

# Results for Announcement to the Market

## James Hardie Industries plc

ARBN 097 829 895

Half Year Ended 30 September 2021				
Key Information	Half Year Ended 30 September			
	FY 2022 US\$M	FY 2021 US\$M	Movement	
Net Sales From Ordinary Activities	1,746.5	1,363.1	Up	28%
Profit From Ordinary Activities After Tax Attributable to Shareholders	271.5	96.2	Up	182%
Net Profit Attributable to Shareholders	271.5	96.2	Up	182%
Net Tangible Assets per Ordinary Share	US\$2.12	US\$1.79	Up	18%

### Dividend Information

- A FY2022 first half ordinary dividend ("FY2022 first half dividend") of US40.0 cents per security is payable to CUFS holders on 17 December 2021.
- The record date to determine entitlements to the FY2022 first half dividend is 19 November 2021 (on the basis of proper instruments of transfer received by the Company's registrar, Computershare Investor Services Pty Ltd, Level 4, 60 Carrington Street, Sydney NSW 2000, Australia, by 5:00pm if securities are not CHESS approved, or security holding balances established by 5:00pm or such later time permitted by ASTC Operating Rules if securities are CHESS approved).
- The FY2022 first half dividend and future dividends will be unfranked for Australian taxation purposes.
- The Company was required to deduct Irish DWT of 25% of the gross dividend amount from this dividend and will be required to for future dividends, unless the beneficial owner has completed and returned a non-resident declaration form (DWT Form).
- The Australian currency equivalent amount of the FY2022 first half dividend paid to CUFS holders will be announced after the record date.
- No dividend reinvestment plan is currently in operation for the FY2022 first half ordinary dividend.
- The FY2021 special dividend ("FY2021 special dividend") of US0.70 cents per security was paid to CUFS holders on 30 April 2021.

### Movements in Controlled Entities during the half year Ended 30 September 2021

There were no movements in controlled entities during the half year ended 30 September 2021.

### Associates and Joint Venture Entities

FELS Recycling GmbH (51%); Aplicaciones Minerales S.A. (28%)

### Review

The results and information included within this Report have been prepared using US GAAP and have been subject to an independent review by external auditors.

### Results for the three months and Half Year Ended 30 September 2021

#### Contents

1. Media Release
2. Management's Analysis of Results
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James Hardie Industries plc is incorporated under the laws of Ireland with its corporate seat in Dublin, Ireland. The liability of members is limited. The information contained in the above documents should be read in conjunction with the James Hardie 2021 Annual Report which can be found on the company website at <https://ir.jameshardie.com.au/>.

## **James Hardie Industries Announces Record Second Quarter Fiscal Year 2022 Results**

**Delivered Record Quarterly Net Sales, Adjusted EBIT & Adjusted Net Income**

**Global Net Sales +23% to US\$903.2 Million for the Second Quarter**

**Adjusted Net Income +29% to US\$154.9 Million for the Second Quarter**

**Raises Fiscal Year 2022 Adjusted Net Income Guidance Range to US\$580 Million and US\$600 Million from US\$550 Million and US\$590 Million**

**Declares Ordinary Dividend of US\$ 40 cents per share**

**James Hardie Industries plc (ASX: JHX; NYSE: JHX)**, the world's #1 producer and marketer of high-performance fiber cement and fiber gypsum building solutions, announced record results for its second quarter fiscal year 2022, the three-month period ending 30 September 2021.

### **Second Quarter Fiscal Year 2022 Highlights, Compared to Second Quarter Fiscal Year 2021:**

- North America Fiber Cement Segment Net Sales increased +23% to US\$635.3 million and Adjusted EBIT increased +23% to US\$182.5 million, with an Adjusted EBIT margin of 28.7%
- Europe Building Products Segment Net Sales increased +23% to €104.6 million and Adjusted EBIT increased +51% to €14.2 million, with Adjusted EBIT margin expansion of 250 basis points to 13.6%
- Asia Pacific Fiber Cement Segment Net Sales increased +15% to A\$196.6 million and Adjusted EBIT increased +12% to A\$60.6 million, with an Adjusted EBIT margin of 30.8%
- Global Adjusted EBIT increased +26% to US\$205.7 million, with Adjusted EBIT margin expansion of 70 basis points to 22.8%
- Global Net Sales increased +23% on Global Volume growth of +14%, as all three regions continue to build momentum on executing the global strategy of driving high value product mix penetration

This second quarter marked our tenth consecutive quarter of delivering growth above market and strong returns. As outlined in our investor day in May 2021, we described our three critical strategic initiatives for fiscal year 2022 through fiscal year 2024: (1) market directly to homeowners to accelerate demand creation, (2) penetrate and drive profitable growth in existing and new segments, especially in Repair & Remodel; and (3) commercialize global innovations by expanding into new categories. Further, we discussed our focus on driving a high value product mix in all three regions.

James Hardie CEO, Dr. Jack Truong, said, “We continue to make excellent progress on our stated global strategy. Our strong execution on this strategy is reflected in second quarter Global Price/Mix growth of +9%, including North America Price/Mix growth of +9%, Europe Price/Mix growth of 8% and Asia Pacific Price/Mix growth of +4%. Our growth momentum in accelerating high value products penetration, which underpins Price/Mix, is the result of 1) enabling our customers to make more money by selling more James Hardie products and 2) marketing directly to the homeowners to create demand of our high value products through our customers.” Dr. Truong continued, “During the second quarter, we continued the commercialization of Hardie® Textured Panels in North America, Hardie™ Fine Texture Cladding in Australia, and Hardie® VL Plank in Europe. These products along with the entirety of our high value product mix provide homeowners with products that combine long lasting beauty and endless design possibilities, with trusted protection and low maintenance.”

Commenting on the second quarter financial results, Dr. Truong stated, “This is the fourth consecutive quarter where all three regions delivered double-digit sales growth and double-digit EBIT growth. Globally, quarterly Net Sales grew +23% to US\$903.2 million, a new record. Execution on delivering our high value product mix strategy is gaining momentum leading to Global Net Sales increasing +23% on Global volume growth of +14%.” Dr. Truong continued, “Global Adjusted EBIT increased +26% to US\$205.7 million, also a new record. Global Adjusted EBIT margin expanded 70 bps to 22.8%. Importantly, the shift to driving growth with a high value product mix combined with the continued execution of LEAN, has enabled us to absorb both high input costs and significant investments in marketing and innovation”.

Commenting on Global capacity additions, Dr. Truong stated, “With the growth momentum we have in delivering high value products, we are now investing in a transformational global capacity expansion program in all three regions. This capacity expansion program reflects our confidence in our ability to drive growth for our high value products by continuing to penetrate new and existing markets through innovation and marketing directly to the homeowners. As we announced last quarter, we expect our global capital expenditure to be between US\$250 million and US\$350 million per year during FY22, FY23 and FY24.”

In addition to previously announced projects, we will be investing in the following capacity expansions by region during FY22 – FY24:

- *North America:*
  - Brownfield capacity expansion of our Prattville, Alabama site with the addition of Sheet Machines #3 & #4
  - Purchase of land for a future greenfield site in the United States
- *Europe:*
  - Fiber Gypsum brownfield expansion at our site in Orejo, Spain
  - Fiber Cement greenfield expansion
- *APAC:*
  - Greenfield expansion in Victoria, Australia

Dr. Truong concluded, “Our mission is to be a high-performance global company that delivers organic growth above market with strong returns, consistently. Ten consecutive quarters of growth above market with strong returns has led to an acceleration in operating cash flow, which is allowing us to: expand our Global manufacturing capacity, accelerate our growth initiatives, return to ordinary dividends, reduce our debt position, and increase the cash contributions to the Asbestos Injuries Compensation Fund (AICF).”

## **Second Quarter Fiscal Year 2022 Results Compared to Second Quarter Fiscal Year 2021 Results**

*Global:* Global Net Sales increased +23% to US\$903.2 million, a record, while Global Adjusted EBIT increased +26% to US\$205.7 million, also a record. Global Adjusted Net Income increased +29% to a record US\$154.9 million, compared to US\$120.5 million. Global Adjusted EBIT margin of 22.8%, supported by continued operational improvement across all three operating regions: North America, Europe and Asia Pacific.

*North America Fiber Cement Segment:* Net Sales increased +23% to US\$635.3 million, a record, driven by growing momentum in the execution of our high value product mix strategy that delivered Price/Mix growth of +9%, with strong volume growth of +14% in the quarter. Execution of our push/pull strategy continued to deliver market share gains with Exteriors volume growth of +16%. LEAN manufacturing initiatives continued to generate improved performance across the Company’s North American manufacturing network, helping to deliver +23% Adjusted EBIT growth to a record US\$182.5 million at a 28.7% Adjusted EBIT margin.

Dr. Truong remarked, “Our North America business delivered an exceptional and record quarter for Net Sales and EBIT driven by the region’s execution of the high value product mix strategy. With 1) our commercial team partnering closely with our customers, 2) our focus on creating demand by marketing directly to the homeowner, and 3) the additional capacity provided by our on-time ramp up of Prattville Sheet Machines #1 & #2, we believe we are poised to continue to drive strong Net Sales growth with strong returns while gaining market share.”

*Europe Building Products Segment:* Net sales increased +23% to €104.6 million, as we partnered with our customers to drive a high value product mix, this resulted in Price/Mix growth of +8%. Fiber cement Net Sales grew +40%. Adjusted EBIT increased +51% to €14.2 million, with an Adjusted EBIT margin of 13.6%. Adjusted EBIT margin expansion was driven by strong Net Sales, very good growth of high margin fiber cement products and fiber gypsum flooring products, and LEAN manufacturing savings, partially offset by higher input costs.

Dr. Truong remarked, “It is very pleasing to see transformation and momentum building in our European business. This is the fourth consecutive quarter of double-digit Net Sales growth and double-digit Adjusted EBIT margins. Our Strategy of delivering high value products resulted in fiber cement sales growing +40% and fiber gypsum sales growing +20% in the quarter.”

*Asia Pacific Fiber Cement Segment:* Net sales increased +15% to A\$196.6 million, a record. Adjusted EBIT increased +12% to A\$60.6 million, also a record, at an Adjusted EBIT margin of 30.8%. Similar to North America and Europe, our Australia and New Zealand businesses gained traction and momentum in the execution of our high value product mix strategy, with a Price/Mix growth of +9% in the quarter.



Dr. Truong remarked, "The APAC region has delivered another strong set of results. Building momentum with high value products and partnering closely with our customers has allowed Australia and New Zealand to deliver strong Price/Mix growth for the quarter."

### **Sustainability**

At James Hardie, we are all committed to Building Sustainable Communities. This commitment is to 1) the smallest of communities - the individual household, 2) the James Hardie community, 3) the local communities in which we live and operate and 4) the largest of all communities, the global ecosystem. To build sustainable communities, we aim to transform the way the world builds with products that are, safer, higher performing, more beautiful and more sustainable. Commenting on Sustainability, Dr. Truong stated "Sustainability and ESG are a part of our strategy, it is not a separate and distinct initiative, but rather it is woven into how we operate and core to our strategy."

For more on our commitment to Sustainability including our goals, see our FY21 Sustainability Report at <https://ir.jameshardie.com.au/esg/sustainability>

### **Capital Resources**

Strong operating cash flow generation of US\$357.5 million in the first half was driven by continuous improvement in our LEAN manufacturing performance, strong profitable organic sales growth and the integration of our supply chain with our customers. Working capital improved by US\$4.9 million during the first half of fiscal year 2022. We achieved global LEAN savings of US\$155.4 million over the 30-month period since the inception of LEAN, including US\$110.7 million LEAN savings in North America. We have already surpassed our North America business' 3 year LEAN savings commitment of US\$100 million, and 6 months early.

James Hardie CFO, Jason Miele, stated, "We continued to deliver strong cash flow generation in the first half, with operating cash flow of US\$357.5 million. Our continued strong cash flow has enabled us to reinstate returns to shareholders, with an ordinary dividend for the first half of fiscal year 2022, which we declared today of US\$ 40 cents per share. The record date is November 19th, with payment on December 17th. Our strong cash flows have also helped to continue to improve our contributions to the AICF, contributions in FY21 and FY22 will total A\$549.1 million, and through 30 September 2021 we have now contributed A\$1.7 billion since the inception of the AICF. We are pleased that the AICF now has a balance of cash and investments totaling over A\$253 million as of 31 October 2021."

### **Outlook and Earnings Guidance**

Based on the continued, strong execution of the global strategy across all three regions and the expectation for continued residential and market growth in the USA, the Company is raising its guidance for fiscal year 2022, ending 31 March 2022. Management now expects fiscal year 2022 Adjusted Net Income to be between US\$580 million and US\$600 million, compared to the prior range of US\$550 million and US\$590 million. The comparable prior year Adjusted Net Income for fiscal year 2021 was US\$458.0 million.

James Hardie's guidance is based on current estimates and assumptions and is subject to several known and unknown uncertainties and risks, including those related to the COVID-19 pandemic. James Hardie continues to assess the impacts and the uncertainties of the COVID-19 pandemic on the geographic locations in which it operates, and the continuing impact of the pandemic on the Company's business and future financial performance remains uncertain.

## Key Financial Information

	Q2 FY22	Q2 FY21	Change	1H FY22	1H FY21	Change
<b>Group (US\$ millions)</b>						
Net Sales	\$ 903.2	\$ 736.8	23%	\$ 1,746.5	\$ 1,363.1	28%
Adjusted EBIT	205.7	163.1	26%	386.2	288.0	34%
Adjusted EBIT Margin	22.8%	22.1%	0.7 pts	22.1%	21.1%	1.0 pts
Adjusted Net Income	154.9	120.5	29%	289.1	209.8	38%
Operating Cash Flow				357.5	416.8	-14%
<b>North America Fiber Cement (US\$ millions)</b>						
Net Sales	\$ 635.3	\$ 515.0	23%	\$ 1,212.4	\$ 966.8	25%
Adjusted EBIT	182.5	148.6	23%	351.8	279.5	26%
Adjusted EBIT Margin	28.7%	28.9%	- 0.2 pts	29.0%	28.9%	0.1 pts
<b>Asia Pacific Fiber Cement (A\$ millions)</b>						
Net Sales	A\$ 196.6	A\$ 170.6	15%	A\$ 380.7	A\$ 309.3	23%
Adjusted EBIT	60.6	54.1	12%	111.0	87.7	27%
Adjusted EBIT Margin	30.8%	31.7%	- 0.9 pts	29.2%	28.6%	0.6 pts
<b>Europe Building Products (€ millions)</b>						
Net Sales	€ 104.6	€ 85.3	23%	€ 207.9	€ 160.7	29%
Adjusted EBIT	14.2	9.4	51%	27.7	11.4	143%
Adjusted EBIT Margin	13.6%	11.1%	2.5 pts	13.3%	7.4%	5.9 pts

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## **Further Information**

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Readers are referred to the Company's Condensed Consolidated Financial Statements and Management's Analysis of Results for the second quarter ended 30 September 2021 for additional information regarding the Company's results, including information regarding income taxes, the asbestos liability and contingent liabilities.

## **Management Briefing for Analysts, Investors and Media**

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James Hardie will conduct a teleconference and audio webcast for analysts, investors and media on Tuesday 9 November 2021, 9:00am Sydney, Australia time (Monday 8 November 2021, 5:00pm New York City, USA time). Analysts, investors and media can access the management briefing via the following:

- Live Webcast: <https://edge.media-server.com/mmc/p/9oaz5n2z>
- Live Teleconference Registration: <https://s1.c-conf.com/diamondpass/10016679-3mf86h.html>

All participants wishing to join the teleconference will need to pre-register by navigating to <https://s1.c-conf.com/diamondpass/10016679-3mf86h.html>

Once registered, you will receive a calendar invite with dial-in numbers and a unique PIN which will be required to join the call.

- Webcast Replay: Will be available two hours after the Live Webcast concludes at [https://ir.jameshardie.com.au/jh/results\\_briefings.jsp](https://ir.jameshardie.com.au/jh/results_briefings.jsp)

## **Use of Non-GAAP Financial Information; Australian Equivalent Terminology**

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This Media Release includes financial measures that are not considered a measure of financial performance under generally accepted accounting principles in the United States (GAAP), such as Adjusted net income and Adjusted EBIT. These non-GAAP financial measures should not be considered to be more meaningful than the equivalent GAAP measure. Management has included such measures to provide investors with an alternative method for assessing its operating results in a manner that is focused on the performance of its ongoing operations and excludes the impact of certain legacy items, such as asbestos adjustments. Additionally, management uses such non-GAAP financial measures for the same purposes. However, these non-GAAP financial measures are not prepared in accordance with GAAP, may not be reported by all of the Company's competitors and may not be directly comparable to similarly titled measures of the Company's competitors due to potential differences in the exact method of calculation. The Company is unable to forecast the comparable US GAAP financial measure for future periods due to, amongst other factors, uncertainty regarding the impact of actuarial estimates on asbestos-related assets and liabilities in future periods. For additional information regarding the non-GAAP financial measures presented in this Media Release, including a reconciliation of each non-GAAP financial measure to the equivalent GAAP measure, see the section titled "Non-GAAP Financial Measures" included in the Company's Management's Analysis of Results for the second quarter ended 30 September 2021.

In addition, this Media Release includes financial measures and descriptions that are considered to not be in accordance with GAAP, but which are consistent with financial measures reported by Australian companies, such as EBIT and EBIT margin. Since the Company prepares its Consolidated Financial Statements in accordance with GAAP, the Company provides investors with definitions and a cross-reference from the non-GAAP financial measure used in this Media Release to the equivalent GAAP financial measure used in the Company's Consolidated Financial Statements. See the section titled "Non-GAAP Financial Measures" included in the Company's Management's Analysis of Results for the second quarter ended 30 September 2021.

### **Forward-Looking Statements**

This Media Release contains forward-looking statements and information that are necessarily subject to risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of James Hardie to be materially different from those expressed or implied in this release, including, among others, the risks and uncertainties set forth in Section 3 "Risk Factors" in James Hardie's Annual Report on Form 20-F for the year ended 31 March 2021; changes in general economic, political, governmental and business conditions globally and in the countries in which James Hardie does business; changes in interest rates; changes in inflation rates; changes in exchange rates; the level of construction generally; changes in cement demand and prices; changes in raw material and energy prices; changes in business strategy and various other factors. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein. James Hardie assumes no obligation to update or correct the information contained in this Media Release except as required by law.

This media release has been authorized by the James Hardie Board of Directors.

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### **Investor/Media/Analyst Enquiries:**

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James Hardie Industries plc is a limited liability company incorporated in Ireland with its registered office at Europa House, 2nd Floor, Harcourt Centre, Harcourt Street, Dublin 2, D02 WR20, Ireland

## Management's Analysis of Results

This Management's Analysis of Results forms part of a package of information about James Hardie Industries plc's results. It should be read in conjunction with the other parts of this package, including the Media Release, the Management Presentation and the Condensed Consolidated Financial Statements. Except as otherwise indicated in this Management's Analysis of Results, James Hardie Industries plc is referred to as "JHI plc." JHI plc, together with its direct and indirect wholly-owned subsidiaries, are collectively referred to as "James Hardie," the "Company," "we," "our," or "us." Definitions for certain capitalized terms used in this Management's Analysis of Results can be found in the section titled "Non-GAAP Financial Measures."

