

# 90<sup>th</sup> Annual General Meeting

## 26 November 2024

PRESENTED BY



Robert Millner  
Chairman



Mark Ellenor  
Chief Executive Officer

Good afternoon, ladies and gentlemen and welcome to Brickworks Limited's 90<sup>th</sup> Annual General Meeting. I am Robert Millner, Chairman of the Board. I am advised that a quorum is present, therefore I formally declare the Meeting open. It is a pleasure to see many of you in-person today, and welcome to those of you viewing via the webcast.

I would like to start by introducing my fellow directors:

- Mr Malcolm Bunday, the Deputy Chairman;
- Ms Deborah Page AM, the Lead Independent Director;
- Ms Robyn Stubbs;
- The Hon Joel Fitzgibbon; and
- Mr Todd Barlow.

We are also joined on stage by our Chief Executive Officer, Mark Ellenor, our Chief Financial Officer, Grant Douglas and Company Secretary, Susan Leppinus.

Jodie Inglis of Ernst & Young, our Company's Auditor, is also present and available to answer questions shareholders might have concerning the conduct of the audit, preparation and content of the auditors' report, the Company's accounting policies

and the auditor's independence.

The notice of meeting was made available to all shareholders and copies are also available on the ASX platform and the Company's website.

I take the notice of meeting as read.

# Agenda

Chairman's Address	01
FY24 Review	02
Trading Update & Outlook	03
Formal Business	04
Questions	05

Now to the agenda for today's meeting.

After I have completed my overview, Mark will provide a review of FY24 and a 1<sup>st</sup> quarter trading update and longer-term outlook.

We will then proceed to the formal part of the meeting.

Shareholders will then have the opportunity to ask questions.

Section 01

# Chairman's Address



Robert Millner



## Underlying NPAT \$61 million

Brickworks has continued to execute on a range of initiatives to deliver long-term shareholder value

Substantial completion of Oakdale West and development approval at Oakdale East Stage 2

Increased underlying EBITDA from Building Products, despite difficult conditions

Completion of new brick plant in western Sydney

Completion of rationalisation program in North America

\$263 million increase in the value of investments

During FY24, Brickworks has continued to execute on a range of initiatives to deliver long-term shareholder value.

Key highlights for the year include:

- Substantial completion of our Oakdale West Estate, which is now one of the most valuable industrial property precincts in the country.
- Securing development approval for our Oakdale East Stage 2 Estate, and the start of construction of the cornerstone facility for Amazon.
- An uplift in underlying EBITDA from our building products operations in Australia and North America, despite difficult market conditions.
- Completion of our new brick plant in Western Sydney – the most advanced brick production facility in the country.
- Completion of our plant rationalisation program in North America, creating a more efficient and cost-effective network for future operations.
- A \$263 million increase in the value of the Company's listed investments in Soul

Patts and FBR.

Despite these notable achievements, Brickworks recorded lower earnings, with underlying NPAT of \$61 million and a statutory loss of \$119 million recorded in FY24. Earnings were adversely impacted by a non-cash devaluation within Property and a non-cash impairment within Building Products. Mark will discuss these further in his review.

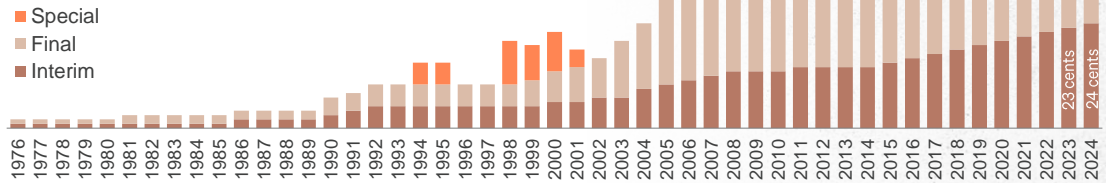
# Dividends

Brickworks' final dividend has now increased eleven years in a row

## Brickworks Dividend History

Cents per share

- 43 cents per share fully franked final dividend, up 2%. Payable 27 Nov
- 67 cents per share total dividends (fully franked), up 3%
- 1<sup>th</sup> year in a row of increased dividends
- 48 years of maintaining or increasing dividends



At the end of the financial year, we had 27,500 shareholders, which is almost three times as many as five years ago.

A fully franked final dividend of 43 cents per share is payable to shareholders tomorrow. This takes the full year dividend to 67 cents per share (fully franked), up 3% on the prior year.

As shown on screen, this year represents the eleventh year in a row of increased dividends, and we have now maintained or increased dividends for the last 48 years.

We believe in providing returns through dividends and are proud of our long history of dividend growth, and the stability this provides to our shareholders.

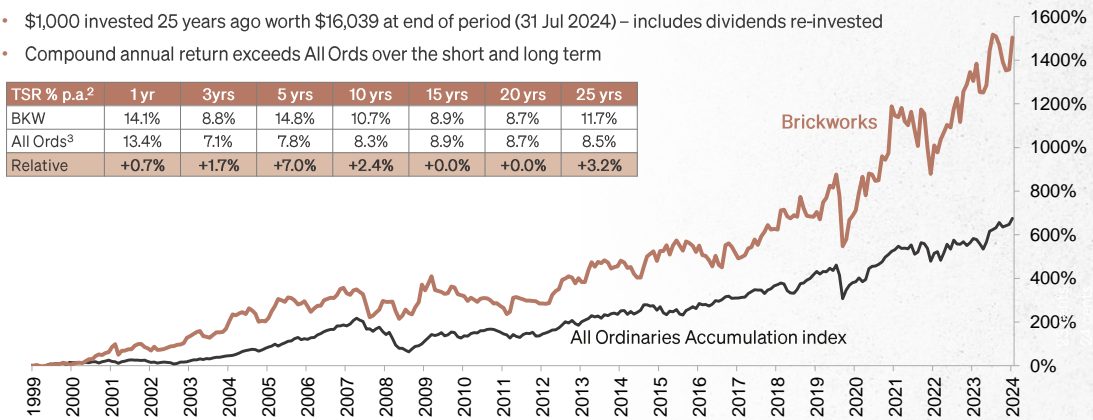
# Total Shareholder Returns

Brickworks has created significant shareholder value over the long term

## Total Shareholder Return (25 Years)<sup>1</sup>

- \$1,000 invested 25 years ago worth \$16,039 at end of period (31 Jul 2024) – includes dividends re-invested
- Compound annual return exceeds All Ords over the short and long term

TSR % p.a. <sup>2</sup>	1 yr	3yrs	5 yrs	10 yrs	15 yrs	20 yrs	25 yrs
BKW	14.1%	8.8%	14.8%	10.7%	8.9%	8.7%	11.7%
All Ords <sup>3</sup>	13.4%	7.1%	7.8%	8.3%	8.9%	8.7%	8.5%
Relative	+0.7%	+1.7%	+7.0%	+2.4%	+0.0%	+0.0%	+3.2%



1. Investment period shown is 31 Jul 1999 – 31 Jul 2024. Includes dividends re-invested.  
 2. Total shareholder return to 31 Jul 2024, assuming dividends re-invested.  
 3. All Ordinaries Accumulation Index

In addition to dividend growth, we have achieved superior long-term returns for shareholders.

