BRICKWORKS

Financial Results

Half Year ended 31 January 2025

Presented by

Mark Ellenor
Chief Executive Officer

Grant Douglas
Chief Financial Officer

Megan Kublins
Executive General Manager
Property & Development

1

Agenda

2

Section 01

Overview & 1H25 Highlights

Mark Ellenor

3

Key Messages

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Diversified business model continues to deliver

Property	Rental income increased. Continued growth expected through rent reversion and development pipeline. Capitalisation rates remain stable; vacancy rate <1%
Investments	Soul Patts dividend received up 8%
BP Australia	Consistent performance; margins maintained on softer market conditions
BP North America	Market conditions remain challenging. Efficient set of modern plants with a retail and distributor network well placed to respond as market conditions improve
Dividend	25 cents per share interim fully franked dividend, up 4%
Building Products Outlook	Beyond the short-term weakness across Building Products, conditions are forecast to improve from 2026 and further strengthen from 2027 with the cyclical recovery

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Financial Highlights

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Diversified business model continues to deliver robust performance. Statutory NPAT of $21 million up 141% on pcp, underlying EBITDA $148 million up 472%.

$21m
Statutory NPAT
↑141%

25 cents
Interim Dividend
Fully franked

22%
Gearing
$721m net debt

$76m
Underlying NPAT
↑308%

$148m
Underlying EBITDA
↑472%

$59m
Operating Cash Flow
↑11%

Operational Highlights

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Resilient operating performance, despite cyclical low across Building Products

10.1
Total Reportable Injury Frequency Rate (TRIFR)
Increased from 9.7 in 1H24

Property
$38m
EBITDA
↑121%

BP Australia
EBITDA
$50m
EBITDA Margin 16%
maintained vs pcp

ESG
Top Rated Company
Construction Materials Sector
Sustainalytics

Investments
$73m
EBITDA
↓4%

BP North America
EBITDA
$(3)m
EBITDA Margin (2%)
Down 11ppt

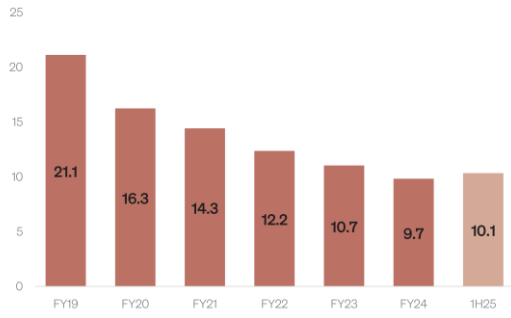
Safety

Long term decrease in workplace injuries has been achieved

- The reportable injury rate increased from 9.7 in FY24 to 10.1 during 1H25
- Sustained downward trend in injury rates across Australia and North America
- Two lost time injuries occurred during 1H25
- Continued implementation of safety management systems, technology and procedures, together with behavioural leadership and safety training programs

Total Reportable Injury Frequency Rate[1]

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).

Section 02

Divisional Review

Mark Ellenor

Megan Kublins (Property)

