



**Boral Limited**  
Level 18, 15 Blue Street  
North Sydney NSW 2060  
PO Box 1228  
North Sydney NSW 2059

T: +61 (02) 9220 6300  
F: +61 (02) 9233 6605

[www.boral.com](http://www.boral.com)

28 August 2020

The Manager, Listings  
Australian Securities Exchange  
ASX Market Announcements  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

Dear Sir

**Results for full year ended 30 June 2020 – Investor Presentation**

We attach a copy of the investor presentation in respect of Boral's full year results.

This presentation will be webcast on Boral's website at [www.boral.com](http://www.boral.com) from 10.45am (Sydney time) today. Further webcast and conference call details are set out on the following page.

For the purposes of ASX Listing Rule 15.5, the Board has authorised the release of this document to the market.

Yours faithfully

Dominic Millgate  
**Company Secretary**



## Webcast and Conference Call Details

### Time

10.30 am for 10.45 am (Sydney time) for conference call / webcast

### Webcast

To view the webcast, please use this link:

<https://kapara.rdbk.com.au/landers/a7d0a4.html>

You can register for the webcast prior to the event and then enter your email address on the day, any time from 30 minutes prior, to gain access.

### Conference Call

To connect via conference call, please dial the relevant number below and quote Conference ID: 98564291#. You will be asked for your full name and company before being connected to the call.

<b>Location</b>	<b>Dial-in Number</b>
Australia	1800 896 323
Canada	1 855 731 0983
China	4001 200916
Hong Kong	800 906 887
Japan	0120 941 734
NZ: Auckland Local	64 9 280 6415
NZ: Toll Free	0800 441 984
Philippines	1800 185 30021
Singapore	800 852 3352
South Korea	0079 8852 38015
Thailand	001 800 852 8516
UK: London Local	44 2033 760 176
UK: Toll Free	0 808 178 0273
United States	1 855 731 0983

Back up numbers for participants: 02 8088 0906 / +61 2 8088 0906



# RESULTS

For the full year ended  
30 June 2020

28 August 2020

**Boral's full year results reflect challenging market conditions**

## Agenda



Norfolk Island Project



**Introduction**  
**Impairments**  
**Results overview**  
Zlatko Todorcevski



**FY2020 divisional and  
group results**  
Ros Ng



**Portfolio review, first impressions,  
priorities and outlook**  
Zlatko Todorcevski

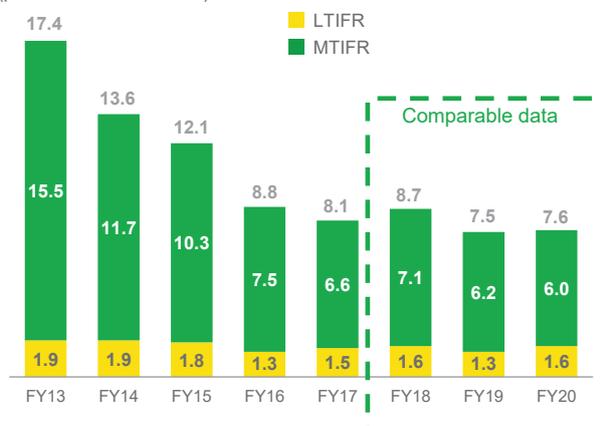
*Commentary throughout this presentation, unless otherwise stated, is based on earnings from continuing operations excluding the impact of the new IFRS leasing standard (AASB 16) and compared to the prior year. In addition, FY2019 comparative figures have been restated – see Note 1d of the preliminary final report for further details.*

## Safety performance

Company-wide commitment to Zero Harm Today

### Employee and contractor RIFR<sup>1</sup>

(per million hours worked)



- Safety steady with a recordable injury frequency rate (RIFR) of 7.6
- Safety step-change program
- Measures to help manage the risk of spreading COVID-19 have been a key priority:
  - Strict hygiene and cleaning protocols
  - Social distancing and PPE
  - Quarantine protocols
  - Tracking suspected and actual cases
  - Wellbeing & support programs
  - 48 current cases among Boral employees and 240 recovered<sup>2</sup>, mainly in the USA and in geographies where community transmissions are higher; sadly two employee deaths in the USA due to COVID-19 complications

1. Recordable Injury Frequency Rate (RIFR) per million hours worked is made up of Lost Time Injury Frequency Rate (LTIFR) and Medical Treatment Injury Rate (MTIFR). Includes employees and contractors in all businesses and all joint ventures regardless of equity interest from FY2018. Prior years include 100%-owned businesses and 50%-owned joint venture operations only  
 2. As at 24 August 2020

## FY2020 snapshot

A\$m	FY2020 Reported	FY2020 <sup>2</sup> pre-AASB16	FY2019 <sup>3</sup>	FY20 v FY19 pre-AASB16, %
<b>Continuing operations basis</b>				
Revenue	5,671	5,671	5,738	(1)
EBITDA <sup>1</sup>	825	715	1,005	(29)
<b>Total operations</b>				
Revenue	5,728	5,728	5,861	(2)
EBITDA <sup>1</sup>	821	710	1,010	(30)
Net Profit after tax (NPAT) <sup>1</sup>	177	181	419	(57)
Statutory NPAT	(1,139)	(1,135)	251	
Cash flow from operating activities	631	537	762	(30)
EPS <sup>1</sup> (cents)	14.8	15.2	35.7	(57)
Dividend (cents)	9.5	9.5	26.5	(64)

1. Excluding significant items  
 2. Excluding the impact of the new leasing standard (AASB 16) in order to provide a more comparable basis for analysis with the prior year  
 3. FY2019 comparative figures have been restated - see Note 1d of the preliminary final report for further details.

## COVID-19 impacts

Continued to operate with **strict hygiene measures** and **significant disruption**

Uncertainty led to **focus on cash generation** – curtailment of production, capex and discretionary spend

### Boral Australia



- Production curtailed – temporary shuts / shift reductions:
  - Wyee roof tile plant 3-month shut
  - Quarry production restricted at several key locations in Q4
  - Extended Easter shuts in Timber
  - Berrima kiln 3-week shut in June
- Higher costs due to lower production and direct COVID costs (including leave accruals)
- Geelong project delayed 6 months

### Boral North America



- >225 orders / government mandates
- ~80% of plants impacted by closures; production curtailments; re-tooling, cleaning or absenteeism
- ~28% of employees furloughed for average of 4 weeks
- Fly Ash operating but supply lower
- Higher costs due to lower production and direct COVID costs
- Kirkland pozzolan plant capital project and Houston Windows plant delayed

### USG Boral



- Allowed to supply in most countries but significant demand declines
- Government mandates impacted:
  - Production/sales in China (Jan-Feb), India (Apr-May), Malaysia (Mar-May), Vietnam (Mar-Apr)
  - Sales & distribution in Singapore (Apr-May), Philippines (Apr-Jun) & NZ (Mar)
- Production slowed more broadly to reduce inventory increasing costs plus wage payments through shuts

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## Responding to COVID-19

Targeted area	Actions	Outcomes / financial impacts
<b>Maintain customer supply</b>	<ul style="list-style-type: none"> <li>• Adjusted for new safety protocols</li> <li>• Maintained supply including shipping further distances as required</li> </ul>	<ul style="list-style-type: none"> <li>✓ Number of staff and customers impacted contained</li> <li>– Higher costs due to PPE, cleaning, legal, leave: \$8m Australia, \$3m North America</li> </ul>
<b>Maximise cash flows</b>	<ul style="list-style-type: none"> <li>• Shut plants / reduced shifts to avoid building inventory</li> <li>• Reduced capex to \$346m</li> <li>• Reduced discretionary spend</li> <li>• Rigorously managed working capital</li> </ul>	<ul style="list-style-type: none"> <li>✓ Inventories reduced: \$108m cash inflow</li> <li>✓ Receivables reduced: \$77m cash inflow</li> <li>– Creditors reduced: \$144m cash outflow</li> <li>✓ Net debt stable at \$2.197b (FY19 \$2.193b)</li> <li>✓ Net gearing excluding impairment of ~27.5% (pre-AASB16) up slightly from 27.3% in FY19</li> <li>– Adverse earnings impact from lower production: \$28m Australia, A\$22m North America, \$10m USG Boral<sup>1</sup></li> </ul>
<b>Strengthen / protect liquidity</b>	<ul style="list-style-type: none"> <li>• Refinanced US debt + additional liquidity</li> <li>• Reactivated DRP – underwritten interim dividend</li> <li>• No final dividend</li> </ul>	<ul style="list-style-type: none"> <li>✓ Increased liquidity from \$1.3b to nearly \$1.7b (\$904m in cash)</li> <li>✓ Weighted average debt maturity from 4.5 to 4.7 years</li> <li>– \$23m higher interest costs (due to AASB16 and increased borrowings)</li> <li>– Net debt/EBITDA leverage of 3.1x (pre-AASB16)</li> </ul>