Based on the share price at the end of the financial year, Brickworks has delivered total shareholder returns of 11.7% per annum for 25 years, incorporating both dividends and share price appreciation.

This means that \$1,000 invested in Brickworks in 1999 would be worth over \$16,000 at the end of the period.

Performance over a range of periods is also shown on the slide, with Brickworks' performance matching or exceeding the index over all time frames.



- Lindsay Partridge retired as Managing Director in July 2024, following 39 years of service (including 25 years as leader)
- Appointment of Mark Ellenor as CEO, following orderly transition process
- Todd Barlow commenced as a Non-executive Director in June 2024
- Malcolm Bunday was appointed Deputy Chair in June 2024
- With the re-establishment of the Independent Board Committee, Deborah Page has been appointed as the Lead Independent Director
- A new Sustainability Committee has been established, to be chaired by Robyn Stubbs

In April, we announced the retirement of our former Managing Director, Lindsay Partridge. Lindsay's final day with Brickworks was on 31 July 2024, after 39 years of service with the Company, including 25 years as leader. On behalf of the Board, I would like to thank Lindsay for his extraordinary contribution to Brickworks and to the wider Australian building, construction and housing industry.

Following an orderly transition period, our new Chief Executive Officer, Mark Ellenor, is now well settled in the role. Mark is a familiar face to all of us at Brickworks, having started in the graduate program 25 years ago and building an impressive career with the Company across many leadership roles. The Board looks forward to continued growth under Mark's leadership.

In June, we were pleased to welcome Todd Barlow to the Board as a non-executive director, following the retirement of Michael Millner after last year's AGM. Todd has been CEO and Managing Director of Soul Patts since 2015. With a Bachelor of Business and Bachelor of Law (Honours), Todd's career also includes positions in law and investment banking, and he has substantial listed public company Board experience.

With the retirements of Lindsay and Michael and the appointment of Todd, the Board now consists of six Directors, including four Independent Directors and two representatives from Soul Patts.

Also in June, we announced the appointment of Malcolm Bunday as Deputy Chair.

With the re-establishment of the Independent Board Committee, Deborah Page has been appointed as the Lead Independent Director.

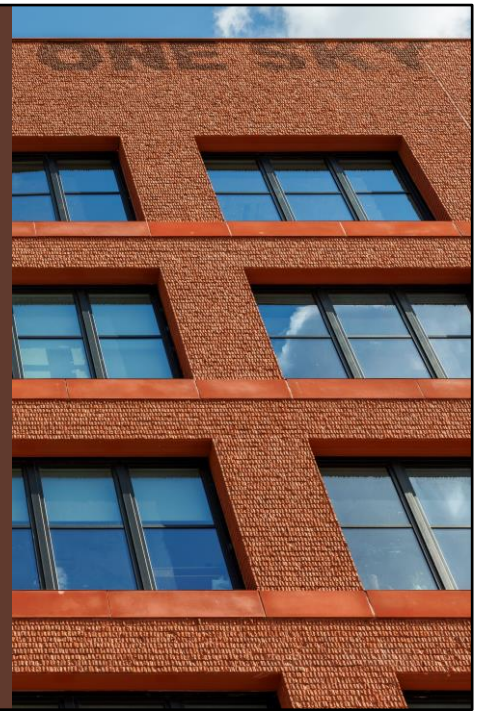
In addition, a new Sustainability Committee has been established, to be chaired by Robyn Stubbs.

I will now hand over to Mark, for his review.

# FY24 Review



Mark Ellenor



Thankyou Chairman. Good afternoon, ladies and gentlemen.

Before getting started, I'd like to echo the comments of the Chairman and acknowledge the remarkable contribution of Lindsay, our former Managing Director.

During his time as leader, Lindsay transformed the Company from a small two-state brick making business, to an ASX200 listed company including a multi-national building products operation and a large-scale industrial property portfolio.

On a personal note, I'd like to thank Lindsay for the guidance and support he has provided to me since I joined the company, straight out of Newcastle University.

The stability of Brickworks is illustrated by the remarkable continuity of leadership, with just six previous executive leaders since founding 90 years ago in 1934. This is a testament to our strong values, long-term vision, and a legacy of sound, steady governance.

As I step into the role of Chief Executive Officer, I feel a great deal of responsibility to continue the legacy built by previous leaders and guide the organisation through its next phase of growth.

## Executive Leadership Team

BRICKWORKS



**Mark Ellenor**  
CEO  
Joined BKW in 1999

Commenced with Brickworks as part of the graduate program, before taking up many executive roles, including leading the Australian and North American Building Products businesses



**Grant Douglas**  
CFO  
Joined BKW in 2011

Extensive international experience in both professional services and finance leadership roles, including corporate finance, treasury, IT, M&A and investor relations



**Susan Leppinus**  
Company Secretary &  
General Counsel  
Joined BKW in 2015

20 years experience as company secretary and general counsel for ASX listed corporates, advising boards and senior management on M&A, contracts, corporate governance, corporate and commercial law



**Megan Kublins**  
EGM Property  
Joined BKW in 2001

Extensive experience in the property industry, including establishing and growing the Brickworks Property Trust, and fostering the strong relationship with JV partner Goodman



**David Fitzharris**  
EGM Brickworks Australia  
and New Zealand  
Joined BKW in 1987

40 years experience in the building products industry, with various senior leadership roles across sales, operations and general management



**Steve Bell**  
President Brickworks North  
America  
Joined BKW (Glen-Gery) in 2017

More than 30 years experience across various senior roles in the manufacturing industry, including 7 years as Vice President, Human Resources at Brickworks North America



**Keiren Lawrence**  
CIO  
Joined BKW in 2024

Over 20 years in senior technology roles across oil & gas, retail and consulting. Specialising in delivering end to end technology solutions that drive transformation



**Mark Callagher**  
EGM Business Optimisation  
Joined BKW in 2011

Over 20 years experience in strategy, M&A and business improvement projects, including management consulting, and 15 years in the building products industry with Boral and Brickworks



**Renee Jacob**  
GM Corporate Development  
Joined BKW in 2024

Strategy, investor relations and M&A executive with over 20 years experience spanning diverse sectors including manufacturing, construction, utilities, agribusiness and oil & gas

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I am incredibly fortunate to inherit a talented and dedicated workforce of over 1,850 employees. It is their hard work and unwavering commitment that are the driving force behind our Company.

