

BRICKWORKS

LIMITED

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9 June 2021

Australian Securities Exchange
Attention: **Companies Department**
BY ELECTRONIC LODGEMENT

Dear Sir / Madam

Please find attached for immediate release to the market Analyst Presentation with speaker notes being given as part of a site tour of Western Sydney taking place today.

This announcement has been authorised for release by the Board of Directors.

Yours faithfully

BRICKWORKS LIMITED



Susan Leppinus
Company Secretary

PROUDLY SUPPORTS



09.06.2021

Analyst Presentation & Site Tour

Western Sydney

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Agenda

Introduction	01
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Western Sydney Analyst Tour

09.06.2021

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Good Afternoon Ladies and Gentlemen, and welcome here today for our western Sydney site tour.

Today I will provide a brief introduction and overview of Brickworks.

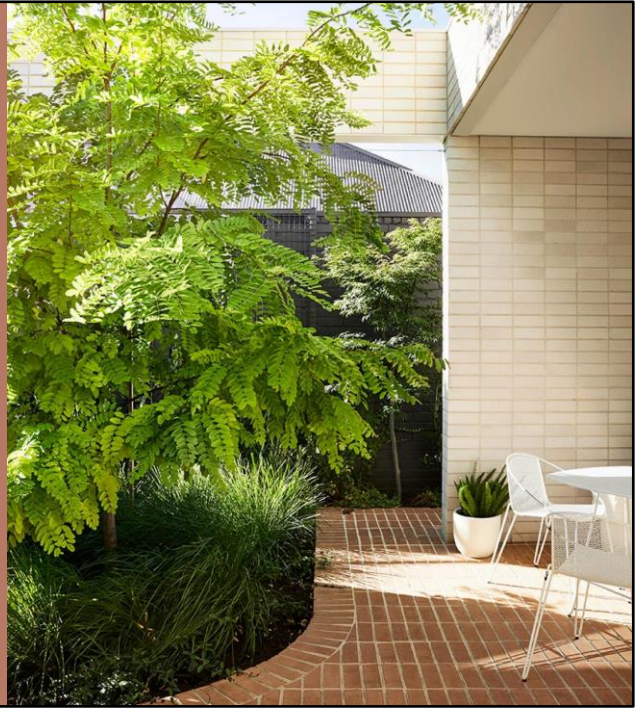
However, the main focus of the presentation will be on the facilities and businesses we have visited this morning – Austral Bricks, Concrete Products and Property.

Following the presentations on these businesses by our executive management team, we will then be happy to take any questions.

01. Introduction

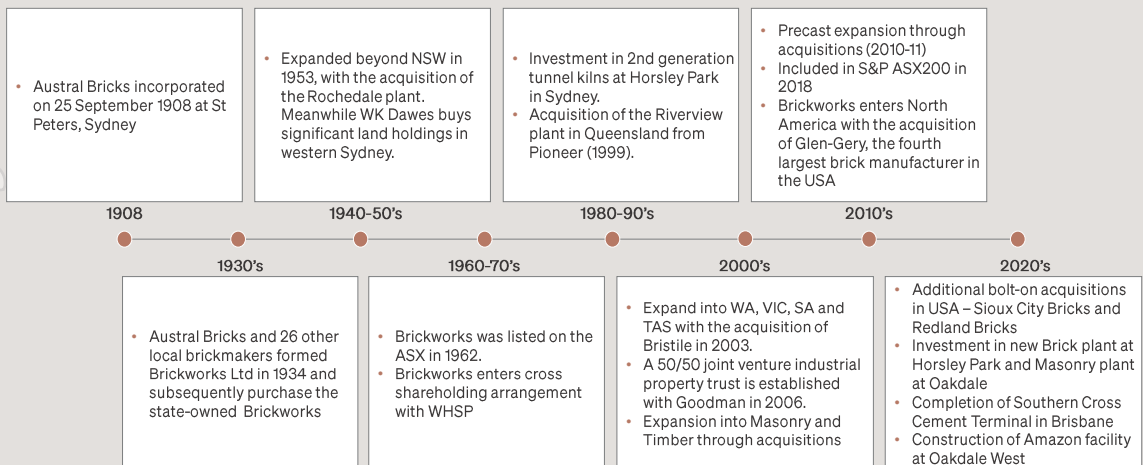
Mr. Lindsay Partridge

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Brickworks History

Brickworks has a proud history, dating back to 1908



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Brickworks can trace its history back to 1908, when our heritage business, Austral Bricks, was incorporated at St Peters in Sydney. In 1934, Austral Bricks was among a group of 26 brickmakers who formed Brickworks Limited, and subsequently purchased the local state owned brick yard.

In 1953 the company expanded beyond New South Wales, with the acquisition of the Rochedale plant in Brisbane. Meanwhile, the company was also investing in vast tracts of land in Sydney's west, intended for future brick sites, where we have visited this morning

In 1962 the company listed on the stock exchange as Brickworks Limited, raising funds for the investment in 1st generation tunnel kilns at Horsley Park.

In 1969, Brickworks entered a cross shareholding arrangement with WHSP, and retains a 39.4% stake to this day.

Through the 1980s and 90s, further growth was achieved with the investment in 2nd generation tunnel kilns at Horsley Park and further expansion in Queensland.

The company completed a transformational acquisition of Bristle Limited in 2003, creating Australia's largest brick company, with operations in all states and expansion into roof tiles.

Since then, the company has continued to grow rapidly, with investments in concrete products, the development of our surplus property assets and the entry into the North American brick market.

Brickworks Today

Today Brickworks has a diversified portfolio of attractive assets across four divisions

Investments

\$2.9 billion

Market value of BKW stake in WHSP

39.4% interest in WHSP, an ASX100 diversified investment house



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Property

\$777 million

50% share of net JV Trust assets

Joint Venture Industrial Property Trust with Goodman Group



Building Products

Australia

\$692 million

Net tangible assets

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



Building Products North America

\$208 million

Net tangible assets

Leading brickmaker in north east USA



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

- Our investment in WHSP, with a current market value of \$2.9 billion;
- A 50% share of an industrial property trust, with a net asset value at 31 January of \$777 million and a significant development pipeline;
- A substantial building products business in Australia, comprising the country's largest brickmaker, a vertically integrated concrete products business and a leading rooftile business; and
- Building Products in North America, the leading brick manufacturer in the north east region of the United States.

Investment Proposition

Brickworks has a long track-record of value creation, is backed by considerable asset value and offers attractive long-term growth opportunities

Diversified portfolio, with significant asset value	Long Term Growth	Track-record of performance, with stable and conservative management
Significant assets in Investments, Property, Building Products Inferred asset value at a significant premium to current market capitalisation	Exposure to industrial property, with long pipeline of further development International growth in bricks Building Products Australia well placed for growth following major capital investment program	S&P ASX200 company, listed since 1962 History of dividend growth and value creation Low gearing Stable management and Board

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At the end of the first half, the total inferred asset backing of our portfolio of assets was around \$4.1 billion, after including our net debt of \$479 million.

On a per share basis, the asset backing equates to over \$27 per share, providing solid support for our current share price.

We believe the company is well positioned for long term growth. In particular, we are investing to meet the growing demand for prime industrial property, and we will continue to support our North American business as it pursues growth opportunities.

In addition, as you have seen today, we are undertaking a major capital investment program within our Australian Building Products operations, which will strengthen our competitive position in key markets here in Sydney.

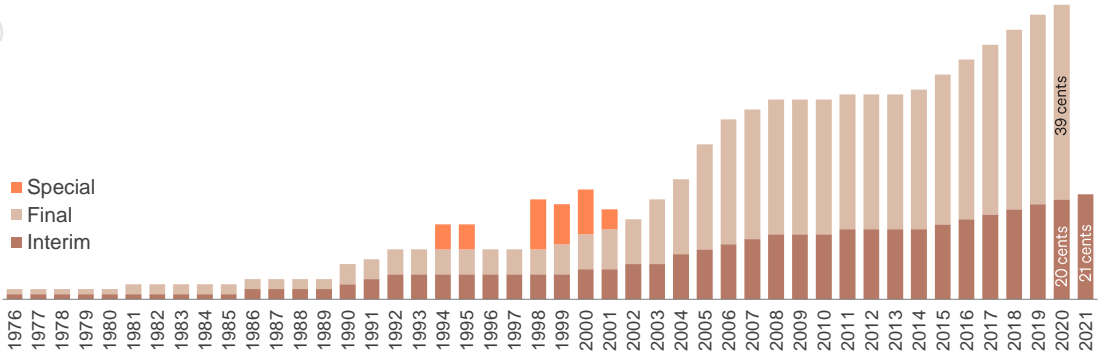
The company is stable and conservative, with a low gearing level, a prudent approach to capital management, and a stable Board and management team.

Dividends

Brickworks normal dividend has been maintained or increased since 1976

Brickworks Dividend History

- Long history of dividend growth
- 45 years since normal dividends last decreased (1976)



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We have a proven track record over a long period of time.

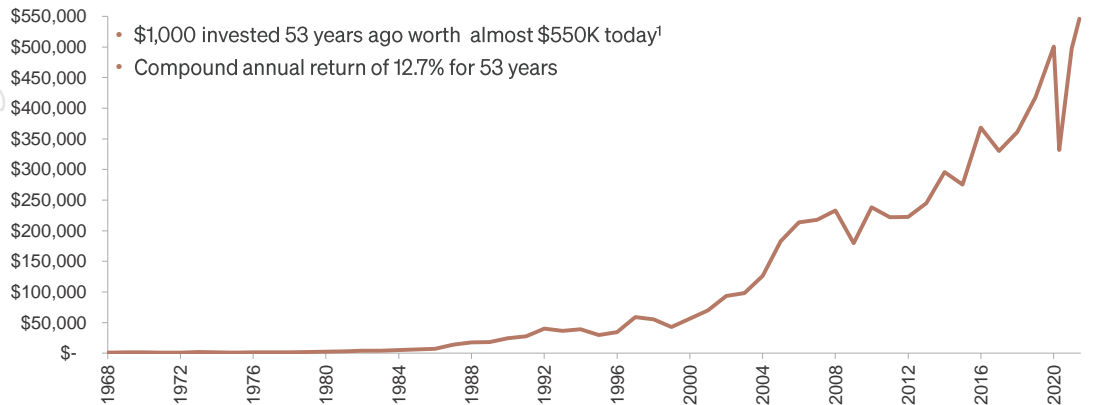
This is demonstrated through our history of dividend growth, and the stability this provides to our shareholders. As shown on screen, we have maintained or increased dividends for the last 45 years.

Brickworks dividend is underpinned by the increasing rental income from the Property Trust and the reliable dividends from WHSP.

Long Term Value Creation

Brickworks has created significant shareholder value over the long term

Value of \$1,000 invested in 1968 (at the time of the initial investment in WHSP)



1. As at the close of trading on 31 May, 2021

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In addition to dividend growth, Brickworks also has a strong history of total value creation.

Based on the share price at the end of May, the Company has delivered shareholder returns of almost 13% per annum since the initial investment in WHSP 53 years ago, incorporating both dividends and share price appreciation.

This means that \$1,000 invested in Brickworks in 1968 would be worth almost \$550,000 today.

Trading Update

Record Property earnings expected in FY2021

- Record Property earnings to be delivered in FY21 with EBIT in the range \$240-260 million
 - An independent valuation of our Property Trust assets has just been completed, and this process has resulted in further compression of capitalisation rates and a revaluation profit of around \$100 million (Brickworks 50% share)
 - Additional profit from the completion of developments at Oakdale East, forecast to occur in July
- Building Products Australia underlying EBIT to be higher in FY21
 - Sales gathering momentum
- Building Products North America underlying EBIT to be higher FY21 (in local currency terms), despite lower first half
 - Strong rebound in sales volume to housing customers in May
 - Sale of York facility in second half

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Before I hand over, I will provide a brief trading update, as announced to the market this morning.

I am pleased to report that we now expect to deliver record Property earnings in the current financial year, with EBIT in the range \$240-260 million.

Since the end of the first half, there has been a number of significant industrial property transactions in western Sydney. The pricing of these transactions has reinforced the strong investor appetite for prime industrial property assets.