1. \$10m is the earnings impact from lower production for the underlying USG Boral business

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## Non-cash impairment charges

Boral has recognised a non-cash, pre-tax impairment charge of \$1,346m:

- \$1,223m relates to assets within Boral North America including goodwill, intangible assets & investment in Meridian Brick
- \$123m relates to Boral Australia including construction materials businesses in Western Australia and the Northern Territory, and certain assets in building products (mainly Timber)

Carrying value assessments take into account:

### In North America

**Increased demand uncertainty** impacted by the COVID-19 pandemic and potential longer-term impacts of prevailing economic and operating conditions, together with **recent performance**, reflected through:

- forecast housing starts from 1.5 to 1.3m (~avg. of past 30 years)
- moderated fly ash volume assumptions
- a lower terminal growth rate from 2.5% to 2.0%
- ~0.5% increased after tax discount rate to reflect market / delivery risk

### In Australia

- the significant decline in housing, particularly in NSW
- low levels of construction activity in WA/NT
- slower pace of infrastructure
- the impact of recent bushfires on the Timber business
- uncertainty around extent/timing of recovery

Impairment charges are non-cash and Boral's liquidity remains strong and after the impairment significant headroom remains under Boral's covenants with its lenders

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## FY2020 divisional and group results

Ros Ng – Group President Ventures and CFO



Spanish Moss-Gray brick, Meridian Brick



Boral supporting RFS activities in NSW

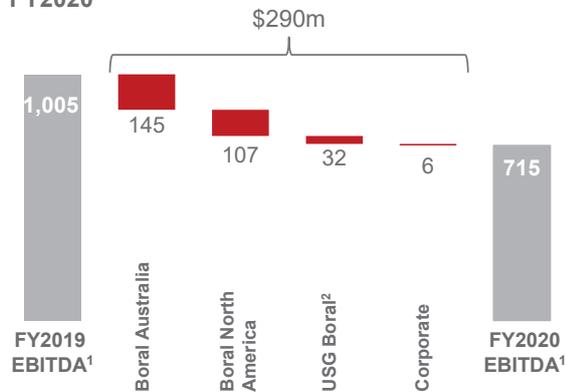
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## EBITDA decline skewed to 2H

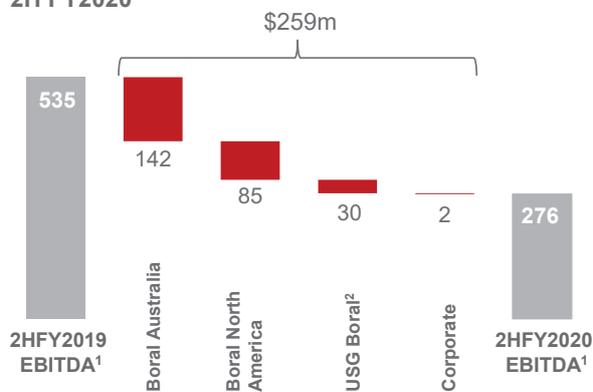
(for continuing operations, pre-AASB16)

EBITDA<sup>1</sup> variance, A\$m

FY2020



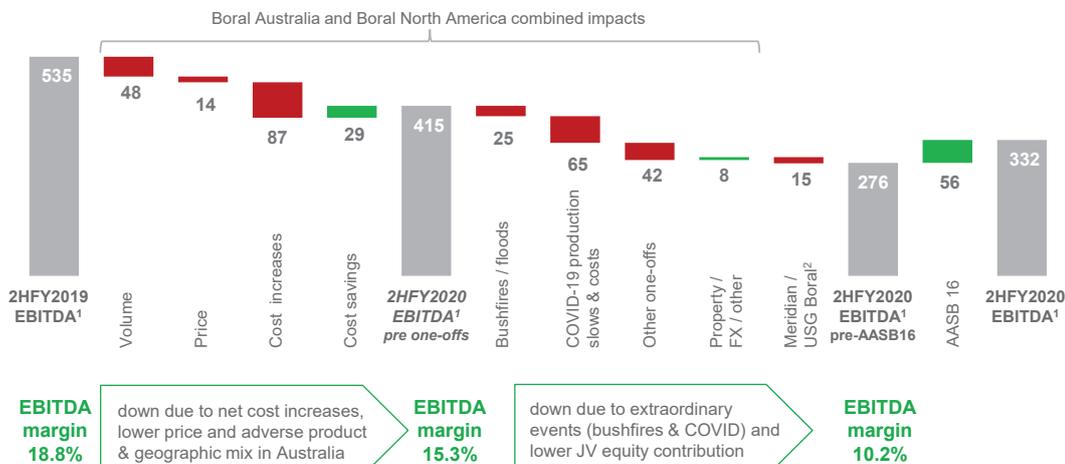
2H FY2020



1. Excluding significant items and discontinued businesses, and excluding the impact of the new IFRS leasing standard (AASB 16) on FY2020 EBITDA. Reported continuing EBITDA including the new leasing standard for FY2020 is \$825m. FY2019 comparative EBITDA is restated - see Note 1d of the preliminary final report for further details.
2. Represents Boral's 50% post-tax equity accounted income from USG Boral JV

## EBITDA second half analysis (continuing operations, pre-AASB16)

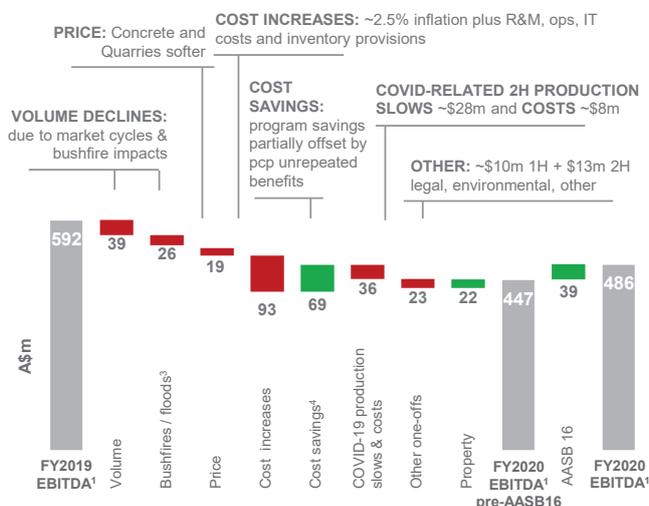
2H FY2020 EBITDA<sup>1</sup> variance, A\$m



1. Excluding significant items and discontinued businesses, and excluding the impact of AASB 16 on 2HFY2020 EBITDA. 2HFY2019 EBITDA is restated.
2. Represents Boral's 50% post-tax equity accounted income from Meridian Brick and USG Boral JVs

# Boral Australia FY2020

Continuing operations A\$m	FY2020	FY2019	Var, %
Revenue	3,336	3,511	(5)
EBITDA <sup>1</sup>	486	592	
<b>EBITDA<sup>1</sup> pre-AASB16</b>	<b>447</b>	<b>592</b>	<b>(25)</b>
EBITDA <sup>1</sup> ROS pre-AASB16	13.4%	16.9%	
EBIT <sup>1</sup>	229	385	
<b>EBIT<sup>1</sup> pre-AASB16</b>	<b>225</b>	<b>385</b>	<b>(42)</b>
EBIT <sup>1</sup> ROS pre-AASB16	6.8%	11.0%	
ROFE <sup>1,2</sup> pre-AASB16	9.5%	15.7%	
Property	55	33	
<b>EBITDA<sup>1</sup> excl. Property pre-AASB16</b>	<b>392</b>	<b>559</b>	<b>(30)</b>
EBITDA <sup>1</sup> ex Property ROS pre-AASB16	11.7%	16.0%	
Net Assets pre-AASB16	2,363	2,457	



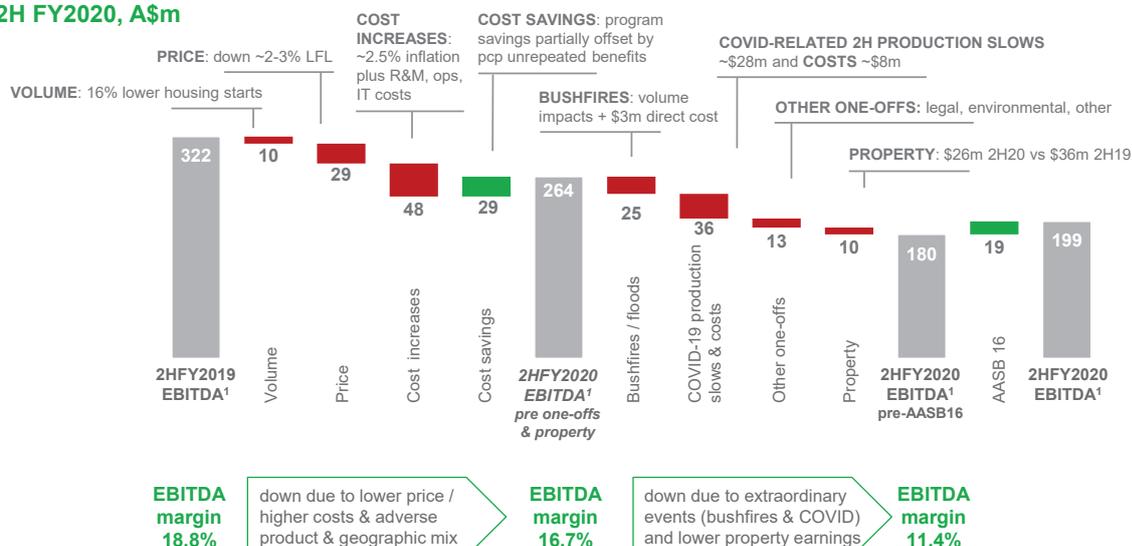
1. Excluding significant items  
 2. Divisional ROFE based on EBIT before significant items on divisional funds employed at year end  
 3. Includes volume impacts and \$4m of direct bushfire impacts  
 4. Cost savings of \$69m is net of one off benefits in the prior year