In my first few months as CEO, I have been focussed on establishing a strong executive leadership team with the skills, experience and capabilities to deliver on our strategy. The majority of the leadership team are long-standing executives, with many years experience at Brickworks.

In May, we were pleased to appoint Steve Bell as President Brickworks North America, after having been Acting President since November 2023. Steve has over 30 years' experience in manufacturing and is highly regarded amongst the North American team.

We have recently welcomed Keiren Lawrence and Renee Jacob to the Company, who are both here with us today. As CIO, Keiren has already developed an ambitious technology roadmap to be implemented over the coming years, and as GM Corporate Development, Renee will drive strategy and planning initiatives across the Group and oversee M&A.

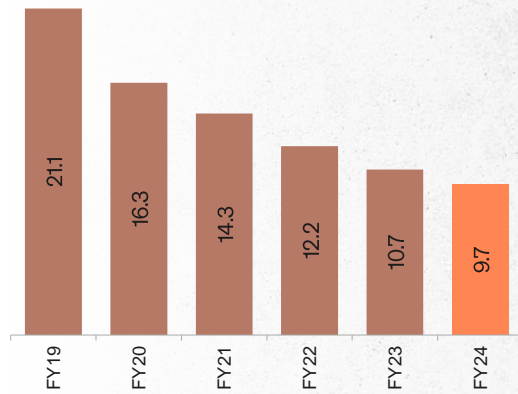
We have also launched a broad-based operational improvement program, to be led by Mark Callagher in the newly created role, EGM Business Optimisation.

I'd also like to introduce two other members of the Executive Leadership Team who are also here with us today, Megan Kublins, EGM Property and David Fitzharris, EGM Building Products Australia and New Zealand.

A sustained decrease in workplace injuries has been achieved

- The total reportable injury frequency rate (“TRIFR”) decreased to 9.7 in FY24
  - TRIFR of 7.9 in Australia (vs 7.3 in FY23)
  - TRIFR of 11.6 in North America (vs 14.3 in FY23)
- There has been a sustained downward trend in injury rates across Australia and North America
- Continued implementation of safety management systems and procedures, together with behavioural leadership and safety training programs

Total Reportable Injury Frequency Rate<sup>1</sup>  
Injuries per million work hours



1. The FY23 TRIFR has been restated to reflect the date of injuries being incurred (rather than the treatment date).

Turning now to the review of FY24.

I am pleased to report that we continue to make steady progress on improving workplace safety. The total recordable injury rate (injuries per million hours worked) has decreased to 9.7 in FY24, down from 10.7 in the prior year.

A sustained decrease in injuries has been achieved, through disciplined implementation of safety management systems and procedures, together with behavioural leadership and safety training programs.

The improvement in injury rates across North American operations is particularly pleasing. This continues to be a key focus, as we seek to ensure safety outcomes are reduced to levels comparable with our Australian operations.

# Sustainability Achievements



## Brickworks is moving forward

Commitment to achieve a 15% reduction in Scope 1 and Scope 2 greenhouse gas emissions by 2030, from a 2022 baseline, across our combined Australian and North American operations.



56%

reduction in carbon emissions (scope 1 and scope 2) in Australia since FY06

19%

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

11%

percentage of biofuels in energy mix in FY24 (in Australia)

11 yrs

of our Longford Operation being carbon neutral

100 yrs

colourfast and durability warranty on our bricks

507MWh

of on site generated solar electricity used in FY24, a 12% increase on FY23

161,000

square metres of land rehabilitated in FY24

\$470,000

funds raised in calendar 2023 for Children's Cancer Institute (with over \$5.3 million contributions since 2002)



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At Brickworks, we understand our long-term responsibilities, and the impact and influence we have on the environment, our customers, employees, communities, and shareholders. We take great pride in manufacturing our products in a sustainable way and we integrate sustainability and innovation into product design, resulting in greater energy and resource efficiency over the operational lifetime of a building.

Clay bricks are a naturally energy efficient material, absorbing heat energy, storing it and releasing it later into the environment. This thermal lag from thermal mass saves lifetime carbon emissions by reducing demand for artificial heating and cooling in homes.

However, we recognise that our manufacturing process is emissions intensive and as such, we are focussed on leading our industry in reducing emissions.

In Australia, carbon emissions have followed a general downward trend, with a 56% decrease compared to FY2006 for Scope 1 and 2 emissions. Our progress in this area is supported by product redesign, increased use of recycled materials, utilisation of renewable bioenergy such as sawdust and landfill gas in some of our kilns, and capital investments into modern, fuel-efficient production processes.

Within our Property business, we aim to be leaders in sustainable industrial property design and development.

A number of significant achievements are outlined on screen and further details are provided in our Sustainability Report, released last month.

It is pleasing to see that our efforts are being recognised externally. For example, this year Sustainalytics recognised Brickworks as ESG industry top-rated, within the Asia-Pacific Construction Materials category.

Whilst we have made significant progress already, we are committed to achieving more. In FY23, we announced a new carbon target: to achieve a 15% reduction in Scope 1 and Scope 2 greenhouse gas emissions by 2030, from a 2022 baseline, across our combined Australian and North American operations.



## FY24 Financial Highlights

BRICKWORKS

Although a property devaluation and non-cash impairment resulted in a statutory loss, EBITDA in Building Products increased

(\$119m)

Statutory NPAT ↓ 130%

Includes non-cash property devaluation and Building Products impairment

20% gearing

\$682m net debt

\$61m

NPAT ↓ 88%  
Underlying

\$157m

EBITDA ↓ 80%  
Underlying

Continuing operations

43 cents

Final Dividend ↑ 2%

Fully franked

Increase in  
Building Products  
EBITDA

In both Australia and North  
America

14.1%

1-year total shareholder return

+0.7% vs All Ordinaries Accumulation Index

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Turning now to financial performance.

