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ASX RELEASE **23 SEPTEMBER 2021**

BRICKWORKS DELIVERS RECORD UNDERLYING NPAT OF $285 MILLION

- **Record underlying NPAT from continuing operations of $285 million, up 95%**
- **Statutory NPAT $239 million, down 20%**
- **Value of WHSP stake up $1.2 billion during the year, currently valued at $3.4 billion[1]**
- **Net value of Property Trust (50% share) up $184 million to $911 million, buoyed by strong structural tailwinds**
- **Building Products Australia EBITDA $97 million, up 7%**
- **Building Products North American EBITDA US$20 million, up 10%**
- **Final dividend of 40 cents per share, continuing a 45-year record of maintaining or increasing dividends**
- **The WHSP merger with MLT makes Brickworks the largest shareholder in Australia's leading investment house**

Record underlying NPAT, dividend increased

Brickworks (ASX: BKW) today announced record underlying Net Profit After Tax (NPAT) from continuing operations of $285 million for the year ended 31 July 2021, up 95% from the prior year. Including the impact of significant items and discontinued operations, the statutory NPAT was $239 million, down 20% from the prior year, which included a large one-off profit in relation to the Company's investment in WHSP.

Underlying earnings before interest, tax and depreciation (EBITDA) from continuing operations was $453 million, up 61%. Including depreciation and amortisation, EBIT was $383 million, up 86%.

Directors declared a fully franked final dividend of 40 cents per share, an increase of 1 cent. Including the interim dividend, this takes the full year dividend payment to 61 cents per share, fully franked. The record date for the final dividend is 3 November 2021, with payment on 24 November 2021.

A summary of the results is shown in the table below.

Year Ended July ($million)	FY20[2]	FY21	Change
Total Revenue	950	**890**	(6%)
Underlying EBITDA	281	**453**	61%
Underlying EBIT	206	**383**	86%
Underlying NPAT	146	**285**	95%
Statutory NPAT *(including significant items and discontinued operations)*	298	**239**	(20%)
Underlying EPS (cents)	98	**189**	93%
Statutory EPS (cents)	199	**158**	(20%)
Final dividend (cents)	39	**40**	3%
Total full year dividend (cents)	59	**61**	3%

[1] As at close of trade on 21 September 2021
[2] Certain comparative amounts have been restated as a result of changes to the accounting policy in respect of Software as a Service ("SaaS") arrangements following the IFRS Interpretations Committee agenda decision published in April 2021 (refer to Note 7.6 in the Financial Statements)

Continued strong asset growth

Chairman of Brickworks, Mr. Robert Millner said: "Brickworks' business model is focussed on building a diversified portfolio of assets with increasing value. Therefore, in addition to delivering record underlying earnings, I am particularly pleased to report an exceptional year of asset growth for our Company."

"The value of our 39.4% stake in WHSP increased by $1.2 billion over the period. Including further gains since the end of the year, the market value of this investment now stands at around $3.4 billion. Adding the net asset value of our Property and Building Products assets, and taking into account net debt, the total asset backing is $4.8 billion[3]."

"On a per share basis, our asset value has increased by 149% over the past ten years, and now stands at almost $32. This level of asset backing provides considerable support for our current share price".

Property Trust value up a further $184 million, buoyed by strong structural tailwinds

Property delivered a record full-year result, generating EBIT of $253 million, due primarily to earnings from the 50/50 joint venture property trust with the Goodman Group ("Property Trust").

Property Trust assets were revalued during the year and this resulted in another strong revaluation gain of $149 million. In addition, a land sale profit of $52 million was recorded, primarily relating to the recognition of unrealised profits associated with the prior sale of Oakdale West, after a number of lease agreements became unconditional. Brickworks share of the net rental income increased by 3% to $31 million.

Total assets held within the Property Trust now stand at almost $2.7 billion. After including debt, Brickworks' share of net assets was $911 million at the end of the year, up by another $184 million.

Brickworks Managing Director, Mr. Lindsay Partridge said: "It has been another great year for Property, with record earnings and continued strong growth in the value of the Property Trust. Unprecedented customer demand for industrial property has resulted in lease pre-commitments ending the year at a record level."

"The rapid growth in online shopping has increased the importance of well-located distribution hubs and sophisticated supply chain solutions. This was highlighted by a number of significant industrial property transactions in western Sydney over the past 6 months, with the pricing of these transactions underpinning the valuations of our high-quality portfolio."

Building Products Australia EBITDA $97 million, up 7%

On relatively steady revenue of $687 million, Building Products Australia EBITDA was up 7% to $97 million for the year, and EBIT was $44 million, up 36%. The higher earnings were primarily due to a broad-based reduction in operating costs, supporting improved margins across all business units and regions.

Mr. Partridge said: "It was a year of steady progress for Building Products Australia. Early in the financial year, sales were subdued, due primarily to disruptions and uncertainty at the start of the pandemic. However, as the year progressed, demand improved in response to the government stimulus measures put in place to boost housing activity across the country."

"Whilst underlying demand was strong and broad-based across all states, sales momentum was stifled by intermittent lock-downs in our two largest markets, Sydney and Melbourne."