# Boral Australia's production slowed due to fires, response to COVID and lower demand



# Boral Australia second half analysis (continuing operations)

2H FY2020, A\$m



1. Excluding significant items

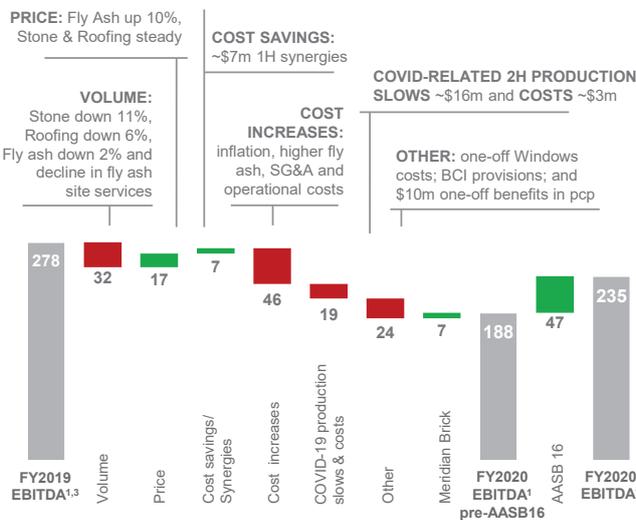
# Boral Australia responding to the challenges

Challenge / area	FY20 progress / outcomes	FY21 priorities / focus
<b>Respond to COVID &amp; maintain supply</b>	<ul style="list-style-type: none"> <li>Safely supplied customers</li> <li>Continued to flex production</li> </ul>	<ul style="list-style-type: none"> <li>Continue to safely supply and flex production</li> <li>Manage through Vic Stage 4 lockdown</li> <li>Prepared for ongoing impacts during FY21</li> </ul>
<b>Maximise cash flows</b>	<ul style="list-style-type: none"> <li>Shut plants, reduced shifts, delayed capex</li> <li>\$36m higher costs / lower fixed cost recoveries</li> <li>Working capital actions of \$96m in 2H</li> </ul>	<ul style="list-style-type: none"> <li>Enhance customer experience</li> <li>Innovative materials solutions</li> <li>Continue to secure supply to major projects</li> </ul>
<b>Declining volumes</b>	<ul style="list-style-type: none"> <li>Housing downturn, bushfires and mix shift</li> </ul>	<ul style="list-style-type: none"> <li>Maintain strong market position in declining market</li> </ul>
<b>Margins pressure</b>	<ul style="list-style-type: none"> <li>Inflation ~2-3%, 2H LFL prices down 2-3%</li> <li>Delivered \$99m of gross savings from improvement programs in FY20</li> </ul>	<ul style="list-style-type: none"> <li>Rightsizing (further 250 headcount reduction announced) and operational improvements</li> <li>Reduce fixed costs / SG&amp;A to reflect market declines</li> <li>Benefits from quarry, cement, network investments</li> <li>Supply chain capabilities to improve customer service and lower costs</li> </ul>
<b>Operational performance</b>	<ul style="list-style-type: none"> <li>Planned and unplanned outages at Berrima and Peppertree</li> </ul>	<ul style="list-style-type: none"> <li>Issues addressed, improved maintenance with fewer outages expected</li> </ul>

# Boral North America



continuing operations A\$m	FY2020	FY2019 <sup>3</sup>	Var, %
Revenue	2,336	2,227	5
EBITDA <sup>1</sup>	350	388	
<b>EBITDA<sup>1</sup> pre-AASB16</b>	<b>281</b>	<b>388</b>	<b>(28)</b>
<b>EBIT<sup>1</sup> pre-AASB16</b>	<b>113</b>	<b>225</b>	<b>(50)</b>
Net Assets pre-AASB16	3,189	4,500	
US\$m	FY2020	FY2019 <sup>3</sup>	Var%
Revenue	1,566	1,592	(2)
<b>EBITDA<sup>1</sup> pre-AASB16</b>	<b>188</b>	<b>278</b>	<b>(32)</b>
EBITDA <sup>1</sup> ROS pre-AASB16	12.0%	17.5%	
<b>EBIT<sup>1</sup> pre-AASB16</b>	<b>76</b>	<b>161</b>	<b>(53)</b>
EBIT <sup>1</sup> ROS pre-AASB16	4.8%	10.1%	
<b>ROFE<sup>1,2</sup> pre-AASB16</b>	<b>3.4%</b>	<b>5.1%</b>	



1. Excluding significant items  
 2. Divisional ROFE based on EBIT before significant items on divisional funds employed at year end  
 3. FY19 comparative figures have been restated refer Note 1d of preliminary final report for further details

# Boral North America production substantially impacted

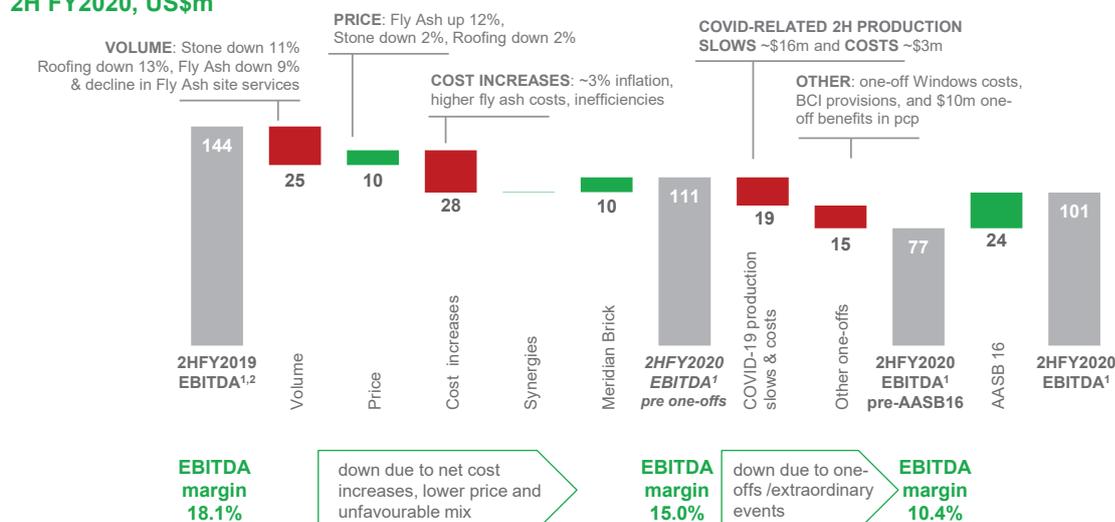


■ Operating at normal capacity with social distancing  
 ■ Operating on single / reduced shifts  
 ■ Operating with a skeleton crew only  
 ■ Closed  
 X Single days of production lost



# Boral North America second half analysis

2H FY2020, US\$m



1. Excluding significant items  
2. FY2019 comparative figures have been restated - see Note 1d of the preliminary final report for further details

