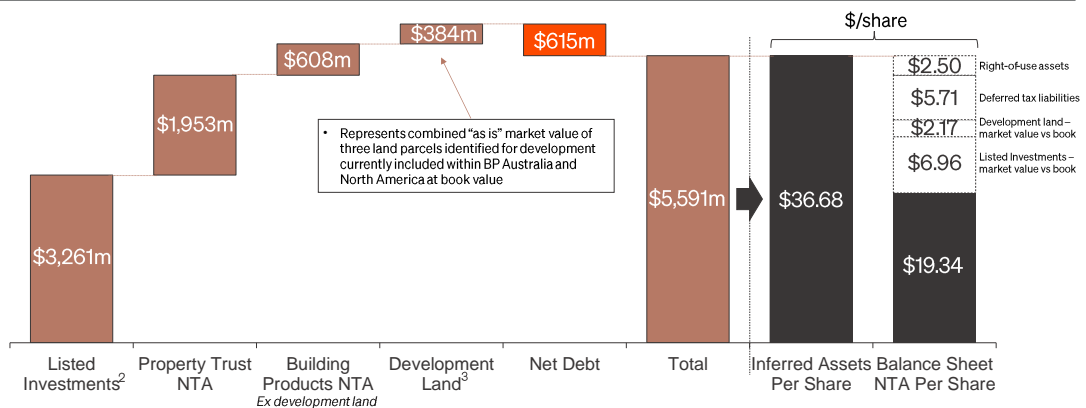
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Asset Growth – Inferred Asset Backing

Brickworks' current inferred gross asset backing is over \$36 per share

Inferred Asset Value¹ (31 Jan 24)



1. Asset values as at 31 Jan 2024. Building Products NTA includes AASB 16 (Leases) right-of-use assets

2. Includes SOL and FBR shareholding at market price 31 Jan 24

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

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Divisional Review

Section 02 Mr. Mark Ellenor

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Oakdale West Estate

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Property – 1H24 Highlights

(\$178m)

Reported EBITDA ↓ 139%

\$72m

EBITDA Ex Property revals and sales ↓ 6%

+17%

Gross rent within Property Trusts

Net rent up 4% due to higher interest costs

Development approval at Oakdale East 2

Cornerstone tenant secured

Sale of M7 Hub Estate

154% increase in value since completion in 2012

Oakdale West nearing completion

\$1.7 billion¹ estate, to be completed in 2H24

25%

Gearing within Property Trusts

¹ Includes developed asset value of \$1.29 billion (100% interest), plus additional land under development

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Property - 1H24 Earnings Analysis

The Property result was adversely impacted by non-cash devaluation due to capitalisation rate compression

- Increase in rent of 17%, driven by contracted increases and new developments
- Net trust income up 4%, impacted by higher interest costs on borrowings
- Construction progress at Oakdale West resulted in development profit being recorded
- Cap rate compression resulted in devaluation
 - Portfolio ave. cap rate 5.1% (up from 4.1% at July 2023)
- Sale of 50% interest in M7 Hub Estate delivered \$117m in cash proceeds
 - 154% increase in value since completed in 2012

HALF ENDED JAN (\$M)	1H23	1H24	CHANGE
Rental Income (100%)	70	81	17%
Borrowing & Other Costs	(21)	(31)	(47%)
Net Trust Income (100%)	49	51	4%
Net Trust Income (BKW 50%)	24	25	4%
Development Profit	54	48	(10%)
Admin and Other	(2)	(2)	-
EBIT Ex Revals & Sales	76	72	(6%)
Property Trust Revaluations	114	(233)	(305%)
Property Trust Sales	-	(16) M7 Hub	NA
Brickworks Land Sales	263 Oakdale East 2	-	NA
Total Property EBIT	453	(178)	(139%)

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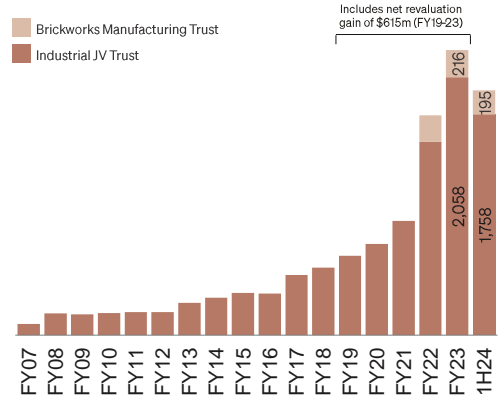
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Property Trust Asset Value