As the Chairman mentioned, our results in FY24 were adversely impacted by a number of factors.

In the first half, we incurred a significant non-cash devaluation within our Property Trusts, and a small loss on the sale of the M7 Hub Estate. And, at our full year results, we announced a non-cash impairment within our Austral Masonry and Brickworks North American business units.

This resulted in the Group recording a statutory loss of \$119 million for the year.

The property devaluations are also included in our underlying result. This resulted in underlying NPAT and EBITDA both declining significantly, to \$61 million and \$157 million respectively.

Pleasingly, underlying EBITDA increased across our Building Products operations in both Australia and North America.

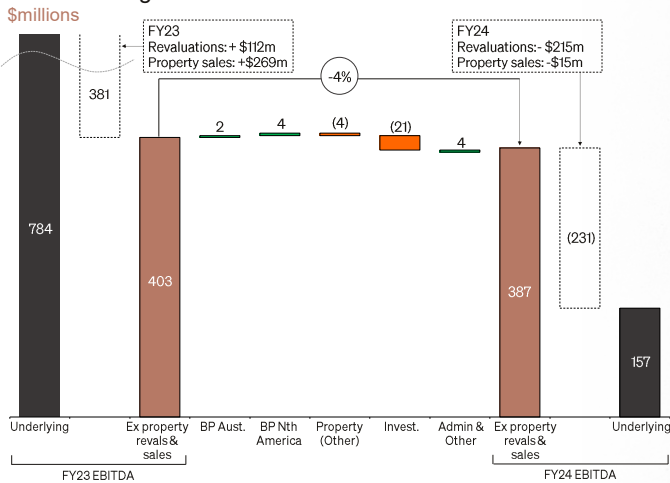
Net debt increased by \$29 million to \$682 million, with gearing increasing slightly to 20%.

## Earnings Analysis – FY24 Underlying EBITDA Bridge

BRICKWORKS

Excluding the impact of property revaluations and sales, underlying EBITDA was down by 4% in FY24

### EBITDA Bridge – FY24 v FY23



UNDERLYING EBITDA (\$M)	FY23	FY24	CHANGE
BP Australia	100	102	2%
BP Nth America	40	43	9%
Property ex revals / sales	124	121	(3%)
Investments	159	137	(13%)
HO / Other Expenses	(20)	(17)	18%
<b>EBITDA ex property revals / sales</b>	<b>403</b>	<b>387</b>	<b>(4%)</b>
Property revaluations	112	(215)	(292%)
Property sales	269	(15)	(106%)
<b>Underlying EBITDA</b>	<b>784</b>	<b>157</b>	<b>(80%)</b>

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The slide on screen provides further detail on underlying earnings across the Group.

The property revaluations, a large positive in FY23 and a large negative in FY24, distort the relative operational performance across the two periods.

FY23 also benefitted from the sale of Oakdale East Stage 2 into the Industrial Property Trust, delivering a significant profit.

Excluding the impact of the property revaluations and property sales, Group EBITDA was \$387 million, down 4%.

Across the operating divisions, Building Products Australia EBITDA was up 2% and Building Products North America was up 9%.

Within Property, net trust income and development profit was relatively steady compared to the prior year.

Investments earnings were down, due primarily to a lower contribution from New Hope Corporation to Soul Patts earnings.

## Divisional Overview

BRICKWORKS

Brickworks has a diversified portfolio of attractive assets across four divisions

### Investments

25.7% interest in Soul Patts, an ASX100 diversified investment house and 15.2% interest in FBR



### Industrial Property

Joint Venture Industrial & Manufacturing Property Trusts with Goodman Group



### Building Products Australia

Australia's leading brickmaker + strong positions in other building products



### Building Products North America

Leading brickmaker in Midwest, Northeast and Mid-Atlantic regions of USA



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Turning now to divisional performance.

Brickworks has a strong portfolio of diversified businesses, consisting of:

- A 25.7% interest in Soul Patts and a strategic investment in FBR;
- A substantial property division that includes joint venture industrial and manufacturing property trusts with Goodman Group, and additional wholly owned land for development;
- Building Products in Australia; and
- Building Products in North America.

At the end of the financial year, the net inferred asset backing of these assets was around \$5.5 billion, which equates to almost \$36 per share.

This valuation includes the market value of the Soul Patts and FBR shareholdings, the net asset value of our Property Trust assets, 3 parcels of land identified for development at current “as is” value, and the net tangible assets held within our Building Products businesses, partially offset by net debt.

I will now provide a brief overview of each division.

## Investments

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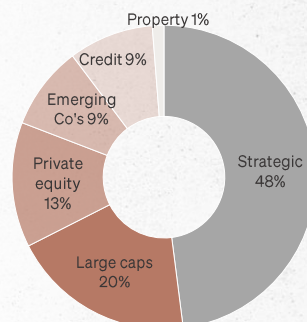
Brickworks is the largest shareholder in Soul Patts, Australia's leading publicly listed investment house

**\$137m**

FY24 Underlying EBITDA

- Brickworks' investment in Soul Patts (ASX: SOL) dates back to 1968
- Brickworks holds 94.3 million shares (25.7% shareholding)
- The stake in Soul Patts has delivered outstanding returns and steadily increasing dividends
  - 12.6% p.a. total shareholder return for the past 25 years (+4.2% p.a. vs all ordinaries accumulation index)<sup>1</sup>
- Brickworks also holds a strategic stake in FBR Limited (15.2% shareholding)
- In FY24, Investments delivered \$137 million in underlying EBITDA (down 13%) and \$86 million in normal cash dividends were received (up 15%)
- The market value of Investments at 31 July 2024 was \$3.383 billion, up 8%

Soul Patts Asset Exposure<sup>2</sup>



1. Investment period to 31 July 2024, including re-investment of dividends  
2. As at 31 July 2024. Excludes working capital.

Brickworks is the major shareholder in Soul Patts, with our initial investment dating back to 1968.

Soul Patts is Australia's leading publicly listed investment house, with a broad asset exposure as shown by the chart on the right of screen.

The investment in Soul Patts provides Brickworks with diversification and has delivered outstanding returns and steadily increasing dividends.

In FY24 Investments delivered an underlying earnings contribution of \$137 million, down 13% on the prior year.