Given the number of sales and the steep movement in transaction pricing, an independent valuation of our Property Trust assets has been completed, and this process has resulted in further compression of capitalisation rates across our portfolio. As such, a revaluation profit of around \$100 million will be recorded in the second half, representing Brickworks share of the revaluation gain.

In addition, Property earnings are expected to be boosted further by the completion of developments at Oakdale East, currently forecast to occur in July.

Turning to Building Products, David will talk later about the sales momentum that is now building within our Australian operations.

We expect EBIT from Building Products Australia to finish FY21 higher than last year, noting that EBIT in the prior year included a significant write-back of costs to take into account the impact of the COVID-19 pandemic.

In North America, we have seen a strong rebound in sales volume to our housing customers in May, and we are now meeting the sales targets set at the time of the Redland Brick acquisition, prior to the pandemic.

Based on the current momentum, and including earnings from the sale of our York facility in the second half, we expect EBIT from Building Products North America, in local currency terms, to finish the year higher than FY20, despite the lower first half.

For both of our Building Products businesses, it is too early to forecast the extent of the EBIT uplift for the full year, with operations still exposed to two more months of trading and unpredictable COVID-19 related impacts. This ranges from a rapid re-opening of the economy across the United States, to newly imposed lock-downs in Melbourne.

Today's Speakers

Today's presentation will focus on Austral Bricks Australia, Concrete Products and Property

Mr. David Fitzharris

Group GM Sales and Austral Bricks



Mr. Andrew Nearhos

Group GM Concrete Products



Ms. Megan Kublins

Executive GM Property & Development



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I would now like to introduce today's speakers.

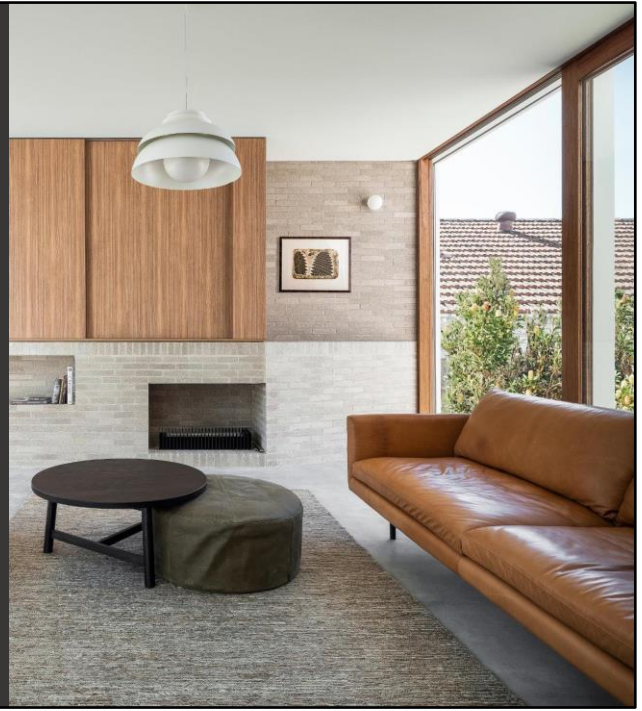
- David Fitzharris has been with Brickworks for over 30 years, starting out as a sales representative within Austral Bricks NSW. He rapidly moved through the ranks and has held various executive roles with the company across sales and general management. Having led the Group's sales function for many years, he recently took on the additional responsibility of Austral Bricks Australia.
- Andrew Nearhos has been with Brickworks for almost 15 years, starting out in a commercial role within Austral Bricks. He then moved into an operational role, leading Austral Masonry in North Queensland, and quickly progressed to become General Manager of Austral Masonry across the country, and then Austral Precast. He is now Group General Manager of the expanded Concrete Products division, including masonry, precast and cement.
- Megan Kublins has been with Brickworks for over 20 years, and was appointed Executive General Manager Property and Development in 2006. She manages all of Brickworks property assets. She is also responsible for the growth and management of the Property Trust Joint Venture with Goodman, which was established and then grown under her direction.

I will now hand over to David who will provide an overview of Austral Bricks Australia.

02. Austral Bricks

Mr. David Fitzharris

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Thankyou Lindsay and good afternoon Ladies and Gentlemen.

Today I will provide an overview of Austral Bricks operations, including:

- Our products, brands and a selection of landmark projects;
- An overview of our manufacturing plants;
- Current market conditions and industry trends; and
- More detail on our strategy, including our major investment at Horsley Park.

Austral Bricks Australia

Austral Bricks products are sold under a range of leading brands

Flagship / Core products

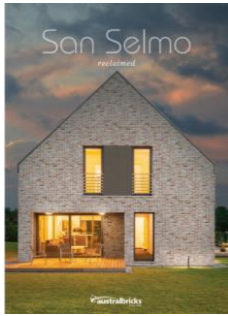


Premium / specialised

NUBRIK
BOWRAL BRICKS
DANIEL ROBERTSON



Niche / Imported



International Distribution

THE BRICKERY.



Bricks – Brick Facings – Terracotta Cladding – Pavers – Mortars

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As Lindsay mentioned earlier, the flagship Austral Bricks brand was formed in 1908. Since that time, it has grown to become Australia’s strongest and most recognisable brick brand.

Other locally manufactured brands include Bowral Bricks, Daniel Robertson and Nubrik, each providing a differentiated product range and premium brand positioning.

Bricks are also exported to other countries, most notably to New Zealand where they are sold through The Brickery, our Joint Venture with CSR. Other export markets include Japan, Hong Kong, Taiwan and the Middle East.

In addition, we have exclusive supply agreements in place with leading international companies such as San Selmo and La Paloma, to offer a specialised range of niche products.

Austral Bricks Australia

10 operational plants and a strong position across all states



1. Based on management estimates of revenue share

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Strong positions in all states

State	Position ¹
New South Wales	#1
Victoria	#1
Queensland	#1
Western Australia	#2
South Australia	#1
Tasmania	#1

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The slide on the screen shows Austral Bricks’ vast network of plant locations across the country.

In total Austral Bricks comprises 10 manufacturing plants currently in operation. Some of these sites, such as Wollert in Melbourne and Plant 3 at Horsley Park have two kilns, providing production flexibility to meet demand peaks and troughs across the cycle.

We also have two plants being rebuilt or upgraded:

- Plant 2, which we have visited today, and I will talk more about later; and
- Armadale in Perth, currently undergoing a minor upgrade prior to re-starting early next year.

In most states, Austral Bricks holds the leading market position.

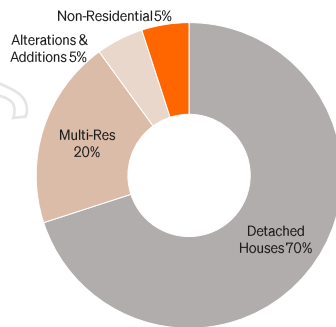
Austral Bricks Australia

Products are primarily sold into the detached housing market, with NSW and Victoria making up the majority of sales

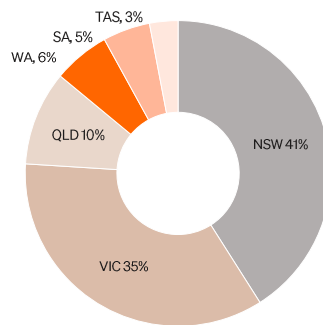
\$193m

1H21 Revenue

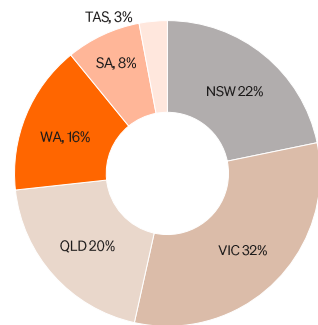
Austral Bricks Revenue
Split By Segment



Austral Bricks Revenue
Split By State



Detached Housing Approvals By State



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Austral Bricks sales revenue in the first half of financial year 2021 was \$193 million.

Our products are primarily sold into the detached housing market, with this segment making up around 70% of sales across the country. Other residential segments which include townhouses, low-rise and high-rise apartments make up about 20% of sales, with the remainder split between renovations and the non-residential segment.

I should note, that these exposures vary across the states. For example, in New South Wales, the other residential and non-residential markets make up a higher proportion of sales.

New South Wales and Victoria make up the majority of Austral Bricks sales, due to both the high level of building activity in these states, and our particularly strong market positions in each. In both of these states we estimate that our market share is in excess of 50%.

Australia's #1 Brickmaker

519

Employees

Across all major states

700 million

Bricks produced p.a.

Enough for 70,000 houses

Leading brands

Premium local brands
supported by import strategy
for niche products

10 plants
with 14 kilns

Currently in operation

Australia's most modern plant network, with sustained re-investment

Most awarded

Products featured in numerous
iconic and award winning
projects

140+

Design studios, displays and
resellers across the country
Including Design Studios in all major capitals

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We are Australia's only national brick company. As you just saw, we have 10 operating plants, with a strong presence in every state. We also have the country's largest network of studios, displays and resellers. This includes design studios in every major capital city.

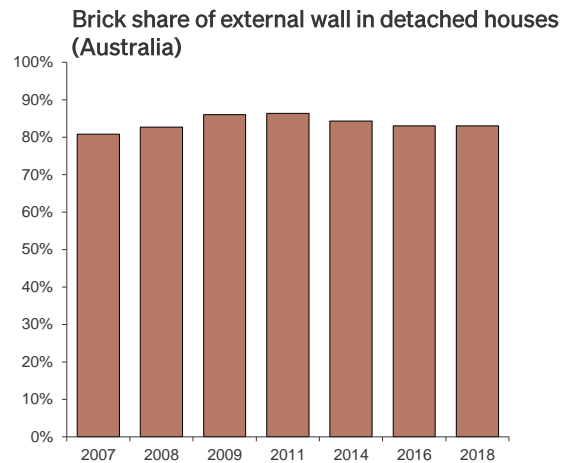
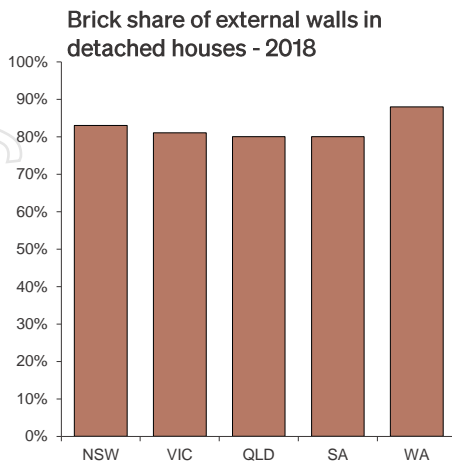
We have 519 staff and we produce 700 million bricks per year. With a typical house having approximately 8,000 to 12,000 bricks, that's enough bricks to build around 70,000 houses.

Our products, both locally made and sourced from our partners overseas, consistently feature in iconic and award winning projects, and I will show some of these later.

From humble beginnings more than a century ago, we can confidently claim that Austral Bricks has established itself as Australia's number 1 brickmaker.

Product Trends – Brick Material Share vs Alternatives

Brick is the dominant external walling material for detached houses in Australia



Source: BIS Oxford Economics – Residential Builder Panel Survey
Brick share includes face bricks and rendered / painted brick in brick veneer or double brick construction

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Looking now at materials trends in detached housing, which as I said, is our largest market.

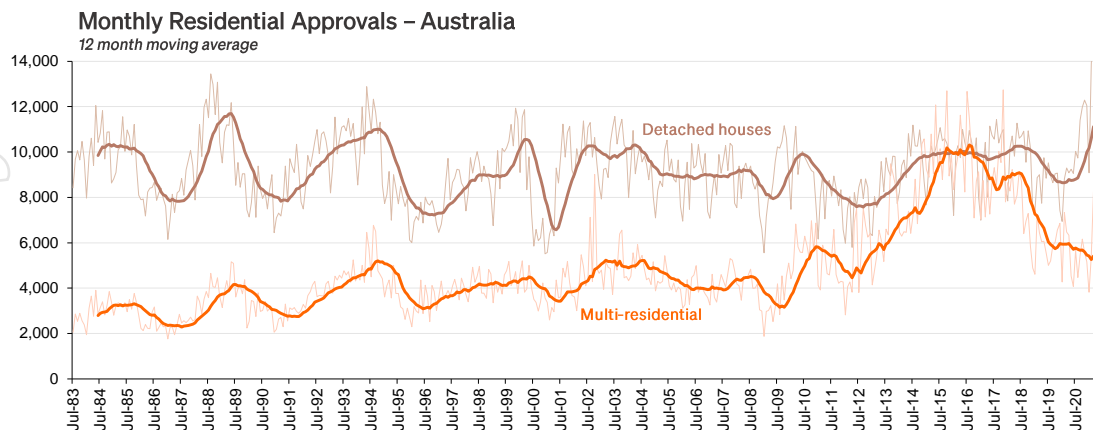
Surveys of builders across the country, as completed by BIS Oxford Economics, show that bricks remains by far the most popular building material in external walling across all states.