This Management's Analysis of Results includes financial measures that are not considered a measure of financial performance under generally accepted accounting principles in the United States ("GAAP"). These non-GAAP financial measures should not be considered to be more meaningful than the equivalent GAAP measures. Management has included such measures to provide investors with an alternative method for assessing its financial condition and operating results in a manner that is focused on the performance of its ongoing operations. These measures exclude the impact of certain legacy items, such as asbestos adjustments, or significant non-recurring items, such as asset impairments, restructuring expenses, as well as adjustments to tax expense. In addition, management provides an adjusted effective tax rate, which excludes the tax impact of the pre-tax special items (items listed above) and tax special items. Management believes that this non-GAAP tax measure provides an ongoing effective rate which investors may find useful for historical comparisons and for forecasting and is an alternative method of assessing the economic impact of taxes on the Company, as it more closely approximates payments to taxing authorities. Management uses such non-GAAP financial measures for the same purposes. These non-GAAP measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. These non-GAAP financial measures are not prepared in accordance with GAAP, may not be reported by all of the Company's competitors and may not be directly comparable to similarly titled measures of the Company's competitors due to potential differences in the exact method of calculation. For additional information regarding the non-GAAP financial measures presented in this Management's Analysis of Results, including a reconciliation of each non-GAAP financial measure to the equivalent GAAP measure, see the section titled "Non-GAAP Financial Measures." In addition, this Management's Analysis of Results includes financial measures and descriptions that are considered to not be in accordance with GAAP, but which are consistent with financial measures reported by Australian companies. Since James Hardie prepares its consolidated financial statements in accordance with GAAP, the Company provides investors with definitions and a cross-reference from the non-GAAP financial measure used in this Management's Analysis of Results to the equivalent GAAP financial measure used in the Company's Consolidated Financial Statements. See the section titled "Non-GAAP Financial Measures."

These documents, along with an audio webcast of the Management Presentation on 9 November 2021, are available from the Investor Relations area of our website at <http://www.ir.jameshardie.com.au>

### Investor/Media/Analyst Inquiries:

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## Overview

James Hardie Industries plc is a world leader in the manufacturing of fiber cement building solutions, and a market leader in fiber gypsum and cement-bonded boards in Europe. Our fiber cement building materials includes a wide-range of products for both external and internal use across a broad range of applications. We have four reportable segments: North America Fiber Cement, Asia Pacific Fiber Cement, Europe Building Products and Research and Development.

## 2nd Quarter Financial Highlights

US\$ Millions (except per share data)	Three Months Ended 30 September		
	FY22	FY21	Change
Net sales	\$ 903.2	\$ 736.8	23%
Gross margin (%)	36.4	36.5	(0.1 pts)
EBIT	215.0	146.5	47%
EBIT margin (%)	23.8	19.9	3.9 pts
Adjusted EBIT <sup>1</sup>	205.7	163.1	26%
Adjusted EBIT margin (%) <sup>1</sup>	22.8	22.1	0.7 pts
Net income	150.1	86.8	73%
Adjusted Net income <sup>1</sup>	154.9	120.5	29%
Earnings per share - diluted	\$ 0.34	\$ 0.20	
Adjusted earnings per share - diluted <sup>1</sup>	\$ 0.35	\$ 0.27	

<sup>1</sup> See section titled "Non-GAAP Financial Measures" for a reconciliation to the equivalent GAAP measure

- **Net sales** increased 23% to US\$903.2 million, driven by global volume growth of 14% and 9% Price/Mix growth as we continue to execute our global strategy of driving high value product mix.
- **Adjusted EBIT** increased 26% to US\$205.7 million with an adjusted EBIT margin of 22.8%. On a global basis, the shift to driving growth with a high value product mix combined with the continued execution of LEAN, enabled us to absorb both higher input costs and significant investments in marketing and innovation, which led to an increase in SG&A of 17%.

In the first quarter, the Company announced its critical strategic initiatives for the next three fiscal years. These include: (1) marketing directly to homeowners to accelerate demand creation, (2) penetrating and driving profitable growth in existing and new segments and (3) commercializing global innovations. Further, the Company reiterated its focus on continuing to drive a high value product mix in all three operating segments. The second quarter consolidated results illustrate the strong momentum of delivering on these stated strategic goals. Additionally, we continued the commercialization of Hardie® Textured Panels in North America, Hardie™ Fine Texture Cladding in Australia, and Hardie® VL Plank in Europe.



## North America Fiber Cement Segment

Operating results for the North America Fiber Cement segment were as follows:

US\$ Millions	Three Months and Six Months Ended 30 September					
	Q2 FY22	Q2 FY21	Change	6 Months FY22	6 Months FY21	Change
Volume (mmsf)	781.0	686.7	14%	1,519.9	1,296.4	17%
Fiber cement net sales	635.3	515.0	23%	1,212.4	966.8	25%
Gross profit			24%			26%
Gross margin (%)			0.1 pts			0.3 pts
EBIT	182.5	148.6	23%	351.8	277.0	27%
EBIT margin (%)	28.7	28.9	(0.2 pts)	29.0	28.7	0.3 pts
Restructuring expenses	—	—		—	2.5	(100)%
Adjusted EBIT	182.5	148.6	23%	351.8	279.5	26%
Adjusted EBIT margin (%)	28.7	28.9	(0.2 pts)	29.0	28.9	0.1 pts

### Q2 FY22 vs Q2 FY21

Net sales increased 23%, primarily driven by strong exteriors volume growth of 16%. Price/Mix increased 9% driven by the strategic price increase in January 2021 and the execution of our strategy to drive a high value product mix.

The increase in gross margin is comprised of the following components:

Higher average net sales price	4.9 pts
Higher production and distribution costs	(4.8 pts)
Total percentage point change in gross margin	0.1 pts

Higher production and distribution costs primarily resulted from higher input costs, freight costs and start-up costs related to the Prattville plant.

SG&A expenses increased 28%, driven by our strategy to market directly to the homeowner and strategic investments in growth initiatives, compared to cost containment actions taken in the prior year. As a percentage of sales, SG&A expenses increased 0.3 percentage points.

EBIT margin decreased 0.2 percentage points to 28.7%, driven by higher SG&A expenses as a percentage of sales.

## Six Months FY22 vs Six Months FY21

Net sales increased 25%, primarily driven by strong exteriors volume growth of 19%, as well as interiors volume growth of 6%. Price/Mix increased 8% driven by the strategic price increase in January 2021 and the execution of our strategy to drive a high value product mix.

The increase in gross margin is comprised of the following components:

Higher average net sales price	4.1 pts
Higher production and distribution costs	(3.8 pts)
Total percentage point change in gross margin	<u>0.3 pts</u>

Higher production and distribution costs primarily resulted from higher freight costs, start-up costs related to the Prattville plant and higher input costs. These increases were partially offset by favorable absorption of manufacturing costs on higher production volumes when compared against lower COVID-19 impacted production volumes in the prior year.

SG&A expenses increased 29%, driven by our strategy to market directly to the homeowner and strategic investments in growth initiatives, compared to cost containment actions taken in the prior year. As a percentage of sales, SG&A expenses increased 0.2 percentage points.

Restructuring expenses of US\$2.5 million in the prior year consist solely of severance costs related to a reduction in headcount across the region in order to strategically realign our resources.

EBIT margin increased 0.3 pts percentage points to 29.0%, driven by lower restructuring expenses and higher gross margin, partially offset by higher SG&A expenses as a percentage of sales.

## Asia Pacific Fiber Cement Segment

The Asia Pacific Fiber Cement segment is comprised of the following regions: (i) Australia; (ii) New Zealand; and (iii) the Philippines.

Operating results for the Asia Pacific Fiber Cement segment in US dollars were as follows:

### US\$ Millions

	Three Months and Six Months Ended 30 September					
	Q2 FY22	Q2 FY21	Change	6 Months FY22	6 Months FY21	Change
Volume (mmsf)	161.8	145.2	11%	316.6	255.2	24%
Fiber cement net sales	144.4	122.1	18%	286.2	213.4	34%
Gross profit			21%			42%
Gross margin (%)			0.8 pts			2.4 pts
EBIT	44.5	38.7	15%	83.3	57.6	45%
EBIT margin (%)	30.8	31.7	(0.9 pts)	29.2	27.0	2.2 pts
Restructuring expenses	—	—		—	3.4	(100)%
Adjusted EBIT	44.5	38.7	15%	83.3	61.0	37%
Adjusted EBIT margin (%)	30.8	31.7	(0.9 pts)	29.2	28.6	0.6 pts

Operating results for the Asia Pacific Fiber Cement segment in Australian dollars were as follows:

### A\$ Millions

	Three Months and Six Months Ended 30 September					
	Q2 FY22	Q2 FY21	Change	6 Months FY22	6 Months FY21	Change
Volume (mmsf)	161.8	145.2	11%	316.6	255.2	24%
Fiber cement net sales	196.6	170.6	15%	380.7	309.3	23%
Gross profit			18%			31%
Gross margin (%)			0.8 pts			2.4 pts
EBIT	60.6	54.1	12%	111.0	82.8	34%
EBIT margin (%)	30.8	31.7	(0.9 pts)	29.2	27.0	2.2 pts
Restructuring expenses	—	—		—	4.9	(100)%
Adjusted EBIT	60.6	54.1	12%	111.0	87.7	27%
Adjusted EBIT margin (%)	30.8	31.7	(0.9 pts)	29.2	28.6	0.6 pts

## Q2 FY22 vs Q2 FY21 (A\$)

Net sales increased 15%, primarily due to strong performance in Australia. Price/Mix in Australia and New Zealand increased 9% due to the execution of our high value product mix strategy.

The increase in gross margin can be attributed to the following components:

Higher average net sales price	2.8 pts
Higher production and distribution costs	(2.0 pts)
Total percentage point change in gross margin	<u>0.8 pts</u>

Higher production and distribution costs were driven by higher input costs, primarily pulp, as well as higher costs due to producing a high value product mix.

SG&A expenses increased, driven by our reinvestment into growth, primarily in Australia. These growth initiatives included higher marketing expenses and additional headcount, compared to cost containment actions taken in the prior year. As a percentage of sales, SG&A expenses increased 1.8 percentage points.

EBIT margin of 30.8% represents a decrease of 0.9 percentage points, primarily driven by higher SG&A expenses as a percentage of sales.

## Six Months FY22 vs Six Months FY21 (A\$)

Net sales increased 23%, as all three regions experienced strong volume growth, compared to lower volumes in the prior year due to the COVID-19 government enforced lockdowns in the Philippines and New Zealand. The 1% increase in the average net sales price was driven by our execution of our high value product mix strategy in Australia and New Zealand, where Price/Mix increased 9%. This was offset by geographic mix, as a higher proportion of our sales were in the Philippines which have a lower average net sales price. Volumes in the Philippines increased 67%.

The increase in gross margin can be attributed to the following components:

Lower production and distribution costs	2.0 pts
Higher average net sales price	0.4 pts
Total percentage point change in gross margin	<u>2.4 pts</u>

Lower production and distribution costs were driven by favorable plant performance including LEAN manufacturing savings in Australia, the efficiencies realized from shifting to an import model for the New Zealand region and a higher proportion of sales in the Philippines which have a lower cost.

SG&A expenses increased, primarily driven by higher marketing expenses and our investment in additional headcount to drive growth, compared to cost containment actions taken in the prior year. As a percentage of sales, SG&A expenses increased 1.7 percentage points.

In the prior year, restructuring expenses of A\$4.9 million consist solely of severance costs, primarily associated with our strategic decision to shift our New Zealand regional production to our two Australia based plants, and a reduction in headcount across the region to realign our resources.

EBIT margin of 29.2% represents an increase of 2.2 percentage points, primarily driven by higher gross margin and lower restructuring expenses, partially offset by higher SG&A expenses as a percentage of sales.

## Europe Building Products Segment

The Europe Building Products segment is comprised of: (i) Europe Fiber Cement; and (ii) Europe Fiber Gypsum.

Operating results for the Europe Building Products segment in US dollars were as follows:

US\$ Millions	Three Months and Six Months Ended 30 September					
	Q2 FY22	Q2 FY21	Change	6 Months FY22	6 Months FY21	Change
Volume (mmsf)	240.6	209.9	15%	487.5	402.1	21%
Fiber cement net sales	21.2	15.0	41%	41.9	25.1	67%
Fiber gypsum net sales <sup>1</sup>	102.3	84.7	21%	206.0	157.8	31%
Net sales	123.5	99.7	24%	247.9	182.9	36%
Gross profit			15%			40%
Gross margin (%)			(2.3 pts)			1.0 pts
EBIT	16.7	11.1	50%	33.0	8.4	293%
EBIT margin (%)	13.6	11.1	2.5 pts	13.3	4.6	8.7 pts
Restructuring expenses	—	—		—	5.1	(100)%
Adjusted EBIT	16.7	11.1	50%	33.0	13.5	144%
Adjusted EBIT margin (%)	13.6	11.1	2.5 pts	13.3	7.4	5.9 pts

<sup>1</sup> Also includes cement bonded board net sales

Operating results for the Europe Building Products segment in Euros were as follows:

€ Millions	Three Months and Six Months Ended 30 September					
	Q2 FY22	Q2 FY21	Change	6 Months FY22	6 Months FY21	Change
Volume (mmsf)	240.6	209.9	15%	487.5	402.1	21%
Fiber cement net sales	17.9	12.8	40%	35.1	21.8	61%
Fiber gypsum net sales <sup>1</sup>	86.7	72.5	20%	172.8	138.9	24%
Net sales	104.6	85.3	23%	207.9	160.7	29%
Gross profit			14%			34%
Gross margin (%)			(2.3 pts)			1.0 pts
EBIT	14.2	9.4	51%	27.7	6.9	301%
EBIT margin (%)	13.6	11.1	2.5 pts	13.3	4.6	8.7 pts
Restructuring expenses	—	—		—	4.5	(100)%
Adjusted EBIT	14.2	9.4	51%	27.7	11.4	143%
Adjusted EBIT margin (%)	13.6	11.1	2.5 pts	13.3	7.4	5.9 pts

<sup>1</sup> Also includes cement bonded board net sales

## Q2 FY22 vs Q2 FY21 (€)

Net sales increased 23%, driven by increases in fiber cement and fiber gypsum net sales of 40% and 20%, respectively. The increase in net sales was due to higher volumes and Price/Mix improvement. Price/Mix increased 8%, due to our continued execution of a shift to a higher value mix in both our fiber cement and fiber gypsum product lines.

The decrease in gross margin is attributed to the following components:

Higher production and distribution costs	(6.1 pts)
Higher average net sales price	3.8 pts
Total percentage point change in gross margin	<u>(2.3 pts)</u>

Production and distribution costs were unfavorable due to higher input costs, primarily paper and energy, as well as freight expenses.

SG&A expenses decreased slightly due to a bad debt reserve taken in the prior year, which more than offset our continued investment in headcount growth and marketing. As a percentage of sales, SG&A expenses decreased 4.3 percentage points primarily driven by higher net sales in the current year.

EBIT margin of 13.6% increased 2.5 percentage points, driven by lower SG&A expenses as a percentage of sales, partially offset by lower gross margin.

## Six Months FY22 vs Six Months FY21 (€)

Net sales increased 29% driven by increases in fiber cement and fiber gypsum net sales of 61% and 24%, respectively. The increase in net sales was partly driven by low volumes in Q1 of the prior year resulting from the COVID-19 government enforced shutdowns in the UK and France. Additionally, the execution of our push/pull strategy and the introduction of our new Hardie® VL Plank product in Q1 this year led to higher net sales. Price/Mix increased 8%, due to our continued execution of a shift to a higher value mix in both our fiber cement and fiber gypsum product lines.

The increase in gross margin is attributed to the following components:

Higher average net sales price	4.2 pts
Higher production and distribution costs	(3.2 pts)
Total percentage point change in gross margin	<u>1.0 pts</u>

Higher production and distribution costs were driven by higher input costs, partially offset by LEAN manufacturing savings and the unfavorable absorption of manufacturing costs on lower production volumes in the prior year, which included the impact of the COVID-19 related closures of our manufacturing plants in Orejo, Spain and Siglingen, Germany.

SG&A expenses decreased slightly from prior year as described above. As a percentage of sales, SG&A expenses decreased 4.8 percentage points driven by higher net sales in the current year.

In the prior year, restructuring expenses of €4.5 million consist solely of severance costs, primarily associated with the reduction of headcount across the region to strategically realign our resources.

EBIT margin of 13.3% increased 8.7 percentage points, driven by lower restructuring expenses, lower SG&A expenses as a percentage of sales and higher gross margin.



## General Corporate

Results for General Corporate were as follows:

US\$ Millions	Three Months and Six Months Ended 30 September					
	Q2 FY22	Q2 FY21	Change %	6 Months FY22	6 Months FY21	Change %
General Corporate SG&A expenses	\$ 29.7	\$ 28.9	3	\$ 65.2	\$ 53.6	22
Asbestos:						
Asbestos adjustments (gain) loss	(9.6)	16.3	(159)	(12.4)	80.0	(116)
AICF SG&A expenses	0.3	0.3	—	0.6	0.6	—
General Corporate costs	\$ 20.4	\$ 45.5	(55)	\$ 53.4	\$ 134.2	(60)

General Corporate SG&A expenses for the quarter and six month period increased US\$0.8 million and US\$11.6 million, respectively. For the six month period, the increase was primarily driven by an investment in global growth initiatives including talent and costs related to building our brand.

Asbestos adjustments primarily reflect the non-cash foreign exchange re-measurement impact on asbestos related balance sheet items, driven by the change in the AUD/USD spot exchange rate from the beginning balance sheet date to the ending balance sheet date, for each respective period, partially offset by gains and losses on foreign currency forward contracts related to future AICF payments.

Readers are referred to Note 6 of our 30 September 2021 condensed consolidated financial statements for further information on asbestos.

## Interest, net

US\$ Millions	Three Months and Six Months Ended 30 September					
	Q2 FY22	Q2 FY21	Change %	6 Months FY22	6 Months FY21	Change %
Gross interest expense	\$ 10.6	\$ 15.4	(31)	\$ 21.3	\$ 30.5	(30)
Capitalized interest	(0.2)	(2.5)	(92)	(0.7)	(4.9)	(86)
Interest income	(0.1)	(0.1)	—	(0.1)	(0.1)	—
Net AICF interest income	(0.2)	(0.1)	100	(0.3)	(0.2)	50
<b>Interest expense, net</b>	<b>\$ 10.1</b>	<b>\$ 12.7</b>	<b>(20)</b>	<b>\$ 20.2</b>	<b>\$ 25.3</b>	<b>(20)</b>

Gross interest expense for the quarter and six month period decreased US\$4.8 million and US\$9.2 million, respectively, primarily due to the redemption of our 2025 senior unsecured notes in the fourth quarter of fiscal year 2021. The decrease in capitalized interest is due to a lower average amount of accumulated capital expansion project spend, primarily due to commissioning of Prattville, Alabama plant.

## Income Tax

	Three Months and Six Months Ended 30 September					
	Q2 FY22	Q2 FY21	Change	6 Months FY22	6 Months FY21	Change
Income tax expense (US\$ Millions)	54.9	46.8	17%	106.2	74.8	42%
Effective tax rate (%)	26.8	35.0	(8.2 pts)	28.1	43.7	(15.6 pts)
Adjusted income tax expense <sup>1</sup> (US\$ Millions)	40.6	29.6	37%	76.5	52.7	45%
Adjusted effective tax rate <sup>1</sup> (%)	20.8	19.7	1.1 pts	20.9	20.1	0.8 pts

<sup>1</sup> Includes tax adjustments related to the amortization benefit of certain US intangible assets, asbestos, and other tax adjustments

The effective tax rate for the quarter and six month period decreased 8.2 and 15.6 percentage points, respectively, primarily due to Asbestos and other tax adjustments and a change in geographic mix.