# Boral North America responding to the challenges

Challenge / area	FY20 progress / outcomes	FY21 focus / priorities
<b>Respond to COVID, maintain supply, maximise cash flows</b>	<ul style="list-style-type: none"> <li>Shuts plus slowed production to reduce inventories, ~1400 employees furloughed</li> <li>Reduced capex by US\$44m</li> <li>Inventories reduced by US\$48m</li> </ul>	<ul style="list-style-type: none"> <li>Safely supply customers while flexing production</li> <li>Manage COVID-related absenteeism</li> <li>Inventory growth to match sales recovery</li> </ul>
<b>Stone performance including volumes</b>	<ul style="list-style-type: none"> <li>Stone Q3 volume improved prior to COVID</li> <li>Improvements in Stonecraft plant at end FY20</li> </ul>	<ul style="list-style-type: none"> <li>New products to market; share recovery program; restructured sales organisation; brand strategy</li> </ul>
<b>Roofing operational improvements</b>	<ul style="list-style-type: none"> <li>Florida plants underperformed – OEE, quality and waste improvements Dec-Mar</li> <li>Final product rationalisation at Okeechobee</li> </ul>	<ul style="list-style-type: none"> <li>Increased available product via plant improvements</li> <li>Targeted OEE &amp; quality improvement programs; improvements at end of FY20 to deliver benefits</li> </ul>
<b>Building products margins</b>	<ul style="list-style-type: none"> <li>Targeted share recovery program in Meridian Brick delivered benefits</li> <li>Unfavourable volume mix, COVID-related impacts and other cost increases</li> </ul>	<ul style="list-style-type: none"> <li>Share recovery plans: Stone, Roofing, Meridian</li> <li>Roofing, Stone and LBP price increases taking into account cost inflation</li> <li>Structured procurement initiatives</li> </ul>
<b>Fly ash supply and margins</b>	<ul style="list-style-type: none"> <li>Strong price outcomes in Fly Ash</li> <li>Supply availability down due to COVID</li> <li>Secured new contracts to offset closures</li> </ul>	<ul style="list-style-type: none"> <li>Grow volumes: network optimisation; harvesting and imports; Kirkland pozzolan due June 2021</li> </ul>

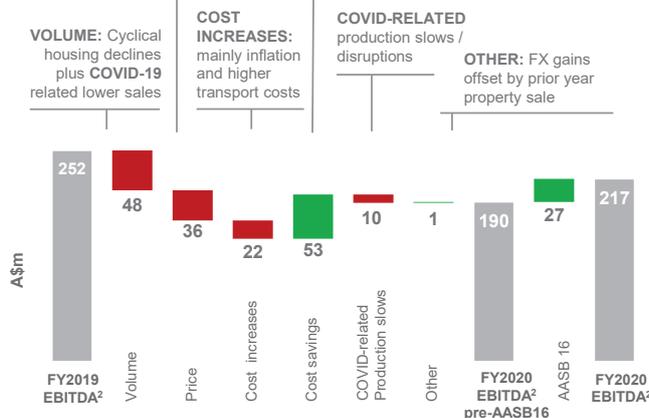
# USG Boral FY2020



A\$m	FY2020	FY2019	Var, %
<b>Reported result</b>			
Equity income <sup>1,2</sup>	25	57	(56)
<b>Underlying result</b>			
Revenue	1,474	1,606	(8)
EBITDA <sup>2</sup>	217	252	
<b>EBITDA<sup>2</sup> pre-AASB16</b>	<b>190</b>	<b>252</b>	<b>(25)</b>
EBITDA <sup>2</sup> ROS pre-AASB16	12.9%	15.7%	
EBIT <sup>2</sup>	107	168	
<b>EBIT<sup>2</sup> pre-AASB16</b>	<b>107</b>	<b>168</b>	<b>(36)</b>
EBIT <sup>2</sup> ROS pre-AASB16	7.3%	10.5%	
<b>ROFE<sup>2,3</sup> pre-AASB16</b>	<b>5.2%</b>	<b>8.1%</b>	
Net Assets pre-AASB16	2,070	2,082	-

**PRICE:**  
Mixed outcomes  
Australia ASP up 3%,  
Korea down 8%

**COST SAVINGS:**  
\$13m Project Horizon, lower  
input costs, and distribution  
restructuring in Australia



1. Post-tax equity income from Boral's 50% share of USG Boral JV
2. Excluding significant items
3. Divisional ROFE is underlying EBIT before significant items on divisional funds employed at year end

# USG Boral production has also been impacted

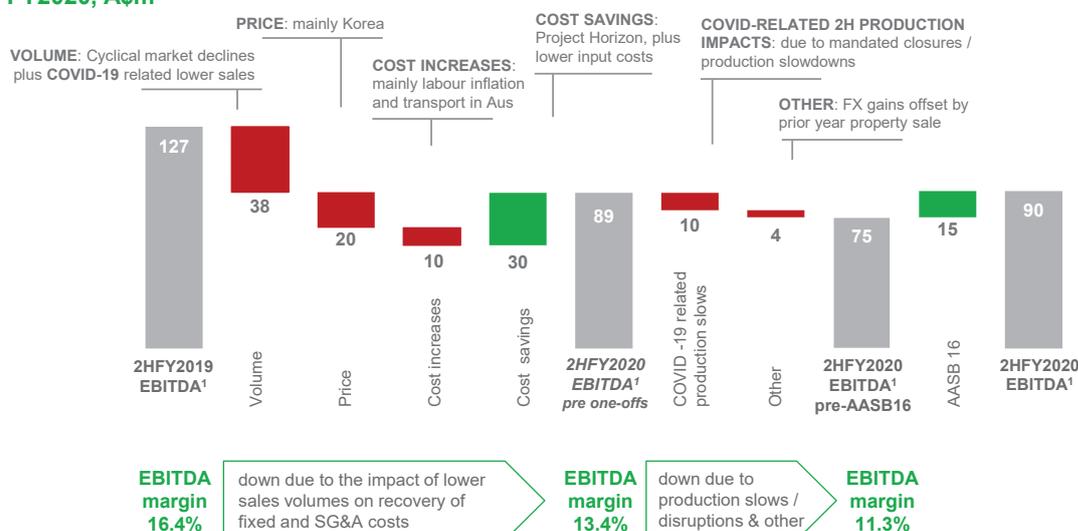


■ Operating at normal capacity with social distancing
 ■ Operating at reduced output
 ■ Operating with a skeleton crew only
 ■ Temporary shut



# USG Boral second half analysis

2H FY2020, A\$m



1. Excluding significant items

# USG Boral responding to the challenges

Challenge / area	FY20 progress / outcomes	FY21 focus / priorities
<b>Respond to COVID, maintain supply, maximise cash flow</b>	<ul style="list-style-type: none"> <li>Mandated closures; safely supplied where allowed; with COVID-related volume &amp; production impacts</li> <li>Continued to pay wages in most countries; minimal government subsidies (NZ only)</li> <li>Inventories reduced by \$14m in FY20, payables and receivables well controlled</li> <li>Capex down by ~26% to \$82m in FY20</li> </ul>	<ul style="list-style-type: none"> <li>Reduced headcount by 133 in late FY20 and 1QFY21, benefiting FY21</li> <li>Match production to supply to avoid inventory builds; network flexibility to match conditions</li> <li>Conserve cash for future growth; capex limited to key deferred FY20 projects and critical SIB</li> </ul>
<b>Lower market demand and costs</b>	<ul style="list-style-type: none"> <li>Headcount reductions/restructuring: 205 in FY19 benefiting Q4FY19 and FY20 (Project Horizon)</li> <li>Reduced discretionary spend, lowered production; delivered \$53m of cost savings</li> </ul>	<ul style="list-style-type: none"> <li>Procurement and operating efficiencies to offset raw material and energy inflation</li> <li>Strong cost control across fixed costs / SG&amp;A</li> <li>Improve fixed cost leverage as markets recover</li> </ul>
<b>Market position and margins</b>	<ul style="list-style-type: none"> <li>Maintain market position through mid-tier brands, preserve premium on top-tier brands</li> <li>Early benefits in China and Australia from customer segmentation program</li> <li>Contribution margins steady (variable costs down &amp; procurement gains)</li> </ul>	<ul style="list-style-type: none"> <li>Optimise customer and product mix through customer segmentation to improve margins</li> <li>Focus on strategic accounts</li> <li>Investments in digitisation and customer programs</li> </ul>

## Group financial performance

Total operations basis A\$m (figures may not add due to rounding)	FY2020 <sup>1</sup>	FY2020 pre-AASB16 <sup>1,2</sup>	FY2019 <sup>3</sup>	Var % pre-AASB16
Revenue	5,728	5,728	5,861	(2)
<b>EBITDA<sup>4</sup></b>	<b>821</b>	<b>710</b>	<b>1,010</b>	<b>(30)</b>
Depreciation and amortisation	429	330	316	
Amortisation of acquired intangibles	63	63	61	
EBIT <sup>4</sup>	329	317	632	(50)
Net interest	(126)	(109)	(103)	(6)
Tax <sup>4</sup>	(25)	(26)	(110)	
<b>Net profit after tax<sup>4</sup></b>	<b>177</b>	<b>181</b>	<b>419</b>	<b>(57)</b>
Significant items (gross)	(1,404)	(1,404)	(193)	
Tax on significant items	88	88	25	
<b>Statutory net profit after tax</b>	<b>(1,139)</b>	<b>(1,135)</b>	<b>251</b>	
Net profit after tax and before amortisation (NPATA) <sup>4</sup>	224	228	464	(51)
<i>Effective tax rate<sup>4</sup></i>	<i>12.5%</i>	<i>12.5%</i>	<i>20.9%</i>	