According to the survey, brick share of external walling in detached housing is 80% or more in each state.

In the most recent survey, bricks national share of external walls in detached houses was estimated at 83%, and has remained relatively stable over the past decade.

Market Commentary

Current market conditions are unique, with detached housing approvals at a 30-year high, at the same time multi-residential approvals have slumped to a near decade low



1. Austral Bricks sales units
Source: Australian Bureau of Statistics

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The chart on screen shows monthly Australian residential approvals, dating back to 1983. The brown line shows detached houses and the orange line shows multi-residential.

Until around a decade ago, detached houses and multi-res activity generally moved in tandem through the building cycles. However, this relationship has broken down over the past 10 years. In the period from 2012-2018 we saw very strong growth in multi-residential activity, primarily driven by high rise residential developments in the major capital cities. During the same period, growth in detached housing was relatively subdued.

In the aftermath of the COVID-19 pandemic, this trend is now reversing. Over the last 6 months we have seen detached housing approvals surge to a 30-year high, and at the same time multi-residential approvals have slumped to a near decade low.

Market Commentary

The recent surge in detached housing approvals has resulted in most builders reporting a strong order book, and daily sales now trending up across most states

- Homebuilder grant has been effective in driving demand
 - Most builders are reporting a very strong order book for the next 6-12 months
- The lag between approvals and construction appears to be longer than usual
 - Daily sales volume has only recently started to ramp up within Austral Bricks (since Easter)
- Queensland and Western Australian sales are particularly strong
- New South Wales activity is more subdued than other states
 - Government stimulus less effective due to higher land prices
- The availability of trades and some inputs (e.g. timber frames) is becoming an issue
 - Will likely flatten and extend the duration of the existing pipeline
- Uncertainty remains about the sustainability of demand once the existing pipeline fulfilled
 - A return to pre-COVID immigration levels is fundamental over the longer term

The Homebuilder grant has been effective in driving this strong demand for detached housing.

Reflecting the approvals data, most of our builders are reporting a very strong order book for the next 6-12 months.

However, it is also apparent that the lag between approvals and construction is extending and is now much longer than usual.

The availability of some materials such as timber for house trusses is becoming an issue in some areas, and flow on delays will likely flatten and extend the duration of the existing pipeline of work.

Within Austral Bricks, daily sales volume has only recently started to ramp up. Looking across the states, the uptick in Queensland and Western Australia is particularly strong. In New South Wales sales growth is not as strong, with government stimulus less effective due to higher land prices.

Looking beyond the next 6 to 12 months, uncertainty remains about the sustainability of demand once the existing pipeline fulfilled.

A return to pre-COVID immigration levels will be fundamental over the longer term in order to maintain high levels of residential building activity.

we make beautiful products that last forever



At Brickworks, we have a simple belief that drives everything we do: to make beautiful products that last forever.

Our clay bricks are produced from natural materials and are designed and manufactured to last over 100 years. So they can be trusted by our customers to stand the test of time.

As I will show with some amazing projects later, they are also stylish, and modern, and can be used in innovative and creative ways.

Austral Bricks Strategy

Austral Bricks has maintained a consistent strategy for many years, across four key pillars

Our core belief: “We make beautiful products that last forever”

Strategic framework: 4 key pillars

1. Products

Style & product leadership

- Product development & innovation
- Imported products
- Branding and marketing

2. Customers

Industry leading customer relationships

- First class customer service
- Architectural and engineering community
- Events and publications

3. Operations

Operational excellence

- Best practice operations across all facilities
- Secure raw materials
- Energy efficiency
- Pricing discipline

4. Investment

Invest in major projects if returns justify

- Optimise land use

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But first, I will talk briefly about our strategy.

Our Austral Bricks strategy has been consistent for many years and comprises a range of priority areas across four key pillars.

Our product strategy is focused on maintaining style and product leadership. This is achieved through internal product development and innovation, our partnerships with leading international suppliers and our branding and marketing initiatives. As an example, last year we held B20, our biggest product launch event ever, which included the release of 100 new products across the Group, including a number exciting new brick ranges.

Our customer strategy is built on establishing industry leading customer relationships, not only with home builders, but also with other key stakeholders such as the architectural and engineering community. In addition to providing first class customer service, our design studio events and other industry collaborations enable us to achieve this.

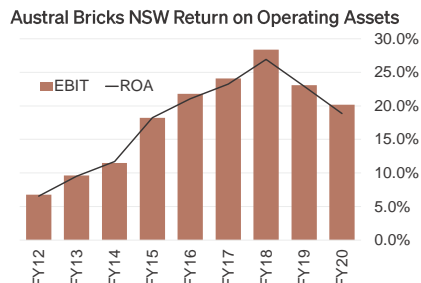
Our operations strategy includes a relentless focus on securing the lowest cost manufacturing position, and this is supported by investments in major projects where returns justify.

Due to our extensive land holdings, these investments often include the consolidation of our operations, and the release of surplus land to the Property Group for development. Consolidation activities have been completed in Melbourne and Brisbane over the past 15 years to drive improved return on real assets employed.

Austral Bricks NSW

Austral Bricks NSW has the leading position in an attractive market, generating strong returns on invested capital

- Heritage business, with attractive returns on invested capital
- Strong brick market
 - Bricks dominant in detached housing
 - Increasing architectural usage / commercial applications
 - Trend towards face brick (vs render)
- Significant value created through land consolidation / release
- Existing plants nearing end of useful life



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A similar consolidation strategy is now underway in New South Wales.

As Lindsay mentioned earlier, operations in this state represent the company's heritage business, and this business has delivered strong returns on invested capital for many years.

In addition to the long tradition of brick usage in housing, bricks are also widely used in a range of commercial applications such as schools and retirement living. Increasingly over the past decade we are also seeing bricks used in specialised and high value architectural applications.

However there has been limited major capital investment in New South Wales for over twenty years, and some existing plants are now nearing the end of their useful lives.

Horsley Park Precinct – Consolidation Plan

The Plant 2 investment will result in a consolidation of operations at Horsley Park and release of valuable land at Oakdale East



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Consolidation of the brick facilities at Horsley Park is the initial priority.

The Plant 2 investment, which I will talk more about in a moment, will allow the consolidation Horsley Park operations at the Plant 1 and 2 site on the right of screen.

This site is well suited for brick manufacturing, being appropriately zoned and having limited alternative uses. It also includes significant additional raw materials reserves available for mining, and land available for stockpiling.

The consolidation at this site will allow the release of valuable land at Oakdale East, where Plant 3 is currently located. This land is ideally suited to industrial property development, subject to approvals, and is adjacent to other Property Trust assets that Megan will discuss later.

Austral Bricks NSW – Manufacturing Footprint

The investment at Plant 2 and consolidation of manufacturing operations will deliver strong financial outcomes for Brickworks

Austral Bricks NSW Manufacturing Plant Capacity (million bricks p.a.)

Plant	Historical	Future	Comments
Horsley Pk 1	60	75	Likely upgrade to expand capacity in medium term.
Horsley Pk 2	40	130	New plant investment underway.
Horsley Pk 3	130	-	Aging plant nearing end of life. To be closed once Plant 2 investment is completed.
Bowral	30	-	Land released for property development. Aging plant nearing end of life. To be replaced by new dry-pressed plant at New Berrima in the medium term.
New Berrima	-	50	DA approved for new dry-pressed plant
Punchbowl	15	15	Operating on leased site for at least 5 more years.
Total Capacity	275	270	Future capacity expected to meet demand, with additional supply from Rochedale (QLD) and other imports during peaks.

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Financial Outcomes

- Modern plant network with lower manufacturing cost
 - Increased Austral Bricks earnings
 - Strong return on capital investment for Austral Bricks
- Valuable land released for development
 - Increased Property earnings (sale, development, rent)
- Improved return on assets for Brickworks

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Over the medium term, additional capital investments are also under consideration in New South Wales, including an upgrade to increase capacity at Plant 1, and a new plant on our land at New Berrima, to replace the Bowral plant.

These investments will deliver strong outcomes across the Group.

Austral Bricks will benefit from a modern plant network with lower manufacturing cost, delivering increased earnings.

Meanwhile land will be released for development, resulting in a significant one-off land sale profit and once development is complete, ongoing rental income and revaluation earnings.

For Brickworks, a significant improvement in the return on our assets will be achieved.

Horsley Park Plant 2 Investment

The world's most advanced brick plant

- Production capacity of 130 million bricks per annum
- Expanded product capability
- World's first use of a high output 120 tonne extruder, driving industry leading production efficiency
- The latest kiln technology, with much improved energy efficiency
- Significantly improved emission control
- \$130 million capital cost, funded primarily through lease financing (up front cash less than \$30 million)
- Commissioning expected mid 2022

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As you saw this morning, the Plant 2 project is now well underway, and we are very excited to be building the world's most advanced brick plant.

The plant will have a total production capacity of 130 million bricks per year and will feature:

- The world's first use of a high output 120 tonne extruder, driving industry leading production efficiency;
- The latest kiln technology, with much improved energy efficiency; and
- Significantly improved emission control

The total cost of the project is \$130 million, and this will be funded primarily through lease financing.

We are currently expecting to start commissioning this plant in mid 2022.

Energy & Sustainability

Austral Bricks investment program will continue to drive down carbon emissions

- Brickworks has achieved a reduction in carbon emissions of 36% since FY2006
 - Investment in modern, fuel efficient plants
 - Product redesign
 - Use of green fuels (eg landfill gas at Horsley Park)
- The investment program in NSW will result in significant further emission reductions (refer chart)
- Bricks are a sustainable product, made from clay and shale that is naturally abundant
 - Recycled clay makes up 20-30% of some brick products
- Austral Bricks offers Australia's only fully certified carbon neutral bricks
- Sustainability strategy launched last year

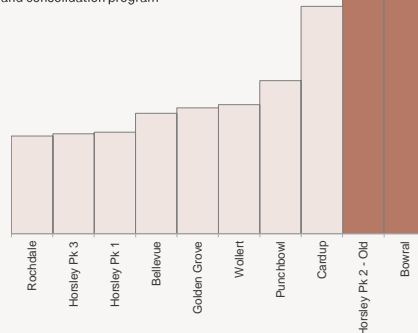
1. Data shown for the old Plant 2 represents historical fuel efficiency when last operated

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Fuel Efficiency By Plant

GJ/000 SBE's produced, FY2020¹

Bowral and the old Plant 2 at Horsley Park are the least fuel efficient kilns within the Austral Bricks network. Both will be replaced as part of the medium term Austral Bricks NSW upgrade and consolidation program



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Our investment in modern, fuel efficient plants is a key factor in our success in reducing emissions over the past five years.

Brickworks has achieved a reduction in carbon emissions of 36% since FY2006

Our investment at Plant 2 and possibly New Berrima in the medium term, will drive emissions lower again. As shown by the chart on the screen, these investments will replace the oldest and least fuel efficient kilns in our manufacturing network.

In addition to our capital investments, a range of other initiatives have supported our reduction in emissions. This includes product redesign, use of recycled material and on-board fuels, and firing our kilns with green fuels such as landfill gas at Horsley Park.

It is important to note that bricks are a sustainable product, made from clay and shale that is naturally abundant. Furthermore, recycled clay makes up 20-30% of some of our bricks.

And at Austral Bricks we are proud to offer Australia's only fully certified carbon neutral brick range.



I would now like to briefly showcase a small selection of projects that demonstrate the versatility and beauty of our products in a range of amazing projects.