During the year, normal cash dividends of \$86 million were received, up 15%.

The market value of our investments, including the shareholding in FBR Limited, was \$3.383 billion at the end of the year, up by 8%.

## Property - Overview

BRICKWORKS

Brickworks holds a vast portfolio of property assets with significant growth potential

(\$110m)  
FY24 Underlying EBITDA

### Joint Venture Property Trusts

#### Industrial JV Trust



- \$1.804 billion BKW net asset value
- Prime industrial / logistics, tenanted by third party customers
- Estates across Sydney and Brisbane
- Development land held within Trust provides significant further growth

#### BKW Manufacturing Trust



- \$203 million BKW net asset value
- Manufacturing sites, tenanted by Brickworks subsidiaries
- Properties located across Australia
- Some opportunities to develop sites to improve utilisation

### Brickworks 100% ownership

#### Operational + Surplus Land



- Significant additional value
- Key potential development sites include:
  - Craigieburn (VIC)
  - Mid-Atlantic (PA, USA)
  - Cardup (WA)

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Turning to Property. An overview of our Property division is shown on the screen.

We hold a 50% share in a well-established Industrial JV Trust with Goodman Group. This trust was established in 2006 in order to maximise the long-term value of our surplus Building Products land, much of which is located on the urban fringes of our major cities. Today this trust includes estates in Sydney and Brisbane and is tenanted by blue chip customers such as Amazon, Woolworths, Coles, DHL and Telstra.

In addition, we hold a 50.1% interest in the Brickworks Manufacturing Trust, which is also a Joint Venture with Goodman. This was established in 2022 and includes a portfolio of our Australian manufacturing plants.

Brickworks also retains a 100% interest in over 5,000 hectares of operational and surplus land across Australia and North America, including a number of sites identified for potential development.

Property delivered an EBITDA loss of \$110 million for the year, due primarily to the non-cash devaluations I have already mentioned. Excluding the devaluation impact and property sales, Property EBITDA was \$121 million, broadly in line with the prior year.

## Property – Net Property Trust Assets

BRICKWORKS

The net asset value of Brickworks share of Property Trust assets now stands at just over \$2.0 billion

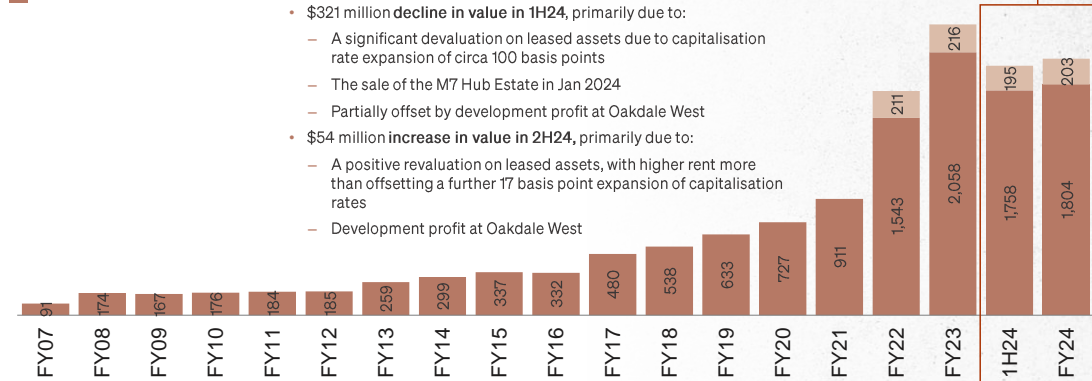
### BKW share of Net Property Trust Assets

\$millions

- Brickworks Manufacturing Trust
- Industrial JV Trust

#### FY24 Commentary

- \$321 million decline in value in 1H24, primarily due to:
  - A significant devaluation on leased assets due to capitalisation rate expansion of circa 100 basis points
  - The sale of the M7 Hub Estate in Jan 2024
  - Partially offset by development profit at Oakdale West
- \$54 million increase in value in 2H24, primarily due to:
  - A positive revaluation on leased assets, with higher rent more than offsetting a further 17 basis point expansion of capitalisation rates
  - Development profit at Oakdale West



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The chart on screen shows the net asset value of our property trust assets.

Since inception in 2007, the value of the Industrial JV Trust has grown significantly, with structural tailwinds fuelling strong demand for prime industrial property such as ours. Our developments are increasingly sophisticated, incorporating features such as robotics, automation and multi-storey warehousing and provide critical supply chain and logistics solutions for our tenants.

In the period FY19-23 growth accelerated, driven by the compression of capitalisation rates and growth in market rent. During this period, net revaluations gains of \$615 million were recorded.

In the first half of FY24, this impact partially reversed, in response to higher interest rates and broad-based volatility across the property sector. Pleasingly, in the second half, conditions stabilised, and we saw the resumption of valuation growth across our Property Trust assets.





Oakdale West Estate

As we reported at the full year results, extended industrial action against Endeavour Energy by the Electrical Trades Union was preventing the connection of power to the final four units at the Oakdale West Estate.

Earlier this month, protected industrial action ceased, and this has finally enabled the connection of power to the impacted units. Of the final four units, two have now reached practical completion, with the remainder to follow in the coming months.

A photo of the Oakdale West Estate is shown on screen. The land for this Estate was sold into the Industrial JV Trust in 2017 and has been developed over the past 7 years. The Estate comprises a total of 12 facilities (many with multiple units) and 375,000m<sup>2</sup> of lettable space. The current occupancy rate is 94%, with just one facility vacant.

With a blue-chip tenant base on long leases, the total value of the Estate is now around \$1.5 billion (100% share), making it the most valuable Estate in the portfolio.

At the Oakdale East Stage 2 Estate in western Sydney, construction of a cornerstone 58,000m<sup>2</sup> facility for Amazon is well underway, and due for completion around one year from now. This site is one of the only “shovel-ready” development estates in western Sydney, with an additional 193,000m<sup>2</sup> of lettable space available, to be built out within the next four to five years.