1. Refer to slides 73-74 for reconciliation to reported results and explanation of these items
2. Excluding the impact of the new leasing standard (AASB 16) in order to provide a more comparable basis for analysis with the prior year
3. FY2019 comparative figures have been restated. See Note 1d of preliminary final report for further details.
4. Excluding significant items

## Significant items

A\$m (figures may not add due to rounding)	FY2020
Asset impairments	
Boral North America – goodwill and intangible assets	(1,146)
Boral North America – investment in Meridian Brick JV	(77)
Boral Australia – WA & NT construction materials businesses and Timber & Roofing building products businesses	(123)
Restructuring costs	(36)
Joint venture matters	(13)
Integration costs	(9)
<b>Expense before interest and tax</b>	<b>(1,404)</b>
Income tax benefit	88
<b>Significant items</b>	<b>(1,316)</b>

Non-IFRS Information: Management has provided an analysis of significant items reported during the period. These items have been considered in relation to their size and nature and have been adjusted from the reported information to assist users to better understand the performance of the underlying businesses. These items are detailed in Note 2 of the preliminary final report and relate to amounts that are associated with significant business restructuring and integration, business acquisition or disposals, impairment or individual transactions

## Cash flow

A\$m (figures may not add due to rounding)	FY2020	FY2020 pre-AASB16 <sup>2</sup>	FY2019
<b>EBITDA<sup>1</sup></b>	<b>821</b>	<b>710</b>	<b>1,010</b>
Change in working capital and other	41	41	(19)
Property development receivable	(30)	(30)	-
Share acquisition rights vested	(2)	(2)	(8)
Interest and tax (includes lease interest)	(152)	(135)	(149)
Equity earnings less dividends	(13)	(13)	(18)
Restructuring, transaction & integration costs	(34)	(34)	(54)
<b>Operating cash flow</b>	<b>631</b>	<b>537</b>	<b>762</b>
Repayment of lease principal	(98)	-	-
Capital expenditure	(346)	(350) <sup>3</sup>	(453)
Investments	0	0	(11)
Proceeds on disposal of assets	40	40	414
<b>Free cash flow</b>	<b>227</b>	<b>227</b>	<b>712</b>
Dividends paid	(158)	(158)	(317)
Other items	-	-	8
<b>Cash flow</b>	<b>69</b>	<b>69</b>	<b>403</b>

1. Excluding significant items
2. Excluding the impact of the new leasing standard (AASB 16) to provide a more comparable basis for analysis with the prior year
3. Capex includes assets acquired through lease purchase options

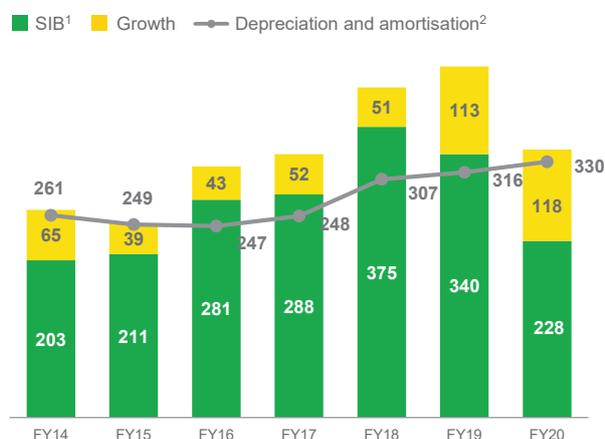
### Free cash flow lower with minimal proceeds from asset disposals in FY20

- Lower underlying business performance
- Strong cash flow from **inventories reduction of \$108m** in FY20
- **Net working capital** inflow of \$41m primarily resulting from lower inventories and debtors partially offset by a reduction in payables
- **Reduction in capital expenditure** of \$107m in FY20 (post-AASB16)

## Capital expenditure

Disciplined approach to capital management

### Total capital expenditure



1. Stay in business capital expenditure
2. Excludes amortisation of acquired intangibles and excludes the impact of AASB16 in FY20

- **Total capex declined 24% to \$346m**
  - ~70% invested in Boral Australia
    - Clinker grinding facility at Port of Geelong (Vic)
  - ~30% invested in Boral North America
    - Windows manufacturing plant in Houston
- Excluding the impact of leasing, depreciation and amortisation for FY2020 is \$330m
- Reported FY2020 depreciation and amortisation of \$429m includes leasing related depreciation of \$99m

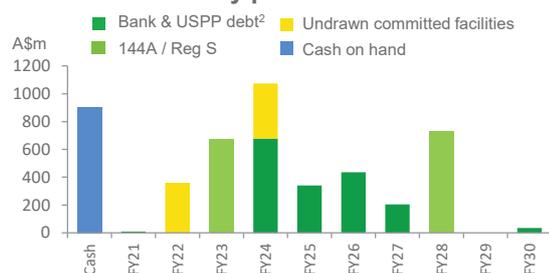
## Balance sheet

Strong liquidity

**Gearing** (net debt / net debt + equity), %



**Bank debt maturity profile**



- Net debt of \$2.197b<sup>3</sup> at FY20, in line with FY19
- Liquidity of A\$1.7bn through extended and refinanced debt. Weighted average debt facility maturity is 4.7 years
- No final dividend
- Investment grade credit rating BBB/Baa2 (negative outlook)
- Principal debt gearing covenant<sup>4</sup> of 41%, up from 30%<sup>5</sup> at Jun-19 (threshold <60%) due to impairment (~6% impact) and cash drawn (~5% impact)
- Tangible net worth covenant >\$1.75b, \$2.3b post impairment
- EBITDA/net debt leverage of 3.1x, excluding AASB16 impact

Net debt reconciliation <sup>3</sup> , A\$m	FY2020 <sup>3</sup>
Opening balance	(2,193)
Cash flow	69
Non cash (FX)	(73)
<b>Closing balance</b>	<b>(2,197)</b>

1. Represents the impact of the new IFRS leasing standard AASB 16
2. Consists of bilateral bank debt and US Private Placement notes
3. Excludes \$383 million of lease liabilities
4. Gross debt / (gross debt + equity) excluding lease liabilities
5. Restated FY2019

## Portfolio review, first impressions, priorities & outlook

Zlatko Todorcevski – CEO & Managing Director

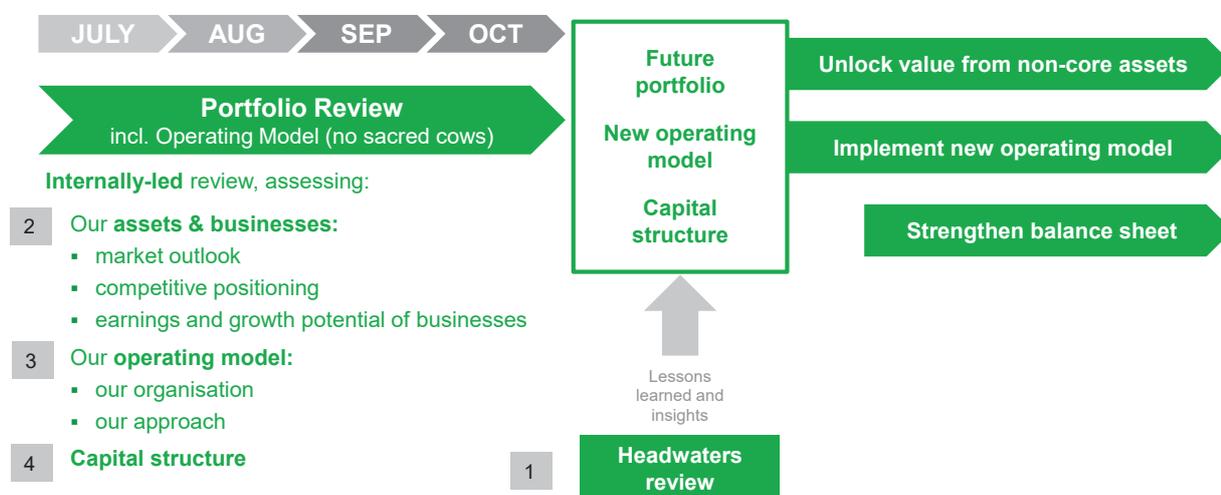


Boral Australia, Berrima Cement Works, NSW



Employees at Boral's Peppertree Quarry in NSW

## Reviewing Boral's Portfolio, re-setting the Operating Model and determining the appropriate Capital Structure



## Initial impressions after first 8 weeks

- 1 **Headwaters Review** – examples of findings and insights
- 2 **Our Operating Model**
  - Our Organisation
  - Our Approach
- 3 **Our Assets and Businesses**
- 4 **Capital Structure**

# 1 Headwaters acquisition review – insights from reviews will strengthen processes and business

## Key area

Headwaters as target	✓ Highly complementary business with good geographic / segment overlap
Transaction approach	✓ Well structured / executed elements eg. independent due diligence structure
Synergies	? A high level of synergies relative to earnings
Market projections	? Reliant on market forecasts; risk understanding
Execution	? Execution gaps, capability stretched, operational issues
Value	? Full price with little room for error