Property – 1H25 Earnings Analysis

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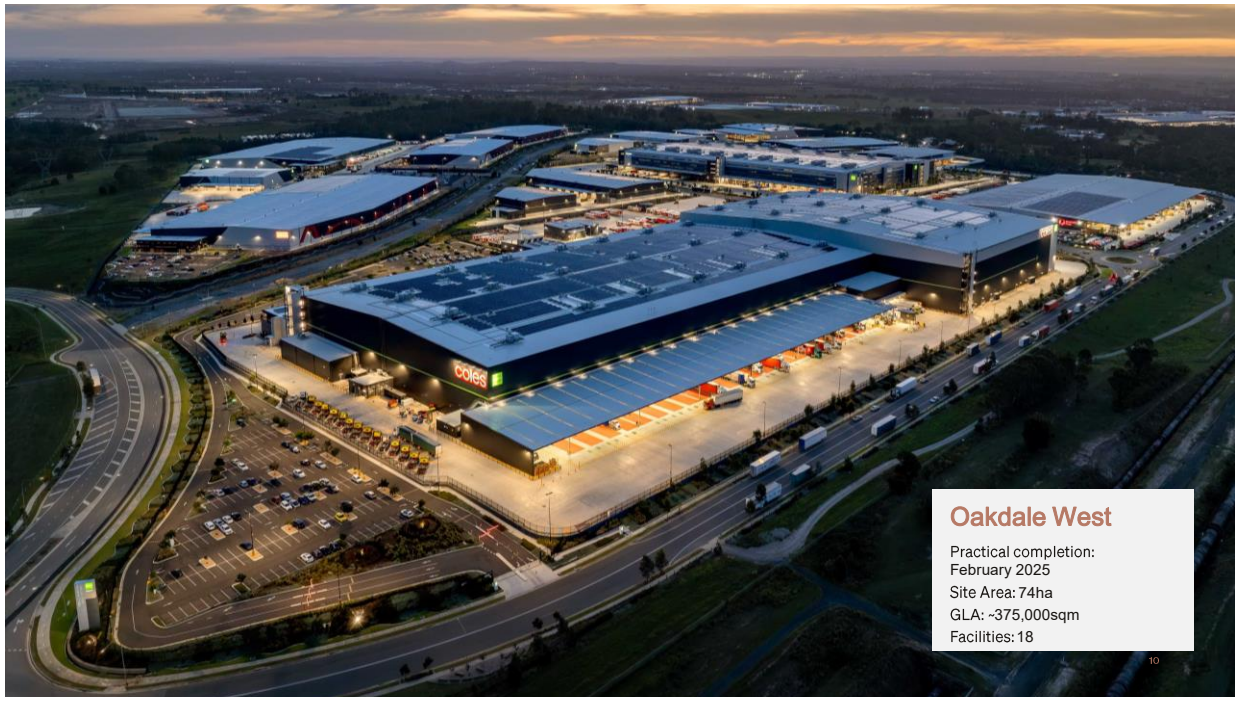
Property EBITDA was up 121% on the back of stabilised capitalisation rates

- Trust rental income up 8%, with Oakdale West property leases commencing, partially offset by the sale of the M7 Assets (sold in January 2024)
- Net trust income in line with the prior corresponding period
- Buildings 4C and 4D in Oakdale West Estate reached practical completion, with the majority of development profit included in the previous financial year
- Property Sales activity continued. $9m in Property Trust sales and $3m Brickworks land sales
- Property EBITDA was up 121% on the back of stabilised capitalisation rates
  - Portfolio average cap rate stable at 5.2%

$ million	1H24	1H25	Change
Rental Income (100%)	*81*	*88*	*8%*
Borrowing & Other Costs	*(31)*	*(37)*	*(20%)*
Net Trust Income (100%)	*51*	*51*	*1%*
Net Trust Income (BKW 50%)	25	26	1%
Development Profit	48	3	(93%)
Admin and Other	(2)	(3)	(50%)
Property Trust Sales	(16)	9	152%
Brickworks Land Sales	–	3	100%
EBITDA Ex Revals	56	38	(32%)
Property Trust Revaluations	(233)	–	100%
Total Property EBITDA	**(178)**	**38**	**121%**



Oakdale West

Practical completion: February 2025
Site Area: 74ha
GLA: ~375,000sqm
Facilities: 18

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Property Trust Asset Value

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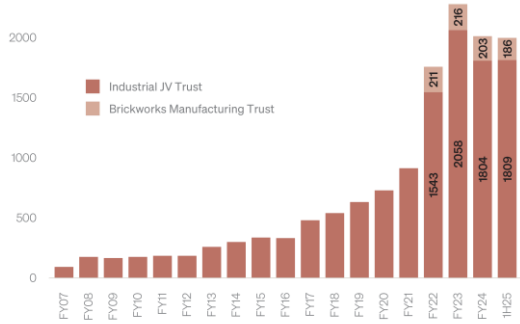
The net value of Brickworks' share of the Property Trust assets remain consistent with the prior period, reflecting Oakdale West Estate completions in the prior period and stable capitalisation rates