The net value of Brickworks' share of Property Trust assets decreased by \$321 million during the half, with development profits more than offset by the sale of the M7 Hub estate and the devaluation

HALF ENDED JAN (\$M)	FY23	1H24	CHANGE
Leased properties	4,908	4,252	(13%)
Land under development	878	971	11%
Total Property Trust assets	5,786	5,223	(10%)
Borrowings	(1,239)	(1,319)	6%
Net Property Trust assets	4,547	3,904	(14%)
BKW 50% share	2,274	1,953	(14%)
Gearing	21%	25%	19%

BKW share of Net Property Trust Assets



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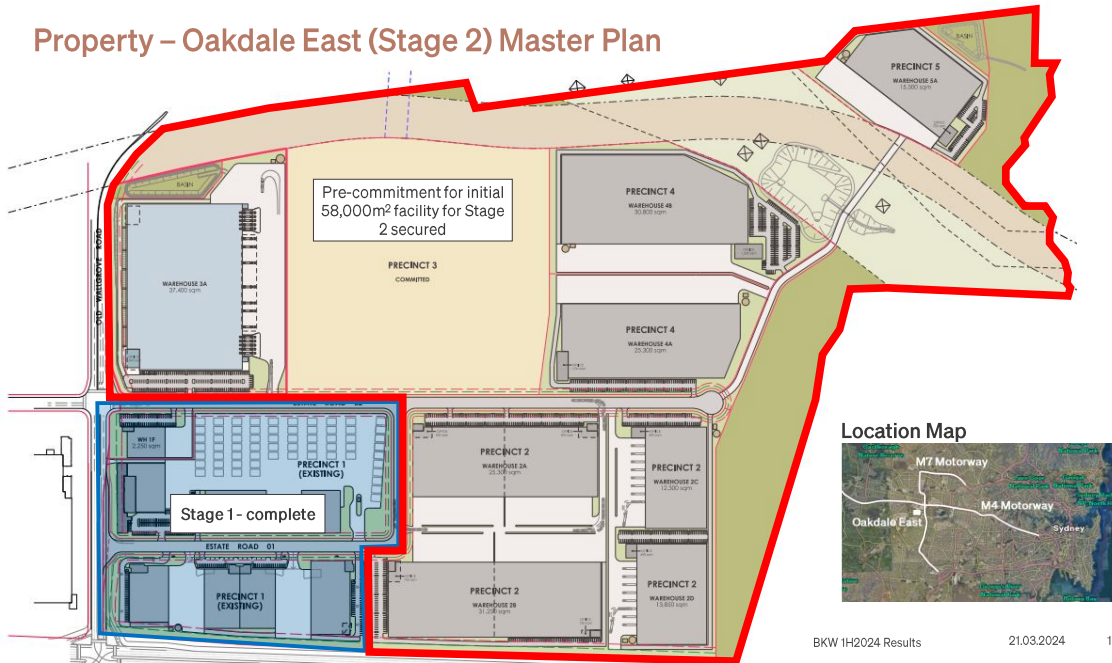
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Property – Oakdale East (Stage 2) Master Plan



Location Map



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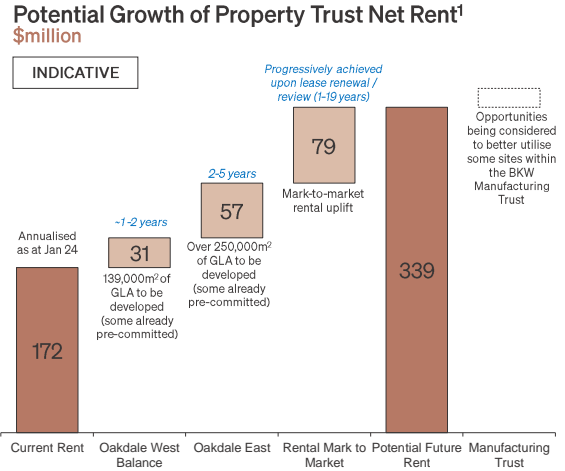
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Property Trust Rent – Future Growth (Existing Trust Assets)