# Initial impressions after first 8 weeks

## Headwaters Review

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### Our Operating Model

Our Organisation  
Our Approach



- **Safety** – strong focus; performance plateau
- **Culture** – proud, committed people
- **Operating rhythm** – opportunity to re-energise
- **Customer insights** – good innovation, opportunity for deeper understanding of customers
- **Scale & costs** – not leveraging scale, fundamental rethink needed
- **Capital discipline** – allocation & execution could improve

## Our Assets and Businesses

## Capital Structure

## Initial impressions after first 8 weeks

Headwaters Review

Our Operating Model

Our Organisation

Our Approach

3

**Our Assets and  
Businesses**

Key  
observations

Capital Structure

- **Boral Australia – good position, vertical integration**
  - Innovative products, strong brand
  - Recent investments still to deliver
  - Can improve operating leverage
- **Boral North America**
  - Fly Ash – strong customer demand
  - Building Products – good brands, innovative products
  - Channel alignment opportunities & performance gains
- **USG Boral**
  - Attractive position in mature and emerging markets
  - Working with Knauf in context of our broader review

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## Initial impressions after first 8 weeks

Headwaters Review

Our Operating Model

Our Organisation

Our Approach

Our Assets and Businesses

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**Capital Structure**

Key  
observations

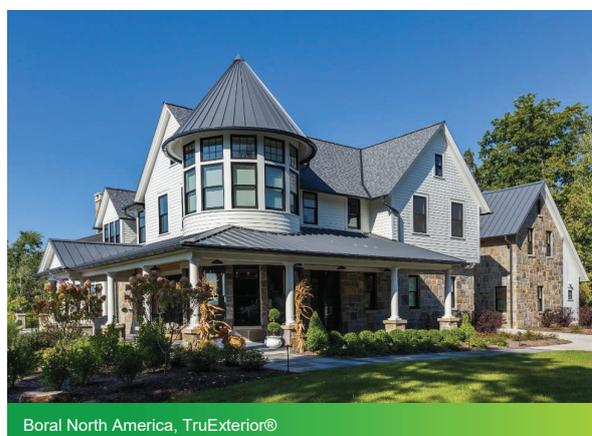
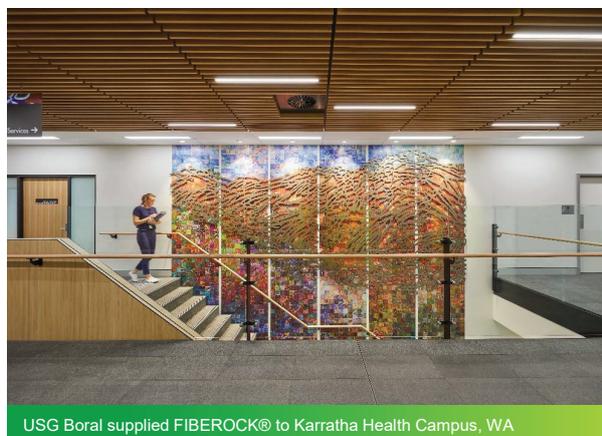
- To **reflect cyclical sectors** in which we operate
- Need **capacity and flexibility** in challenging conditions and to seize opportunities
- Target **maintenance of investment grade credit rating**
- **Excess capital returned to shareholders**
- **Good liquidity** headroom
- **Equity raise not a current consideration**

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## FY2021 priorities, outlook and trading

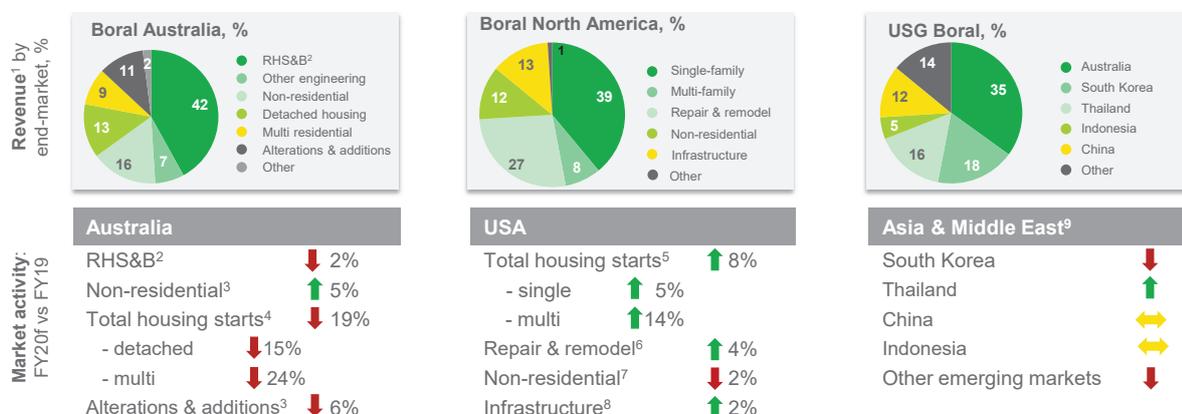
- **FY2020 was challenging – especially 2H** – business **environment remains challenging** with continued disruptions and COVID-19 risks, declining demand in key housing markets and mixed views on market recovery
- **Immediate focus:**
  - **Short-term actions – divisional improvement initiatives** to recover margins / reduce costs
  - Safely operating with **continuity of supply** in a COVID-19 environment, while maintaining **strong cash** conversion
  - Completing **portfolio review** including defining our **operating model and capital structure** by end of October
- **Unable to provide guidance on FY2021** due to insufficient market visibility and uncertainty
- **FY2021 trading – uncertainty remains:**
  - **Lower revenues in July** but only **slightly lower earnings** relative to pcp
  - **July EBITDA margins recovered** relative to 2HFY2020 and broadly in line with 1HFY2020
  - Boral Australia: July concrete volumes down ~12%; Melbourne Stage 4 lockdown impacting with Melbourne metro concrete volumes down ~20% on pcp for duration
  - Boral North America: positive signs of demand lifting, but labour constraints / absenteeism increasing industry lead times. July sales volumes improving relative to recent months but still below pcp – Stone down ~1%, Roofing down ~9%, Fly Ash down ~10%
  - USG Boral: July plasterboard volumes down ~6% in Australia and ~11% in Asia versus pcp

## Questions



## Supplementary information

### Mixed underlying market activity, coupled with significant disruption in 2H due to COVID-19 and Australian bushfires



1. Based on FY2020 external revenue; USG Boral is for underlying revenue; Boral North America includes Boral's 50% share of revenue from Meridian Brick JV which is not included in reported revenue  
 2. Roads, highways, subdivisions and bridges. Average of Macromonitor and BIS Oxford Economics value of work done forecasts  
 3. Original series from ABS to Mar-20 quarter. Average of Macromonitor and BIS Oxford Economics forecast for Jun-20 quarter  
 4. ABS original housing starts; average of Macromonitor, BIS Oxford Economics and HIA forecasts for Jun-20 quarter  
 5. US Census seasonally adjusted annualised housing starts (August 2020). Based on data up to June 2020  
 6. Moody's retail sales of building products, July 2020  
 7. Management estimate of square feet area utilising Dodge Data & Analytics June 2020 report  
 8. Management estimate of ready mix demand utilising Dodge Data & Analytics June 2020 report and other industry sources  
 9. Based on various indicators of building and construction activity

## Boral Australia second half analysis

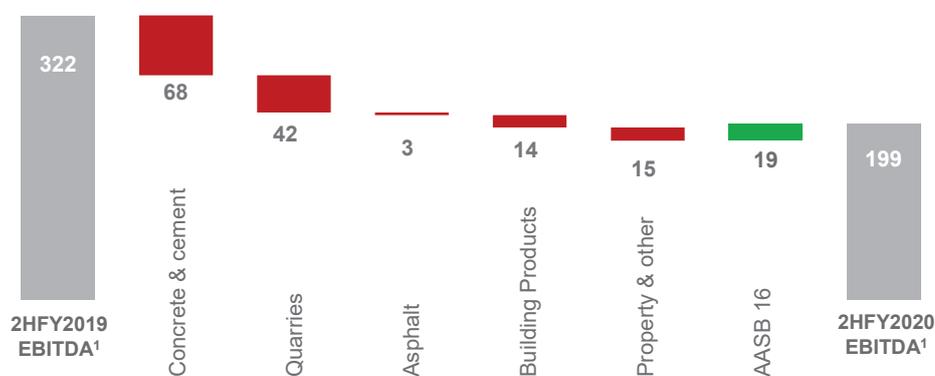
continuing operations A\$m	2H FY2020	2H FY2019	Var, %	1H FY2020	1H FY2019	Var, %
Revenue	1,584	1,717	(8)	1,752	1,794	(2)
EBITDA <sup>1</sup>	199	322		287	270	
<b>EBITDA<sup>1</sup> pre-AASB16</b>	<b>180</b>	<b>322</b>	<b>(44)</b>	<b>267</b>	<b>270</b>	<b>(1)</b>
<i>EBITDA<sup>1</sup> ROS pre-AASB16</i>	11.4%	18.8%		15.3%	15.0%	
<b>EBITDA<sup>1</sup> excl. Property pre-AASB16</b>	<b>154</b>	<b>286</b>	<b>(46)</b>	<b>239</b>	<b>273</b>	<b>(12)</b>