The Adjusted effective tax rate for the quarter and six month period increased 1.1 and 0.8 percentage points, respectively, primarily due to a change in geographic mix.

## Net Income

US\$ Millions

	Three Months and Six Months Ended 30 September					
	Q2 FY22	Q2 FY21	Change %	6 Months FY22	6 Months FY21	Change %
<b>EBIT</b>						
North America Fiber Cement <sup>1</sup>	\$ 182.5	\$ 148.6	23	\$ 351.8	\$ 279.5	26
Asia Pacific Fiber Cement <sup>1</sup>	44.5	38.7	15	83.3	61.0	37
Europe Building Products <sup>1</sup>	16.7	11.1	50	33.0	13.5	144
Research and Development	(8.3)	(6.4)	(30)	(16.7)	(12.4)	(35)
General Corporate <sup>2</sup>	(29.7)	(28.9)	(3)	(65.2)	(53.6)	(22)
<b>Adjusted EBIT</b>	<b>205.7</b>	<b>163.1</b>	<b>26</b>	<b>386.2</b>	<b>288.0</b>	<b>34</b>
<b>Net income</b>						
Adjusted interest expense, net <sup>2</sup>	10.3	12.8	(20)	20.5	25.5	(20)
Other (income) expense	(0.1)	0.2	(150)	0.1	—	100
Adjusted income tax expense <sup>3</sup>	40.6	29.6	37	76.5	52.7	45
<b>Adjusted net income</b>	<b>\$ 154.9</b>	<b>\$ 120.5</b>	<b>29</b>	<b>\$ 289.1</b>	<b>\$ 209.8</b>	<b>38</b>

<sup>1</sup> Excludes restructuring expenses

<sup>2</sup> Excludes Asbestos-related expenses and adjustments

<sup>3</sup> Includes tax adjustments related to the amortization benefit of certain US intangible assets, asbestos and other tax adjustments

Adjusted net income for the quarter of US\$154.9 million increased 29%, driven by strong performance in all operating segments, partially offset by higher adjusted income tax expense.

Adjusted net income for the six month period of US\$289.1 million increased 38%, driven by strong performance in all operating segments, partially offset by higher adjusted income tax expense and an increase in General Corporate SG&A expenses of US\$11.6 million.

## COVID-19

James Hardie continues to assess the impacts and the uncertainties of the COVID-19 pandemic on the geographic locations in which we operate, and the continuing impact of the pandemic on James Hardie's business and future financial performance still remains uncertain.

## Cash Flow

US\$ Millions	Six Months Ended 30 September			
	FY22	FY21	Change	Change %
Net cash provided by operating activities	\$ 357.5	\$ 416.8	\$ (59.3)	(14)
Net cash used in investing activities	82.7	25.4	57.3	226
Net cash used in financing activities	313.1	130.4	182.7	140

Significant sources and uses of cash during the first six months of fiscal year 2022 included:

- Cash provided by operating activities:
  - Higher net sales and profitability in each of our regions led to net income, adjusted for non-cash items, of US\$416.7 million;
  - Working capital improvements of US\$4.9 million due to an increase in accounts payable and inventory balances;
  - Asbestos claims paid of US\$56.5 million.
- Cash used in investing activities:
  - Capital expenditures of US\$108.1 million, primarily related to maintenance projects, as well as capacity expansion at our Prattville, Alabama plant;
  - Asbestos investments of US\$26.1 million matured.
- Cash used in financing activities:
  - Dividend payment of US\$309.9 million.

The 14% decrease in net cash provided by operating activities is primarily related to the US\$64.8 million CARES Act tax refund received in the prior year.

## Capacity Expansion

We continue to expect our capital expenditures to be approximately US\$250.0 million to US\$350.0 million annually in fiscal years 2022 through 2024. The second sheet machine at our Prattville, Alabama greenfield site was commissioned in July 2021.

Underway or previously disclosed expansion projects include:

- Tacoma ColorPlus finishing capacity expansion
- Peru ColorPlus finishing capacity expansion
- Summerville restart
- Carole Park expansion
- Prattville Trim capacity
- Massachusetts ColorPlus finishing capacity expansion
- R&D Pilot plants in Fontana and Rosehill

In addition, we announced today the following capacity expansions during fiscal years 2022 through 2024:

- Brownfield capacity expansion at our Prattville, Alabama site - Sheet Machines #3 and #4
- Purchase of land for a future greenfield site in the United States
- Fiber Gypsum brownfield expansion at our site in Orejo, Spain
- Fiber Cement greenfield expansion in Europe
- Greenfield expansion in Victoria, Australia

### Liquidity and Capital Allocation

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Our cash position decreased by US\$75.7 million, from US\$208.5 million at 31 March 2021 to US\$132.8 million at 30 September 2021.

During fiscal year 2022, we will contribute A\$328.2 million to AICF in quarterly installments. The first payment of A\$82.0 million was made 1 July 2021.

Based on our existing cash balances, together with anticipated operating cash flows and unutilized credit facilities, we anticipate we will have sufficient funds to meet our planned working capital and other expected cash requirements for the next twelve months.

### Capital Management

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We periodically review our capital structure and capital allocation objectives and expect the following capital management focus in the short term:

- Preserve and enable strong liquidity position and financial flexibility;
- Invest in organic growth: capacity expansion, market driven innovation and marketing directly to the homeowner;
- Maintain leverage ratio of 1-2x; and
- Return capital to shareholders
  - Returned US\$309.9 million through special dividend in April 2021
  - Reinstated ordinary dividends in FY22, beginning with a half-year dividend of US\$ 40 cents declared on 9 November 2021

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## Financial Measures - GAAP equivalents

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This document contains the financial statement line item EBIT, which is considered to be non-GAAP, but is consistent with the term used by Australian companies. Because we prepare our consolidated financial statements under GAAP, the equivalent GAAP financial statement line item description used in our consolidated financial statements is Operating income (loss).

**EBIT** – Earnings before interest and tax.

**EBIT margin** – EBIT margin is defined as EBIT as a percentage of net sales.

## Non GAAP Financial Terms

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This Management's Analysis of Results includes certain financial information to supplement the Company's consolidated financial statements which are prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). These financial measures are designed to provide investors with an alternative method for assessing our performance from on-going operations, capital efficiency and profit generation. Management uses these financial measures for the same purposes. These financial measures include:

- Adjusted EBIT;
- North America Fiber Cement Segment Adjusted EBIT;
- Asia Pacific Fiber Cement Segment Adjusted EBIT;
- Europe Building Products Segment Adjusted EBIT;
- Adjusted EBIT margin;
- North America Fiber Cement Segment Adjusted EBIT margin;
- Asia Pacific Fiber Cement Segment Adjusted EBIT margin;
- Europe Building Products Segment Adjusted EBIT margin;
- Adjusted interest expense, net;
- Adjusted net income;
- Adjusted diluted earnings per share;
- Adjusted income before income taxes;
- Adjusted income tax expense; and
- Adjusted effective tax rate.

These financial measures are or may be non-GAAP financial measures as defined in the rules of the U.S. Securities and Exchange Commission and may exclude or include amounts that are included or excluded, as applicable, in the calculation of the most directly comparable financial measures calculated in accordance with GAAP. These financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP financial measures and should be read only in conjunction with the Company's consolidated financial statements prepared in accordance with GAAP. In evaluating these financial measures, investors should note that other companies reporting or describing similarly titled financial measures may calculate them differently and investors should exercise caution in comparing the Company's financial measures to similar titled measures by other companies.

## Definitions

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**AFFA** – Amended and Restated Final Funding Agreement

**AICF** – Asbestos Injuries Compensation Fund Ltd

### Sales Volume

mmsf – million square feet, where a square foot is defined as a standard square foot of 5/16" thickness.

msf – thousand square feet, where a square foot is defined as a standard square foot of 5/16" thickness.

**Price/Mix** – The percentage growth in revenue attributable to price increases and shift in mix of products sold. Price/Mix is calculated as the Net Sales growth percentage less the Volume growth percentage.



# NON-GAAP FINANCIAL MEASURES



## Financial Measures - GAAP equivalents

### Adjusted EBIT

US\$ Millions

	Three Months and Six Months Ended 30 September			
	Q2 FY22	Q2 FY21	6 Months FY22	6 Months FY21
<b>EBIT</b>	<b>\$ 215.0</b>	<b>\$ 146.5</b>	<b>\$ 398.0</b>	<b>\$ 196.3</b>
Asbestos:				
Asbestos adjustments (gain) loss	(9.6)	16.3	(12.4)	80.0
AICF SG&A expenses	0.3	0.3	0.6	0.6
Restructuring expenses	—	—	—	11.1
<b>Adjusted EBIT</b>	<b>\$ 205.7</b>	<b>\$ 163.1</b>	<b>\$ 386.2</b>	<b>\$ 288.0</b>
Net sales	903.2	736.8	1,746.5	1,363.1
<b>Adjusted EBIT margin</b>	<b>22.8%</b>	<b>22.1%</b>	<b>22.1%</b>	<b>21.1%</b>

### North America Fiber Cement Segment Adjusted EBIT

US\$ Millions

	Three Months and Six Months Ended 30 September			
	Q2 FY22	Q2 FY21	6 Months FY22	6 Months FY21
<b>North America Fiber Cement Segment EBIT</b>	<b>\$ 182.5</b>	<b>\$ 148.6</b>	<b>\$ 351.8</b>	<b>\$ 277.0</b>
Restructuring expenses	—	—	—	2.5
<b>North America Fiber Cement Segment Adjusted EBIT</b>	<b>\$ 182.5</b>	<b>\$ 148.6</b>	<b>\$ 351.8</b>	<b>\$ 279.5</b>
North America Fiber Cement segment net sales	635.3	515.0	1,212.4	966.8
<b>North America Fiber Cement Segment Adjusted EBIT margin</b>	<b>28.7%</b>	<b>28.9%</b>	<b>29.0%</b>	<b>28.9%</b>

### Asia Pacific Fiber Cement Segment Adjusted EBIT

US\$ Millions

	Three Months and Six Months Ended 30 September			
	Q2 FY22	Q2 FY21	6 Months FY22	6 Months FY21
<b>Asia Pacific Fiber Cement Segment EBIT</b>	<b>\$ 44.5</b>	<b>\$ 38.7</b>	<b>\$ 83.3</b>	<b>\$ 57.6</b>
Restructuring expenses	—	—	—	3.4
<b>Asia Pacific Fiber Cement Segment Adjusted EBIT</b>	<b>\$ 44.5</b>	<b>\$ 38.7</b>	<b>\$ 83.3</b>	<b>\$ 61.0</b>
Asia Pacific Fiber Cement segment net sales	144.4	122.1	286.2	213.4
<b>Asia Pacific Fiber Cement Segment Adjusted EBIT margin</b>	<b>30.8%</b>	<b>31.7%</b>	<b>29.2%</b>	<b>28.6%</b>

## Europe Building Products Segment Adjusted EBIT

US\$ Millions

	Three Months and Six Months Ended 30 September			
	Q2 FY22	Q2 FY21	6 Months FY22	6 Months FY21
Europe Building Products Segment EBIT	\$ 16.7	\$ 11.1	\$ 33.0	\$ 8.4
Restructuring expenses	—	—	—	5.1
Europe Building Products Segment Adjusted EBIT	16.7	11.1	33.0	13.5
Europe Building Products segment net sales	123.5	99.7	247.9	182.9
Europe Building Products Segment Adjusted EBIT margin	13.6%	11.1%	13.3%	7.4%

## Adjusted interest expense, net

US\$ Millions

	Three Months and Six Months Ended 30 September			
	Q2 FY22	Q2 FY21	6 Months FY22	6 Months FY21
Interest expense, net	\$ 10.1	\$ 12.7	\$ 20.2	\$ 25.3
AICF interest income, net	(0.2)	(0.1)	(0.3)	(0.2)
Adjusted interest expense, net	\$ 10.3	\$ 12.8	\$ 20.5	\$ 25.5

## Adjusted net income

US\$ Millions

	Three Months and Six Months Ended 30 September			
	Q2 FY22	Q2 FY21	6 Months FY22	6 Months FY21
Net income	\$ 150.1	\$ 86.8	\$ 271.5	\$ 96.2
Asbestos:				
Asbestos adjustments (gain) loss	(9.6)	16.3	(12.4)	80.0
AICF SG&A expenses	0.3	0.3	0.6	0.6
AICF interest income, net	(0.2)	(0.1)	(0.3)	(0.2)
Restructuring expenses	—	—	—	11.1
Tax adjustments <sup>1</sup>	14.3	17.2	29.7	22.1
Adjusted net income	\$ 154.9	\$ 120.5	\$ 289.1	\$ 209.8

<sup>1</sup> Includes tax adjustments related to the amortization benefit of certain US intangible assets, asbestos, and other tax adjustments

## Adjusted diluted earnings per share

	Three Months and Six Months Ended 30 September			
	Q2 FY22	Q2 FY21	6 Months FY22	6 Months FY21
<b>Adjusted net income (US\$ millions)</b>	\$ 154.9	\$ 120.5	\$ 289.1	\$ 209.8
Weighted average common shares outstanding - Diluted (millions)	446.0	444.8	445.9	444.7
<b>Adjusted diluted earnings per share</b>	\$ 0.35	\$ 0.27	\$ 0.65	\$ 0.47

## Adjusted effective tax rate

US\$ Millions	Three Months and Six Months Ended 30 September			
	Q2 FY22	Q2 FY21	6 Months FY22	6 Months FY21
<b>Income before income taxes</b>	\$ 205.0	\$ 133.6	\$ 377.7	\$ 171.0
Asbestos:				
Asbestos adjustments (gain) loss	(9.6)	16.3	(12.4)	80.0
AICF SG&A expenses	0.3	0.3	0.6	0.6
AICF interest income, net	(0.2)	(0.1)	(0.3)	(0.2)
Restructuring expenses	—	—	—	11.1
<b>Adjusted income before income taxes</b>	\$ 195.5	\$ 150.1	\$ 365.6	\$ 262.5
Income tax expense	54.9	46.8	106.2	74.8
Tax adjustments <sup>1</sup>	(14.3)	(17.2)	(29.7)	(22.1)
<b>Adjusted income tax expense</b>	\$ 40.6	\$ 29.6	\$ 76.5	\$ 52.7
Effective tax rate	26.8%	35.0%	28.1%	43.7%
<b>Adjusted effective tax rate</b>	20.8%	19.7%	20.9%	20.1%

<sup>1</sup> Includes tax adjustments related to the amortization benefit of certain US intangible assets, asbestos, and other tax adjustments

This Management's Analysis of Results contains forward-looking statements. James Hardie Industries plc (the "Company") may from time to time make forward-looking statements in its periodic reports filed with or furnished to the Securities and Exchange Commission, on Forms 20-F and 6-K, in its annual reports to shareholders, in offering circulars, invitation memoranda and prospectuses, in media releases and other written materials and in oral statements made by the Company's officers, directors or employees to analysts, institutional investors, existing and potential lenders, representatives of the media and others. Statements that are not historical facts are forward-looking statements and such forward-looking statements are statements made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995.

Examples of forward-looking statements include:

- statements about the Company's future performance;
- projections of the Company's results of operations or financial condition;
- statements regarding the Company's plans, objectives or goals, including those relating to strategies, initiatives, competition, acquisitions, dispositions and/or its products;
- expectations concerning the costs associated with the suspension or closure of operations at any of the Company's plants and future plans with respect to any such plants;
- expectations concerning the costs associated with the significant capital expenditure projects at any of the Company's plants and future plans with respect to any such projects;
- expectations regarding the extension or renewal of the Company's credit facilities including changes to terms, covenants or ratios;
- expectations concerning dividend payments and share buy-backs;
- statements concerning the Company's corporate and tax domiciles and structures and potential changes to them, including potential tax charges;
- uncertainty from the expected discontinuance of LIBOR and transition to any other interest rate benchmark;
- statements regarding the effect and consequences of the COVID-19 public health crisis;
- statements regarding tax liabilities and related audits, reviews and proceedings;
- statements regarding the possible consequences and/or potential outcome of legal proceedings brought against us and the potential liabilities, if any, associated with such proceedings;
- expectations about the timing and amount of contributions to AICF, a special purpose fund for the compensation of proven Australian asbestos-related personal injury and death claims;
- expectations concerning the adequacy of the Company's warranty provisions and estimates for future warranty-related costs;
- statements regarding the Company's ability to manage legal and regulatory matters (including but not limited to product liability, environmental, intellectual property and competition law matters) and to resolve any such pending legal and regulatory matters within current estimates and in anticipation of certain third-party recoveries; and
- statements about economic or housing market conditions in the regions in which we operate, including but not limited to, the levels of new home construction and home renovations, unemployment levels, changes in consumer income, changes or stability in housing values, the availability of mortgages and other financing, mortgage and other interest rates, housing affordability and supply, the levels of foreclosures and home resales, currency exchange rates, and builder and consumer confidence.

Words such as "believe," "anticipate," "plan," "expect," "intend," "target," "estimate," "project," "predict," "forecast," "guideline," "aim," "will," "should," "likely," "continue," "may," "objective," "outlook" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. Readers are cautioned not to place undue reliance on these forward-looking statements and all such forward-looking statements are qualified in their entirety by reference to the following cautionary statements.

Forward-looking statements are based on the Company's current expectations, estimates and assumptions and because forward-looking statements address future results, events and conditions, they, by their very nature, involve inherent risks and uncertainties, many of which are unforeseeable and beyond the Company's control. Such known and unknown risks, uncertainties and other factors may cause actual results, performance or other achievements to differ materially from the anticipated results, performance or achievements expressed, projected or implied by these forward-looking statements. These factors, some of which are discussed under "Risk Factors" in Section 3 of the Form 20-F filed with the Securities and Exchange Commission on 18 May 2021, include, but are not limited to: all matters relating to or arising out of the prior manufacture of products that contained asbestos by current and former Company subsidiaries; required contributions to AICF, any shortfall in AICF funding and the effect of currency exchange rate movements on the amount recorded in the Company's financial statements as an asbestos liability; compliance with and changes in tax laws and treatments; competition and product pricing in the markets in which the Company operates; the consequences of product failures or defects; exposure to environmental, asbestos, putative consumer class action or other legal proceedings; general economic and market conditions; the supply and cost of raw materials; possible increases in competition and the potential that competitors could copy the Company's products; compliance with and changes in environmental and health and safety laws; risks of conducting business internationally; compliance with and changes in laws and regulations; currency exchange risks; dependence on customer preference and the concentration of the Company's customer base; dependence on residential and commercial construction markets; the effect of adverse changes in climate or weather patterns; use of accounting estimates; risk and uncertainties arising out of the COVID-19 public health crisis, including the impact of COVID-19 on our business, sales, results of operations and financial condition and all other risks identified in the Company's reports filed with Australian, Irish and US securities regulatory agencies and exchanges (as appropriate). The Company cautions you that the foregoing list of factors is not exhaustive and that other risks and uncertainties may cause actual results to differ materially from those referenced in the Company's forward-looking statements. Forward-looking statements speak only as of the date they are made and are statements of the Company's current expectations concerning future results, events and conditions. The Company assumes no obligation to update any forward-looking statements or information except as required by law.