The Stokes Avenue project shown on screen is a multi-purpose residential and commercial space in Alexandria in Sydney, designed by the Smart Design Studio.

The interior features Bowral Bricks in Chillingham White.

This project has been featured in a range of publications including Belle Magazine, Architecture Australia and Australian Financial Review, and is a finalist in the 2021 NSW Architecture Awards in the Commercial Architecture, Interior Architecture and Sustainable Architecture categories.

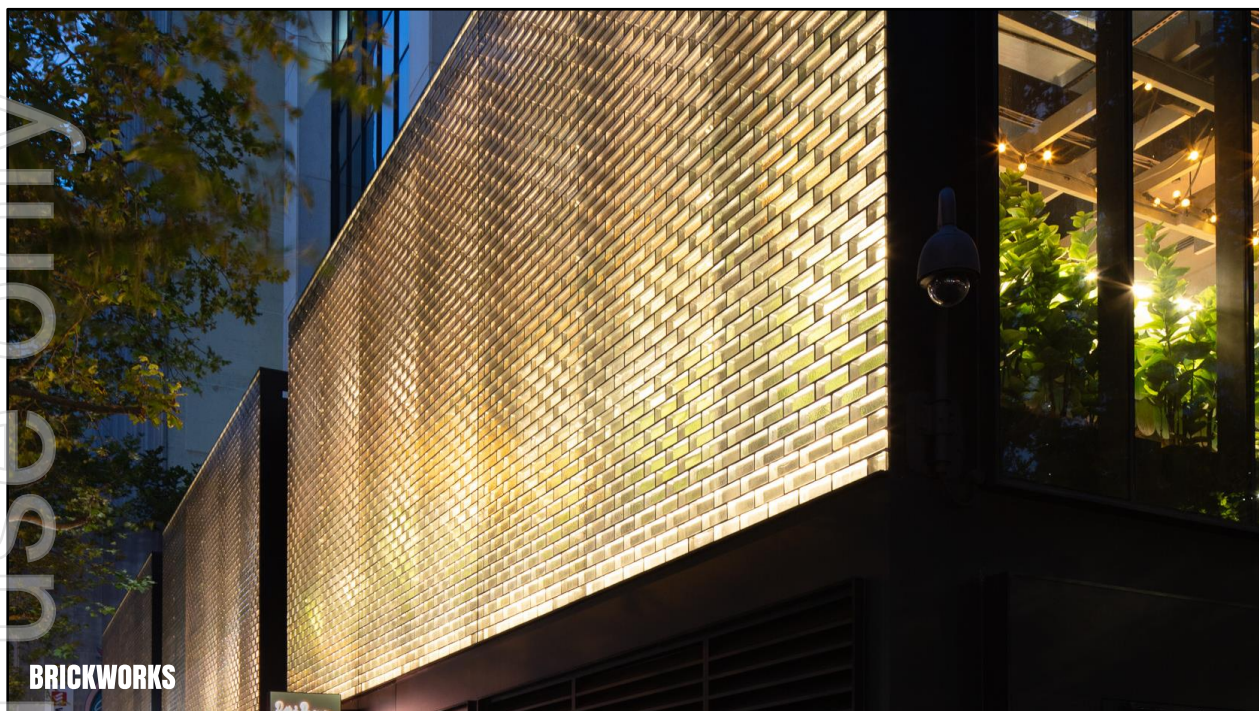


In this multi residential apartment project in Rosebery, Sydney, we have over 1 million smoked San Selmo bricks used in a customised blend. The bricks in this project are incorporated into both wall and roof forms.



This photo shows the Mainview Boulevard Family Learning Centre in Truganina East, Victoria. It features 15,000 carbon neutral Daniel Robertson bricks in a blend of Hawkesbury and Surry colours.

This project is an example of the architectural specifications we are receiving in commercial applications, with this facility designed by Canvas Projects for the Wyndham City Council and Victorian State Government.



This project, at 44 Market Street in the Sydney CBD, features 7,300 hand-cast Venetian Glass Bricks in natural Arctic Crystal.

It is the largest glass brick façade in Australia and received a Commendation at last year's UDIA NSW Awards for Excellence in Retail Development.

10 Reasons Why - "Life is better with brick"

- | | | | |
|---|---------------------------------------|----|-------------------------------|
| 1 | Bricks are low maintenance | 6 | Bricks act as a sound barrier |
| 2 | Bricks are safe and secure | 7 | Bricks are a thermal battery |
| 3 | Bricks are strong and durable | 8 | Bricks are fire-proof |
| 4 | Bricks make a lasting style statement | 9 | Bricks are energy efficient |
| 5 | Bricks last forever | 10 | Bricks are sustainable |

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We have recently launched a marketing campaign focussed on why "life is better with brick", outlining ten reasons why, and including a five-part video series on a selection of those reasons.

This light-hearted series of short videos highlights and re-affirms the benefits of brick versus inferior lightweight materials.

The video series covers the following topics:

- Bricks are low maintenance;
- Bricks have enduring style;
- Bricks have superior sound insulation;
- Bricks are fireproof; and
- Bricks are energy efficient and reduce energy bills.

This series is promoted and marketed via our social media platforms, and other online channels.

Each video has received over 50,000 views.

“Life is better with brick” – Video series example (ep. 1 Maintenance)



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Before I finish up, I will play the first video in the series, focused on highlighting the low maintenance of bricks compared to lightweight.

[Play video]

I will now hand over to Andrew, who will discuss the Concrete Products division.

03. Concrete Products

Mr. Andrew Nearhos

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Thankyou David.

Concrete Products

Concrete Products are sold under a range of leading brands

australmasonry

Grey & Coloured Masonry Blocks,
Retaining Walls, Concrete Pavers
& Installation Accessories



GB Masonry

Premium Coloured Masonry
& Breeze Blocks



URBANSTONE

Premium Pavers & Stone



australprecast

Double Wall, Panel Brick,
Precast Concrete Walls & Floors



southern cross cement

Cement



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Concrete Products has recently been formed as a separate division within Brickworks, bringing together our established masonry and precast operations, and the newly formed Southern Cross Cement joint venture.

The slide on screen shows the diverse range of products and brands that sit within Concrete Products.

These include:

- Grey and coloured masonry block, retaining walls and concrete products under the Austral Masonry brand;
- Premium coloured blocks under the GB Masonry brand;
- Premium pavers including stone products, sold as Urbanstone;
- A wide range of precast walling and flooring, sold as Austral Precast; and
- As I mentioned, cement products. through our 33% interest in Southern Cross Cement in Brisbane.

Concrete Products - History

The business has pursued growth through investments and bolt-on acquisitions

- A substantial concrete products business has been established over the past 15 years
- Natural expansion from bricks, with similar customer base and utilization of established distribution networks
- Growth has been driven by bolt-on acquisition strategy, underpinned by synergy benefits
- Portfolio has become increasingly diversified, by product and geography
- Increasing scale has provided the opportunity for vertical integration into cement
- The concrete products industry in Australia is large and highly fragmented, with further growth opportunities available

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Concrete Products Acquisitions



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Our initial entry into concrete products was back in 2006, through the acquisition of GB Masonry in Gympie, southeast Queensland.

Since that time, we have pursued growth through a bolt-on acquisition strategy.

The expansion into concrete products is a natural expansion from bricks, with a similar customer base and the ability to leverage established distribution channels.

Over time, the portfolio has become increasingly diversified, by product and geography. The first investment in Precast was the acquisition of Sasso Precast in 2010 - what is now our Wetherill Park site in Sydney.

The increasing scale has also provided the opportunity for vertical integration into cement.

The concrete products industry in Australia is large and highly fragmented, and we will continue to pursue further growth opportunities, where attractive returns can be achieved.

Growth Opportunities

Recent strategic acquisitions have set an initial platform for growth in attractive markets

Concrete Sleepers

- Large addressable market (est. \$100 million revenue in Australia), currently fragmented
- Industry shift towards concrete (vs. alternatives such as timber)
- Utilise existing sales and distribution network
- Demand from existing customers
- Initial entry via ACP acquisition in 2019



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Stone / Granite Pavers

- High value and specialised / unique products
- Significant council contracts with long duration
 - Streetscapes / footpath renewal etc.
- Highly fragmented and unsophisticated industry
- Vertical integration opportunities through quarry ownership
- Initial entry via Urbanstone acquisition in 2017



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Two such growth opportunities that I would like to briefly mention are in concrete sleepers and stone paving.

We estimate that the concrete sleeper market size is approximately \$100 million in revenue across Australia. It remains highly fragmented, with competitors generally focussed on one region and manufacturing from a local plant.

The industry is also undergoing a shift towards concrete sleepers, and away from alternatives such as timber.

Brickworks entered this market in 2019, with the acquisition of Aussie Concrete Products, an industry leader based in Brisbane, but with sales via retail outlets across the country.

Since our entry we have been able to grow this business, by utilising our existing sales and distribution network and through demand from our current customers.

The stone and granite paver market is a natural extension from concrete pavers. In particular, our focus is on growth within Australian sourced and produced granite and marble products.

These are high value products, with customers such as local councils, who enter long term contracts for projects such as streetscape and footpath renewal.

Again, this is a highly fragmented industry that presents vertical integration opportunities.

Our initial entry into this market was through the acquisition of Urbanstone in 2017.



An example of the type of commercial stone paving that our business is now capable of is shown on the screen.

This project at Yagen Square in the Perth CBD is an example of a council paving and public space, incorporating Urbanstone Juperana, in a range of unique shapes. You can see from the customised sizing and carved elements, the versatility of the product.

This project won the 2019 National Architecture Award for Urban Design and received an award for excellence at the 2019 World Landscape Architecture Awards.



This is another example of a typical stone paving project, featuring UrbanStone Natural Stone, at the Queensland University of Technology in Brisbane.

We are seeing increasing specifications of locally sourced stone paving that we can offer, in a range of applications, and particularly in sectors such as councils and educational facilities as shown here.



Whilst showcasing some of our amazing projects, and before moving on with the rest of the presentation, I wanted to show an example of our premium GB Masonry products, a range that has carved out a market leading position in coloured and designer masonry and is used widely in both residential and commercial applications.

This project is the home of renowned architectural couple Richards & Spence, and is located in inner-city Brisbane.

Honed GB Masonry blocks in porcelain colour have been used extensively to create a contemporary and innovative look.

This project has featured in a range of publications including Vogue Living, the Australian Financial Review and Monocle Magazine.

Concrete Products

Particularly strong positions have been established in NSW and QLD



1. Based on management estimates of revenue share

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Strong positions in NSW and QLD¹

State	Masonry
New South Wales	#1
Queensland	#1
Victoria	#3
Western Australia	#2

- Austral Precast operates primarily in Sydney where it holds a leading position
- Southern Cross Cement is a new entrant in SEQ, and is focussed on internal supply to Joint Venture owners

Today, the Concrete Products division comprises 12 manufacturing sites currently in operation across the country. Operations are predominantly focused in New South Wales and Queensland.

The masonry business has established a market leading position in Queensland, with a strong presence in Brisbane and the greater southeast Queensland region, and extending north, with plants in Rockhampton, Townsville and Cairns. It is worth noting that masonry blocks are commonly used in residential housing in North Queensland, due in part to the prevalence of cyclones in that region.

Brickworks also holds the number one position in the New South Wales masonry market, and I will discuss this business in more detail later.

Our Urbanstone plant is located in Jandakot in Perth, with the high value of these products allows them to be cost effectively distributed nationally.

Our Austral Precast operations are now focused in Sydney and Brisbane. Our Wetherill Park facility in Sydney is the most advanced precast plant in the country allowing us to cost-effectively produce differentiated products, and I will also discuss this later.