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

- Current annualised rent is \$172 million
- The average passing rent within Industrial JV Trust is \$147/m², 35% below current market rent (~\$225/m²)
- At market, the rent potential (of current Trust assets) is circa \$340 million. This includes:
 - Completion of Oakdale West (+\$31m)
 - Completion of Oakdale East (+\$57m)
 - Mark-to-market rental uplift on currently leased assets - upon renewals (+\$79m)
- Around 35% of existing leases have rental caps that will likely delay the full realisation of the mark-to-market rental uplift on those facilities
- 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



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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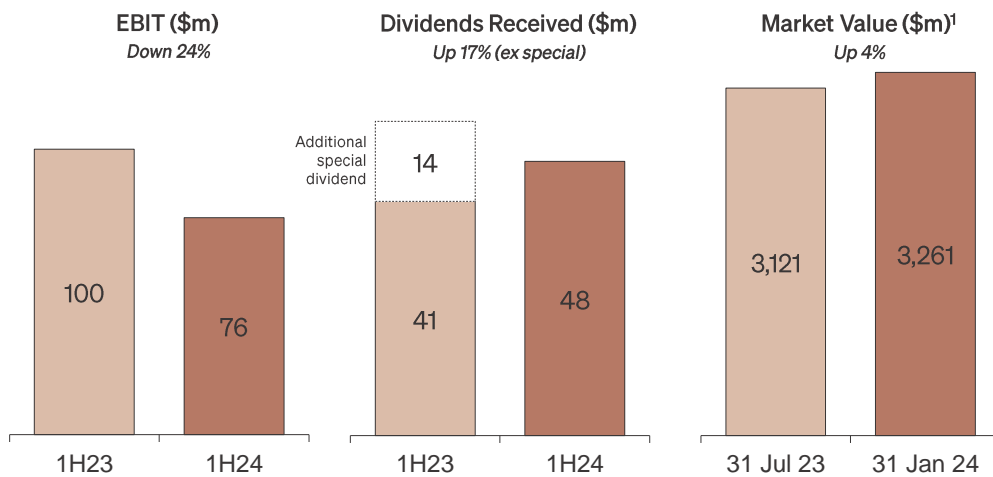
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Investments (Soul Pattis) – 1H24 Result

Investments delivered higher normal dividends in 1H24, and an increase in market value



1. Also includes stake in FBR Limited, valued at \$16 million

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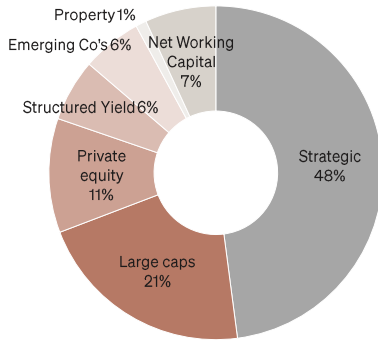
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Major Shareholder in Soul Patts (ASX:SOL)

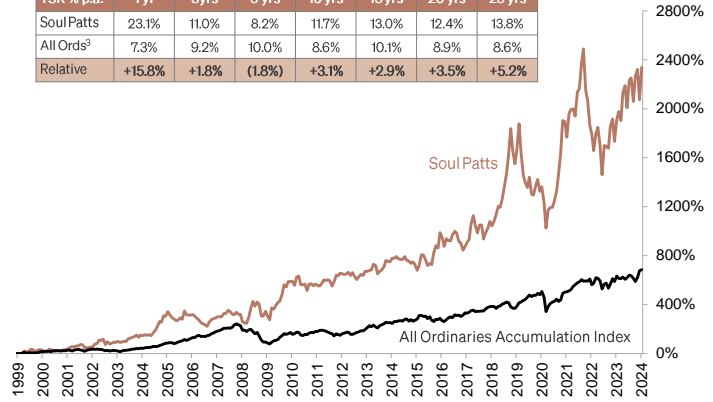
Brickworks is the largest shareholder in Australia's leading publicly listed investment house