2HFY2020 on 2HFY2019 Var, %	Sales volumes	Production volumes	Price <sup>2</sup>	FY2020 on FY2019 Var, %	Sales volumes	Production volumes	Price <sup>2</sup>
Concrete	(12)	-	(3)	Concrete	(10)	-	(2)
Quarries	1	(14)	(3)	Quarries	(3)	(11)	steady
Cement	(13)	(14)	(2)	Cement	(6)	(9)	(1)

1. Excluding significant items
2. On a like-for-like basis.

## Boral Australia second half analysis (continuing operations)

### 2H FY2020 by Product, A\$m



1. Excluding significant items.



## Boral North America second half analysis



US\$m	2H FY2020	2H FY2019 <sup>2</sup>	Var, %	1H FY2020	1H FY2019	Var, %
Revenue	741	796	(7)	825	796	4
<b>EBITDA<sup>1</sup> pre-AASB16</b>	<b>77</b>	<b>144</b>	<b>(47)</b>	<b>111</b>	<b>134</b>	<b>(17)</b>
<i>EBITDA<sup>1</sup> ROS pre-AASB16</i>	10.4%	18.1%		13.5%	16.8%	

2HFY2020 on 2HFY2019 Var, %	Sales volumes	Production volumes	Price
Fly Ash	(9)	na	12
Roofing	(13)	(20)	(2)
Stone	(11)	(37)	(2)

FY2020 on FY2019 Var, %	Sales volumes	Production volumes	Price
Fly Ash	(2)	na	10
Roofing	(6)	(10)	steady
Stone	(11)	(24)	steady

1. Excluding significant items
2. FY19 comparative figures have been restated. See Note 1d of preliminary financial report

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## USG Boral second half analysis



A\$m	2H FY2020	2H FY2019	Var, %	1H FY2020	1H FY2019	Var, %
Equity income <sup>1,2</sup>	2	32	(94)	23	25	(8)
<b>Underlying result</b>						
Revenue	662	775	(15)	812	831	(2)
EBITDA <sup>2</sup>	90	127		127	125	
<b>EBITDA<sup>2</sup> pre-AASB16</b>	<b>75</b>	<b>127</b>	<b>(41)</b>	<b>115</b>	<b>125</b>	<b>(8)</b>
<i>EBITDA<sup>2</sup> ROS pre-AASB16</i>	11.3%	16.4%		14.2%	15.1%	

2HFY2020 on 2HFY2019 Var, %	Sales volumes	Production volumes	Price (ASP)
Australia	(5)	(7)	(1)
Asia	(17)	(18)	(4)

FY2020 on FY2019 Var, %	Sales volumes	Production volumes	Price (ASP)
Australia	(6)	(8)	3
Asia	(6)	(9)	1

1. Post-tax equity income from Boral's 50% share of USG Boral JV
2. Excluding significant items

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## AASB 16 Leases: impacts on FY20 financials

Balance sheet	Income statement	Cash flow statement	Disclosures	Financial metrics
Assets <sup>1</sup> \$373m	EBITDA <sup>2</sup> \$111m	Operating cash inflow \$98m	Operating lease commitments \$413m	Net debt <sup>1</sup> \$383
Liabilities <sup>1</sup> \$383m	EBIT <sup>2</sup> \$12m	Investing cash flow <i>no impact</i>	Short term low value leases <i>no impact</i>	Gearing <sup>3</sup> 3%
	NPAT <sup>2</sup> \$4m	Financing cash outflow \$98m		EBITDA margin 1.9%
	Depreciation \$99m			ROFE <sup>4</sup> 0.1%
	Interest \$17m			

1. Excludes assets and liabilities held for sale
2. Excludes significant items
3. Net debt / net debt + equity
4. Return on funds employed (ROFE) is based on total EBIT before significant items on funds employed at period end

## Boral Group: snapshot

Australian based, ASX listed international building and construction materials group

**A\$4.7b**

market capitalisation<sup>1</sup>  
S&P/ASX 100 company

**17**

countries<sup>2</sup>

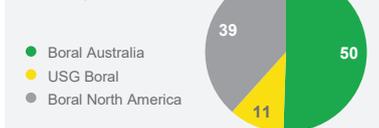
**~646**

operating sites<sup>2</sup>

**16,169**

employees<sup>3</sup>

FY2020 revenue by division<sup>4</sup>, %



EBITDA<sup>5</sup>  
A\$m



FY2020 revenue by end market<sup>4</sup>, %



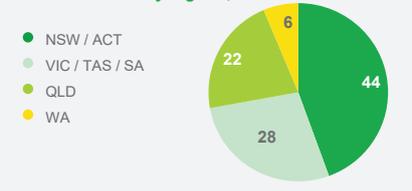
1. As at 27 August 2020
2. As at 30 June 2020
3. Full-time equivalent employees, including in joint ventures, as at 30 June 2020
4. Includes Boral's 50% share of underlying revenue from USG Boral and Meridian Brick joint ventures, which are not included in Group reported revenue and excludes discontinued operations
5. Excluding significant items and impact of the new leasing standard. Prior period restated where relevant with further details in Note 1d of the preliminary final report.
6. RHS&B: Roads, highways, subdivisions & bridges



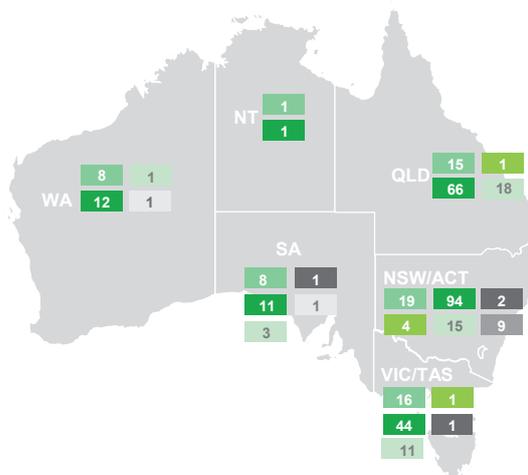
# Boral Australia

Diversified geographic exposure across construction materials

FY2020 Revenue by region<sup>1</sup>, %



FY2020 Revenue by business<sup>2</sup>, %



379 operating sites<sup>3</sup>

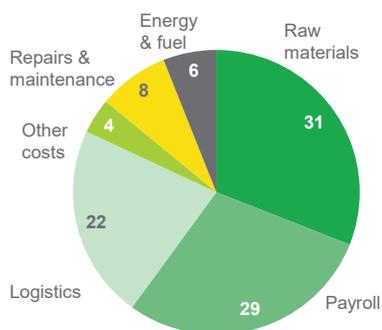
Quarries	67
Concrete	228
Asphalt	48
Cement <sup>4</sup>	6
Roofing	4
Timber <sup>5</sup>	9
Masonry	2

1. Boral Australia external revenue for the year ended 30 June 2020  
 2. Other includes Transport and Landfill revenues  
 3. As at 30 June 2020. Includes transport, recycling, fly ash depots and R&D sites. Concrete and asphalt sites include mobile plants. Excludes mothballed plants  
 4. Includes cement manufacturing, grinding, bagging and lime plants in NSW, a clinker grinding plant in Victoria and a clinker grinding JV in Queensland  
 5. Includes eight Boral Hardwood mills and one JV Softwood operation



# Boral Australia

Boral Australia  
~\$2.9b FY2020 cash cost base, %



- **Inflationary cost** impacts of ~2% to 2.5% across the business
- **Labour:** average wage inflation ~2%-3%
- **Raw materials costs:** internationally traded clinker prices increased in line with Asian markets and FX
- **Logistics:** supply chain optimisation program delivered ~\$15m of savings in FY2020
- **Energy and fuel:** benefited from lower electricity and diesel prices

## Boral Australia

Vertically integrated positions in key markets, especially in strong East Coast markets



1. Includes Boral's share of 1.5m tonnes of grinding capacity in 50% owned Sunstate Cement JV  
 2. Based on recent historical average  
 3. For sand and aggregates only

## Property is an ongoing contributor to earnings

Boral has a strong track record of maximising returns from property assets



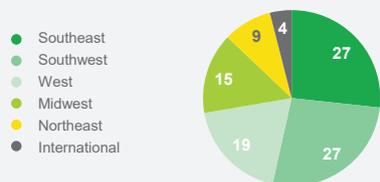
1. Excluding significant items (including divestment proceeds from Deer Park Landfill) and ongoing landfill royalties