"Across other states, sales were very strong in the second half. The performance of Austral Bricks in Queensland was a stand-out, with a significant uplift in earnings driven by increased detached house building, market share growth, and strong operational performance of the Rochedale plant following upgrade works completed over the past few years."

Mr. Partridge said the Company is continuing to invest in other key markets across the country: "Our new Oakdale East masonry plant in Sydney reached practical completion in July, and the team is currently working through commissioning. Meanwhile, construction of our brick facility at Horsley Park in Sydney is also well underway."

"Both of these projects have experienced significant interruptions over the past 18 months, particularly due to travel bans that have restricted the mobility of our engineering crews and overseas-based suppliers. However, our teams have shown great persistence and initiative to overcome these unprecedented challenges and keep these projects moving forward."

[3] As at the close of trade on 21 September 2021

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Building Products North America EBITDA US$20 million, up 10%

On marginally lower sales revenue of US$152 million, Building Products North America EBITDA was up 10% to US$20 million (AU$26 million) for the year, and EBIT was down 6% to US$6 million (AU$9 million).

Building activity in Glen-Gery's key non-residential markets was lower, with sales activity across several states being restricted for various periods during the first half. In addition, manufacturing operations were directly impacted due to COVID-19 cases across the workforce, resulting in significant challenges maintaining safe working practices at the height of the pandemic.

Mr. Partridge said: "The revenue and earnings delivered in financial year 2021 were significantly impacted by the pandemic, and do not accurately reflect the rapid growth phase currently underway and the significant achievements of the North American business over the past twelve months."

"Significant rationalisation of manufacturing plants and retail outlets has been accelerated through the pandemic. The number of operating brick plants has been reduced from 16 to 10, resulting in the average age of the kiln fleet being halved, and all but one kiln being fully automated. This process has involved the transfer of almost 200 products to new plants and required a significant effort from technical staff across the business.

"In August, we announced our further expansion in the US, with the acquisition of IBC[4], the leading brick distributor in Illinois and Indiana. This will significantly increase the scale of our direct distribution network, increasing our store count from 10 to 27."

"Importantly, sales volume through the IBC network will underpin production volume at our Midwest plants, which have ample capacity to accommodate additional sales growth."

"Since our entry into the United States three years ago, we have now completed three additional bolt-on acquisitions, bringing our total workforce in the United States to more than 1,000. I am extremely proud of our team, who have navigated this newly consolidated business through an extreme set of circumstances over the past 18 months, whilst also making strong progress on our numerous strategic initiatives."

Brickworks becomes the largest shareholder in Australia's leading investment house

The merger of WHSP (ASX: SOL) and Milton Corporation (ASX: MLT) became effective on 21 September, thus creating a diversified investment company with total net asset value of over $9 billion.

Due to the addition of new MLT shareholders to the register, Brickworks share of the larger WHSP will reduce to 26.1% (previously 39.4%).

The merger will trigger a one-off non-cash profit to Brickworks, due to the deemed disposal of WHSP shares. This profit is expected to be in the range of $375-425 million (after-tax), and will be recorded in the first half of the 2022 financial year.

Mr. Partridge said: "We are proud to be the largest shareholder in the expanded WHSP, which can now be considered as Australia's leading investment house. The merger provides WHSP with increased scale, diversification and liquidity to pursue additional investment opportunities, and we expect WHSP to continue to deliver superior long-term returns and consistent dividend growth well into the future."

Group Outlook

Brickworks is in a strong position, with conservative gearing and a diversified portfolio of attractive assets.

Mr Partridge said: "Development activity within the Property Trust is continuing at an unprecedented scale. This includes the construction of new facilities to meet lease pre-commitments across our Estates in Sydney and Brisbane. The completion of these facilities within the next two years will result in gross rent within the Trust increasing by around 60%, with significant further land remaining for development."

"Within Building Products Australia, underlying demand across the country is strong, with a large backlog of detached house construction work in the pipeline. In New South Wales, sales in the first two months of the financial year have been impacted by the latest outbreak of COVID-19, however I am pleased to report that despatches are now back to around 90% of the level immediately prior to the outbreak. In response to the increasing sales, we have re-started our second kiln at Plant 3, Horsley Park, that had been temporarily shut down in late July."

[4] The acquisition comprised certain assets of Southfield Corporation, including Illinois Brick Company ("IBC").

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"In the short term significant uncertainty persists, with the potential for new restrictions remaining ever-present across all states. A case in point is the snap two-week shutdown of construction sites in Melbourne, as announced by the Victorian government on Monday."

"However, with vaccination rates across the country now approaching government targets, we are hopeful that by the second half of the 2022 financial year, the prospect of any further restrictions will be behind us, and all states will simultaneously experience an elevated period of activity."

"In North America, sales momentum is gathering. Assuming there are no major disruptions caused by the pandemic, we expect higher earnings from this business in the 2022 financial year, driven by improving sales volume, the benefits of prior period plant rationalisation and upgrades, our investment in sales and marketing initiatives, and the additional contribution from IBC."