Soul Patts Asset Exposure¹



Soul Patts Total Shareholder Returns

TSR % p.a. ²	1 yr	3 yrs	5 yrs	10 yrs	15 yrs	20 yrs	25 yrs
Soul Patts	23.1%	11.0%	8.2%	11.7%	13.0%	12.4%	13.8%
All Ords ³	7.3%	9.2%	10.0%	8.6%	10.1%	8.9%	8.6%
Relative	+15.8%	+1.8%	(1.8%)	+3.1%	+2.9%	+3.5%	+5.2%



1. As at 31 July 2023
 2. Investment period shown is to 31 Jan 1999 – 31 Jan 2024. Includes dividends re-invested
 3. All Ordinaries Accumulation Index

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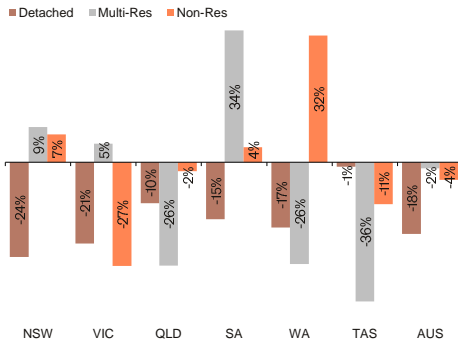
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Building Products Australia

There was a broad-based decline in building activity across Australia in 1H24

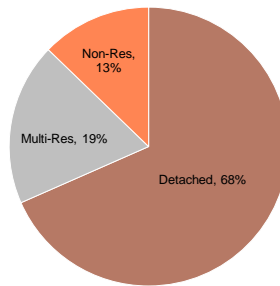
Building Activity by State¹

6 months to Dec 2023 (vs 6 months to Dec 22)



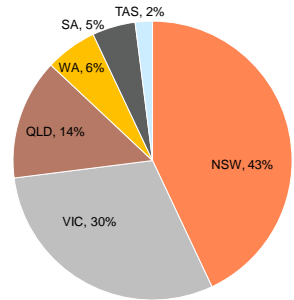
Segment Exposure

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 Dec 2023 forecast. Data shown for NSW also includes ACT, to align with Brickworks' sales regions.

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Building Products Australia 1H24 Result

Building Products Australia EBITDA margins improved, despite lower volume

- Sales volume impacted by lower building activity in key markets
- Margins improved across most businesses
 - Price increases and productivity improvements
 - Closure of brick operations in WA (in FY23)
- Business restructure to streamline operations and reduce costs, implemented primarily in January
 - Includes consolidation of Austral Bricks and Austral Masonry
 - To deliver annualised savings of \$15 million (from 2H24)
- Commissioning of new brick plant at Horsley Park (NSW) almost complete

HALF ENDED JAN (\$M)	1H23	1H24	CHANGE
Revenue	364	323	(11%)
EBITDA	50	52	5%
EBIT	25	23	(11%)
EBITDA margin	14%	16%	18%

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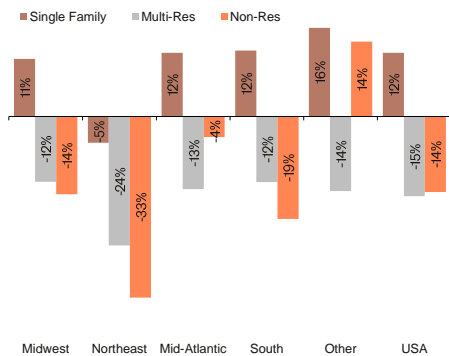
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Building Products North America

Building activity has been mixed in North America, with a recovery the single-family segment offset by declines in multi-residential and non-residential building

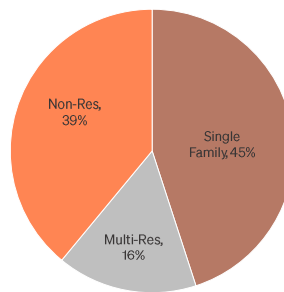
Building Activity by Region¹

6 months to Dec 23 (vs 6 months to Dec 22)