$million	FY24	1H25	Change
Leased properties	4,525	4,657	3%
Land under development	872	750	(14%)
Total Property Trust assets	5,397	5,407	0%
Borrowings	(1,383)	(1,418)	(3%)
Net Property Trust assets	4,013	3,989	(1%)
BKW 50% share	2,007	1,995	(1%)
Gearing[1]	*26%*	*26%*	*0%*

BKW share of Net Property Trust Assets

$ million



1. Borrowings/ Total Trust Assets

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Property Trust – Future Growth[1] (Existing Trust Assets)

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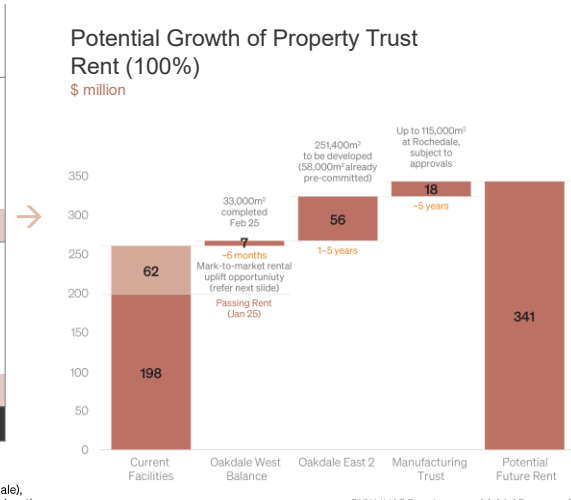
There is a considerable opportunity to increase rental income from the Property Trusts over the coming years

	GLA	Current Passing Rent		Current Market Rent	
	000m²	$/m²	$m	$/m²	$m
Current Facilities					
Western Sydney Estates	993	*164*	163	*223*	221
Rochedale Estate (Brisbane)	126	*131*	17	*160*	20
BKW Manufacturing Trust	NA		18		18
Subtotal–Current Facilities	1,120		198		260
Developments					
Oakdale West (Western Syd)	33			*223*	7
Oakdale East 2 (Western Syd)	251			*223*	56
Rochedale (Brisbane)	115			*160*	18
Subtotal-New Developments	399				82
Total	**1,519**				**341**



1. Forecasts assume market rent of $223/m² in western Sydney and $160/m² in Brisbane (Rochedale), representing management's estimate of current average market rent for Trust facilities in those locations

Realisation of Mark-to-Market Rental

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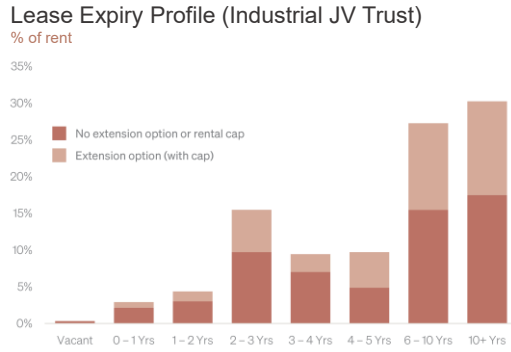
The mark-to-market rental uplift within the Industrial JV Trust will be realised progressively over time, based on the lease profile

- Industrial JV Trust weighted average lease expiry (WALE) is 7 years
- Mark-to-market increase on existing facilities (+$62 million) will be progressively realised
- ~30% of uplift to be achieved within next five years
  - Represents lease expiries within that timeframe with no extension option or rental cap
- An additional 15% of leases (by rent) expire within the next five years, but have an extension option with a rental cap (rental cap typically 5% or 10%)
  - Uplift on these leases will depend on whether the tenant exercises the extension option



Investments – 1H25 Result

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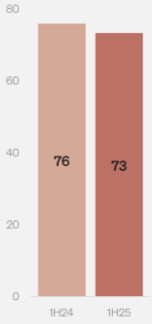
Investments delivered higher normal dividends in 1H25, up 8% on prior corresponding period