# Q2 FY22 MANAGEMENT PRESENTATION

## 9 November 2021



# CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

## CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

This Management Presentation contains forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. James Hardie Industries plc (the "Company") may from time to time make forward-looking statements in its periodic reports filed with or furnished to the Securities and Exchange Commission on Forms 20-F and 6-K, in its annual reports to shareholders, in media releases and other written materials and in oral statements made by the Company's officers, directors or employees to analysts, institutional investors, representatives of the media and others. Words such as "believe," "anticipate," "plan," "expect," "intend," "target," "estimate," "project," "predict," "forecast," "guideline," "aim," "will," "should," "likely," "continue," "may," "objective," "outlook" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. These forward-looking statements are based upon management's current expectations, estimates, assumptions and beliefs concerning future events and conditions. Readers are cautioned not to place undue reliance on any forward-looking statements.

Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are unforeseeable and beyond the Company's control. Many factors could cause actual results, performance or achievements to be materially different from those expressed or implied in this Management Presentation, including, among others, the risks and uncertainties set forth in Section 3 "Risk Factors" in James Hardie's Annual Report on Form 20-F for the year ended 31 March 2021; changes in general economic, political, governmental and business conditions globally and in the countries in which the Company does business, including the impact of COVID-19; changes in interest rates; changes in inflation rates; changes in exchange rates; the level of construction generally; changes in cement demand and prices; changes in raw material and energy prices; changes in business strategy and various other factors. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein. James Hardie assumes no obligation to update or correct the information contained in this Management Presentation except as required by law.

## USE OF NON-GAAP FINANCIAL INFORMATION; AUSTRALIAN EQUIVALENT TERMINOLOGY

This Management Presentation includes financial measures that are not considered a measure of financial performance under generally accepted accounting principles in the United States (GAAP). These financial measures are designed to provide investors with an alternative method for assessing our performance from on-going operations, capital efficiency and profit generation. Management uses these financial measures for the same purposes.

These financial measures are or may be non-GAAP financial measures as defined in the rules of the U.S. Securities and Exchange Commission and may exclude or include amounts that are included or excluded, as applicable, in the calculation of the most directly comparable financial measures calculated in accordance with GAAP. These non-GAAP financial measures should not be considered to be more meaningful than the equivalent GAAP measure. Management has included such measures to provide investors with an alternative method for assessing its operating results in a manner that is focused on the performance of its ongoing operations and excludes the impact of certain legacy items, such as asbestos adjustments. Additionally, management uses such non-GAAP financial measures for the same purposes. However, these non-GAAP financial measures are not prepared in accordance with GAAP, may not be reported by all of the Company's competitors and may not be directly comparable to similarly titled measures of the Company's competitors due to potential differences in the exact method of calculation. For additional information regarding the non-GAAP financial measures presented in this Management Presentation, including a reconciliation of each non-GAAP financial measure to the equivalent GAAP measure, see the slide titled "Non-GAAP Financial Measures" included in the Appendix to this Management Presentation.

In addition, this Management Presentation includes financial measures and descriptions that are considered to not be in accordance with GAAP, but which are consistent with financial measures reported by Australian companies, such as operating profit, EBIT and EBIT margin. Since the Company prepares its Consolidated Financial Statements in accordance with GAAP, the Company provides investors with definitions and a cross-reference from the non-GAAP financial measure used in this Management Presentation to the equivalent GAAP financial measure used in the Company's Consolidated Financial Statements. See the section titled "Non-GAAP Financial Measures" included in the Appendix to this Management Presentation.



# AGENDA



- **Strategy Update**



Dr. Jack Truong  
Chief Executive Officer



- **Q2 FY22 Financial Results**



Jason Miele  
Chief Financial Officer



- **Questions and Answers**





**STRATEGY UPDATE**

# DRIVE PROFITABLE GROWTH GLOBALLY

1

**Market to Homeowners to Create Demand**

2

**Penetrate and Drive Profitable Growth in Existing and New Segments**

3

**Commercialize Global Innovations by Expanding Into New Categories**

**Continued Execution and Expansion of Foundational Initiatives: i) LEAN Manufacturing, ii) Customer Engagement, and iii) Supply Chain Integration**

# 1 PROFITABLE ORGANIC GROWTH THROUGH MARKETING TO HOMEOWNERS

## 360 INTEGRATED MARKETING CAMPAIGN

## KEY PERFORMANCE METRICS

It's possible with



Homeowner is at the center of our attention



### Brand

Growth in key brand metrics

**+109%**

Increase in aided awareness (Jul 2021 vs May 2021)



### Website Traffic

Driving more qualified website visitors

**+81%**

Increase in new visitor website sessions (5 Months ended Sep 2021 vs pcg)



### Leads

Strong & consistent growth in leads

**+61%**

Increase in leads in target markets (5 Months ended Sep 2021 vs pcg)



# 1 PROFITABLE ORGANIC GROWTH THROUGH MARKETING TO HOMEOWNERS

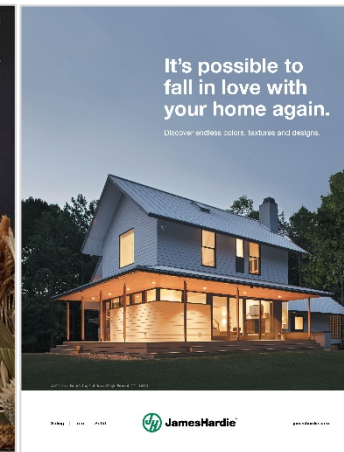
## RECENT MEDIA PARTNERSHIPS



Episode 9 “Minty Green” aired 6 August 2021



Episode 6 aired  
9 July 2021



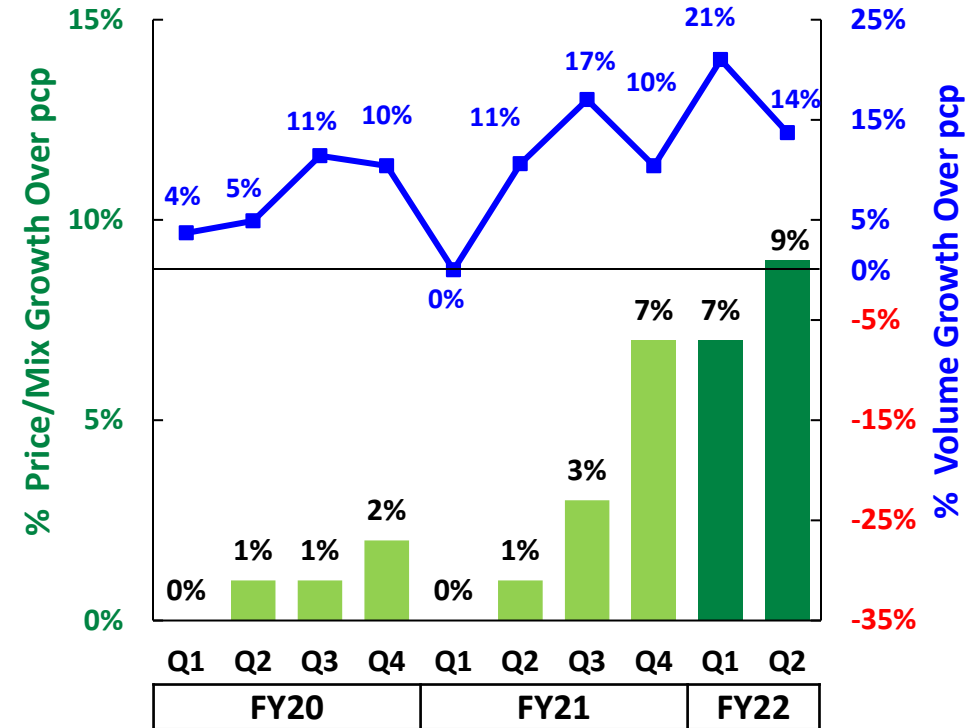
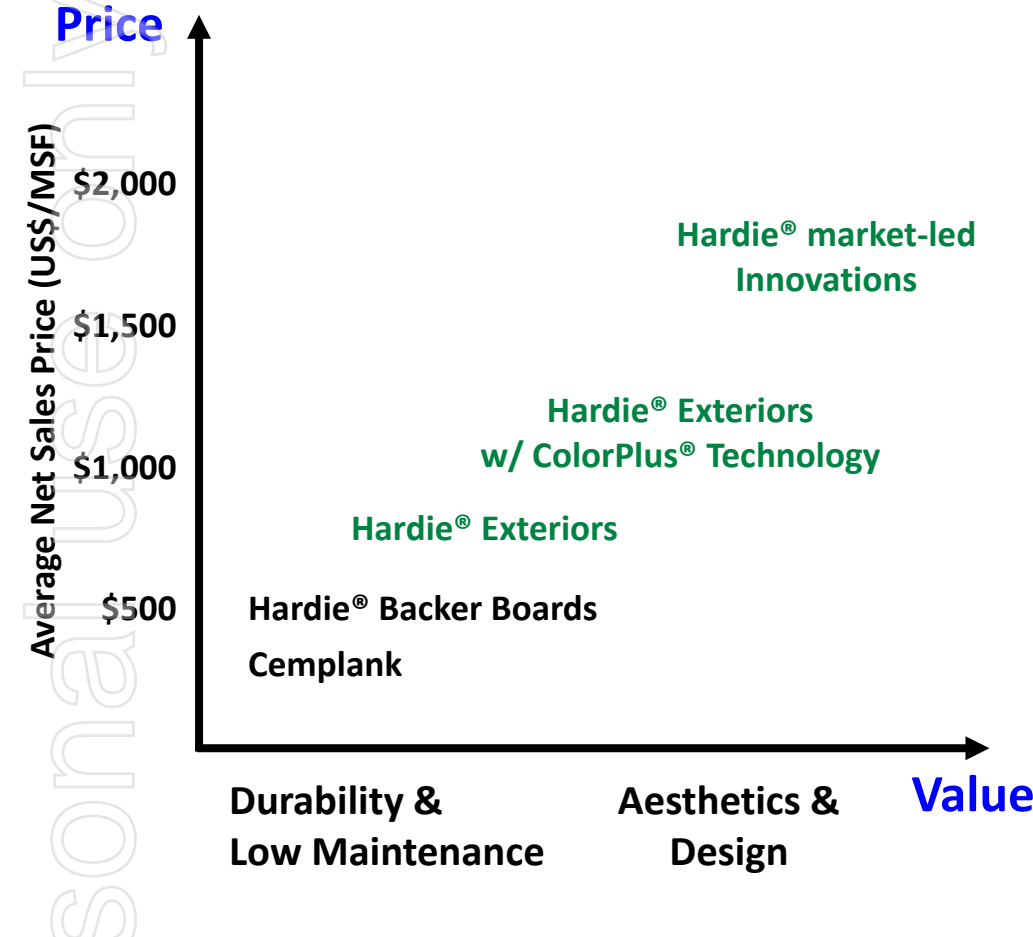
Magnolia  
Journal  
back cover  
ad, Fall  
2021 issue

# PENETRATE AND DRIVE PROFITABLE GROWTH IN EXISTING AND NEW SEGMENTS

## Drive High Value Product Mix in North America

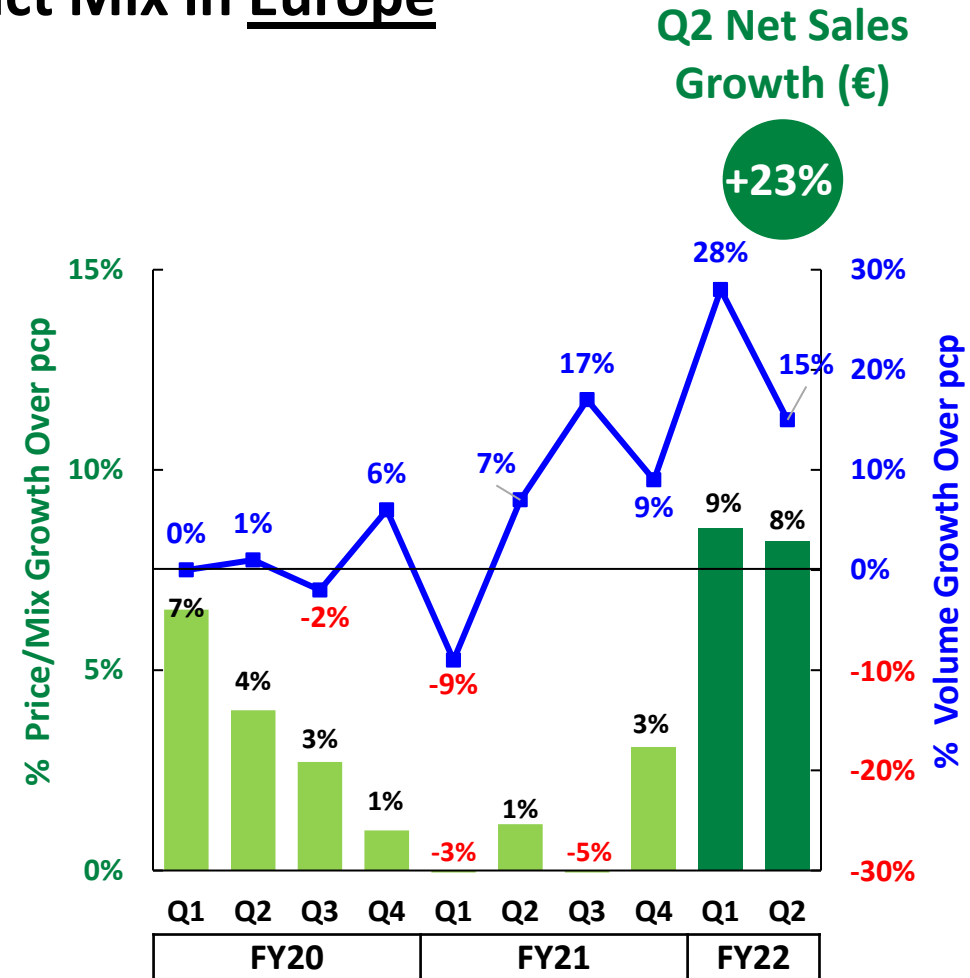
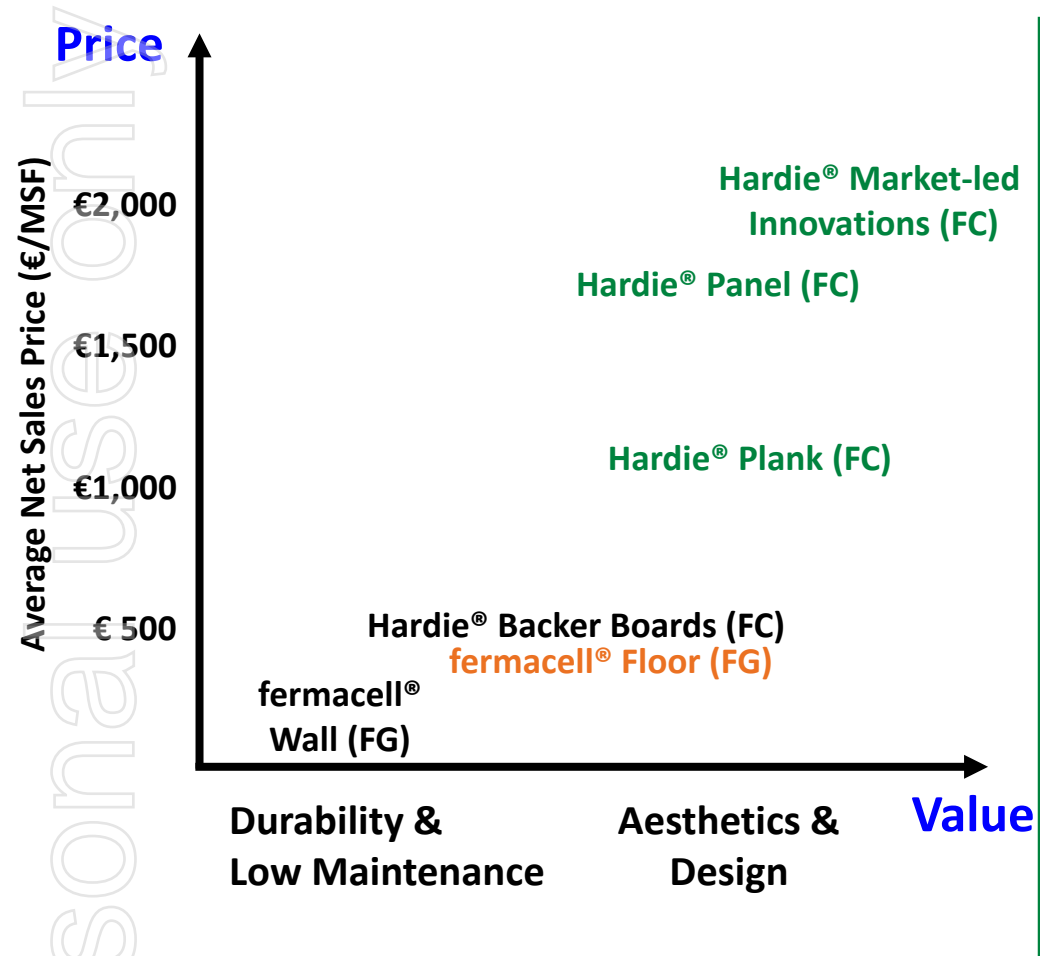
Q2 Net Sales  
Growth (US\$)

+23%



# PENETRATE AND DRIVE PROFITABLE GROWTH IN EXISTING AND NEW SEGMENTS

## Drive High Value Product Mix in Europe





### 3 PROFITABLE ORGANIC GROWTH VIA INNOVATION – NORTH AMERICA

#### HARDIE® TEXTURED PANELS





### 3 PROFITABLE ORGANIC GROWTH VIA INNOVATION – EUROPE

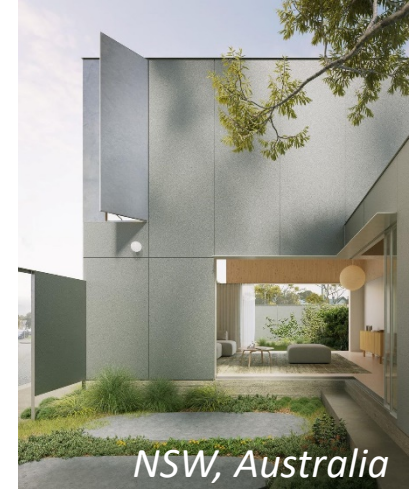
#### HARDIE® VL PLANK





### 3 PROFITABLE ORGANIC GROWTH VIA INNOVATION – AUSTRALIA

#### HARDIE™ FINE TEXTURE CLADDING



## TEN CONSECUTIVE QUARTERS OF DELIVERING GROWTH ABOVE MARKET AND STRONG RETURNS

**Global Net Sales**  
**US\$903.2 million**  
**+23%**

**Global Adj. Net Income**  
**US\$154.9 million**  
**+29%**

### **North America**

Net Sales US\$635.3 million +23%  
Adj. EBIT US\$182.5 million +23%  
Adjusted EBIT Margin 28.7%

### **Europe**

Net Sales €104.6 million +23%  
Adj. EBIT €14.2 million +51%  
Adjusted EBIT Margin 13.6%

### **Asia Pacific**

Net Sales A\$196.6 million +15%  
Adj. EBIT A\$60.6 million +12%  
Adjusted EBIT Margin 30.8%