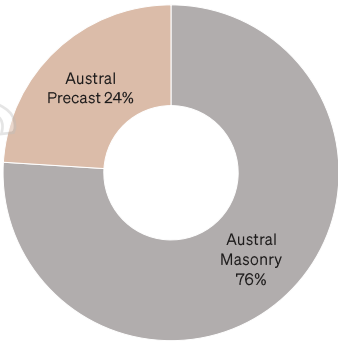
Concrete Products

Concrete Products are primarily sold into the non residential and multi-residential segments

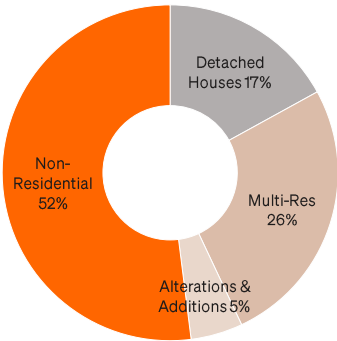
\$81m

1H21 Revenue
Total revenue and splits excludes Southern Cross Cement

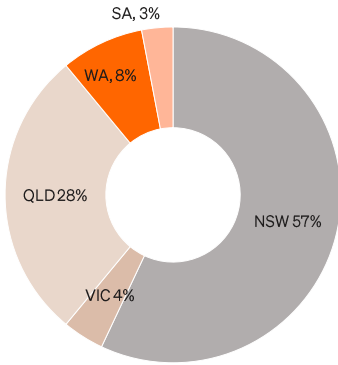
Revenue Split By Business Unit



Revenue Split By Segment



Revenue Split By State



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Concrete Products sales revenue in the first half of financial year 2021 was \$81 million, excluding the contribution from Southern Cross Cement.

Segment exposure is more broad-based than bricks, with around 50% of sales being into non-residential applications. As an example, this includes masonry sales into educational facilities, shopping centres, sports complexes and infrastructure projects.

Masonry also has broad exposure across all residential segments, with pavers and retaining walls in detached housing and renovation projects and blocks in applications such as the basements of multi-residential developments.

Precast sales are well spread across the non-residential and multi-residential segments.

The chart on the right highlights the strong focus in New South Wales and Queensland, with these two states representing a combined 85% of sales revenue.

Major vertically integrated concrete products business

Focussed primarily in the major markets of New South Wales and Queensland

400,000+

Tonnes Masonry produced p.a.

Blocks, retaining walls, pavers, stone

10,000+

Precast panels produced p.a.

200,000+

Tonnes cement sales p.a.

To Southern Cross Cement shareholders

268

Employees

12 plants

Currently in operation

Focussed primarily in NSW and QLD

140+

Design studios, displays and resellers across the country

Including Design Studios in all major capitals

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So just to recap and summarise some key numbers for the Concrete Products division.

Across our 12 manufacturing plants, and with a total of 268 employees, the Concrete Products division:

- Produces over 400,000 tonnes of masonry products per year;
- More than 10,000 precast panels;
- And sells over 200,000 tonnes of cement to Southern Cross shareholders.

We are a major vertically integrated business, focused primarily in the major east coast markets of New South Wales and Queensland.

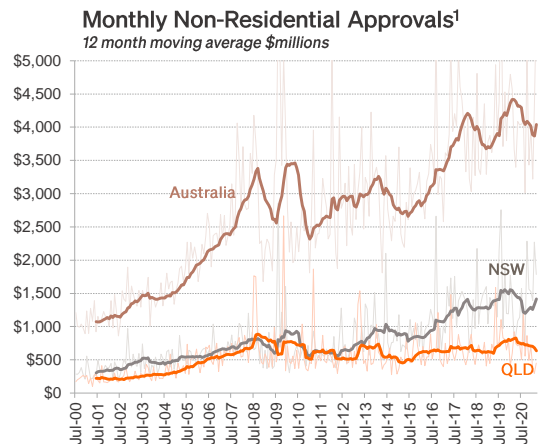
Market Commentary

Market conditions are generally positive, buoyed by government stimulus in infrastructure and the strong industrial market

- Strong industrial market, data centres and schools is driving demand for our products
- Government investment in infrastructure is also having a positive impact (e.g. Rail and metro, public streetscapes, tunnelling projects, prisons)
- Residential land developments are driving demand for civil and retaining wall products
- Strong growth in retail and trade sales in landscape product ranges
- High-rise segment is very weak in Sydney and Brisbane, with a return to pre-COVID immigration levels fundamental for recovery in this segment
- Cement demand solid in southeast Queensland

1. Source: Australian Bureau of Statistics

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Looking now at the market conditions, as they apply to the Concrete Products businesses.

David spoke earlier about the mixed conditions in the residential market. The strong detached housing market and scale of residential land developments is driving demand for civil and retaining wall products.

On the other hand, the weak high-rise residential segment is in Sydney and Brisbane is having an adverse impact on block sales.

The chart on screen shows monthly non-residential approvals across Australia, and also splits out our two key markets of New South Wales and Queensland. In this market conditions are generally positive, buoyed by government stimulus in infrastructure and the strong industrial market. We are currently seeing major project work in areas such as rail and metro, public streetscapes, tunnelling and prisons.

Cement demand is solid in southeast Queensland, with a broad end-market exposure across residential, non-residential and infrastructure projects.

Product / Industry Trends

Brickworks products are benefitting from an industry-wide focus on compliance and product quality

- Building failures in Australia and overseas have shone a spotlight on non-conforming materials and poor construction practices within the construction industry
- Brickworks products are stringently tested, fully accredited and compliant
- There has been a shift away from lightweight permanent formwork systems to masonry blocks and precast



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In terms of other market trends, in recent years we have seen building failures in Australia shining a spotlight on non-conforming materials and poor construction practices within our industry.

At Brickworks, we take pride in the timeless appeal and durability of our products, all of which are stringently tested, fully accredited and compliant.

As such, we are benefitting from this industry-wide focus on compliance and product quality.

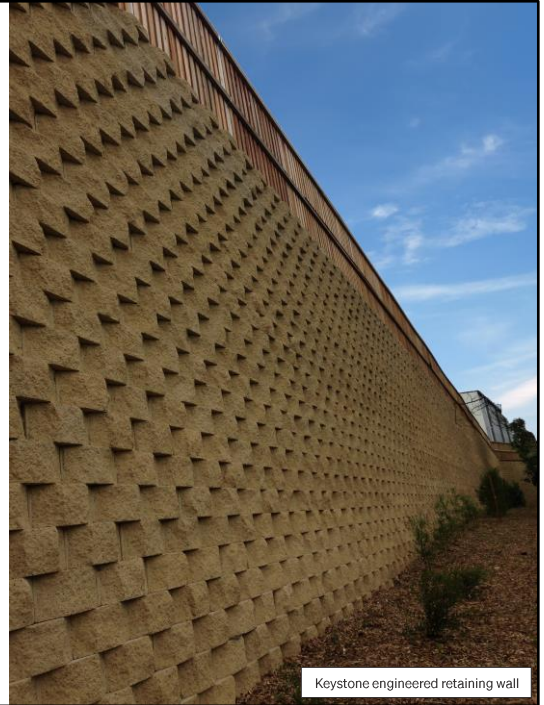
For example, over the past 12 months we have experienced a shift away from lightweight permanent formwork systems to our masonry blocks and precast products.

Austral Masonry NSW

Austral Masonry NSW has established a leading position in NSW

- Initial entry through acquisitions of Coffs Harbour Masonry and Brick and Block (Port Kembla) in 2010
- The subsequent acquisition of Boral Masonry NSW in 2013 delivered a market leading position
 - Consolidation of Port Kembla operations to the Prospect site, with an 8-year lease in place
 - Significant expansion of product range to include a broad range of paving and retaining wall products
 - Acquisition included keystone retaining wall license
 - Sales growth and operational improvements have delivered earnings growth and strong returns on invested capital
- Transition to Oakdale at expiry of Prospect lease
 - Strengthened leadership position in an attractive market

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Turning now to our New South Wales operations, starting with masonry.

Our initial entry into this market was through the acquisitions of Coffs Harbour Masonry and then Brick and Block, based in Port Kembla, in 2010.

The subsequent acquisition of Boral Masonry NSW in 2013 delivered a market leading position and allowed us to consolidate operations at Boral's Prospect site, with an 8-year lease in place.

The acquisition also allowed us to significantly expand the product range, including an exclusive license to produce keystone retaining walls in the state.

This product is used extensively in major engineered walling projects such as the one shown on screen.

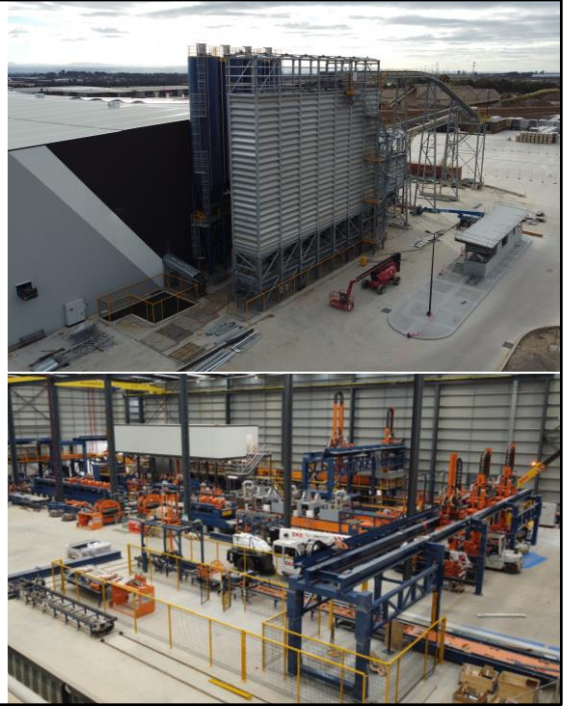
We are now entering an exciting new period for Austral Masonry New South Wales, with the transition to Oakdale East.

Oakdale East Masonry Plant

Commissioning to commence in the coming months

- Large board, state-of-the-art Hess (RH2000) plant
- Improved efficiency to drive lower production costs
- Expanded product capability
- Inline “value-added” capability for specialized product finishes such as honing, polishing and shot-blasting
- \$60 million capital cost, funded primarily through lease financing (up front cash less than \$15 million)
- Commissioning to commence shortly

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As you saw this morning, we are almost finished the construction of Australia’s most advanced masonry plant on this site.

The large board, state-of-the-art Hess plant will deliver improved efficiency to drive production costs lower and strengthen our leadership position in New South Wales.

The plant will also provide expanded product capability, with an inline “value-added” capability for specialized product finishes such as honing, polishing and shot-blasting.

At a total capital cost of around \$60 million, the project has been funded primarily through lease financing.

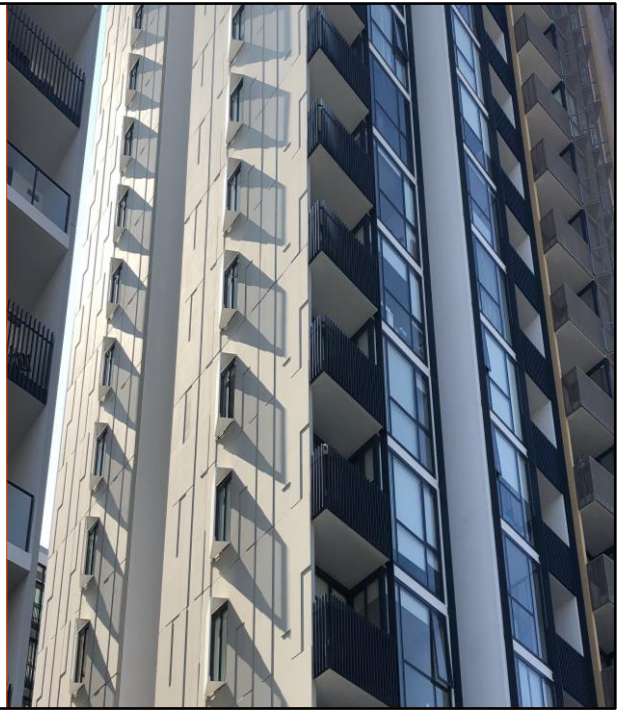
Commissioning of this plant will commence in the coming months.

Austral Precast NSW

Austral Precast NSW has the most advanced precast concrete facility in Australia

- Initial entry in 2010 through acquisition of Sasso Precast
- Wetherill Park facility is the most advanced precast facility in Australia
 - Automated carousel plant
 - Integrated concrete batching
 - Steel mesh reinforcement
 - Panel brick production (automated for simple panels)
 - Panel “flipper” for unique products such as Double Wall
- Austral Precast focussed on product specialisation and differentiation
 - Traditional precast market is highly competitive

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Turning now to our precast operations in New South Wales. As I mentioned earlier, we entered this market in 2010 through the acquisition of Sasso Precast.