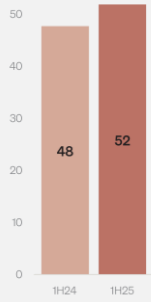
$73m

EBITDA
↓4%



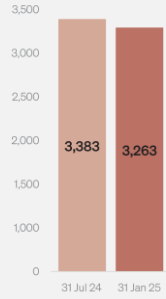
$52m

Dividends Received
↑8%



$3,263m[1]

Market Value
↓4%



1. Includes market value of Soul Patts and FBR holdings at 31 January 2025

Major Shareholder in Soul Patts (ASX: SOL)

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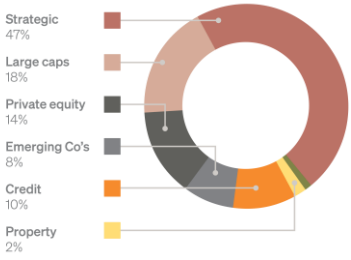
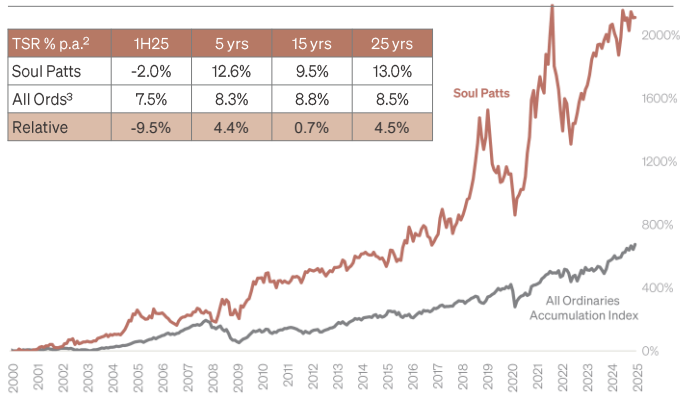
Brickworks is the largest shareholder in Australia's leading publicly listed investment house

Soul Patts Asset Exposure[1]



Soul Patts Total Shareholder Returns

TSR % p.a.[2]	1H25	5 yrs	15 yrs	25 yrs
Soul Patts	-2.0%	12.6%	9.5%	13.0%
All Ords[3]	7.5%	8.3%	8.8%	8.5%
Relative	-9.5%	4.4%	0.7%	4.5%



1. As at 31 January 2025
2. Investment period shown is to 1 Feb 2020 – 31 Jan 2025. Includes dividends re-invested
3. All Ordinaries Accumulation Index

Building Products Australia – Market Conditions

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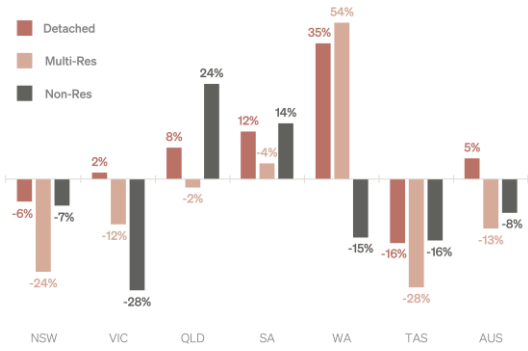
Subdued building activity across Australia continued in the 1H25

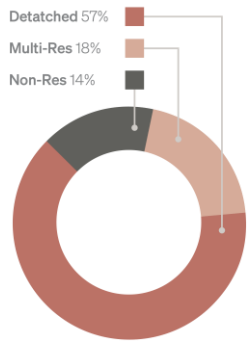
Building Activity by State[1]

6 months to Dec 24 (vs 6 months to Dec 23)



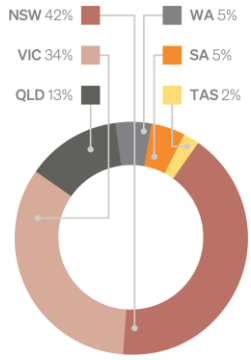
Segment Exposure

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 November 2024 forecast. Data shown for NSW also includes ACT, to align with Brickworks' sales regions.