## BUILDING SUSTAINABLE COMMUNITIES: ENVIRONMENTAL, SOCIAL AND GOVERNANCE

### Communities

**98%** of employees hired locally

**83%** of raw materials sourced within 100 miles of manufacturing facilities

**63%** of our products are shipped within 500 miles of manufacturing facilities



### Environment

**40%** Reduction<sup>1</sup> in Scope 1 and Scope 2 greenhouse gas intensity by 2030

### Zero Harm

**Total Recordable Incident Rate (TRIR)** **21%** *Improvement FY21 vs FY20* to **0.83** *TRIR (vs. Industry Avg 4.2)*

**Total Days Away, Restricted or Transferred Rate (DART)** **4%** *Improvement FY21 vs FY20* to **0.51** *DART (vs. Industry Avg 2.8)*





## Q2 FY22 FINANCIAL RESULTS



# GLOBAL RESULTS

	Q2 FY22	6 Months FY22
Sales Volume	1,183.4 mmsf +14%	2,324.0 mmsf +19%
Net Sales	US\$903.2 M +23%	US\$1,746.5 M +28%
Adjusted EBIT <sup>1</sup>	US\$205.7 M +26%	US\$386.2 M +34%
Adjusted Net Income <sup>2</sup>	US\$154.9 M +29%	US\$289.1 M +38%
Operating Cash Flow		US\$357.5 M -14%
Adjusted EBITDA Margin <sup>1</sup>	27.2 % +0.7 pts	26.6 % +0.8 pts

<sup>1</sup> Excludes asbestos related expenses and adjustments and restructuring expenses

<sup>2</sup> Excludes asbestos related expenses and adjustments, tax adjustments and restructuring expenses

- All 3 regions delivered double-digit Net Sales and Adjusted EBIT growth
- All 3 regions are executing on the Global Strategy simultaneously:
  - Foundational initiatives: HMOS, Push/Pull and Integrated Supply Chain
  - Marketing directly to the homeowner
  - Penetrate and Drive Profitable Growth
  - Commercialize Global Innovations
- Adjusted Net Income increased 29% for the quarter and 38% for the half year
- Strong Operating cash flow of US\$357.5 million for the half year

Record Quarter for Net Sales, Adjusted EBIT  
and Adjusted Net Income



# NORTH AMERICA SUMMARY

	Q2 FY22	6 Months FY22
Sales Volume	781.0 mmsf +14%	1,519.9 mmsf +17%
Price/Mix	+9%	+8%
Net Sales	US\$635.3 M +23%	US\$1,212.4 M +25%
Adjusted EBIT <sup>1</sup>	US\$182.5 M +23%	US\$351.8 M +26%
Adjusted EBIT Margin <sup>1</sup>	28.7 % -0.2 pts	29.0 % +0.1 pts
Adjusted EBITDA Margin <sup>1</sup>	33.2 % +0.1 pts	33.5 % +0.2 pts
Exterior volume	+16%	+19%
Interior volume	FLAT	+6%

<sup>1</sup> Excludes restructuring expenses

- Delivered record Net Sales in both periods through strong volume growth combined with exceptional Price/Mix
  - Continued execution in driving High Value Product penetration with our customers
- Delivered record Adjusted EBIT in both periods with exceptional Adjusted EBIT growth and strong margins
  - Continued execution of LEAN manufacturing
  - Strong Net Sales growth driven by both volume and Price/Mix
  - More than offsetting the inflationary environment and significant investment in marketing directly to the homeowner and innovation

Continued Momentum in  
High Value Product Mix Penetration

# EUROPE SUMMARY

	Q2 FY22	6 Months FY22
Sales Volume	240.6 mmsf +15%	487.5 mmsf +21%
Price/Mix	+8%	+8%
Net Sales	€104.6 M +23%	€207.9 M +29%
Adjusted EBIT <sup>1</sup>	€14.2 M +51%	€27.7 M +143%
Adjusted EBIT Margin <sup>1</sup>	13.6 % +2.5 pts	13.3 % +5.9 pts
Adjusted EBITDA Margin <sup>1</sup>	19.7 % +2.5 pts	19.4 % +5.6 pts
Fiber Cement Net Sales	+40%	+61%
Fiber Gypsum Net Sales	+20%	+24%

<sup>1</sup> Excludes restructuring expenses

- Delivered exceptional Net Sales growth in both periods through strong volume growth combined with outstanding Price/Mix
  - Continued execution in driving High Value Product penetration, specifically strong Fiber Cement growth
- Delivered exceptional Adjusted EBIT growth in both periods with strong margins
  - Continued execution of LEAN manufacturing
  - Strong Net Sales growth with high value product mix
  - More than offsetting inflationary environment

Four Straight Quarters of Double-Digit Sales Growth and at Double Digit Adjusted EBIT Margin %

# APAC SUMMARY

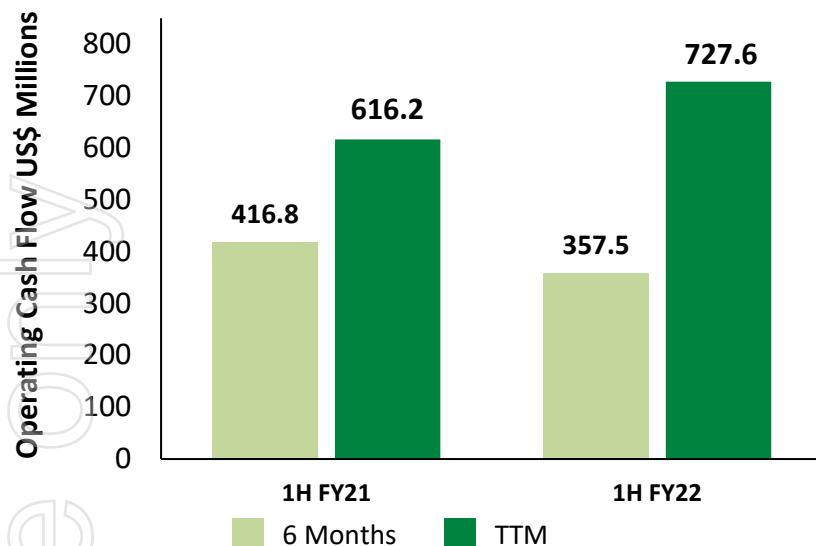
	Q2 FY22	6 Months FY22
Sales Volume	161.8 mmsf +11%	316.6 mmsf +24%
Price/Mix	+4%	-1%
Net Sales	A\$196.6 M +15%	A\$380.7 M +23%
Adjusted EBIT <sup>1</sup>	A\$60.6 M +12%	A\$111.0 M +27%
Adjusted EBIT Margin <sup>1</sup>	30.8 % -0.9 pts	29.2 % +0.6 pts
Adjusted EBITDA Margin <sup>1</sup>	33.0 % -1.2 pts	31.5 % +0.4 pts

<sup>1</sup> Excludes restructuring expenses

- Delivered outstanding Net Sales growth in both periods through strong volume growth
  - Continued execution in driving High Value Product penetration in ANZ; Price/Mix growth of 9% in ANZ
- Delivered strong Adjusted EBIT growth in both periods with exceptional margins
  - Continued execution of LEAN manufacturing
  - Strong Net Sales growth in Australia and New Zealand
  - More than offsetting inflationary environment

Continued Strong Net Sales Growth and EBIT Growth  
in all Three Countries

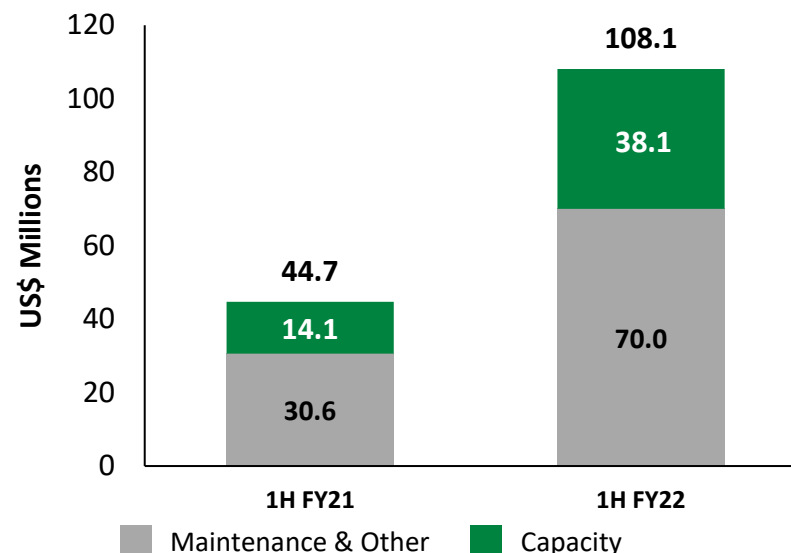
## OPERATING CASH FLOW



**Strong operating cash flow of US\$357.5 million for 1H FY22 and trailing twelve months up 18% to US\$727.6 million**

- Increased profitable sales and efficient working capital
- Excluding one-time US CARES Act tax refunds of US\$64.8 million in 1H FY21, first half cash flow for FY22 increased 2%
- More than offsetting increased inflationary pressures and increased reinvestment in growth initiatives

## CAPITAL EXPENDITURES



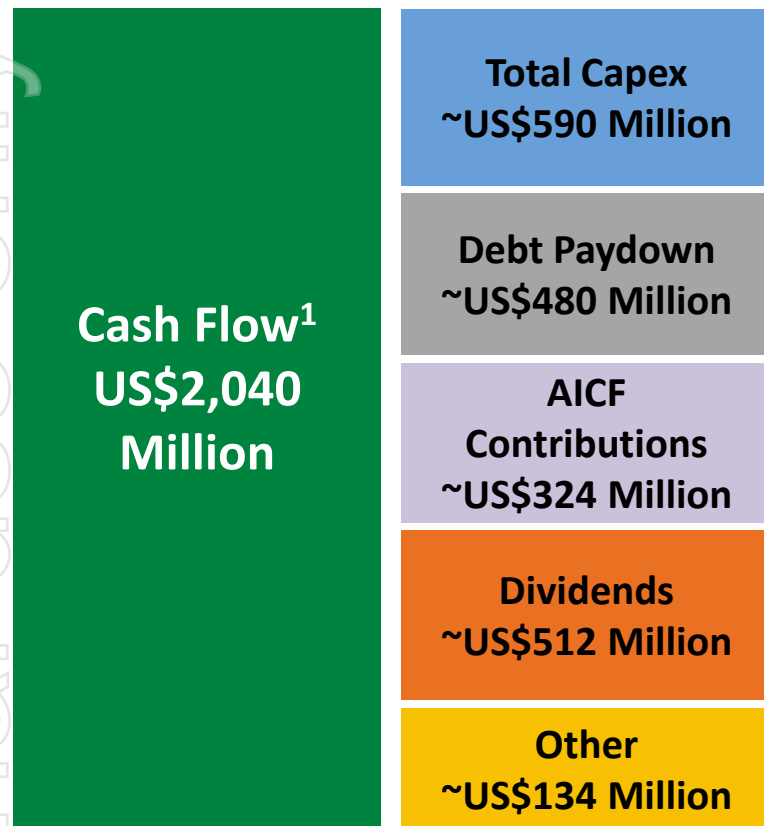
**FY22-24 Total capex US\$250-350 million per year**

- Prattville Sheet machine #3 & #4
- Greenfield expansion in Victoria, Australia
- Brownfield expansion of FG in Orejo, Spain
- Fiber Cement greenfield expansion in Europe
- Purchase of land for a future greenfield site in the United States

**Prattville Sheet machines #1 & #2 continue to ramp up. Summerville restart March, 2022**

# CAPITAL ALLOCATION ALIGNED TO PROFITABLE GROWTH STRATEGY

*36 Month Cumulative 1 Oct 2018 – 30 Sep 2021*

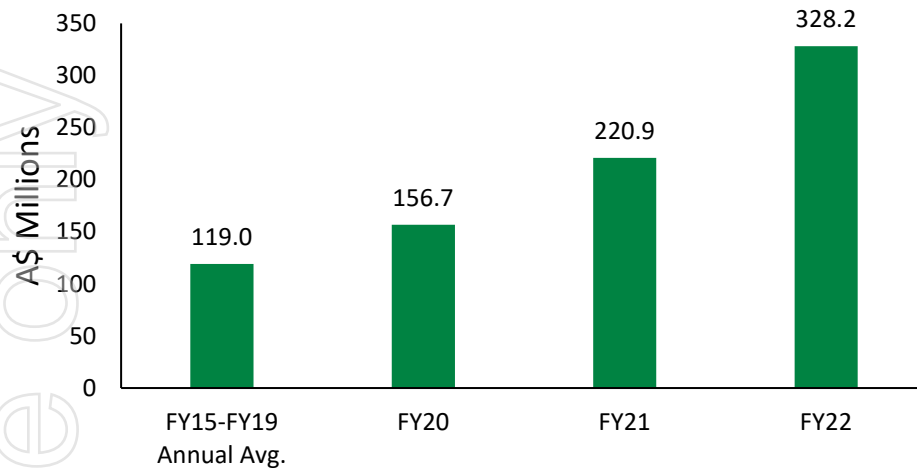


<sup>1</sup> Cash Flow is calculated as Operating Cash Flow per the Consolidated Statement of Cash Flows, plus cash paid to AICF

- Preserve strong liquidity and flexibility
- Invest in organic growth: capacity expansion, market driven innovation & marketing directly to the homeowner
- Maintain net leverage ratio of 1-2x
  - 0.8x leverage ratio as of 30 September 2021
- Return capital to shareholders
  - Declared first half ordinary dividend of US\$ 40 cents per share
    - Record date: 19 Nov 2021
    - Payment date: 17 Dec 2021

## AICF FUNDING ACCELERATING

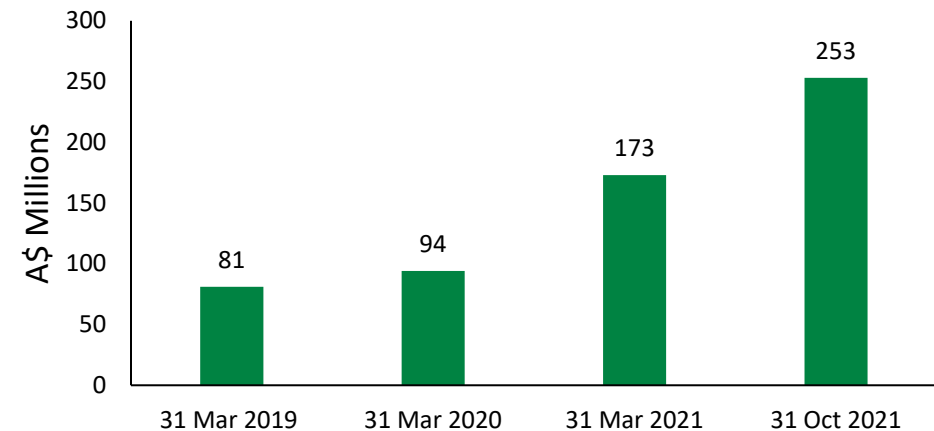
JHX Annual Contributions to AICF (A\$)



James Hardie annual contributions to AICF have been increasing driven by improving Operating Cash Flow

Since inception of the AICF through 1 October 2021, James Hardie has contributed A\$1.7 billion to the AICF

AICF Cash and Investments Balance (A\$)



As of 31 October 2021, the AICF holds A\$253 million in cash and investments



## FULL YEAR FISCAL YEAR 2022 GUIDANCE

Management raises full year FY22 Adjusted Net Income<sup>1</sup> to range of

**US\$580 million and US\$600 million**

(From US\$550 million and US\$590 million)<sup>3</sup>

### North America

**Net Sales Growth**

**20+% growth versus FY21**

**Price/Mix**

**+8% to +9% improvement versus FY21**

### Global

**SG&A and R&D investment<sup>2</sup>**

**US\$100 to US\$120 million incremental to FY21**

**COGS inflation**

**US\$120 to US\$150 million incremental to FY21**

*James Hardie's guidance is based on current estimates and assumptions and is subject to a number of known and unknown uncertainties and risks, including those related to the COVID-19 pandemic and set forth in our Media Release in "Forward-Looking Statements."*

<sup>1</sup> Fiscal Year 2022 Adjusted Net Income excludes asbestos related expenses and adjustments.

<sup>2</sup> SG&A and R&D investment excludes increases or decreases in stock compensation expenses driven by changes in the JHX share price.

<sup>3</sup> Adjusted Net Income range previously communicated at Q1 FY22 Earnings Call on 10 August 2021.

## FINANCIAL HIGHLIGHTS FOR THE HALF YEAR

Strategic Execution in driving high value product penetration

**+28%** Global Net Sales growth

**+34%** Global EBIT growth

Investing in growth:

- Marketing
- Innovation
- Capacity expansion

**+25%** Increase in Global SG&A and R&D

**US\$250 - \$350 million**  
per year committed Cap Ex between FY22-FY24

Returning capital to shareholders

**US\$178 million**  
First Half FY22 dividend of  
US\$0.40/share declared



**QUESTIONS**

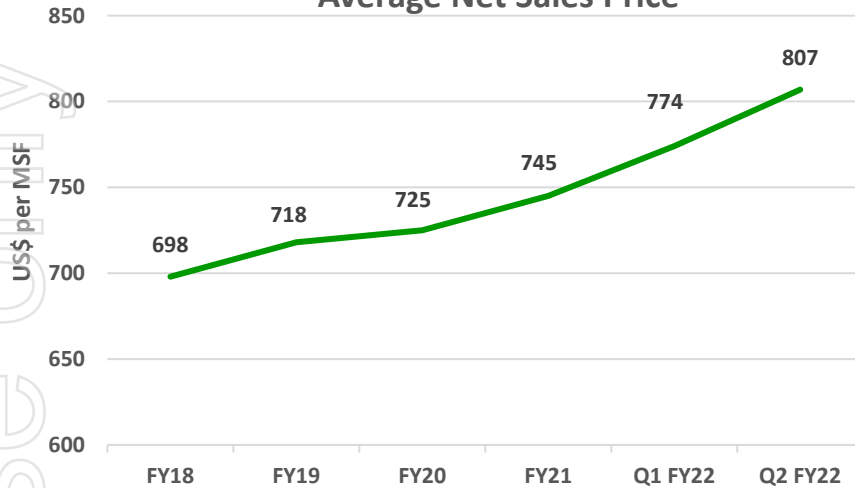




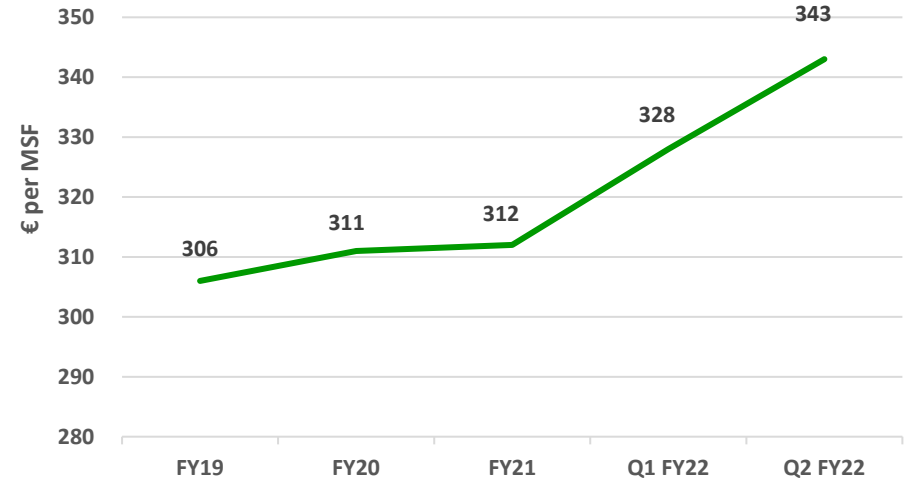
## APPENDIX

# DRIVING A HIGHER VALUE PRODUCT MIX – AVERAGE NET SALES PRICE

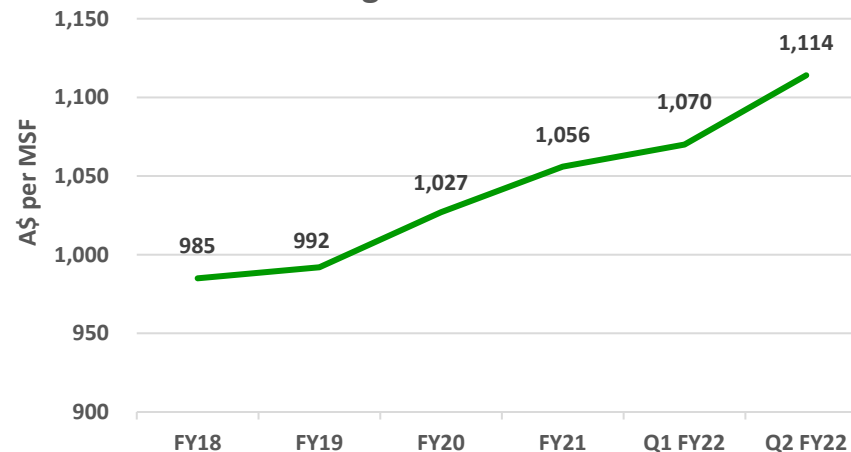
North America  
Average Net Sales Price



Europe  
Average Net Sales Price

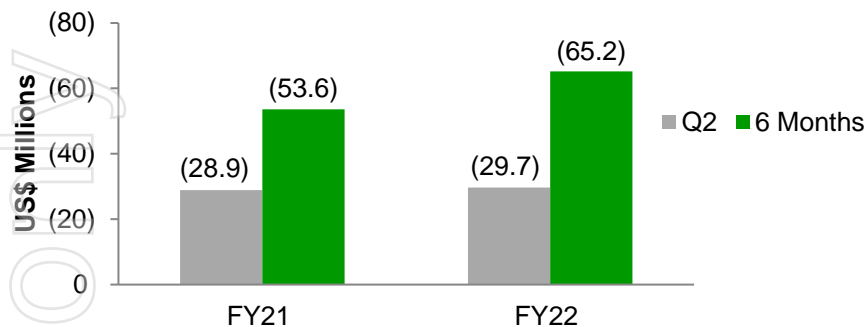


APAC  
Average Net Sales Price



## GENERAL CORPORATE COSTS

General Corporate Costs<sup>1</sup>

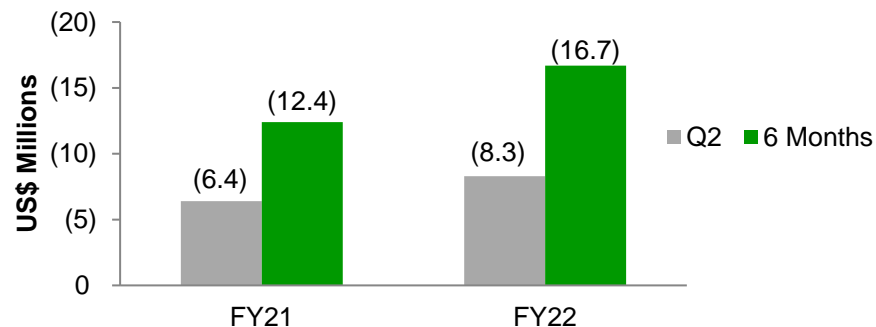


- Investment in global growth initiatives including talent and expenses related to building our global brand
- Q2 corporate costs up 3% in Q2 versus pcq and 22% for the first half

<sup>1</sup> Excludes asbestos related expenses and adjustments

## RESEARCH & DEVELOPMENT

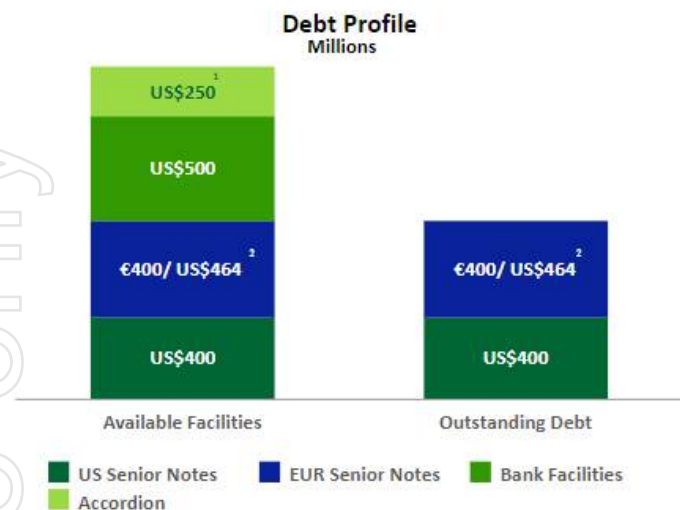
Research and Development



- Customer Driven Innovation remains a core strategic initiative to drive organic profitable growth
- Q2 R&D costs up 30% in Q2 versus pcq and 35% for the first half



# LIQUIDITY PROFILE

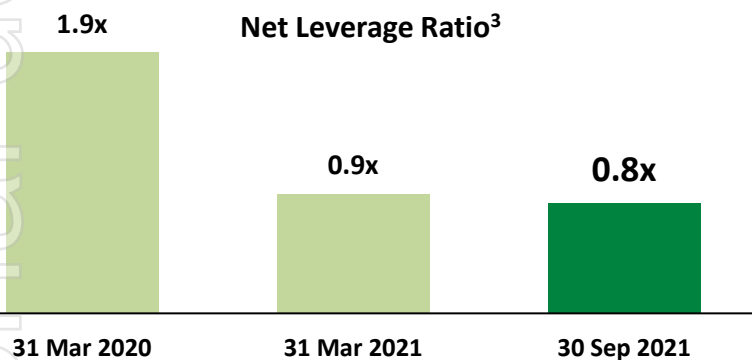


## Corporate debt structure

- €400 million (US\$464 million)<sup>2</sup> 3.625% senior unsecured notes, maturing 2026 (callable in October 2021)
- US\$400 million 5.00% senior unsecured notes maturing 2028 (callable in January 2023)
- US\$500 million unsecured RCF, maturing December 2022

## Net leverage and liquidity

- 0.8x leverage ratio<sup>3</sup> at 30 September 2021
- US\$625.5 million of liquidity on 30 September 2021



<sup>1</sup> Incremental liquidity of up to US\$250 million may be accessed via an accordion feature, which is provided for under the terms of the syndicated RCF agreement, but not credit approved. Do not anticipate accessing accordion feature.

<sup>2</sup> Based on exchange rate as of 30 September 2021

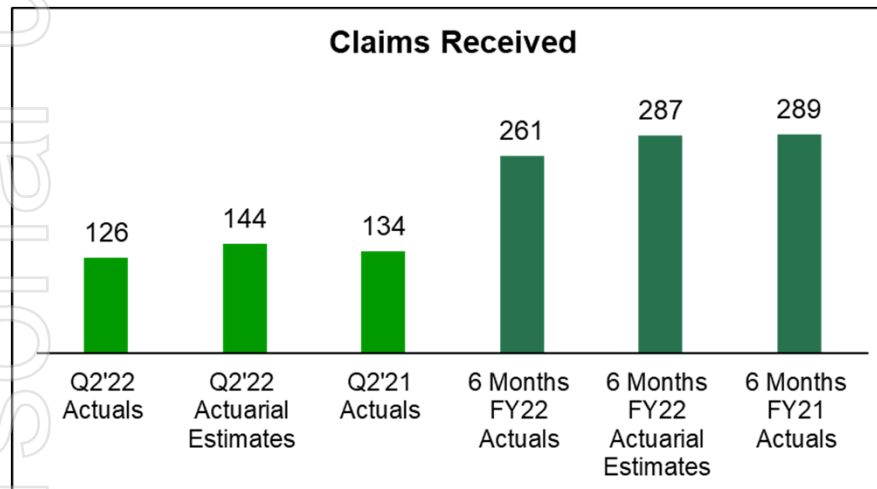
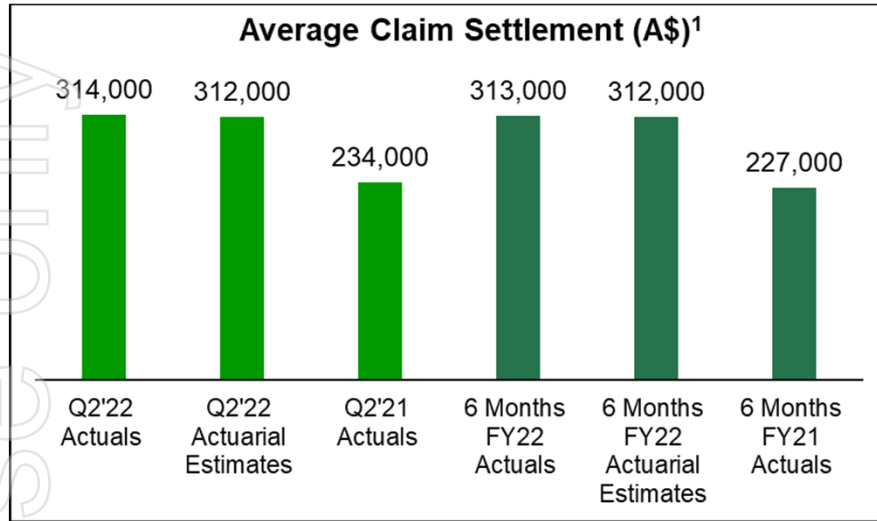
<sup>3</sup> Leverage ratio is based on bank covenant definition

**Strong Cash and Liquidity Position**

# DEPRECIATION AND AMORTIZATION

US\$ Millions	Three Months and Six Months Ended 30 September			
	Q2 FY22	Q2 FY21	6 Months FY22	6 Months FY21
<b>Depreciation and amortization</b>				
North America Fiber Cement	\$ 28.2	\$ 21.7	\$ 54.6	\$ 42.9
Asia Pacific Fiber Cement	3.1	3.0	6.7	5.8
Europe Building Products	7.6	6.2	15.2	12.3
Research and Development	0.3	0.3	0.6	0.6
General Corporate	0.7	0.7	1.2	1.5
<b>Total Depreciation and amortization</b>	<b>\$ 39.9</b>	<b>\$ 31.9</b>	<b>\$ 78.3</b>	<b>\$ 63.1</b>

## ASBESTOS CLAIMS DATA



### First Half ended 30 September 2021:

- Net cash outflow was 10% below actuarial expectations
- Gross cash outflow was 3% below actuarial expectations
- Claims received were 9% below actuarial estimates and 10% below pcp
- Number of claims settled were 4% below pcp
- Average claim settlement was flat compared to actuarial estimates and 38% above pcp

<sup>1</sup> Average claim settlement is derived as the total amount paid divided by the number of non-nil claims

# NON-GAAP FINANCIAL MEASURES

This Management Presentation forms part of a package of information about the company's results. It should be read in conjunction with the other parts of this package, including the Management's Analysis of Results, Media Release and Condensed Consolidated Financial Statements

## Financial Measures – GAAP Equivalents

This document contains the financial statement line item EBIT, which is considered to be non-GAAP, but is consistent with the term used by Australian companies. Because we prepare our consolidated financial statements under GAAP, the equivalent GAAP financial Statement line item description used in our consolidated financial statements is Operating income (loss).

## Definitions

**EBIT** – Earnings before interest and tax

**EBIT margin** – EBIT margin is defined as EBIT as a percentage of net sales

**Price/Mix** – Price/Mix is defined as the percentage growth in revenue attributable to price increases and shift in mix of products sold. Price/Mix is calculated as the Net Sales growth percentage less the volume growth percentage.

## Sales Volume

**mmsf** – million square feet, where a square foot is defined as a standard square foot of 5/16" thickness

**msf** – thousand square feet, where a square foot is defined as a standard square foot of 5/16" thickness

## Non-financial Terms

**AFFA** – Amended and Restated Final Funding Agreement

**AICF** – Asbestos Injuries Compensation Fund Ltd

# NON-GAAP FINANCIAL MEASURES

## Adjusted EBIT and Adjusted EBITDA

US\$ Millions	Three Months and Six Months Ended 30 September			
	Q2'22	Q2'21	6 Months FY22	6 Months FY21
<b>EBIT</b>	<b>\$ 215.0</b>	<b>\$ 146.5</b>	<b>\$ 398.0</b>	<b>\$ 196.3</b>
Asbestos:				
Asbestos adjustments (gain) loss	(9.6)	16.3	(12.4)	80.0
AICF SG&A expenses	0.3	0.3	0.6	0.6
Restructuring expenses	-	-	-	11.1
<b>Adjusted EBIT</b>	<b>\$ 205.7</b>	<b>\$ 163.1</b>	<b>\$ 386.2</b>	<b>\$ 288.0</b>
Net sales	903.2	736.8	1,746.5	1,363.1
<b>Adjusted EBIT margin</b>	<b>22.8%</b>	<b>22.1%</b>	<b>22.1%</b>	<b>21.1%</b>
Depreciation and amortization	39.9	31.9	78.3	63.1
<b>Adjusted EBITDA</b>	<b>\$ 245.6</b>	<b>\$ 195.0</b>	<b>\$ 464.5</b>	<b>\$ 351.1</b>
<b>Adjusted EBITDA Margin</b>	<b>27.2%</b>	<b>26.5%</b>	<b>26.6%</b>	<b>25.8%</b>

## North America Fiber Cement Segment Adjusted EBIT and Adjusted EBITDA

US\$ Millions	Three Months and Six Months Ended 30 September			
	Q2'22	Q2'21	6 Months FY22	6 Months FY21
<b>North America Fiber Cement Segment EBIT</b>	<b>\$ 182.5</b>	<b>\$ 148.6</b>	<b>\$ 351.8</b>	<b>\$ 277.0</b>
Restructuring expenses	-	-	-	2.5
<b>North America Fiber Cement Segment Adjusted EBIT</b>	<b>\$ 182.5</b>	<b>\$ 148.6</b>	<b>\$ 351.8</b>	<b>\$ 279.5</b>
North America Fiber Cement Segment net sales	635.3	515.0	1,212.4	966.8
<b>North America Fiber Cement Segment Adjusted EBIT margin</b>	<b>28.7%</b>	<b>28.9%</b>	<b>29.0%</b>	<b>28.9%</b>
Depreciation and amortization	28.2	21.7	54.6	42.9
<b>North America Fiber Cement Segment Adjusted EBITDA</b>	<b>\$ 210.7</b>	<b>\$ 170.3</b>	<b>\$ 406.4</b>	<b>\$ 322.4</b>
<b>North America Fiber Cement Segment Adjusted EBITDA Margin</b>	<b>33.2%</b>	<b>33.1%</b>	<b>33.5%</b>	<b>33.3%</b>

# NON-GAAP FINANCIAL MEASURES

## Asia Pacific Fiber Cement Segment Adjusted EBIT and Adjusted EBITDA

US\$ Millions	Three Months and Six Months Ended 30 September			
	Q2'22	Q2'21	6 Months FY22	6 Months FY21
Asia Pacific Fiber Cement Segment EBIT	\$ 44.5	\$ 38.7	\$ 83.3	\$ 57.6
Restructuring expenses	-	-	-	3.4
Asia Pacific Fiber Cement Segment Adjusted EBIT	\$ 44.5	\$ 38.7	\$ 83.3	\$ 61.0
Asia Pacific Fiber Cement Segment net sales	144.4	122.1	286.2	213.4
Asia Pacific Fiber Cement Segment Adjusted EBIT margin	30.8%	31.7%	29.2%	28.6%
Depreciation and amortization	3.1	3.0	6.7	5.8
Asia Pacific Fiber Cement Segment Adjusted EBITDA	\$ 47.6	\$ 41.7	\$ 90.0	\$ 66.8
Asia Pacific Fiber Cement Segment Adjusted EBITDA Margin	33.0%	34.2%	31.5%	31.1%

## Europe Building Products Segment Adjusted EBIT and Adjusted EBITDA

US\$ Millions	Three Months and Six Months Ended 30 September			
	Q2'22	Q2'21	6 Months FY22	6 Months FY21
Europe Building Products Segment EBIT	\$ 16.7	\$ 11.1	\$ 33.0	\$ 8.4
Restructuring expenses	-	-	-	5.1
Europe Building Products Segment Adjusted EBIT	\$ 16.7	\$ 11.1	\$ 33.0	\$ 13.5
Europe Building Products Segment net sales	123.5	99.7	247.9	182.9
Europe Building Products Segment Adjusted EBIT margin	13.6%	11.1%	13.3%	7.4%
Depreciation and amortization	7.6	6.2	15.2	12.3
Europe Building Products Segment Adjusted EBITDA	\$ 24.3	\$ 17.3	\$ 48.2	\$ 25.8
Europe Building Products Segment Adjusted EBITDA Margin	19.7%	17.2%	19.4%	13.8%



# NON-GAAP FINANCIAL MEASURES

## Adjusted interest expense, net

US\$ Millions	Three Months and Six Months Ended 30 September			
	Q2'22	Q2'21	6 Months FY22	6 Months FY21
Interest expense, net	\$ 10.1	\$ 12.7	\$ 20.2	\$ 25.3
AICF interest income, net	(0.2)	(0.1)	(0.3)	(0.2)
Adjusted interest expense, net	\$ 10.3	\$ 12.8	\$ 20.5	\$ 25.5

## Adjusted net income

US\$ Millions	Three Months and Six Months Ended 30 September			
	Q2'22	Q2'21	6 Months FY22	6 Months FY21
Net income	\$ 150.1	\$ 86.8	\$ 271.5	\$ 96.2
Asbestos:				
Asbestos adjustments (gain) loss	(9.6)	16.3	(12.4)	80.0
AICF SG&A expenses	0.3	0.3	0.6	0.6
AICF interest income, net	(0.2)	(0.1)	(0.3)	(0.2)
Restructuring expenses	-	-	-	11.1
Tax adjustments <sup>1</sup>	14.3	17.2	29.7	22.1
Adjusted net income	\$ 154.9	\$ 120.5	\$ 289.1	\$ 209.8

<sup>1</sup> Includes tax adjustments related to the amortization benefit of certain US intangible assets, asbestos, and other tax adjustments

# NON-GAAP FINANCIAL MEASURES

## Adjusted effective tax rate

US\$ Millions	Three Months and Six Months Ended 30 September			
	Q2 FY22	Q2 FY21	6 Months FY22	6 Months FY21
Income before income taxes	\$ 205.0	\$ 133.6	\$ 377.7	\$ 171.0
Asbestos:				
Asbestos adjustments (gain) loss	(9.6)	16.3	(12.4)	80.0
AICF SG&A expenses	0.3	0.3	0.6	0.6
AICF interest income, net	(0.2)	(0.1)	(0.3)	(0.2)
Restructuring expenses	-	-	-	11.1
Adjusted income before income taxes	\$ 195.5	\$ 150.1	\$ 365.6	\$ 262.5
Income tax expense	54.9	46.8	106.2	74.8
Tax adjustments <sup>1</sup>	(14.3)	(17.2)	(29.7)	(22.1)
Adjusted income tax expense	\$ 40.6	\$ 29.6	\$ 76.5	\$ 52.7
Effective tax rate	26.8%	35.0%	28.1%	43.7%
Adjusted effective tax rate	20.8%	19.7%	20.9%	20.1%