"As I have mentioned, we are also excited by the long-term prospects for WHSP, following the merger with Milton".

Results briefing

Managing Director Lindsay Partridge and Chief Financial Officer Robert Bakewell will present Brickworks' results via webcast at 12.30pm today. The briefing will be webcast live on the following link: https://www.streamgate.co/brickworks/

Questions may be asked by following the prompts on screen.

About Brickworks (ASX: BKW)

Brickworks has been building the Australian dream for over a century. Today, Brickworks is more than Australia's largest and most trusted brick manufacturer. It comprises a diversified portfolio of attractive assets, offering shareholders stability and long-term growth. The Company has a proud track record, having paid a dividend every year since listing on the ASX in 1962. Brickworks comprises four divisions – Building Products Australia, Building Products North America, Industrial Property, and Investments.

Building Products Australia includes Austral Bricks, the country's largest bricks producer, and other leading brands such as Austral Masonry, Austral Precast and Bristile Roofing. Building Products North America is the leading brick producer in the north-east of the United States and includes the flagship brand of Glen-Gery.

On surplus land assets, Brickworks has developed extensive industry property assets in conjunction with Joint Venture partner the Goodman Group. These facilities help our customers to meet the supply chain needs of the growing digital economy.

Brickworks also has a long-standing investment in Washington H. Soul Pattinson, a diversified investment house and ASX100 company. This investment has delivered outstanding returns for the company and provides stability and growing cash dividends.

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

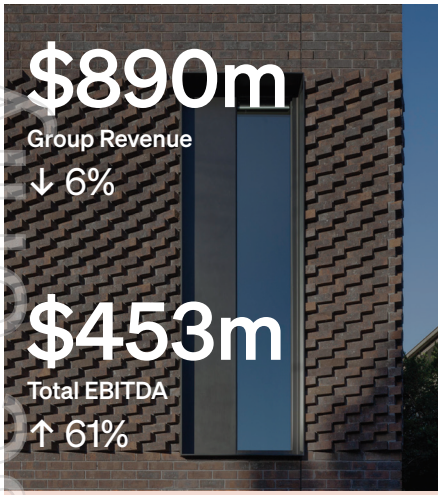
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Brickworks FY2021 Results Snapshot

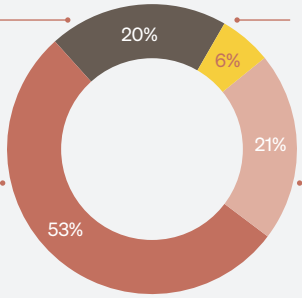
BRICKWORKS



Overview of underlying EBITDA

Building Products Australia
EBITDA
$97m ↑7%

Building Products North America
EBITDA
$26m ↓1%



Property
EBITDA
$253m ↑95%

Investments
EBITDA
$97m ↑91%

$285m
Underlying profit
↑ 95%

$239m
Statutory profit
↓ 20%

$519m
Net debt
21% Gearing

$3,367m
Market value of WHSP shareholding
as at 21 September

$911m
Property Trust net asset value

$1,036m
Building Products net tangible assets

$4,796m
Total inferred asset value
including net debt

Building Products Australia



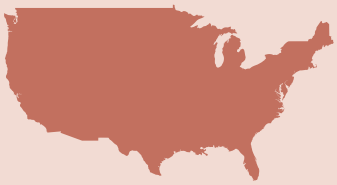
$687m
revenue

1160
employees

28
manufacturing sites

0.4
safety (LTIFR)

Building Products North America



$202m
revenue

801
employees

11
manufacturing sites

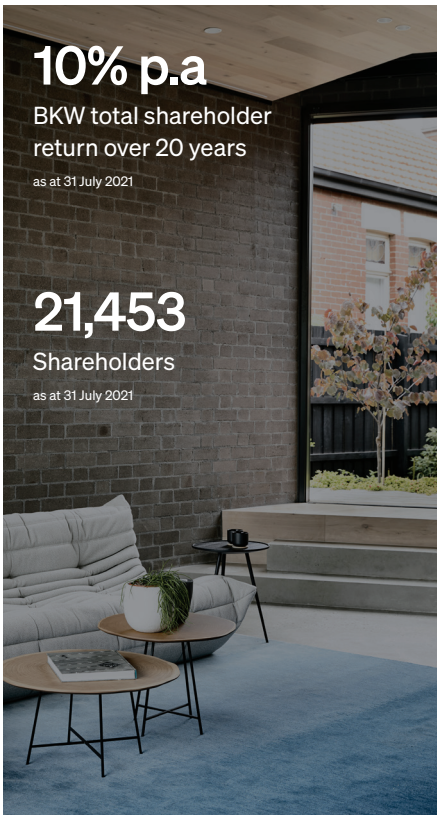
6.2
safety (LTIFR)

189 cents
Underlying earnings per share
↑ 93%

158 cents
Statutory earnings per share
↓ 20%

40 cents
Final ordinary dividend
↑3%
record date 3 November
payment date 24 November

61 cents
Total full year dividend
↑3%



All underlying profit and earnings measures exclude significant items and discontinued operations

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