## Building Products Australia

Australia's leading brickmaker, with strong positions in other building products

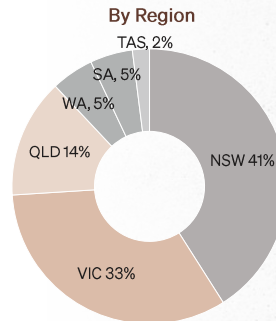
BRICKWORKS

**\$102m**

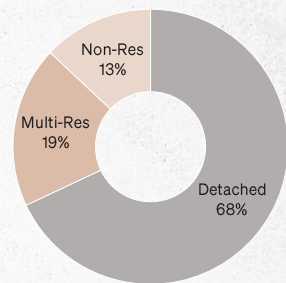
FY24 Underlying EBITDA



### Building Products Australia FY24 Revenue \$646 million



### By End-Market



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Building Products Australia is a leading manufacturer and distributor of building products across all Australian states. Since 2000, Building Products Australia has grown from a two-state brick manufacturer, in New South Wales and Queensland, to a diversified national business.

In total, Building Products Australia comprises 19 manufacturing sites operating at the end of FY24, and more than 45 design centres and studios across the country.

The portfolio includes leading brands such as Austral Bricks, Australia's largest clay brick manufacturer, Austral Masonry, Bristle Roofing and Southern Cross Cement.

Building Products Australia is primarily exposed to the residential housing market, with 87% of sales into this segment.

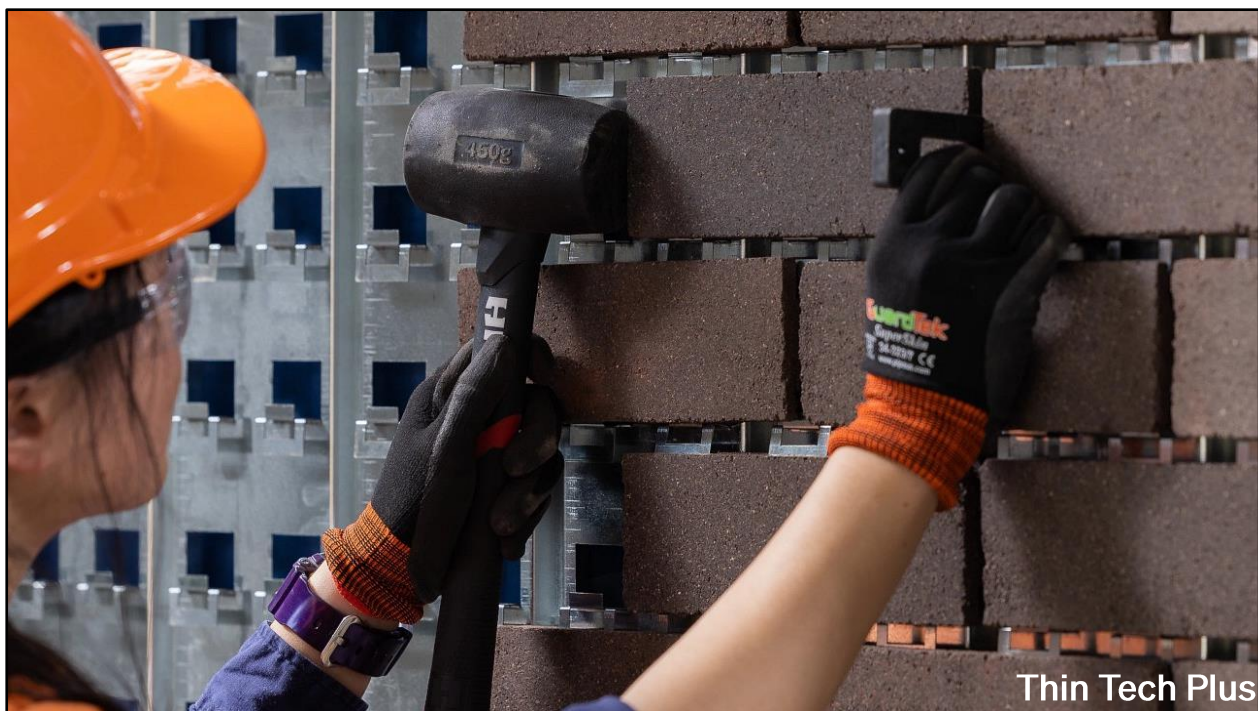
In FY24, revenue from Building Products Australia was \$646 million and underlying EBITDA was \$102 million, up 2%. This result was achieved, despite residential building commencements in Australia being at the lowest level for more than a decade. For the year ended June 2024, there were around 159,000 commencements across Australia. This compares to the 20-year average of 181,000, and the National Housing Accord target of 240,000 homes per year over the next five years.



Against this challenging market backdrop, an increase in EBITDA margin was achieved, driven by the implementation of price increases and productivity improvements across most operations.

We have implemented a range of re-structuring initiatives, to remove costs as we move through the cyclical low. These initiatives included the consolidation of Austral Bricks and Austral Masonry into one operating division, a restructure of Bristle Roofing and a rightsizing of divisional support functions. In total, these initiatives are expected to deliver annualised savings of \$15 million.

In addition, Plant 1 at Horsley Park in New South Wales was mothballed late in FY24, following the successful ramp up of our new Plant 2 facility.