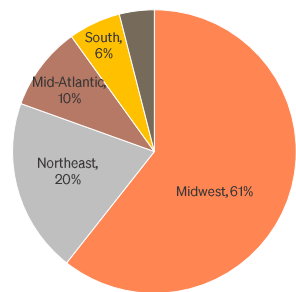
Segment Exposure

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 – 1H24 Result¹

Building Products North America EBITDA increased due to margin improvement

- Brick sales volume lower, primarily due to withdrawal from over-supplied Texas market
- Revenue held steady, with lower sales volume offset by:
 - Strong price increases
 - Mix shift towards higher value products
 - Growth in vertically integrated retail division
- Margins are recovering as cost pressures ease
- Landmark Stone plant closed
- Multi-year plant rationalisation program complete
- Dryer upgrade completed at Mid-Atlantic

HALF ENDED JAN (AU\$M)	1H23	1H24	CHANGE
Revenue (\$AU)	220	224	2%
EBITDA (\$AU)	14	21	43%
EBIT (\$AU)	1	6	312%
EBITDA margin	7%	9%	41%

1. An average exchange rate of 1AUD=0.65 USD has been used to convert earnings in 1H24 (1AUD=0.67 USD in 1H23)

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Building Products – Simplification and Rationalisation

Having modernised our plant fleet over the past five years through a significant investment program, Building Products is well-placed to meet increased demand over the next decade

Building Products Australia

- Significant investment program now completed
- Modern plants across all key markets:
 - New brick and masonry plants in NSW
 - Plant investment / consolidation completed in VIC a decade ago (bricks)
 - Major upgrades completed in QLD and SA (bricks)
- Limited new capital expenditure required
- Portfolio simplification and restructuring completed
 - Operating sites reduced from 33 (in 2018) to 20 (as at Jan 2024)
 - Focus on higher returning operations
 - Consolidation of Austral Bricks and Masonry

Building Products North America

- Multi-year plant rationalisation program complete
- The program has caused short-term disruption, however, together with plant upgrades, will deliver improved efficiency and lower costs

Production Metrics	Before ¹	Current
Plants (Bricks + Stone)	16	7
Kilns (Bricks)	19	9
Production capacity (m bricks)	748	450
Utilisation (Bricks)	46%	75%
Ave age of brick kilns (yrs)	42	29
Manufactured bricks	900	600
Headcount	1,275	901

1. Sum of all acquired operations in North America (at time of acquisitions)

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Financials

Section 03 Mr. Grant Douglas

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Financials – 1H24 Overview

- Increase in Building Products EBITDA more than offset by declines in Property and Investments
- Borrowing costs increased due to a higher average interest rate on debt and additional leases
- Income tax benefit of \$87 million due to deferred tax associated with property revaluations and utilisation of unrecognised capital tax losses
- Significant items and discontinued operations decreased statutory NPAT by \$15 million

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HALF ENDED JAN (\$M)	1H23	1H24	CHANGE
Underlying EBITDA Ex property revaluations and sales	231	210	(9%)
Property revaluations and sales	377	(249)	(166%)
Total Underlying EBITDA	607	(40)	(107%)
Depreciation & amortisation	38	44	16%
EBIT	569	(84)	(115%)
Borrowing costs	(23)	(39)	(67%)
Underlying income tax	(136)	87	164%
Underlying NPAT (from continuing operations)	410	(37)	(109%)
Significant items & discontinued items	(56)	(15)	NA
Statutory NPAT	354	(52)	(115%)

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Financials – Significant items

- \$6 million restructuring and site closure costs, primarily relating to severance payments associated with restructuring within Building Products
- \$6 million plant commissioning costs
 - Horsley Park brick plant
- A non-cash impairment of \$3 million (net of tax) based on AASB 136
- A \$10 million tax cost arising from the carrying value of WHSP
- A \$14 million benefit relating to significant items from Investments
- Other costs include acquisitions, legal and IT

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\$MILLION	GROSS	TAX	NET
Restructuring and site closure costs	(8)	2	(6)
Plant commissioning costs	(8)	2	(6)
Impairment of non-current assets	(4)	1	(3)
Income tax from the carrying value of SOL	-	(10)	(10)
Significant items relating to Investments	14	-	14
Other costs	(6)	2	4
TOTAL	(12)	(2)	(15)