Building Products Australia 1H25 Result

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Building Products Australia EBITDA margins maintained in 1H25, despite housing approvals remaining at a cyclical low

- Soft building activity in key markets
- EBITDA margin maintained
- Continued focus on business streamlining and cost control
- Strong pipeline of product innovation including Thin Brick cladding systems

$ million	1H24	1H25	Change
Revenue	323	321	(1%)
EBITDA	52	50	(4%)
EBIT	**23**	**22**	**(2%)**
EBITDA margin	16%	**16%**	–

Building Products North America – Market Conditions

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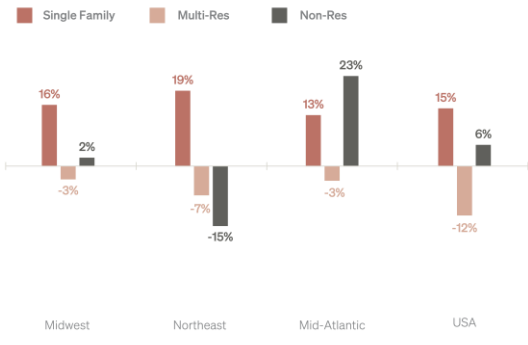
Building activity has been mixed in our three core markets in North America, with a recovery in the detached housing segment offset by declines in multi-residential and non-residential building

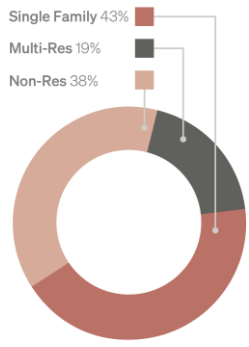
Building Activity by Region[1]

6 months to Dec 24 (vs 6 months to Dec 23)



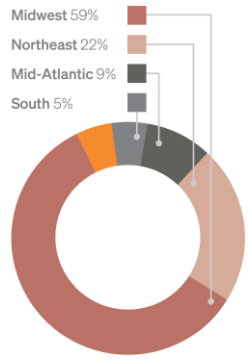
Segment Exposure

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

Building Products North America 1H25 Result

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Building Products North America earnings down reflecting continued challenging conditions in core regions, accelerated plant shutdown program to manage inventory and disruption to available product lines in the Brickworks Supply stores

- Challenging market conditions with corresponding impact to earnings
- Reduced plant efficiency
- Disruption to available product lines in Brickworks Supply stores
- Continued focus on business streamlining and cost control
- Plant upgrade program complete
  - Rocky Ridge plant commissioned
  - Adel plant new packaging line installed

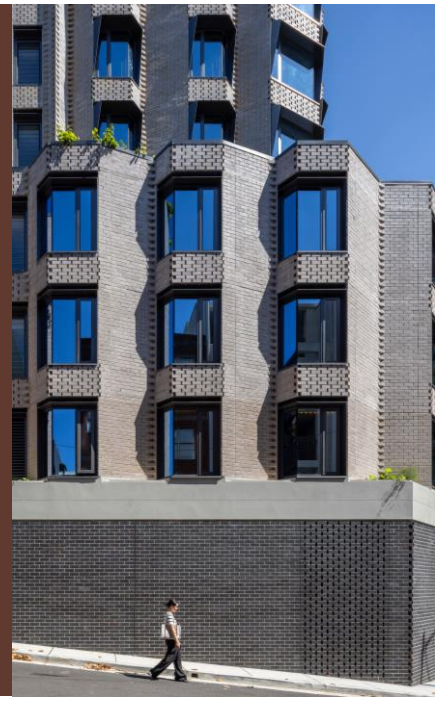
$ million	1H24	1H25	Change
Revenue	224	194	(13%)
EBITDA	21	(3)	(115%)
EBIT	**6**	**(15)**	**(360%)**
EBITDA margin	**9%**	**(2%)**	**(122%)**

1. An average exchange rate for each half year period is used to convert from US$ to AU$. The conversion rates used are: 1H25 US$0.65; 1H24 US$0.65.