Since that time, we have made a number of significant investments at Wetherill Park, to create the most advanced precast facility in Australia. These investments included:

- An Integrated concrete batching plant;
- A steel mesh machine to automate the production of reinforcement;
- Panel Brick production robots; and
- A panel “flipper” to allow production of unique products such as Double Wall.

With the standard precast panel market being highly competitive, Austral Precast is maximizing the benefits of these plant capabilities by focusing on product specialisation and differentiation.

Austral Precast “Double Wall”

Austral Precast has made a significant investment in “Double Wall” over the past 3 years and is now gaining sales momentum

- Established product in many overseas markets, but new to Australia
- Suitable in a wide range of applications, including as a direct substitute for in-situ concrete
- Significant advantages over alternatives
- The Wetherill Park facility is uniquely placed to produce Double Wall cost effectively
- A significant investment has been made by Austral Precast in technical materials and market education
- Significant sales momentum is now being achieved
 - Market acceptance established
 - Major jobs secured and delivered
 - Repeat customers and specification on projects

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An example is what we call “Double Wall”, a product that is well established in many overseas markets, but new to Australia.

This product is suitable in a wide range of applications, including as a direct substitute for in-situ concrete.

It has significant advantages over alternatives and the Wetherill Park facility is uniquely placed to produce Double Wall cost effectively.

Over the past three years, Austral Precast has made a significant investment in technical materials and market education, and now significant sales momentum is being achieved.

With market acceptance now established, we are seeing an increase in the number of major jobs secured and delivered, repeat customers and specification of double wall on new projects.

Projects that incorporate Double Wall include hospitals, data centres, the M4 and M5 tunnels in Sydney, defense buildings and the Cross River Rail project in Brisbane.

Panel Brick

The fastest way to build in brick

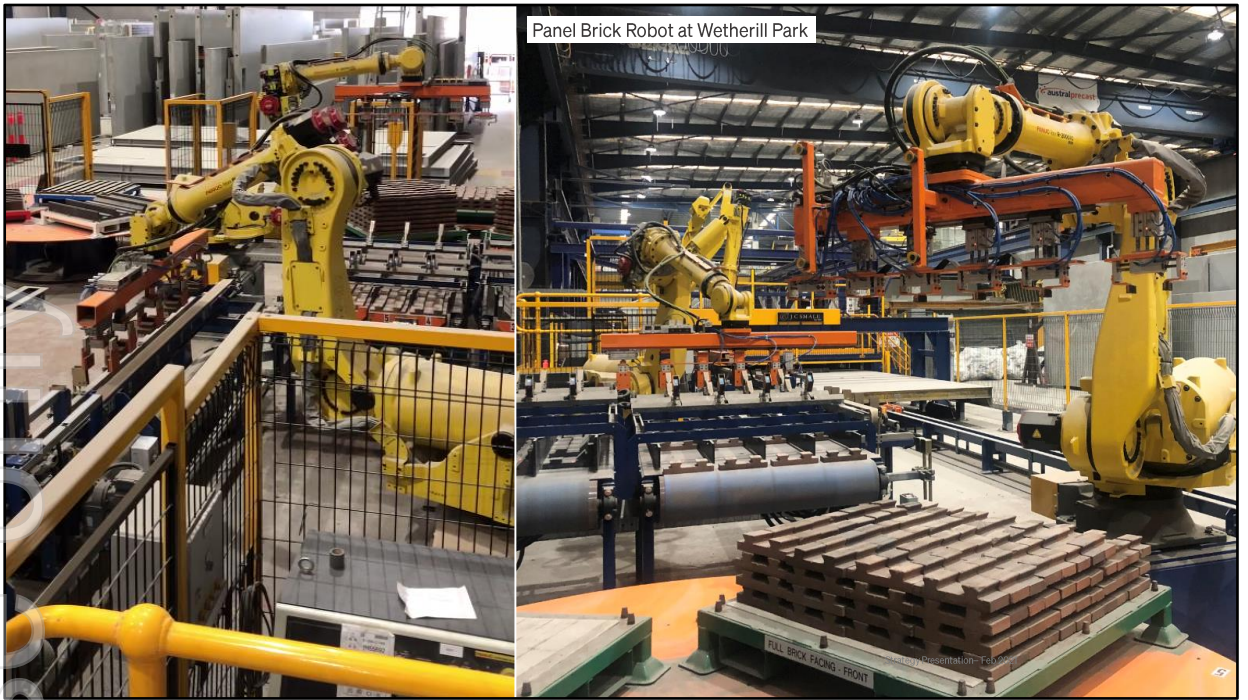
 **austral**precast®

Panel Brick is another exciting project developed by Austral Precast.

As you can see by the image on screen, this product combines the simplicity and ease of precast concrete with the timeless beauty and style of brick.

It provides an ideal building solution for medium and high-density residential projects, industrial and commercial building and contemporary infrastructure.

A wide selection of clay bricks from the Austral Bricks range are available for use with Panel Brick.



Later today we will visit the Wetherill Park site, where we have installed Panel Brick robots as shown on screen.

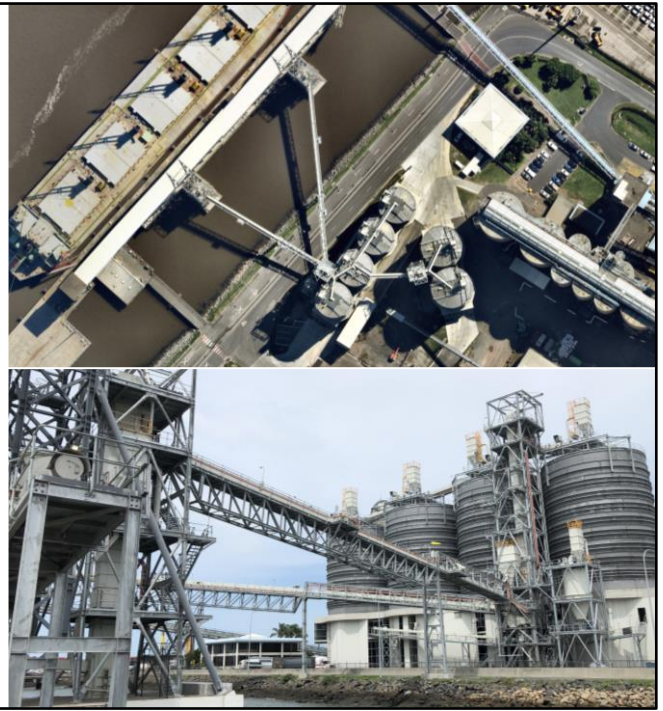
These robots have been designed and installed internally by our engineering team, and continue to be refined to optimise the production process.

Southern Cross Cement

Cement import terminal fully commissioned

- Joint Venture with Neilsen Group and Neumann Group, both major independent construction materials companies
- Since commissioning last financial year, well over 200,000 tonnes of cement has been received by the facility
- Operational performance has consistently improved, with unloading rates now exceeding original design capacity
- Competitive cost position and lower capital investment vs local cement manufacture or grinding
- Excellent cement quality and secure supply chain established

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Before I finish up, I will touch briefly on Southern Cross Cement.

This business is a Joint Venture with Neilsen Group and Neumann Group, both major independent construction materials companies.

Since commissioning last financial year, well over 200,000 tonnes of cement has been received by our facility in Brisbane.

Operational performance has consistently improved, with unloading rates now exceeding original design capacity.

We believe we have a competitive cost position, with a lower capital investment vs local cement manufacture or grinding.

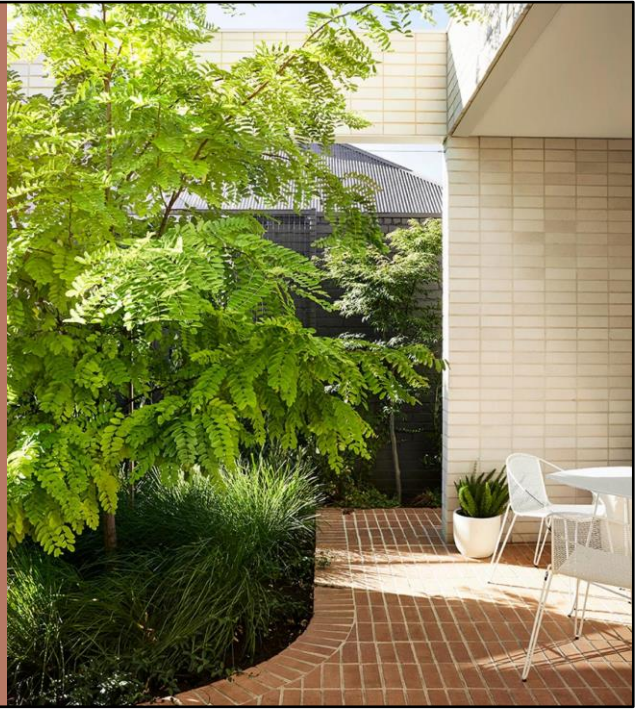
The terminal is providing our masonry and roofing businesses an excellent cement quality and secure long term supply arrangement.

I will now hand over to Megan to cover Property.

04. Property

Ms. Megan Kublins

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Thankyou Andrew.

Property Overview

Brickworks Property comprises a 50% share in a Joint Venture Industrial property trust, plus surplus operational land

Joint Venture Property Trust (50% ownership)		Brickworks 100% ownership	
Completed Assets	+	Developments	Surplus Operational Land
			
<ul style="list-style-type: none">• \$1.7 billion gross value¹• 708,500m² gross lettable area¹• Examples: 20+ facilities across various estates in Sydney and Brisbane		<ul style="list-style-type: none">• \$410 million gross value¹• 508,200m² gross lettable area¹• Examples: Amazon and Coles facilities at Oakdale West	<ul style="list-style-type: none">• Significant additional value• Examples:<ul style="list-style-type: none">– Craigieburn, VIC (332 ha)– Oakdale East Stage 2+, NSW (75 ha)
1. As at 31 Jan 2021			
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The Brickworks Property Group was originally established to maximise the value of surplus land assets held by Building Products.

Today, Property comprises a 50% share in a Joint Venture Industrial property trust, which I will expand on shortly, in addition to the surplus operational land assets.

The Property Trust includes more than 20 completed industrial property assets across various estates here in western Sydney and in Brisbane. These completed facilities have a gross lettable area of over 700,000 square metres and had a gross asset value of \$1.7 billion at the end of the first half.

The Trust also includes vacant land for development and facilities currently under construction, together classified as “Developments”. This has an additional gross lettable area of more than 500,000 square metres and was held at a book value of \$410 million at the end of the half.

Surplus operational land is fully owned by Brickworks, and is continually assessed for optimum land use. This land may be sold to the market or into the Property Trust, depending on zoning and a range of other considerations.

Property – Profit Generation

Profit is generated from steadily growing rental and revaluations on completed assets within the property trust, plus land sale and development profits

Completed Assets

Steadily growing rental and revaluations

- **Net Trust Income:** rental proceeds less Trust interest payments and other operating costs
- **Revaluations:** change in fair market value of Trust assets, generally assessed annually

Developments and Surplus Land

Irregular but significant profits

- **Trust Development Profit:** completion of developments in the JV Trust, resulting in revaluations
- **Trust Asset Sales:** one-off profit generation delivered by sales of JV Trust properties
- **BKW Asset Sales:** one-off profit generation delivered by sales of BKW owned property into JV Trust or to third parties

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The Property Group generates earnings through steadily growing rent and revaluations delivered by the Property Trust, and via more lumpy and irregular land sales and development profits.

As an example, here in western Sydney, our surplus land was rezoned and rehabilitated by Brickworks.

It has then been progressively sold into the Trust to deliver land sale profits.

Additional development profits have been subsequently delivered following the completion of facilities.

Once development is complete, the facilities become income producing assets.

Completed assets within the Property Trust may be sold if and when appropriate and when capitalisation rates justify.