<sup>1</sup> Includes tax adjustments related to the amortization benefit of certain US intangible assets, asbestos, and other tax adjustments



# Q2 FY22 MANAGEMENT PRESENTATION

## 9 November 2021



For personal use only

# **James Hardie Industries plc**

**Condensed Consolidated Financial Statements  
as of and for the Three and Six Months Ended 30 September 2021**

# James Hardie Industries plc

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## **Report of Independent Registered Public Accounting Firm**

To the Shareholders and Board of Directors of James Hardie Industries plc

### **Results of Review of Interim Financial Statements**

We have reviewed the accompanying condensed consolidated balance sheet of James Hardie Industries plc ("the Company") as of 30 September 2021, the related condensed consolidated statements of operations and comprehensive income for the three and six-month periods ended 30 September 2021 and 2020, the condensed consolidated statements of cash flows for the six-month periods ended 30 September 2021 and 2020, the condensed consolidated statements of changes in shareholders' equity for the three and six-month periods ended 30 September 2021 and 2020, and the related notes (collectively referred to as the "condensed consolidated interim financial statements"). Based on our reviews, we are not aware of any material modifications that should be made to the condensed consolidated interim financial statements for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of 31 March 2021, the related consolidated statements of operations and comprehensive income, cash flows and changes in shareholders' equity for the year then ended, and the related notes (not presented herein); and in our report dated 18 May 2021, we expressed an unqualified audit opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of 31 March 2021, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

### **Basis for Review Results**

These financial statements are the responsibility of the Company's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the SEC and the PCAOB. We conducted our review in accordance with the standards of the PCAOB. A review of interim financial statements consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ Ernst & Young LLP  
Irvine, California  
9 November 2021



# James Hardie Industries plc

## Condensed Consolidated Balance Sheets

(Millions of US dollars)	(Unaudited) 30 September 2021	31 March 2021
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 132.8	\$ 208.5
Restricted cash and cash equivalents	5.0	5.0
Restricted cash and cash equivalents - Asbestos	133.7	104.9
Restricted short-term investments - Asbestos	—	26.6
Accounts and other receivables, net	333.9	333.2
Inventories	239.2	218.3
Prepaid expenses and other current assets	36.4	38.9
Insurance receivable - Asbestos	6.3	6.6
Workers' compensation - Asbestos	1.5	1.6
Total current assets	888.8	943.6
Property, plant and equipment, net	1,385.8	1,372.3
Operating lease right-of-use-assets	59.9	46.4
Finance lease right-of-use-assets	2.3	2.7
Goodwill	207.5	209.3
Intangible assets, net	170.8	173.9
Insurance receivable - Asbestos	35.5	42.9
Workers' compensation - Asbestos	19.2	20.3
Deferred income taxes	852.9	906.8
Deferred income taxes - Asbestos	327.0	367.4
Other assets	3.5	3.4
Total assets	\$ 3,953.2	\$ 4,089.0
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 355.5	\$ 307.0
Accrued payroll and employee benefits	85.4	112.5
Operating lease liabilities	9.1	7.8
Finance lease liabilities	0.9	1.0
Accrued product warranties	7.6	6.0
Income taxes payable	2.3	6.6
Asbestos liability	115.8	122.2
Workers' compensation - Asbestos	1.5	1.6
Dividends payable	—	303.7
Other liabilities	33.6	32.7
Total current liabilities	611.7	901.1
Long-term debt	855.7	858.6
Deferred income taxes	84.1	86.3
Operating lease liabilities	65.5	53.3
Finance lease liabilities	1.5	1.9
Accrued product warranties	31.3	33.6
Income taxes payable	5.4	4.7
Asbestos liability	905.4	1,013.6
Workers' compensation - Asbestos	19.2	20.3
Other liabilities	51.7	54.8
Total liabilities	2,631.5	3,028.2
Commitments and contingencies (Note 8)		
Shareholders' equity:		
Common stock, Euro 0.59 par value, 2.0 billion shares authorized; 445,127,460 shares issued and outstanding at 30 September 2021 and 444,288,874 shares issued and outstanding at 31 March 2021	232.0	231.4
Additional paid-in capital	232.0	224.6
Retained earnings	882.9	611.4
Accumulated other comprehensive loss	(25.2)	(6.6)
Total shareholders' equity	1,321.7	1,060.8
Total liabilities and shareholders' equity	\$ 3,953.2	\$ 4,089.0

The accompanying notes are an integral part of these condensed consolidated financial statements.

**James Hardie Industries plc**  
**Condensed Consolidated Statements of Operations and Comprehensive Income**  
**(Unaudited)**

(Millions of US dollars, except per share data)	Three Months Ended 30 September		Six Months Ended 30 September	
	2021	2020	2021	2020
Net sales	\$ 903.2	\$ 736.8	\$ 1,746.5	\$ 1,363.1
Cost of goods sold	574.3	467.6	1,109.8	874.4
Gross profit	328.9	269.2	636.7	488.7
Selling, general and administrative expenses	114.2	98.0	233.3	185.6
Research and development expenses	9.3	8.4	17.8	15.7
Restructuring expenses	—	—	—	11.1
Asbestos adjustments (gain) loss	(9.6)	16.3	(12.4)	80.0
Operating income	215.0	146.5	398.0	196.3
Interest expense, net	10.1	12.7	20.2	25.3
Other (income) expense	(0.1)	0.2	0.1	—
Income before income taxes	205.0	133.6	377.7	171.0
Income tax expense	54.9	46.8	106.2	74.8
Net income	\$ 150.1	\$ 86.8	\$ 271.5	\$ 96.2
Income per share:				
Basic	\$ 0.34	\$ 0.20	\$ 0.61	\$ 0.22
Diluted	\$ 0.34	\$ 0.20	\$ 0.61	\$ 0.22
Weighted average common shares outstanding (Millions):				
Basic	444.7	443.4	444.5	443.3
Diluted	446.0	444.8	445.9	444.7
Comprehensive income, net of tax:				
Net income	\$ 150.1	\$ 86.8	\$ 271.5	\$ 96.2
Currency translation adjustments	(18.2)	15.4	(18.6)	40.6
Comprehensive income	\$ 131.9	\$ 102.2	\$ 252.9	\$ 136.8

The accompanying notes are an integral part of these condensed consolidated financial statements.

# James Hardie Industries plc

## Condensed Consolidated Statements of Cash Flows

### (Unaudited)

(Millions of US dollars)	Six Months Ended 30 September	
	2021	2020
<b>Cash Flows From Operating Activities</b>		
Net income	\$ 271.5	\$ 96.2
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	78.3	63.1
Lease expense	10.2	8.5
Deferred income taxes	50.3	37.1
Stock-based compensation	10.7	8.2
Asbestos adjustments (gain) loss	(12.4)	80.0
Excess tax benefits from share-based awards	(1.3)	(2.2)
Other, net	9.4	10.8
Changes in operating assets and liabilities:		
Accounts and other receivables	(5.1)	70.6
Inventories	(23.2)	83.7
Lease assets and liabilities, net	(9.8)	(9.7)
Prepaid expenses and other assets	2.1	(10.4)
Insurance receivable - Asbestos	5.3	1.6
Accounts payable and accrued liabilities	33.2	12.0
Claims and handling costs paid - Asbestos	(57.1)	(49.7)
Income taxes payable	(4.5)	3.2
Other accrued liabilities	(0.1)	13.8
<b>Net cash provided by operating activities</b>	<b>\$ 357.5</b>	<b>\$ 416.8</b>
<b>Cash Flows From Investing Activities</b>		
Purchases of property, plant and equipment	\$ (108.1)	\$ (44.7)
Proceeds from sale of property, plant and equipment	—	1.0
Capitalized interest	(0.7)	(4.9)
Proceeds from restricted short-term investments - Asbestos	26.1	23.2
<b>Net cash used in investing activities</b>	<b>\$ (82.7)</b>	<b>\$ (25.4)</b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from credit facilities	\$ 250.0	\$ —
Repayments of credit facilities	(250.0)	(130.0)
Proceeds from issuance of shares	0.1	—
Repayment of finance lease obligations and borrowings	(0.5)	(0.4)
Dividends paid	(309.9)	—
Taxes paid related to net share settlement of equity awards	(2.8)	—
<b>Net cash used in financing activities</b>	<b>\$ (313.1)</b>	<b>\$ (130.4)</b>
Effects of exchange rate changes on cash and cash equivalents, restricted cash and restricted cash - Asbestos	\$ (8.6)	\$ 4.6
<b>Net (decrease) increase in cash and cash equivalents, restricted cash and restricted cash - Asbestos</b>	<b>(46.9)</b>	<b>265.6</b>
Cash and cash equivalents, restricted cash and restricted cash - Asbestos at beginning of period	318.4	185.8
<b>Cash and cash equivalents, restricted cash and restricted cash - Asbestos at end of period</b>	<b>\$ 271.5</b>	<b>\$ 451.4</b>
<b>Non-Cash Investing and Financing Activities</b>		
Capital expenditures incurred but not yet paid	\$ 20.2	\$ 7.5
<b>Supplemental Disclosure of Cash Flows Activities</b>		
Cash paid to AICF	\$ 62.1	\$ 38.3

The accompanying notes are an integral part of these condensed consolidated financial statements.

**James Hardie Industries plc**  
**Condensed Consolidated Statements of Changes in Shareholders' Equity**  
**(Unaudited)**

	Three Months Ended 30 September 2021				
(Millions of US dollars)	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
<b>Balances as of 30 June 2021</b>	<b>\$ 231.5</b>	<b>\$ 229.4</b>	<b>\$ 732.8</b>	<b>\$ (7.0)</b>	<b>\$ 1,186.7</b>
Net income	—	—	150.1	—	150.1
Other comprehensive loss	—	—	—	(18.2)	(18.2)
Stock-based compensation	0.5	2.6	—	—	3.1
<b>Balances as of 30 September 2021</b>	<b>\$ 232.0</b>	<b>\$ 232.0</b>	<b>\$ 882.9</b>	<b>\$ (25.2)</b>	<b>\$ 1,321.7</b>

	Six Months Ended 30 September 2021				
(Millions of US dollars)	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
<b>Balances as of 31 March 2021</b>	<b>\$ 231.4</b>	<b>\$ 224.6</b>	<b>\$ 611.4</b>	<b>\$ (6.6)</b>	<b>\$ 1,060.8</b>
Net income	—	—	271.5	—	271.5
Other comprehensive loss	—	—	—	(18.6)	(18.6)
Stock-based compensation	0.6	7.3	—	—	7.9
Issuance of ordinary shares	—	0.1	—	—	0.1
<b>Balances as of 30 September 2021</b>	<b>\$ 232.0</b>	<b>\$ 232.0</b>	<b>\$ 882.9</b>	<b>\$ (25.2)</b>	<b>\$ 1,321.7</b>

	Three Months Ended 30 September 2020				
(Millions of US dollars)	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
<b>Balances as of 30 June 2020</b>	<b>\$ 230.6</b>	<b>\$ 211.6</b>	<b>\$ 668.9</b>	<b>\$ (36.9)</b>	<b>\$ 1,074.2</b>
Net income	—	—	86.8	—	86.8
Other comprehensive gain	—	—	—	15.4	15.4
Stock-based compensation	0.6	3.3	—	—	3.9
<b>Balances as of 30 September 2020</b>	<b>\$ 231.2</b>	<b>\$ 214.9</b>	<b>\$ 755.7</b>	<b>\$ (21.5)</b>	<b>\$ 1,180.3</b>

	Six Months Ended 30 September 2020				
(Millions of US dollars)	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
<b>Balances as of 31 March 2020</b>	<b>\$ 230.6</b>	<b>\$ 207.3</b>	<b>\$ 659.5</b>	<b>\$ (62.1)</b>	<b>\$ 1,035.3</b>
Net income	—	—	96.2	—	96.2
Other comprehensive gain	—	—	—	40.6	40.6
Stock-based compensation	0.6	7.6	—	—	8.2
<b>Balances as of 30 September 2020</b>	<b>\$ 231.2</b>	<b>\$ 214.9</b>	<b>\$ 755.7</b>	<b>\$ (21.5)</b>	<b>\$ 1,180.3</b>

The accompanying notes are an integral part of these condensed consolidated financial statements.

# James Hardie Industries plc

## Notes to Condensed Consolidated Financial Statements (continued)

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### 1. Organization and Significant Accounting Policies

#### Nature of Operations

James Hardie Industries plc ("JHI plc") manufactures and sells fiber cement, fiber gypsum and cement-bonded building products for interior and exterior building construction applications, primarily in the United States, Australia, Europe, New Zealand, the Philippines and Canada.

#### Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the U.S. generally accepted accounting principles ("GAAP") for interim financial information. Accordingly, they do not include all the information and footnotes required by GAAP for complete financial statements. Interim financial results are not necessarily indicative of results anticipated for the full year. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the notes thereto, included in the Company's Annual Report on Form 20-F for the fiscal year ended 31 March 2021 from which the prior year balance sheet information herein was derived. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expense, and related disclosures. Actual results could differ from those estimates.

The condensed consolidated financial statements represent the financial position, results of operations and cash flows of JHI plc and its wholly-owned subsidiaries and variable interest entity ("VIE"). Unless the context indicates otherwise, JHI plc and its direct and indirect wholly-owned subsidiaries and VIE (as of the time relevant to the applicable reference) are collectively referred to as "James Hardie", the "James Hardie Group" or the "Company". All intercompany transactions have been eliminated in consolidation. In management's opinion, the accompanying unaudited condensed consolidated financial statements reflect all adjustments, consisting of normal recurring adjustments considered necessary for a fair presentation of the results for the interim periods presented.

The Company has recorded on its balance sheet certain foreign assets and liabilities, including asbestos related assets and liabilities under the terms of the Amended and Restated Final Funding Agreement ("AFFA"), that are denominated in foreign currencies and subject to translation (foreign entities) or remeasurement (Asbestos Injuries Compensation Fund ("AICF") entity and Euro denominated debt) into US dollars at each reporting date. Unless otherwise noted, the Company converts foreign currency denominated assets and liabilities into US dollars at the current spot rate at the end of the reporting period; while revenues and expenses are converted using an average exchange rate for the period. The Company records gains and losses on its Euro denominated debt which are economically offset by foreign exchange gains and losses on loans between subsidiaries, resulting in a net immaterial translation gain or loss which is recorded in the *Selling, general and administrative expenses* in the condensed consolidated statements of operations and comprehensive income.

#### Summary of Significant Accounting Policies

During the six months ended 30 September 2021, there were no changes to our significant accounting policies as described in our Annual Report on Form 20-F for the fiscal year ended 31 March 2021.



**Accounting Pronouncements**Recently adopted

In December 2019, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2019-12, Income taxes (Topic 740). The amendments in the standard are being issued to simplify the accounting for income taxes and are effective for fiscal years and interim periods within those fiscal years, beginning after 15 December 2020 with early adoption permitted. The Company adopted ASU No. 2019-12 starting with the fiscal year beginning 1 April 2021 and the adoption of this standard did not have a material impact on the Company's condensed consolidated financial statements.

**Earnings Per Share**

Basic earnings per share ("EPS") is calculated using net income divided by the weighted average number of common shares outstanding during the period. Diluted EPS is similar to basic EPS except that the weighted average number of common shares outstanding is increased to include the number of additional common shares calculated using the Treasury Method that would have been outstanding if the dilutive potential common shares, such as restricted stock units ("RSUs"), had been issued.

Basic and dilutive common shares outstanding used in determining net income per share are as follows:

(Millions of shares)	Three Months Ended 30 September		Six Months Ended 30 September	
	2021	2020	2021	2020
Basic common shares outstanding	444.7	443.4	444.5	443.3
Dilutive effect of stock awards	1.3	1.4	1.4	1.4
Diluted common shares outstanding	446.0	444.8	445.9	444.7

There were no potential common shares which would be considered anti-dilutive for the three and six months ended 30 September 2021 and 2020.

Potential common shares of 0.5 million for the three and six months ended 30 September 2021, respectively, and 1.0 million for the three and six months ended 30 September 2020, respectively, have been excluded from the calculation of diluted common shares outstanding as they are considered contingent shares which are not expected to vest.

# James Hardie Industries plc

## Notes to Condensed Consolidated Financial Statements (continued)

### 2. Revenues

The following represents the Company's disaggregated revenues:

(Millions of US dollars)	Three Months Ended 30 September 2021			
	North America Fiber Cement	Asia Pacific Fiber Cement	Europe Building Products	Consolidated
Fiber cement revenues	\$ 635.3	\$ 144.4	\$ 21.2	\$ 800.9
Fiber gypsum revenues	—	—	102.3	102.3
Total revenues	<u>\$ 635.3</u>	<u>\$ 144.4</u>	<u>\$ 123.5</u>	<u>\$ 903.2</u>

(Millions of US dollars)	Three Months Ended 30 September 2020			
	North America Fiber Cement	Asia Pacific Fiber Cement	Europe Building Products	Consolidated
Fiber cement revenues	\$ 515.0	\$ 122.1	\$ 15.0	\$ 652.1
Fiber gypsum revenues	—	—	84.7	84.7
Total revenues	<u>\$ 515.0</u>	<u>\$ 122.1</u>	<u>\$ 99.7</u>	<u>\$ 736.8</u>

(Millions of US dollars)	Six Months Ended 30 September 2021			
	North America Fiber Cement	Asia Pacific Fiber Cement	Europe Building Products	Consolidated
Fiber cement revenues	\$ 1,212.4	\$ 286.2	\$ 41.9	\$ 1,540.5
Fiber gypsum revenues	—	—	206.0	206.0
Total revenues	<u>\$ 1,212.4</u>	<u>\$ 286.2</u>	<u>\$ 247.9</u>	<u>\$ 1,746.5</u>

(Millions of US dollars)	Six Months Ended 30 September 2020			
	North America Fiber Cement	Asia Pacific Fiber Cement	Europe Building Products	Consolidated
Fiber cement revenues	\$ 966.8	\$ 213.4	\$ 25.1	\$ 1,205.3
Fiber gypsum revenues	—	—	157.8	157.8
Total revenues	<u>\$ 966.8</u>	<u>\$ 213.4</u>	<u>\$ 182.9</u>	<u>\$ 1,363.1</u>

The process by which the Company recognizes revenues is consistent across each of the Company's reportable segments. Fiber cement and fiber gypsum revenues are primarily generated from the sale of siding and various boards used in internal and external applications, as well as accessories. Fiber gypsum revenues also includes the sale of cement-bonded boards in the Europe Building Products segment.

# James Hardie Industries plc

## Notes to Condensed Consolidated Financial Statements (continued)

### 3. Cash and Cash Equivalents, Restricted Cash and Restricted Cash - Asbestos

The following table provides a reconciliation of *Cash and cash equivalents*, *Restricted cash* and *Restricted cash - Asbestos* reported within the condensed consolidated balance sheets that sum to the total of the same such amounts shown in the condensed consolidated statements of cash flows:

(Millions of US dollars)	30 September 2021	31 March 2021
Cash and cash equivalents	\$ 132.8	\$ 208.5
Restricted cash	5.0	5.0
Restricted cash - Asbestos	133.7	104.9
Total cash and cash equivalents, restricted cash and restricted cash - Asbestos	<u>\$ 271.5</u>	<u>\$ 318.4</u>

*Restricted cash* relates to an insurance policy which restricts the cash from general corporate purposes.