Section 03

Financials

Grant Douglas



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Financials – P&L

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Underlying NPAT up 308%

- Total revenue down 6%
  - Soft condition across Building Products
- Underlying EBITDA $148 million up 472%
  - Significant property revaluations in pcp
- Borrowing costs consistent with the pcp
- Income tax benefit of $8 million
  - Utilisation of unrecognised capital tax losses
- Significant items $55 million (after tax)
  - Predominantly related to the impairment of Brickworks North America CGU

$ million	1H24	1H25	Change
Total Revenue	547	516	(6%)
Total Underlying EBITDA	**(40)**	**148**	**472%**
Depreciation & amortisation	(44)	(40)	(10%)
Underlying EBIT	**(84)**	**108**	**228%**
Borrowing costs	(39)	(40)	(1%)
Underlying income tax	87	8	(91%)
Underlying NPAT (from continuing operations)	**(37)**	**76**	**308%**
Significant items & discontinued operations	(15)	(55)	256%
Statutory NPAT	**(52)**	**21**	**141%**

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1H25 Underlying EBITDA Bridge

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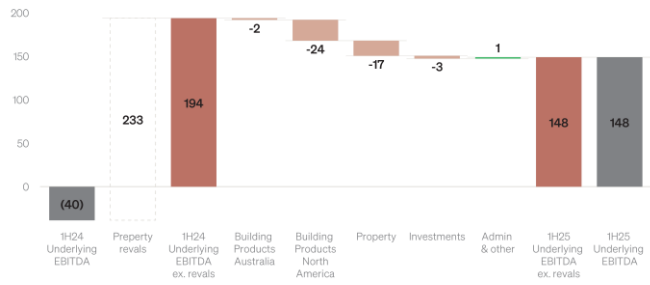
Earnings impacted by timing of development profits in Property and lower earnings from Building Products in North America

EBITDA Bridge – 1H25 v 1H24
$ million



Underlying EBITDA ($m)	1H24	1H25	Change
BP Australia	52	50	(4%)
BP North America	21	(3)	(115%)
Property ex revaluations	55	38	(32%)
Investments	76	73	(4%)
HO / Other Expenses	(11)	(10)	7%
Underlying EBITDA ex Property Revaluations	194	148	**(24%)**
Property revaluations	(233)	-	100%
Underlying EBITDA	**(40)**	**148**	**472%**

Financials – Cash Flow

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- Increase in operating cash flow, primarily due to
  - Increased dividends and distributions
  - Improvement in working capital movement relative to the prior corresponding period
  - Offset by a reduction in Building Products EBITDA
- Focussed on reducing capital expenditure
  - Major capital program now completed
- Dividend payments of $66 million

$ million	1H24	1H25
Statutory net profit after tax	**(52)**	**21**
Depreciation, amortisation	44	40
Impairment of assets	4	74
Non-cash revaluations and development profits within Property Trust	185	(3)
Share of loss/(profits) of associates not received as dividends	(31)	(37)
Other changes in tax provisions	(86)	(8)
Non-cash (gain)/loss on deemed disposal	–	(18)
Other items	(10)	(10)
Operating cash flow	**54**	**59**
Property Trust asset sales	117	26
Capital expenditure	(37)	(21)
Dividends paid	(64)	(66)

Financials – Key Indicators

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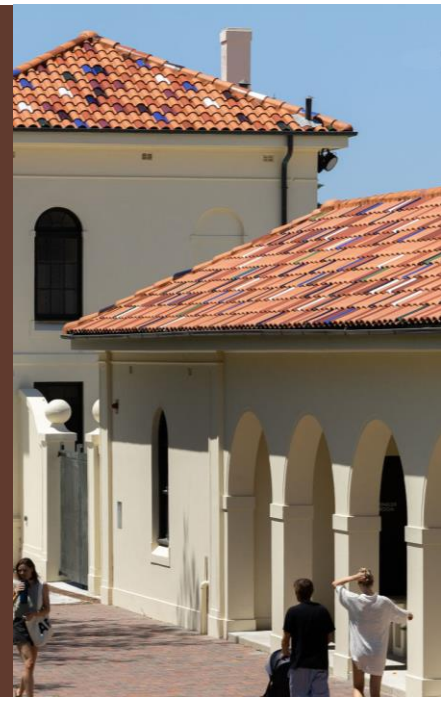
1.	Net debt	**Available liquidity** ▪ Gearing (net debt to equity) 22% (20% at 31 July 24) ▪ Banking covenant gearing 16% (covenant 40%)
2.	Capital Expenditure	**Significantly reduced capital expenditure program as major capital upgrade program completes** • Capex $21 million ($36 million in pcp)
3.	Asset Backing	**Strong asset backing driving delivery of consistent earnings over the long term** ▪ Market value of Soul Patts holding $3.23bn at 31 Jan 25 (carrying value $2.24bn) ▪ Property Trust NTA $1.99bn at 31 Jan 25 ▪ Building Products assets to deliver increased operating leverage as markets recovers
4.	Dividends	**Focused on delivering sustainable dividends to shareholder** ▪ 25 cents per share interim fully franked dividend, up 4%