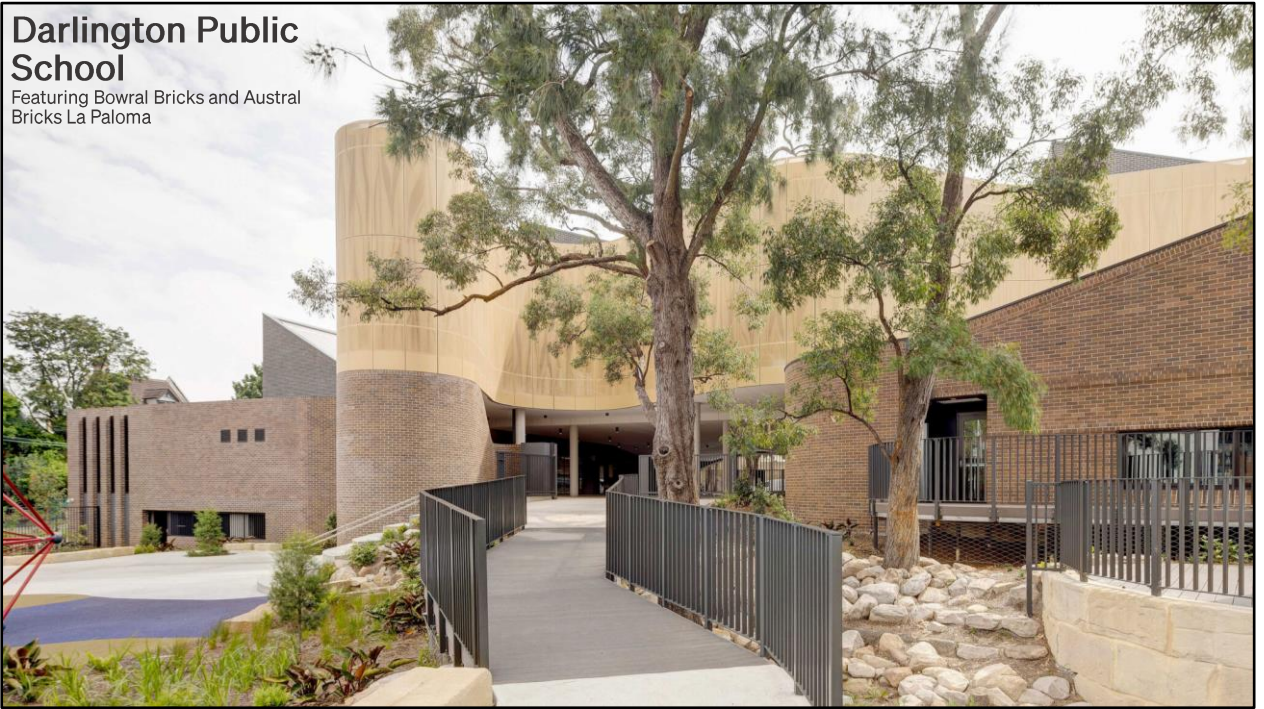
Innovation and product development activities continue to be a key focus across the business. In total, over 20 new products were launched by Building Products Australia in FY24. This includes new contemporary brick ranges, honed and shot-blast pavers from our new Oakdale masonry plant, over-sized masonry block (three times the size of a standard block) designed specifically for machine laying and a number of contemporary new landscape products such as open form pavers. We are also developing our new “Keymass” retaining wall system. At a weight of 260kg each (over 4 times the size of a standard Keystone retaining wall block), this system will provide significantly faster wall installation and will be suitable for large scale retaining walls up to 20 metres in height.

In addition, we have established Advanced Cladding Systems, to focus on commercialising thin brick cladding systems, a product category that is experiencing growing demand, particularly in high-rise commercial and multi-residential segments. Product solutions include Thin Tech Plus (shown on screen), in which thin brick is mechanically interlocked to a backing panel to provide a light-weight, fast and easy to install façade solution, with the same look and feel as traditional brick.

Since launching in FY23, the response from customers has been positive, with strong sales momentum and customer enquiry being achieved during the year. To support the growth of this product range, we have invested in an automated thin-brick production line, currently being installed at Horsley Park.

## Darlington Public School

Featuring Bowral Bricks and Austral Bricks La Paloma



For those of you here today, we showed a reel of projects featuring our products, before we commenced our presentation. Our bricks, masonry products and roof tiles continue to be very popular in residential and commercial applications, and I'm sure you will agree that the showreel highlighted the versatility of our products, which can be used in many innovative and contemporary ways.

One such example is the Darlington Public School project, designed by FJC Studio.

This project recently won the World Building of the Year award at the World Architecture Festival.

The project features almost 400,000 of our bricks, including product from our Bowral dry pressed plant in southern New South Wales and premium imported product from the Austral Bricks La Paloma range.

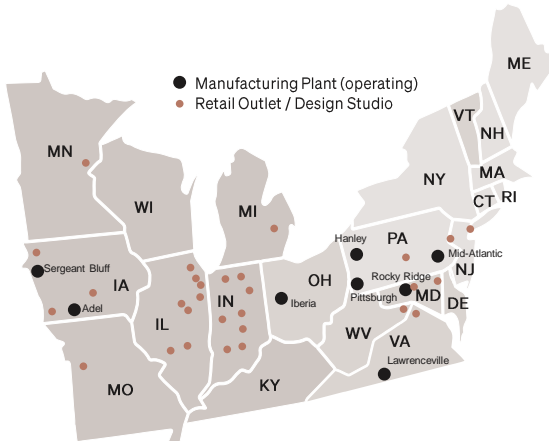
## Building Products North America

Brickworks has established itself as the leading brickmaker in the Midwest, Northeast & Mid-Atlantic regions of USA

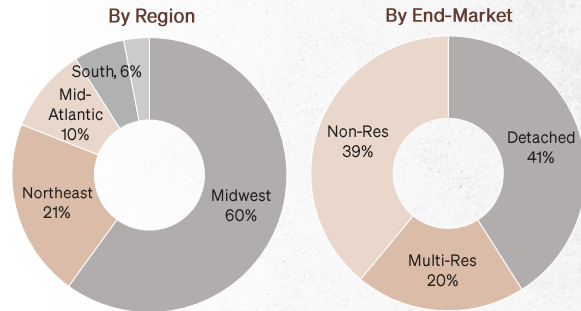
BRICKWORKS

**\$43m**

FY24 Underlying EBITDA



### Building Products North America FY24 Revenue AU\$442 million



BKW Annual General Meeting 26.11.2024 22

Turning now to North America, where we have grown rapidly since our initial entry in 2018. Our Building Products North America business now has:

- Market leadership in key states across the Northeast, Midwest and Mid-Atlantic regions;
- 898 employees;
- 8 manufacturing sites currently in operation, with additional mothballed facilities; and
- 26 company-operated distribution outlets, three design studios and a vast reseller network.

Market conditions in North America were mixed during FY24. Across our key regions, non-residential and multi-residential building activity was down 16% and 11% respectively. This was partially offset by a 16% increase in detached housing construction.

On revenue of AU\$442 million, Building Products North America delivered EBITDA of AU\$43 million in FY24, up by 9%. The FY23 result included a \$7 million profit from the sale and leaseback of a retail outlet, and FY24 includes a \$300K profit on the sale of a surplus quarry. Excluding the impact of these property sales, EBITDA was up 29%.

Margins improved on the back of price increases and improved factory utilisation, following the completion of our five-year plant rationalisation program. However, the slowdown in building activity across core markets has delayed the full realisation of the efficiency benefits that we expect to deliver from this program.

The Rocky Ridge plant in Maryland is in the final stages of re-commissioning and will produce a range of moulded bricks specifically tailored for the UK market. The first shipments to the UK, as part of our supply agreement with Brickability for 10 million bricks per annum, are now underway.