*Restricted cash - Asbestos* is restricted to the settlement of asbestos claims and for the payment of the operating costs of AICF.

### 4. Inventories

*Inventories* consist of the following components:

(Millions of US dollars)	30 September 2021	31 March 2021
Finished goods	\$ 164.8	\$ 149.9
Work-in-process	19.3	17.9
Raw materials and supplies	64.4	60.4
Provision for obsolete finished goods and raw materials	(9.3)	(9.9)
Total inventories	<u>\$ 239.2</u>	<u>\$ 218.3</u>

### 5. Long-Term Debt

(Millions of US dollars)	30 September 2021	31 March 2021
<b>Senior unsecured notes:</b>		
Principal amount 3.625% notes due 2026 (€400.0 million)	\$ 464.3	\$ 468.3
Principal amount 5.000% notes due 2028	400.0	400.0
Total	864.3	868.3
Unamortized debt issuance costs	(8.6)	(9.7)
<b>Total Long-term debt</b>	<u>\$ 855.7</u>	<u>\$ 858.6</u>
Weighted average interest rate of Long-term debt	4.3 %	4.3 %
Weighted average term of available Long-term debt	4.0 years	4.5 years
Fair value of Senior unsecured notes (Level 1)	\$ 891.9	\$ 904.7

# James Hardie Industries plc

## Notes to Condensed Consolidated Financial Statements (continued)

At 30 September 2021, the Company had a total borrowing base capacity under the unsecured revolving credit facility of US\$500.0 million with outstanding borrowings of nil and US\$7.3 million drawn letters of credit and bank guarantees leaving the Company with US\$492.7 million of available borrowing capacity under the unsecured revolving credit facility.

At 30 September 2021, the Company was in compliance with all covenants contained in the senior unsecured notes and the unsecured revolving credit facility agreement.

### 6. Asbestos

In February 2007, the Company's shareholders approved the AFFA, an agreement pursuant to which the Company provides long-term funding to the AICF.

#### Asbestos Adjustments

The following table sets forth the *Asbestos adjustments* included in the condensed consolidated statements of operations and comprehensive income:

(Millions of US dollars)	Three Months Ended 30 September		Six Months Ended 30 September	
	2021	2020	2021	2020
Foreign exchange (gain) loss on Asbestos net liabilities	\$ (22.2)	\$ 20.2	\$ (27.9)	\$ 82.4
Loss (gain) on foreign currency forward contracts	13.7	(3.9)	16.6	(2.4)
Foreign exchange gain on deposits	(1.1)	—	(1.1)	—
Asbestos adjustments (gain) loss	<u>\$ (9.6)</u>	<u>\$ 16.3</u>	<u>\$ (12.4)</u>	<u>\$ 80.0</u>

#### Claims Data

The following table shows the activity related to the numbers of open claims, new claims and closed claims during each of the past five years and the average settlement per settled claim and case closed:

	Six Months Ended 30 September 2021	For the Years Ended 31 March				
		2021	2020	2019	2018	2017
Number of open claims at beginning of period	360	393	332	336	352	426
Number of new claims						
Direct claims	195	392	449	430	422	402
Cross claims	66	153	208	138	140	155
Number of closed claims	300	578	596	572	578	631
Number of open claims at end of period	321	360	393	332	336	352
Average settlement amount per settled claim	A\$313,000	A\$248,000	A\$277,000	A\$262,000	A\$253,000	A\$224,000
Average settlement amount per case closed	A\$285,000	A\$225,000	A\$245,000	A\$234,000	A\$217,000	A\$168,000
Average settlement amount per settled claim	US\$235,000	US\$178,000	US\$189,000	US\$191,000	US\$196,000	US\$168,000
Average settlement amount per case closed	US\$214,000	US\$162,000	US\$167,000	US\$171,000	US\$168,000	US\$126,000



# James Hardie Industries plc

## Notes to Condensed Consolidated Financial Statements (continued)

Under the terms of the AFFA, the Company has rights of access to actuarial information produced for AICF by the actuary appointed by AICF, which is currently KPMG Actuarial. The Company's disclosures with respect to claims statistics are subject to it obtaining such information, however, the AFFA does not provide the Company an express right to audit or otherwise require independent verification of such information or the methodologies to be adopted by the approved actuary. As such, the Company relies on the accuracy and completeness of the information provided by AICF to the approved actuary and the resulting information and analysis of the approved actuary when making disclosures with respect to claims statistics.

The following is a detailed rollforward of the Net Unfunded AFFA liability, net of tax, for the six months ended 30 September 2021:

(Millions of US dollars)	Asbestos Liability	Insurance Receivables	Restricted Cash and Investments	Other Assets and Liabilities	Net Unfunded AFFA Liability	Deferred Tax Assets	Income Tax Payable	Net Unfunded AFFA Liability, net of tax
Opening Balance - 31 March 2021	\$ (1,135.8)	\$ 49.5	\$ 131.5	\$ (1.9)	\$ (956.7)	\$ 367.4	\$ 35.2	\$ (554.1)
Asbestos claims paid <sup>1</sup>	56.5	—	(56.5)	—	—	—	—	—
Payment received in accordance with AFFA	—	—	62.1	—	62.1	—	—	62.1
AICF claims-handling costs incurred (paid)	0.6	—	(0.6)	—	—	—	—	—
AICF operating costs paid - non claims-handling	—	—	(0.6)	—	(0.6)	—	—	(0.6)
Insurance recoveries	—	(5.3)	5.3	—	—	—	—	—
Movement in income tax payable	—	—	—	—	—	(21.9)	(12.9)	(34.8)
Other movements	—	—	(0.2)	0.3	0.1	0.1	(0.1)	0.1
Effect of foreign exchange	57.5	(2.4)	(7.3)	(0.2)	47.6	(18.6)	(1.1)	27.9
<b>Closing Balance - 30 September 2021</b>	<b>\$ (1,021.2)</b>	<b>\$ 41.8</b>	<b>\$ 133.7</b>	<b>\$ (1.8)</b>	<b>\$ (847.5)</b>	<b>\$ 327.0</b>	<b>\$ 21.1</b>	<b>\$ (499.4)</b>

<sup>1</sup> Claims paid of US\$56.5 million reflects A\$75.1 million converted at the average exchange rate for the period based on the assumption that these transactions occurred evenly throughout the period.

### AICF Funding

During fiscal year 2022, the Company will contribute A\$328.2 million to AICF in quarterly installments, the first payment of A\$82.0 million was made 1 July 2021.

For the six months ended 30 September 2021, the Company did not provide financial or other support to AICF that it was not previously contractually required to provide.

Free cash flow as defined in the AFFA, for the six months ended 30 September 2021 is US\$346.2 million, which is equivalent to operating cash flows of US\$357.5 million, less adjustments of US\$11.3 million.

# James Hardie Industries plc

## Notes to Condensed Consolidated Financial Statements (continued)

### 7. Derivative Instruments

The Company uses derivatives for risk management purposes and does not engage in speculative activity. A risk management objective for the Company is to mitigate interest rate risk associated with the Company's external credit facilities and foreign currency risk primarily with respect to forecasted transactions denominated in foreign currencies. The determination of whether the Company enters into a derivative transaction to achieve these risk management objectives depends on a number of factors, including an evaluation of the extent to which derivative instruments will achieve such risk management objectives of the Company.

#### Foreign Currency Forward Contracts

The Company's foreign currency forward contracts are valued using models that maximize the use of market observable inputs including interest rate curves and both forward and spot prices for currencies and are categorized as Level 2 within the fair value hierarchy.

The following table sets forth the total outstanding notional amount and the fair value of the Company's foreign currency forward contracts:

(Millions of US dollars)	Notional Amount		Fair Value as of			
			30 September 2021		31 March 2021	
	30 September 2021	31 March 2021	Assets	Liabilities	Assets	Liabilities
<b>Derivatives not accounted for as hedges</b>						
Foreign currency forward contracts	\$ 366.0	\$ 456.1	\$ 0.6	\$ 14.4	\$ 5.5	\$ 8.3

The following table sets forth the gain and loss on the Company's foreign currency forward contracts recorded in the Company's condensed consolidated statements of operations and comprehensive income as follows:

(Millions of US dollars)	Three Months Ended 30 September		Six Months Ended 30 September	
	2021	2020	2021	2020
Asbestos adjustments loss (gain)	\$ 13.7	\$ (3.9)	\$ 16.6	\$ (2.4)
Selling, general and administrative expenses (income)	—	—	(5.6)	—
<b>Total loss (gain) on foreign currency forward contracts</b>	<b>\$ 13.7</b>	<b>\$ (3.9)</b>	<b>\$ 11.0</b>	<b>\$ (2.4)</b>

## **8. Commitments and Contingencies**

### Legal Matters

The Company is involved from time to time in various legal proceedings and administrative actions related to the normal conduct of its business, including general liability claims, putative class action lawsuits and litigation concerning its products.

Although it is impossible to predict the outcome of any pending legal proceeding, management believes that such proceedings and actions should not, individually or in the aggregate, have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows, except as they relate to asbestos and New Zealand product liability claims as described in these condensed consolidated financial statements.

### New Zealand Weathertightness Claims

Since fiscal year 2002, the Company's New Zealand subsidiaries have been joined in a number of weathertightness claims in New Zealand that relate to residential buildings (single dwellings and apartment complexes) and a small number of non-residential buildings, primarily constructed from 1998 to 2004. The claims often involve multiple parties and allege that losses were incurred due to excessive moisture penetration of the buildings' structures. The claims typically include allegations of poor building design, inadequate certification of plans, inadequate construction review and compliance certification and deficient work by sub-contractors.

Historically, the Company's New Zealand subsidiaries have been joined to these claims as one of several co-defendants, including local government entities responsible for enforcing building codes and practices, resulting in the Company's New Zealand subsidiaries becoming liable for only a portion of each claim. In addition, the Company's New Zealand subsidiaries have had access to third-party recoveries to defray a portion of the costs incurred in resolving such claims.

In 2015, the Company and/or its subsidiaries were named as the sole defendants in four claims on behalf of multiple defendants, two of which are still pending and each of which allege that the New Zealand subsidiaries' products were inherently defective. The Company believes it has substantial factual and legal defenses to these claims and is defending the claims vigorously.

*Cridge, et al. (Case Nos. CIV-2015-485-594 and CIV-2015-485-773), In the High Court of New Zealand, Wellington Registry* (hereinafter the "Cridge litigation"). From August to December 2020, the trial of phase one of the Cridge litigation was held in Wellington, New Zealand solely to determine whether the Company's New Zealand subsidiaries had a duty to the plaintiffs and breached that duty. On 12 August 2021, the Wellington High Court issued its decision finding in favor of the Company on all claims (the "Cridge Decision"). Subsequently, on 8 September 2021, plaintiffs filed a notice of appeal of the trial Court's decision. The Company anticipates the appellate court to issue its decision no sooner than September 2022. As of 30 September 2021, the Company has not recorded a reserve related to the Cridge litigation as the chance of loss remains not probable following the Cridge Decision.

*Waitakere, et al. (Case No. CIV-2015-404-3080), In the High Court of New Zealand, Auckland Registry* (hereinafter the "Waitakere litigation"). The trial in the Waitakere litigation is currently not scheduled to begin until May 2023 in Auckland, New Zealand. As of 30 September 2021, the Company has not recorded a reserve related to the Waitakere litigation as the chance of loss is not probable and the amount of loss, if any, cannot be reasonably estimated.

# James Hardie Industries plc

## Notes to Condensed Consolidated Financial Statements (continued)

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The other two claims filed in 2015 have been resolved completely in the Company's favor. The litigation known as "The Hub" was voluntarily discontinued by the plaintiffs. The "White litigation" was settled on 3 August 2021 on terms completely favorable to the Company.

The resolution of one or more of the litigation matters by way of a court decision or settlement has the potential to impact the accounting treatment regarding the probability of a potential loss and the Company's ability to reasonably estimate a reserve with regards to the other litigation matters discussed above. Furthermore, an adverse judgement in one or more of these litigation matters could have a material adverse impact on our consolidated financial position, results of operations or cash flows.

### Environmental and Legal

The operations of the Company, like those of other companies engaged in similar businesses, are subject to several laws and regulations on air and water quality, waste handling and disposal. The Company's policy is to accrue for environmental costs when it is determined that it is probable that an obligation exists and the amount can be reasonably estimated.

## 9. Income Taxes

*Income taxes payable* represents taxes currently payable which are computed at statutory income tax rates applicable to taxable income derived in each jurisdiction in which the Company conducts business. During the six months ended 30 September 2021, the Company paid taxes, net of refunds, of US\$37.2 million.

*Income tax expense* differs from the statutory rate primarily due to the Company's mix of pre-tax income by jurisdiction, foreign taxes on domestic income and foreign exchange on asbestos.

*Deferred income taxes* include net operating loss carry-forwards. At 30 September 2021, the Company had tax loss carry-forwards in Australia, New Zealand, Europe and the US of approximately US\$61.4 million that are available to offset future taxable income in the respective jurisdiction. The Company establishes a valuation allowance against a deferred tax asset if it is more likely than not that some portion or all of the deferred tax asset will not be realized.

The Australian tax loss carry-forwards primarily result from current and prior year tax deductions for contributions to AICF. James Hardie 117 Pty Limited, the performing subsidiary under the AFFA, is able to claim a tax deduction for its contributions to AICF over a five-year period commencing in the year the contribution is incurred. At 30 September 2021, the Company recognized a tax deduction of US\$73.7 million (A\$97.9 million) for the current year relating to total contributions to AICF of A\$979.1 million incurred in tax years 2018 through 2022.



# James Hardie Industries plc

## Notes to Condensed Consolidated Financial Statements (continued)

### 10. Stock-Based Compensation

Total stock-based compensation expense consists of the following:

(Millions of US dollars)	Three Months Ended 30 September		Six Months Ended 30 September	
	2021	2020	2021	2020
Liability Awards	\$ 2.9	\$ 6.1	\$ 8.5	\$ 12.9
Equity Awards	5.9	3.9	10.7	8.2
<b>Total stock-based compensation expense</b>	<b>\$ 8.8</b>	<b>\$ 10.0</b>	<b>\$ 19.2</b>	<b>\$ 21.1</b>

As of 30 September 2021, the unrecorded future stock-based compensation expense related to outstanding equity awards was US\$27.1 million and will be recognized over an estimated weighted average amortization period of 2.1 years.

### 11. Segment Information

The Company reports its operating segment information in the format that the operating segment information is available to and evaluated by the Chief Operating Decision Maker. The North America Fiber Cement segment manufactures fiber cement interior linings, exterior siding products and related accessories in the United States; these products are sold primarily in the United States and Canada. The Asia Pacific Fiber Cement segment includes all fiber cement products manufactured in Australia and the Philippines, and sold in Australia, New Zealand, Asia, the Middle East and various Pacific Islands. The Europe Building Products segment includes fiber gypsum and cement-bonded boards manufactured in Europe and fiber cement product manufactured in the United States that is sold in Europe. The Research and Development segment represents the cost incurred by the research and development centers. General Corporate primarily consist of *Asbestos adjustments*, officer and employee compensation and related benefits, professional and legal fees, administrative costs and rental expense, net of rental income, on the Company's corporate offices. The Company does not report net interest expense for each segment as the segments are not held directly accountable for interest expense.

(Millions of US dollars)	Net Sales			
	Three Months Ended 30 September		Six Months Ended 30 September	
	2021	2020	2021	2020
North America Fiber Cement	\$ 635.3	\$ 515.0	\$ 1,212.4	\$ 966.8
Asia Pacific Fiber Cement	144.4	122.1	286.2	213.4
Europe Building Products	123.5	99.7	247.9	182.9
Worldwide total	<b>\$ 903.2</b>	<b>\$ 736.8</b>	<b>\$ 1,746.5</b>	<b>\$ 1,363.1</b>

# James Hardie Industries plc

## Notes to Condensed Consolidated Financial Statements (continued)

(Millions of US dollars)	Operating Income			
	Three Months Ended 30 September		Six Months Ended 30 September	
	2021	2020	2021	2020
North America Fiber Cement	\$ 182.5	\$ 148.6	\$ 351.8	\$ 277.0
Asia Pacific Fiber Cement	44.5	38.7	83.3	57.6
Europe Building Products	16.7	11.1	33.0	8.4
Research and Development	(8.3)	(6.4)	(16.7)	(12.5)
Segments total	235.4	192.0	451.4	330.5
General Corporate	(20.4)	(45.5)	(53.4)	(134.2)
Total operating income	\$ 215.0	\$ 146.5	\$ 398.0	\$ 196.3

Research and development expenditures are expensed as incurred and are summarized by segment in the following table. For the three and six months ended 30 September 2021, Research and development segment operating income also includes *Selling, general and administrative expenses* of US\$0.9 million and US\$2.5 million, respectively. For the three and six months ended 30 September 2020, Research and development segment operating income also includes *Selling, general and administrative expenses* of US\$0.5 million and US\$1.3 million, respectively.

(Millions of US dollars)	Research and Development Expenses			
	Three Months Ended 30 September		Six Months Ended 30 September	
	2021	2020	2021	2020
North America Fiber Cement	\$ 1.4	\$ 1.7	\$ 2.5	\$ 2.8
Asia Pacific Fiber Cement	0.3	0.3	0.7	0.6
Europe Building Products	0.2	0.5	0.4	1.1
Research and Development	7.4	5.9	14.2	11.2
Worldwide total	\$ 9.3	\$ 8.4	\$ 17.8	\$ 15.7

## 12. Accumulated Other Comprehensive Loss

*Accumulated other comprehensive loss* is comprised of the following at 30 September 2021:

(Millions of US dollars)	Cash Flow Hedges	Pension Actuarial Gain	Foreign Currency Translation Adjustments	Total
Balance at 31 March 2021	\$ 0.2	\$ 0.4	\$ (7.2)	\$ (6.6)
Other comprehensive loss	—	—	(18.6)	(18.6)
Balance at 30 September 2021	\$ 0.2	\$ 0.4	\$ (25.8)	\$ (25.2)

## James Hardie Industries plc (Company)

### Directors' Report

for the half year ended 30 September 2021

#### Directors

As of the date of this report the members of the Board are: MN Hammes (Chairman), P Lisboa, A Lloyd, M Nozari, R Rodriguez, S Rowland, D Seavers, N Stein, H Wiens and J Truong (CEO).

There have been two changes to the composition of the Board between 1 April 2021 and the date of this report. A Gisle Joosen retired as a director on 26 August 2021 and D Harrison retired as a director on 5 November 2021.

#### Review of Operations

Please see Management's Analysis of Results relating to the period ended 30 September 2021.

#### Auditor's Independence

The Directors obtained an annual independence declaration from the Company's auditors, Ernst & Young LLP.

This report is made in accordance with a resolution of the Board.

/s/ MICHAEL N. HAMMES

MN Hammes  
Chairman

/s/ JACK TRUONG

J Truong  
Chief Executive Officer

Chicago, United States, 5 November 2021

**James Hardie Industries plc**

**Board of Directors' Declaration**

for the half year ended 30 September 2021

The Board declares that with regard to the attached financial statements and notes:

- a) the financial statements and notes comply with the accounting standards in accordance with which they were prepared;
- b) the information contained in the financial statements and notes fairly presents, in all material respects, the financial condition and results of operations of the Company; and
- c) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board.

/s/ MICHAEL N. HAMMES  
MN Hammes  
Chairman

/s/ JACK TRUONG  
J Truong  
Chief Executive Officer

Chicago, United States, 5 November 2021