Section 04

Outlook

Mark Ellenor



Outlook

Investments

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

Property

- Strong 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 experience strong lease enquiry for large-sized facilities
- Continuing to evaluate the development potential and / or sale of various development sites
- Development profits expected in 2H25, as the 57,400m² Amazon facility nears completion

Building Products

- Short-term demand outlook remains subdued in Australia, particularly in key markets of NSW and VIC
- Demand in key North America regions is expected to remain soft for the rest of the calendar year
- US temporary plant closures to control inventory easing throughout calendar 2025
- Beyond the short-term weakness, conditions are forecast to improve from 2026 and further strengthen from 2027
- Well placed to deliver strong returns when market conditions improve, following re-structuring, portfolio rationalisation and significant plant investments

Group

- Following a period of significant investment, our priority remains focused on maximising cash generation
  - Continued to focus on creating further operating efficiencies from recent streamlining efforts
  - Focused cost control across the group
- With a diversified portfolio of high-quality assets, Brickworks is well placed to meet future opportunities

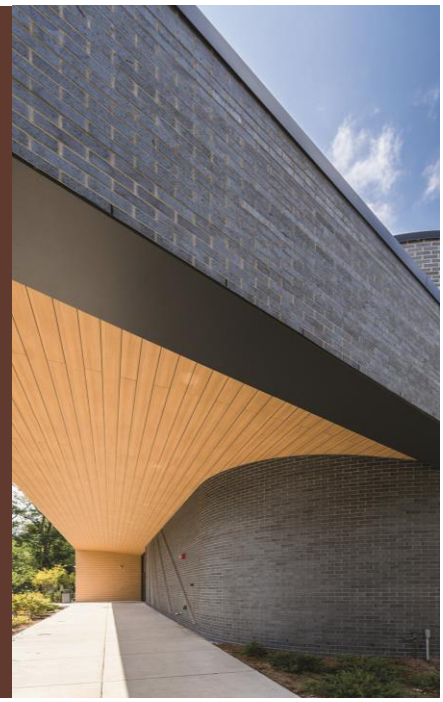
Section 05

Questions


Mark Ellenor


Grant Douglas


Megan Kublins



Section 06

Appendix

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Dividends

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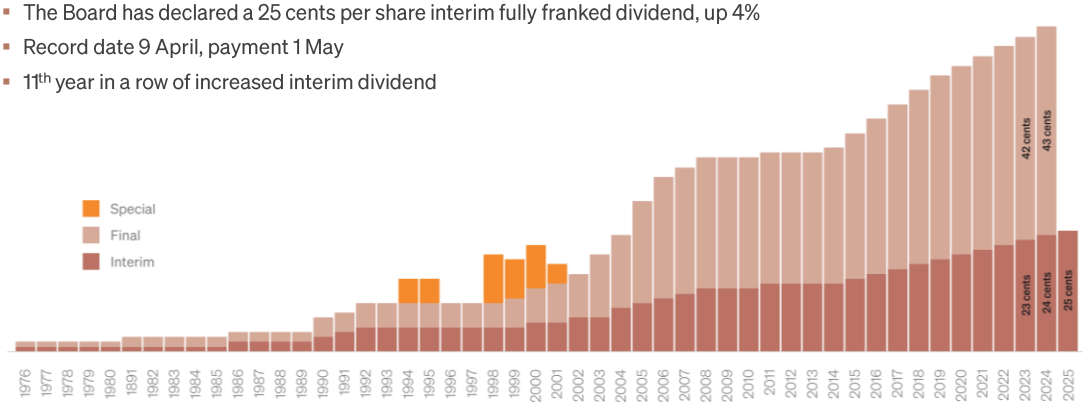
Brickworks' interim dividend 25 cents per share