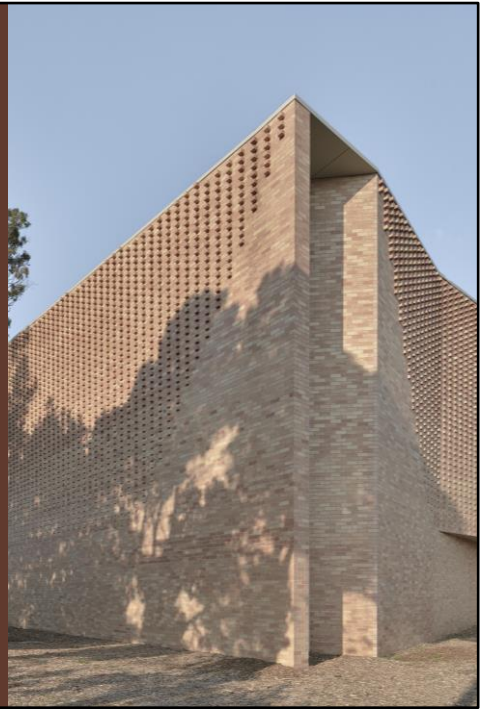


Section 03

# Trading Update and Outlook



Mark Ellenor



Turning now to a trading update for the first quarter of FY25 and the longer-term outlook for our businesses.



### Property

- Practical completion of units 4C and 4D at Oakdale West Estate
- Wetherill Park site (former Austral Precast operation) sold from the BKW Manufacturing Trust in November 2025
  - Sale price of \$39 million was \$8 million above book value
  - \$18 million in cash proceeds to Brickworks (after costs), representing our 50.1% ownership share



### Building Products

- In **Australia**, 1Q25 revenue was down by 5% (vs prior corresponding period)
  - EBITDA margin was held relatively stable (despite the lower sales volume), underpinned by prior year restructuring initiatives
- In **North America**, the decline in demand has been greater than anticipated, with 1Q25 revenue down by 12% (vs prior corresponding period)
  - Temporary plant closures to undertake maintenance and control inventory have resulted in higher costs and reduced EBITDA margins

Starting with a trading update.

Within Property, as I mentioned, practical completion has been achieved at units 4C and 4D within our Oakdale West Estate, and this will trigger a small development profit.

Also this month, we completed the sale of our former Austral Precast site at Wetherill Park from the Brickworks Manufacturing Trust. The sale price of \$39 million was \$8 million above book value and delivered \$18 million in cash proceeds to Brickworks, representing our ownership share (after sale costs).

Within Building Products, as we flagged at the full-year results, we are experiencing subdued building activity across both Australia and North America. In Australia, sales revenue was down 5% in the first quarter of FY25. Despite the lower revenue, EBITDA margins have remained relatively steady, underpinned by prior year restructuring initiatives.

In North America, conditions have been more challenging, with the decline in demand greater than we anticipated. The latest available building data indicates that the value of total construction work in our core regions was down by around 10% in the first couple of months of FY25, compared to the same period in FY24. This has translated to first quarter sales revenue being down by 12%.

In response to lower sales volume, we have implemented additional temporary plant shutdowns across our network to control inventory levels. This has resulted in reduced plant efficiency and higher unit manufacturing costs, resulting in a decline in EBITDA margin.





## Investments

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



## Property

- 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)
- Continuing to evaluate the development potential and / or sale of development sites



## Building Products

- Subdued demand is expected to persist for the next 12 months
- Beyond the short-term weakness, conditions are forecast to improve significantly
- Well placed to deliver strong returns when market conditions improve, following re-structuring, portfolio rationalisation and plant investments
- Industry rationalisation within Australian rooftiles has improved the prospects of Bristle Roofing



## 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 opportunities and challenges

Now to the outlook.

Our investment in Soul Patts is expected to continue to deliver a stable and growing stream of earnings and dividends over the long term.

Within Property, significant growth in rental income is forecast from the Property Trusts over the coming years, as we continue to develop existing Estates and benefit from the significant mark-to-market uplift in rent as existing leases expire. Over the long term, structural trends towards e-commerce and the digital economy will continue to drive demand for our prime industrial facilities for many years to come and we are focused on meeting this demand by continuing to identify opportunities within our portfolio to expand our development pipeline.

Turning to Building Products, we expect subdued building activity across our key markets in Australia and North America to persist for the next 12 months.

In Australia, the chronic housing undersupply has emerged as a key priority across all levels of government, driving ambitious building targets and long-overdue reforms to facilitate increased housing supply. We expect this to drive increased demand for our building products over the medium and longer term. In North America, easing monetary policy is expected to support an increase in activity, particularly in the key non-residential segment, where many projects have been delayed during the recent period of high interest rates.

As conditions improve, our Building Products business is well placed to deliver strong returns, following our recent plant investments, re-structuring and portfolio rationalisation activities.

In addition, we have recently seen industry rationalisation in some markets, such as roof tiles in Australia. With industry capacity removed, our Bristle Roofing business is now operating at much higher plant utilisation and generating improved returns.

Across the Group, following a period of significant investment, our short-term priority is to maximise cash generation. With our diversified portfolio of high-quality assets, Brickworks is well placed to meet any future opportunities and challenges and continue to deliver for shareholders.

I will hand over to the Chairman for the formal business and to take any questions.

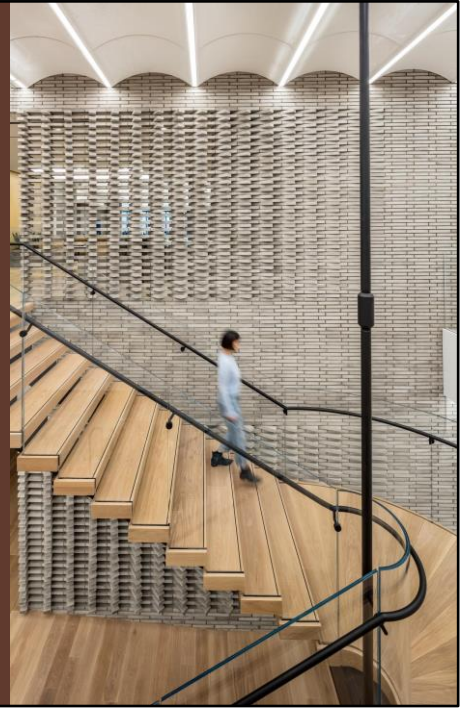
Section 04

# Formal Business



Section 05

# Questions



Thank you

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## Disclaimer

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The Board has authorised the release of this announcement to the market

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