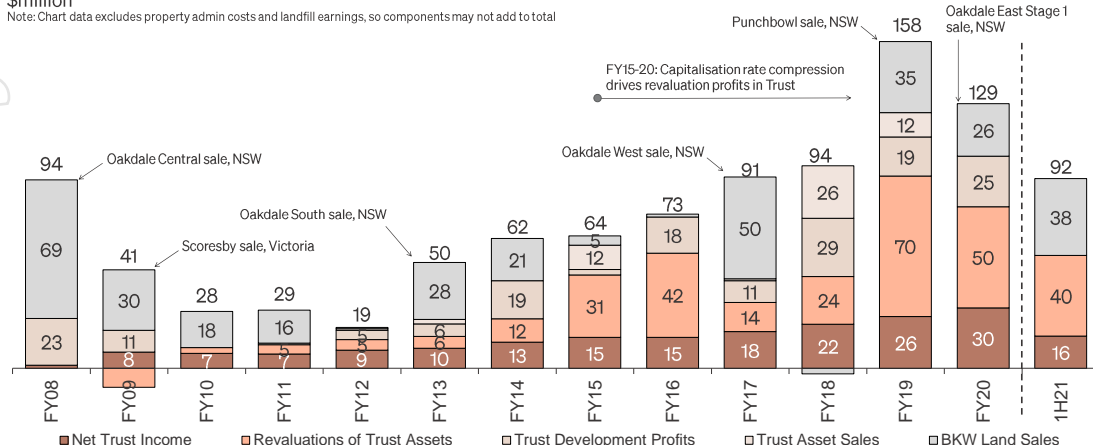
Property Earnings History

Property Trust revaluation profits have been strong in recent years as prime industrial property asset values have increased

Detailed Property Earnings History (EBIT)

\$million

Note: Chart data excludes property admin costs and landfill earnings, so components may not add to total



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Whilst earnings may be lumpy, the Property Group has delivered average earnings of \$72 million per annum since 2008.

In the last full year, Property delivering an EBIT of \$129 million and in the first half of the current year, the EBIT was \$92 million.

This slide provides detail on the break up of the Property EBIT. The dark brown shows the Trust income, which has been growing steadily since 2008, and is now delivering an annualised profit of over \$30 million.

Revaluation profits within the Trust are shown in orange and have been very strong since financial year 2015 due to capitalisation rate compression. I will talk more about this later.

The lighter colours show development profits and asset sales, which are significant when they occur but less regular in nature.

Property Trust Overview

The Property Trust was established in 2006 and is a mutually beneficial 50/50 joint venture between Brickworks and Goodman

- The Property Trust was established in 2006 and is a 50/50 joint venture between Brickworks and Goodman
 - BKW provide land (surplus to operations) for development, at market value
 - Goodman fund infrastructure works
 - Pre-lease agreement signed with tenant
 - Facility constructed, funded by debt (with serviced land as security)
- Mutually beneficial partnership
- Prime industrial property in western Sydney and Brisbane
- Benefitting from structural tailwinds, driven by industry trends to online shopping

I will now spend some time to talk through the Property Trust in more detail. The Property Trust was established in 2006.

The structure is based on Brickworks selling surplus operational land into the Trust at market value and Goodman funding the infrastructure works, to create serviced land ready for development. Balancing payments may be required to ensure an equitable contribution towards the value of the fully serviced land.

Once a lease pre-commitment is secured, the serviced land can then be used as security, with debt funding used to cover the cost of constructing the facilities.

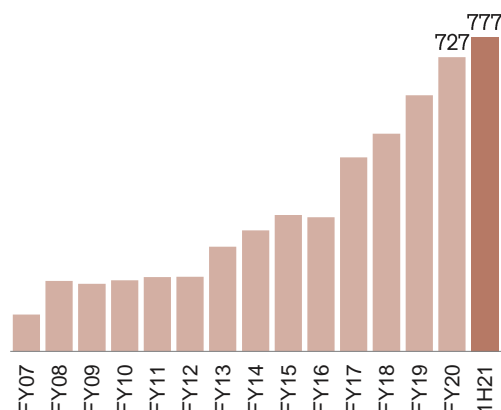
The relationship is mutually beneficial, with Brickworks gaining access to Goodman's development expertise and network of customers, and Goodman gaining access to Brickworks prime industrial land.

Property Trust – Net Asset Value

The net asset value of the Property Trust has consistently increased and stood at \$777 million at the end of the first half

HALF ENDED JAN (\$M)	FY20	1H21	CHANGE
Completed assets	1,663	1,749	5%
Development assets	397	410	3%
Total Property Trust assets	2,060	2,159	5%
Borrowings	(606)	(605)	-
Net Property Trust assets	1,455	1,554	7%
BKW 50% share	727	777	7%

BKW 50% share of Property Trust Assets
\$millions



The total value of assets held within the Property Trust at the end of the first half was \$2.2 billion. After including borrowings of \$605 million, total net asset value is over \$1.5 billion. Brickworks' 50% share of net asset value was \$777 million as at 31 January this year.

Gearing within the Property Trust was down slightly to 35% at the end of the period.

The continued capitalisation rate compression over many years has crystallised the value that the Property Trust was specifically set-up to capture. Since its inception over a decade ago, Brickworks net asset value has increased at 17% per annum, generating significant value for shareholders.

As Lindsay mentioned earlier, we have just concluded another revaluation of our Property Trust assets, in response to the high level of transactions we have seen in western Sydney over the past few months. This has resulted in a significant further increase in the value of our Trust assets.

Summary of Property Trust Assets (1)

The Property Trust comprises prime industrial property assets in Sydney and Brisbane

- Fully developed
100% completed assets
- Partially developed
some completed assets
- New developments
no completed assets

Sydney Portfolio



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Brisbane Portfolio



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The Property Trust comprises prime industrial property assets in Sydney and Brisbane.

In total there are seven Estates, with six located in western Sydney and the other at Rochdale, 15 kilometres southeast of the Brisbane CBD.

As shown by the map on screen, the western Sydney estates are ideally located in close proximity to the M7 and M4 motorway. This central location and ease of access to key transport links makes the Estates particularly well suited for distribution and logistics hubs.

The M7 Hub, Interlink, and Oakdale Central are now fully developed.

Oakdale South and Rochdale are partially developed, with some assets completed and further facilities under construction.

Oakdale East and Oakdale West are new developments, with the initial facilities currently under construction.

Summary of Property Trust Assets (2)

The completion of pre-committed facilities will increase gross rent by \$38 million within the next two years

Estate	Development Status	Completed Assets					Developments	
		Asset Value (\$m)	Gross Rental (\$m p.a.)	WALE (yrs)	Cap. Rate	GLA ¹ (m ²)	Pre-Committed GLA ¹ (m ²)	Additional GLA ¹ (m ²)
M7 Hub (NSW)	Fully developed	167	8	2.7	5.0%	64,200	-	-
Interlink Park (NSW)	Fully developed	459	26	3.0	4.8%	192,200	-	-
Oak. Central (NSW)	Fully developed	633	31	4.6	4.6%	245,200	-	-
Oak. South (NSW)	Partially developed	279	13	7.5	4.6%	111,300	25,100	40,000
Rochedale (QLD)	Partially developed	211	11	10.8	5.1%	95,600	10,600	19,600
Oak. West (NSW)	New development	-	-	-	-	-	119,500	257,600
Oak. East (NSW)	New development	-	-	-	-	-	16,100	19,700
Total		1,749	88	5.1	4.8%	708,500	171,300	336,900

The completion of these pre-committed facilities will increase gross rent by \$38 million within the next two years

1. Gross lettable area, as at the end of 1H21

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Given the current level of development within the Property Trust, I'd like to take some time to provide some further detail around the impact it will have on the scale of the Trust in the coming years.

The table on screen shows more detail on each of the Estates within the Property Trust, broken down by completed assets and developments.

As shown, for the completed assets the annualized gross rent is \$88 million, the weighted average lease expiry is 5.1 years and the average capitalisation rate is 4.8%. These leased properties have a gross lettable area, or "GLA", of 708,500 square metres.

As I mentioned, significant land for further development exists at four of the Estates. Across these Estates there is a total of 171,300 square metres of lease pre-commitments already secured.

The completion of these facilities over the next two years will result in gross rent within the Trust increasing by around \$38 million. This represents a 40% uplift from the current level.

The rental income per GLA achieved for these developments is significantly greater than the current leased portfolio. This reflects the evolution towards more sophisticated and specialised facilities, incorporating features such as robotics, automation and multi-storey warehousing. The development of these advanced facilities has become a critical competitive advantage for many businesses in the new economy and will continue to support the increasing value of the Property Trust's prime industrial land.

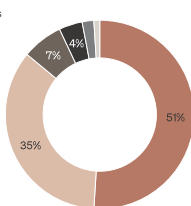
In addition to the pre-committed developments, a further 336,900 square metres of GLA is available for development within the Trust, and this provides further opportunity for growth in the years ahead.

Completed Property Trust Assets – Overview of Portfolio

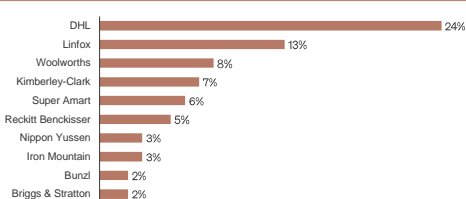
Completed facilities have a diverse customer base, across a range of sectors

Sector diversification (by income)

- Transport & logistics
- Consumer
- Manufacturing
- Industrials
- Healthcare
- Information Tech

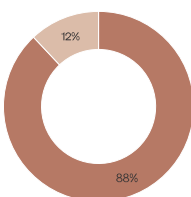


Top 10 customers (by income)

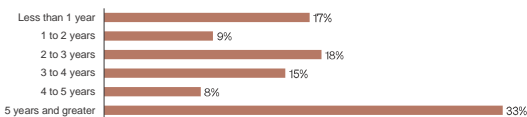


Geographic diversification (by income)

- NSW
- QLD



Lease expiry profile (by income)



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I will look now in more detail at the Property Trust assets, starting with the portfolio of completed assets.

As I mentioned earlier, the gross value of the completed assets was \$1.7 billion at the end of the first half.

As shown by the charts on screen, the current tenant mix is made up primarily of transport and logistics company's, with DHL and Linfox being the two largest tenants by share of rental income.

The consumer brand sector is also well represented, and includes customers such as Woolworths and Kimberley-Clark.

Around one third of leases extend for at least another 5 years.

Developments – Oakdale South

Development at Oakdale South is nearing completion

Pre-committed GLA (25,100m²)

- Site 1C (2 facilities) commenced development in 2021
 - Lease commitments to Amber Tiles and Yusen
 - Practical completion anticipated - Sept 2021

Additional GLA (40,000m²)

- Remaining two sites at the Estate for lease:
 - Site 2A, comprising 3 x speculative units totaling 13,000m²
 - Site 2B, comprising a 27,000m² facility

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Now turning to the developments underway across the Property Trust Estates.

At Oakdale South, construction has commenced on a 25,100 square metre pre-committed facility called Site 1C. This site is shown in the foreground of the photo on screen.

Amber Tiles and Yusen will each occupy approximately half of this development.

Completion of this facility is expected in September.

Following this, a further 40,000 square metres of GLA will be available at this Estate.

Developments – Rochdale

Development at Rochedale is also nearing completion

- Approval secured for development of the northern end of the site (artist impression shown on right)
- Construction underway, with practical completion expected in March 2022
- Total GLA under development (30,200m²)
 - Woolworths facility pre-committed, sown in foreground (10,600m²)
 - Additional pre-commitment for CHEP facility has been secured in the second half (16,900m²)
 - 2,700m² speculative development

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At our Rochdale Estate in Brisbane, approval has been secured for the development of the last remaining section, at the northern end of the site.

In total, the GLA of this section is 30,200 square metres, with Woolworths having made a pre-commitment for a 10,600 square metre facility.

In the second half we have secured an additional pre-commitment for a 16,900 square metres facility from CHEP. The remaining 2,700 square metres is a speculative development.

An artist's impression of the development is shown on screen, with the Woolworths facility in the foreground.

Construction has commenced, with practical completion expected in March 2022.