Brickworks Dividend History

Cents per share

- The Board has declared a 25 cents per share interim fully franked dividend, up 4%
- Record date 9 April, payment 1 May
- 11th year in a row of increased interim dividend



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Total Shareholder Returns

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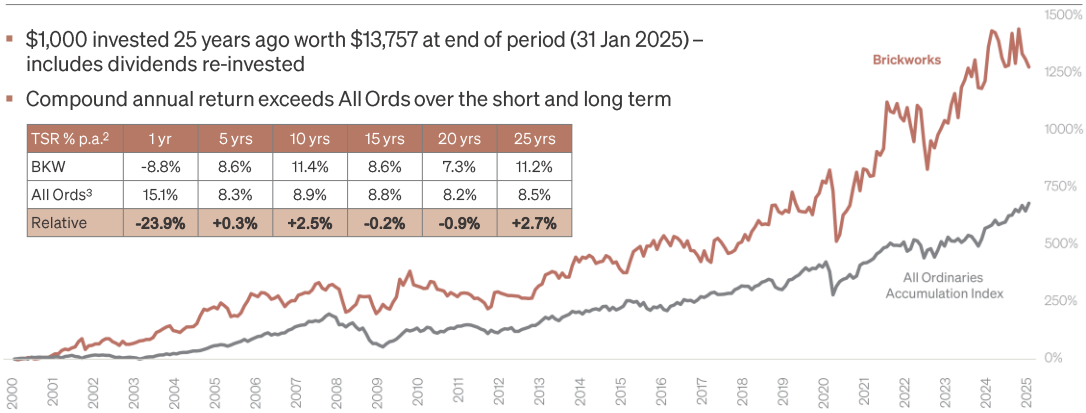
Brickworks has delivered value over the long term to its shareholders

Total Shareholder Return (25 Years)[1]

- $1,000 invested 25 years ago worth $13,757 at end of period (31 Jan 2025) – includes dividends re-invested
- Compound annual return exceeds All Ords over the short and long term

TSR % p.a.[2]	1 yr	5 yrs	10 yrs	15 yrs	20 yrs	25 yrs
BKW	-8.8%	8.6%	11.4%	8.6%	7.3%	11.2%
All Ords[3]	15.1%	8.3%	8.9%	8.8%	8.2%	8.5%
Relative	**-23.9%**	**+0.3%**	**+2.5%**	**-0.2%**	**-0.9%**	**+2.7%**



1. Investment period shown is 31 Jan 2000 – 31 Jan 2025. Includes dividends re-invested.
2. Total shareholder return to 31 Jan 2025, assuming dividends re-invested.
3. All Ordinaries Accumulation Index

Financials – Significant Items

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- An impairment loss of $55 million was recognised related to Building products North America CGU
- $13 million in legal costs associated with the ongoing proceedings filed against BCG (Australia) Pty Ltd and Midland Bricks Pty Ltd
- A $17 million benefit relating to significant items from Soul Patts
- $9 million gain on Soul Patts deemed disposal
- A $10 million tax cost arising from the carrying value of Soul Patts
- Other costs include plant commissioning, Austral Precast exit activities, advisory and IT implementation costs

$ million	Gross	Tax	Net
Impairment of non-current asset	(74)	19	(55)
Legal Costs	(13)	–	(13)
JV dissolution and acquisition costs	(3)	–	(3)
Other costs	–	(1)	(1)
Soul Patts gain on deemed disposal	18	(9)	9
Soul Patts significant items	17	–	17
Soul Patts income tax expense	–	(10)	(10)
Total	(55)	–	**(55)**

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

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