Financials – Cash Flow Reconciliation

- Increase in operating cash flow
 - Higher Building Products earnings
 - Offset by higher borrowing costs and plant commissioning expenses incurred
 - Increase in working capital
- Capital expenditure of \$37 million for the period, primarily related to construction of the new brick plant in Sydney
 - Major capital program now largely completed
- Dividend payments of \$64 million

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\$MILLION	1H23	1H24
Statutory net profit after tax	354	(52)
Depreciation, amortisation	38	44
Impairment of non-current assets and assets held for sale	51	4
Net loss on disposal of investments	-	16
Net gains on disposal of property, plant and equipment	(286)	(1)
Non-cash (gain)/loss on deemed disposal	1	-
Non-cash revaluations within Property Trust	(113)	233
Non-cash development profits within Property Trust	(54)	(48)
Share of loss/(profits) of associates not received as dividends	(42)	(41)
Changes in tax provisions	112	(86)
Inventory movements	(14)	(17)
Other items	(1)	3
Operating cash flow	46	54
Acquisitions (net of cash)	-	(1)
Capital expenditure	(56)	(37)
Dividends paid	(62)	(64)

Financials – Key Indicators

- Total shareholder's equity decreased by \$86 million during the half, or \$0.52 per share
 - Reflects statutory loss and dividend payments
- Net debt decreased by \$37 million to \$615 million
- Gearing steady at 18%
 - Lower net debt partially offset by decreased asset base

¹. Based on annualised underlying NPAT from continuous operations (1H24 NPAT x 2)

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	FY23	1H24	CHANGE
NTA per share	\$19.96	\$19.34	(3%)
Shareholder's equity	\$3,561m	\$3,475m	(2%)
Shareholder's equity per share	\$23.39	\$22.87	(2%)
Return on shareholder's equity ¹	14%	(2%)	(113%)
Operating cash flow (v 1H23)	\$46m	\$54m	16%
Net debt	\$652m	\$615m	(6%)
Gearing (net debt / equity)	18%	18%	-

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Outlook

Section 04 Mr. Lindsay Partridge

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

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Outlook Summary

Investments

- History of long-term outperformance by Soul Patts expected to continue
- 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)

Property

- We continue to experience strong lease enquiry for large-sized facilities
- Continuing to evaluate the development potential and / or sale of selected development sites
- Following a period of short-term weakness, Australia appears to be on the cusp of a significant building boom
- Construction activity forecast to increase in North America

Building Products

- In 2H24 there will be a series of plant closures to undertake maintenance and control inventory
- Well-placed to meet expected longer-term uplift in demand, following re-structuring, portfolio rationalisation and plant investments / network optimisation

Group

- Following a period of significant investment, our short-term priority is to maximise cash generation
- With a diversified portfolio of high-quality assets and low gearing, Brickworks is well placed to meet future challenges

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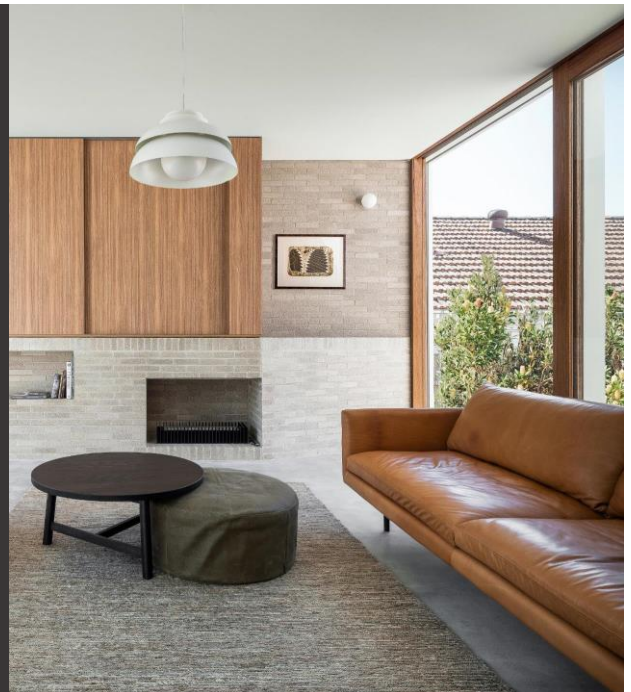
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Questions

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