Developments – Oakdale West

Development at Oakdale West is well underway

Pre-committed GLA (119,500m²)

- Coles (66,000m²) and Amazon (53,500m²) currently under development, and will make up 38% of site gross lettable area
- Amazon practical completion - October 2021
- Coles practical completion - September 2022

Additional GLA (257,600m²)

- Heads of Agreement on three facilities has recently been finalised
 - Site 3A: 11,000m²
 - Site 3B: 11,000m²
 - Site 4E: 35,500m²

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At Oakdale West, construction of the state-of-the-art Amazon facility is well advanced.

In total, the facility has a total floor area of 190,000 square metres, across multiple levels, on a base floor area of 53,500 square metres.

This facility is shown in the picture on screen, and is due for practical completion in October this year.

Major infrastructure works, including a roadway and bridge to access the estate were also completed during the period. You can see this in the distance behind the Amazon facility. These infrastructure works have allowed construction of the Coles distribution warehouse to commence in January. The Coles facility has a GLA of 66,000 square metres, with construction expected to take around 18 months.

Combined, the Coles and Amazon facilities will occupy 119,500 square metres of GLA. This will leave a further 257,600 square metres of GLA available, and enquiry for this space is currently strong.

Heads of agreement has recently been finalized on three facilities, totalling 57,500 square metres of GLA.

Developments – Oakdale East Stage 1

The first stage of Oakdale East is now nearing completion

- 10 hectares of land sold into the Property Trust in June 2020
- Estate due for practical completion by July 2021

Pre-committed GLA (16,100m²)

- Austral Masonry Plant - 10,500m² plus 2 hectares hardstand (leased to Austral Masonry)
- Warehouse and office (leased to Austral Bricks)

Additional GLA (19,700m²)

- 4,600m² warehouse (Heads of Agreement issued)
- 8,600m² warehouse (for lease)
- 5,800m² warehouse (for lease)

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Oakdale East, as we visited this morning, is the site of Austral Bricks Plant 3 and surrounding surplus land.

Ten hectares of this surplus land was sold into the Property Trust in 2020, for the development of a new Austral Masonry plant and additional warehouse facilities. As you saw, one of these facilities will be a new retail centre, customer display and office for Brickworks staff.

A photo of this site is shown on screen. The new Masonry plant is in the centre of the image, with the office and display to the left. The Austral Bricks plant and quarry area is visible at the rear.

This development is expected to reach practical completion by the end of the current financial year.

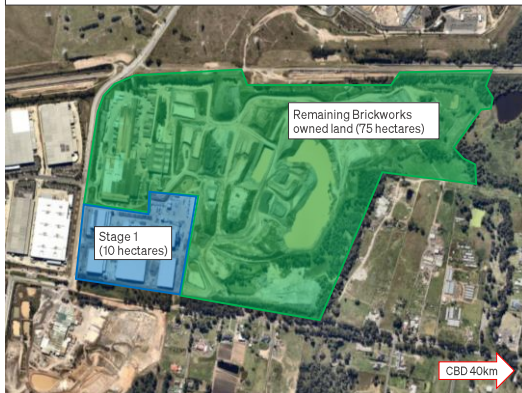
The combined GLA of the Austral Masonry plant and Brickworks retail centre is 16,100 square metres. The additional warehouse facilities, which can be seen on the right hand side of the photo, have a combined GLA of 19,700 square metres. A heads of agreement has been issued on one of these facilities, with the remaining two being available to new tenants for lease.

Surplus Operational Land – Potential Future Developments

Brickworks owns additional parcels of surplus land that are suitable for development over the medium term, including Oakdale East and Craigieburn

Oakdale East, NSW

- Stage 1 (10 hectares) sold into Property Trust, with development nearing completion
- The remaining 75 hectares has been retained by Brickworks as an operating brick plant and quarry. This land is suitable for industrial property development in the medium term, once brick operations are replaced.



Craigieburn, VIC

- 332 hectares surplus to operational requirements, south of the Wollert factory site
- Subject to approvals, mixed use industrial and / or residential development may be possible over the medium term



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Outside of the Trust, Brickworks retains other significant parcels of surplus land, suitable for development in the future.

As David discussed earlier, the existing Plant 3 site adjacent to the Oakdale East development, will not be required for brick operations once the current Plant 2 project is completed.

This 75-hectare parcel of land is suitable for industrial property development in the medium term.

The largest site held for development is at Craigieburn in Victoria. This 332 hectares parcel of land is directly to the south of the Wollert factory site and is shown on the right of screen.

Subject to approvals, mixed use industrial and / or residential development may be possible over the medium term.

More broadly, land sales and development opportunities are continually explored across all of our Building Products operations, to ensure the optimum return on our land assets.

05. Questions

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That concludes the formal presentation, and we will now be happy to take any questions.

Appendix A – Brickworks Property Register (Australia)

Address	State	Area (Ha)
Wallgrove Road Horsley Park (Plants 1 & 2)	NSW	83
Old Wallgrove Rd Horsley Park (Plant 3)	NSW	88
Kiama Street, Bowral	NSW	9
Parry Drive, Bowral	NSW	12
Paddy's River, Marulan	NSW	91
Bunnygalore Rd, Bellanglo	NSW	41
Chesley Park, Berrima	NSW	51
Mandurama, Berrima	NSW	100
33-41 Cowpasture Rd, Wetherill Park	NSW	2
9- 105 Gardners Rd, Rochedale	QLD	62
German Church Rd, Redland	QLD	22
161 Ford Rd, Burbank	QLD	16
205 Ford Rd, Burbank	QLD	34
164 Viking Dr, Wacol	QLD	3
Bruce Hwy, Gympie	QLD	41
Corica Road, Mt Kelly	QLD	163
42 Blakey Street, Garbutt	QLD	1
9-15 Cornford Crescent, Ayr	QLD	2
Lot 1172 Goodburrrm Road, Welcome Creek	QLD	16
6 Greyhound Road, Ormeau	QLD	4
12 Greyhound Road, Ormeau	QLD	4
Ayr Industrial Estate, Lot 44-45 Bird Street	QLD	1
184 Burnside Rd, Yatala	QLD	4
Johnson St Parkhurst, Rockhampton	QLD	2
Golden Grove Factory	SA	49
Poultons Quarry, Golden Grove	SA	27
Dreckos Quarry, Golden Grove	SA	27
Denton's Fricker's, Golden Grove	SA	83

Address	State	Area (Ha)
1-3 Cressy Rd, Longford	TAS	12
1 Wilmores Lane, Longford	TAS	74
Wollert Factory, Craigieburn	VIC	279
Kilmore Road, Wallan	VIC	157
Lots 8,9 & 10, Elliot Rd, Dandenong	VIC	1
41-45 Elliott Rd, Dandenong	VIC	3
Atkinsons Rd, Buninyong	VIC	43
Craigieburn Rd, Craigieburn	VIC	332
Military Rd, Bellevue	WA	15
South Western Hwy, Armadale	WA	25
Lot 2, Pile Rd, Dardanup	WA	24
1055 Morangup Rd, Toodyay	WA	685
Lot 83, Great Northern Hwy, Chittering	WA	305
5030 Great Northern Hwy, Chittering	WA	136
2070 Great Northern Hwy, Bullsbrook	WA	40
Lot 201, Great Northern Hwy	WA	76
Lot 1 Martin Pelusey Road, Dardanup	WA	12
Lot 3 Martin Pelusey Road, Dardanup	WA	6
Lot 4 Waterloo-Dardanup Road, Dardanup	WA	5
Lot 25 South West Highway, Dardanup	WA	56
Lot 23 Railway Road, Waterloo	WA	47
Lot 26 Railway Road, Waterloo	WA	50
Lot 4 Railway Road, Waterloo	WA	21
Lot 5 Waterloo Rd, Waterloo	WA	103
Almeria Parade, Upper Swan	WA	20
South Kiln Road, Cardup	WA	105
North Kiln Rd, Cardup	WA	187
Total		3,857

Appendix B – Brickworks Property Register (North America)

Address	State	Area (Ha)
1166 Spring Street, Wyomissing (Corporate Office)	Pennsylvania	16
Bigler Plant- 24 Pinetop Road, Bigler	Pennsylvania	37
Reitz Quarry - Oliver Township, Jefferson County	Pennsylvania	130
Caledonia Plant- 5692 Rinker Road, Caledonia	Ohio	26
3785 Cardington-Iberia Rd, Iberia (Morrow County / M&B Quarry)	Ohio	73
3785 Cardington-Iberia Rd, Iberia (Pearce Quarry)	Ohio	83
Hanley Plant- 12637 Harrison St, Summerville	Pennsylvania	27
Iberia Plant- 3785 Cardington-Iberia Rd, Iberia	Ohio	15
Landmark Stone Plant- 267 Safety Way, Cynthiana	Kentucky	29
Marseilles Plant- 1401 Broadway Street, Marseilles	Illinois	40
2626 E 8th Road, Ogelsby (Starved Rock Quarry)	Illinois	78
2626 E 8th Road, Ogelsby (Starved Rock Quarry 2)	Illinois	80
Mid-Atlantic Plant- 423 S. Pottsville Pike, Shoemakersville	Pennsylvania	30
423 S. Pottsville Pike, Shoemakersville (Quarry 1 and 2)	Pennsylvania	424
423 S. Pottsville Pike, Shoemakersville (Quarry 3)	Pennsylvania	178
350 Ridge Road Shoemakersville	Pennsylvania	6
Bull Rd, Dover	Pennsylvania	40
4851 Davidsburg Rd, Dover	Pennsylvania	234
1465 Bowers Bridge Rd, Machester	Pennsylvania	104
2385 Mill Creek Rd, Dover	Pennsylvania	94
Brick Yard Road, New Oxford	Pennsylvania	116
Canal Road, Dover	Pennsylvania	156
200 Hartman Rd, Reading	Pennsylvania	4
Adel Plant	Iowa	117
Sergeant Bluff Plant	Iowa	79
Cushwa Plant	Maryland	161
Lawrenceville Plant	Virginia	243
Pittsburgh Plant	Pennsylvania	85
Rocky Ridge Plant	Maryland	288
Total		2,993

Appendix C – Property Trust Completed Assets

Estate	Tenant / Estate	Gross Rental (\$m p.a.)	WALE (yrs)	GLA (m²)	Cap. Rate	Asset Value (\$m)
M7 Hub	Capicure Estate	2.3	2.8	16,900		
	Southridge Estate	3.1	2.7	24,400		
	Reedy Creek Estate	2.9	2.7	23,000		
	Total	8.3	2.7	64,200	5.0%	167
Interlink Park	Linfox	7.7	4.0	51,300		
	Ubeco	1.5	3.2	10,900		
	Kimberly Clark	6.0	2.5	45,900		
	Woolworths	6.9	2.5	52,900		
	Jeminex	3.9	2.5	31,300		
	Total	26.0	3.0	192,200	4.8%	459
Oakdale Central	Lot 1B, 2 - DHL	1.9	-	10,400		
	Lot 1B,1 - DHL	3.1	6.2	26,200		
	Lot 1A - DHL	2.3	-	20,200		
	Lot 4 - DHL	4.0	0.6	31,700		
	Lot 2B - DHL	4.0	5.4	31,100		
	Lot 1C - DHL	3.1	5.8	27,000		
	Lot 3A (2-unit estate)	1.1	5.4	7,400		
	Lot 3C - Petbarn	3.9	4.6	31,500		
	Lot 4A	1.8	1.8	13,300		
	Rockett Benckissor	4.2	7.6	37,900		
	Lot 3D - DSV	1.1	5.8	8,300		
	Total	30.5	4.6	245,200	4.6%	633
Oakdale South	Lot 1B - Iron Mountain	2.2	12.8	19,500		
	Lot 3D - Briggs and Stratton	1.7	7.6	14,500		
	Lot 1A	1.4	4.8	12,400		
	Lot 5A - DHL	3.6	8.8	33,400		
	Linfox	3.7	4.0	31,600		
	Total	12.6	7.5	111,300	4.6%	279
Rosedale	JFC/ Franklyn	2.7	5.6	21,700		
	SuperAmart	5.3	16.4	50,600		
	Lot 4	1.2	3.2	10,500		
	Beaumont Tiles	1.7	6.9	12,900		
	Total	10.9	10.8	95,600	5.1%	211
Total		88.3	5.1	708,500	4.8%	1,749

Thank you

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

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