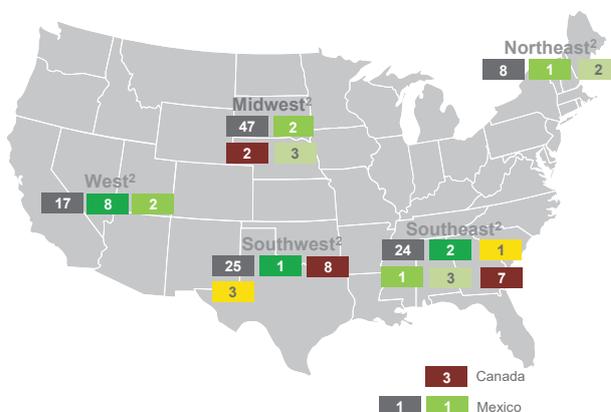
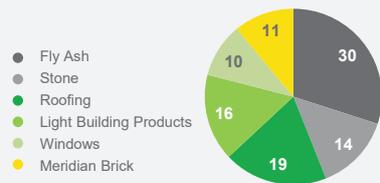
# Boral North America

Strong national networks in building products and fly ash

FY2020 Revenue<sup>1</sup> by geography<sup>2</sup>, %



FY2020 Revenue<sup>1</sup> by business, %



214 operating sites<sup>3</sup>

Fly ash	122
Roofing	11
Stone	7
Light Building Products	8
Windows	4
Meridian Brick	20

1. Based on external revenue, including Boral's 50% share of Meridian Brick JV revenue, which is not included in reported revenue
2. Southeast – AL, FL, GA, KY, MS, NC, SC, TN, VA, WV; Southwest – AR, LA, OK, TX; West – AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY; Midwest – IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI; Northeast – CT, DC, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VT.
3. As at 30 June 2020. Includes 38 clay mines and four R&D sites. Excludes mothballed plants and distribution locations

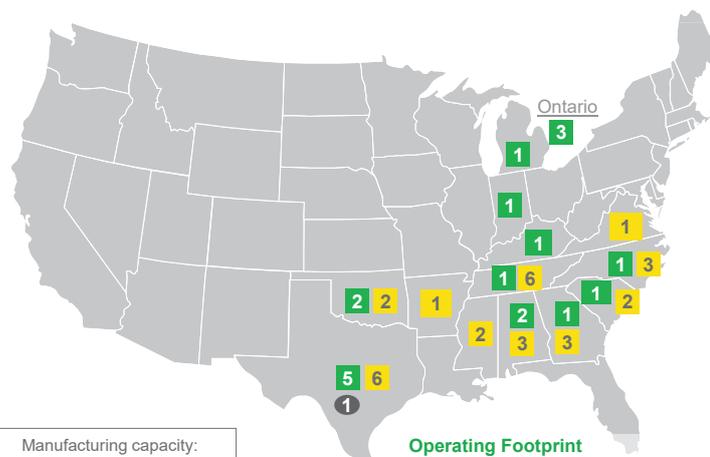
# Meridian Brick joint venture update



Underlying result

US\$m	FY20	FY19
Revenue	\$401	\$375
EBIT <sup>1</sup>	\$2	(15)

- Substantial lift in underlying EBIT
- Brick and resale revenue grew year over year, 7% and 8% respectively
- Brick volume up 7% year over year



Manufacturing capacity:  
~1,778 million standard brick equivalent (SBE)  
including ~286m SBE idle capacity

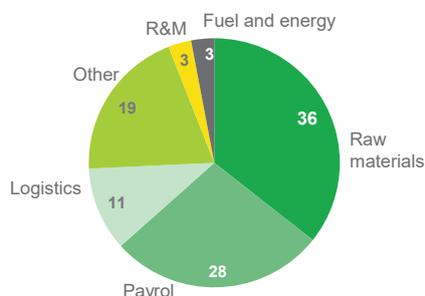
Operating Footprint  
(number of operations at June 2020)

19	Clay Bricks
1	Concrete Bricks
29	Building Products Distribution Centres

1. Excludes significant items

## Boral North America

### FY2020 Boral North America ~US\$1,480m cost base %<sup>1</sup>



<b>Higher fixed, lower variable cost businesses</b>	Concrete & clay tiles
<b>Lower fixed, higher variable cost businesses</b>	Metal & composite roofing, manufactured stone, Fly Ash, Windows, LBP

1. Excluding Meridian Brick JV. Total cost base represents continuing operations

- Inflationary cost impacts of ~3% to 5% across the business
- **Raw materials costs:** higher raw material costs in Light Building Products, Windows and Stone; however initiatives have continued to target this category
- **Labour:** availability has been challenging in many markets, and wages have been increasing
- **Logistics:** lower availability of carriers and higher rail costs in FY20
- **Energy and fuel:** stable electricity, gas and fuel costs of \$US41m in FY2020 (versus US\$41m in FY2019)

## Fly ash strategy

Additional volume opportunities ('000 tons)	Capital / ton of annual capacity	FY2019 progress	FY2020 progress	Annualised progress on FY2018	
<b>Network optimisation</b> (and storage)	~500+	\$5-\$60	Captured additional ~400k tpa	Captured additional ~400k t in 1H FY20	~800
<b>Domestic contracts</b>	~400+	0-\$15	3 new contracts ~320k tpa	<b>~Additional ~1,300k tpa</b> ash capacity secured from multiple contracts to progressively impact from FY21; lost contracts ~230k tpa	~1,400
<b>Harvesting ash</b> from wet ponds & landfills	~400+	\$40-\$60		<b>Montour fully operational ~100k tpa</b> –extra shifts can be added; Multiple harvesting projects being pursued	~100
<b>Imports</b> (long term strategy into key areas)	~300+	developing	Imports from Mexico, optimising logistics to grow volumes; currently lower margin opportunity		~60
<b>Blending with natural pozzolans</b>	~400+	\$60-\$85	Dragon Mine (UT) source secured: investigations underway to blend with ash	<b>Kirkland (AR) rights acquired:</b> high quality pozzolan to deliver ~500k tpa by FY22	~500
<b>Utility closures</b>			Texas closures & Florida (800k tpa FY18/19, incl. 475k in FY19)	Navajo & Vistra closures (475k tpa) FY20/21	(~950)



## Headwaters acquisition synergies

Synergy drivers by business, US\$	Delivered in FY2020	Cumulative Delivered FY2020	Total Yr 4 target, pa
<b>Corporate – incl. executive headcount, public company costs, procurement</b>	<b>\$0.2m</b>	<b>\$11.8m</b>	>\$15m
<b>Fly Ash</b>	<b>\$0.6m</b>	<b>\$19.1m</b>	>\$24m
<ul style="list-style-type: none"> <li>■ Ash supply / network optimisation / logistics</li> <li>■ Procurement</li> <li>■ Sales coverage expansion &amp; high value product growth – <i>Boral faced local supply constraints in some locations, HW had ability to supply</i></li> <li>■ Organisational efficiencies – <i>e.g. consolidating finance systems and overlapping sales coverage, engineering support and operations</i></li> <li>■ Other including technology / R&amp;D</li> </ul>			
<b>Stone</b>	<b>\$3.0m</b>	<b>\$7.5m<sup>1</sup></b>	>\$25m
<ul style="list-style-type: none"> <li>■ Plant network optimisation</li> <li>■ Sales coverage</li> <li>■ Procurement</li> <li>■ Manufacturing equipment</li> <li>■ Other including organisational efficiencies</li> </ul>			

1. Recognises the impact of share loss as a result of the acquisition

CONTINUED OVER PAGE

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## Headwaters acquisition synergies

Synergy drivers by business, US\$	Delivered in FY2020	Cumulative Delivered FY2020	Total target, pa
<b>Roofing</b>	<b>\$2.4m</b>	<b>\$21.3m</b>	>\$30m
<ul style="list-style-type: none"> <li>■ Procurement</li> <li>■ Cross-selling portfolio – <i>e.g. re-sale products from Boral's traditional business can sell into markets where Headwaters had minimal exposure</i></li> <li>■ Manufacturing &amp; network optimisation</li> <li>■ Manufacturing efficiencies</li> <li>■ Other including organisational efficiencies</li> </ul>			
<b>Light Building</b>	<b>\$1.6m</b>	<b>\$16.8m</b>	>\$16m
<ul style="list-style-type: none"> <li>■ Procurement</li> <li>■ Sales coverage, cross selling, retail presence</li> <li>■ Organisational efficiencies</li> <li>■ Other</li> </ul>			
<b>Other: Including Block<sup>1</sup> &amp; Windows</b>	<b>(\$0.7m)</b>	<b>\$1.3m</b>	>\$2m
<b>Total</b>	<b>\$7.1m</b>	<b>\$77.8m</b>	<b>\$115m</b>

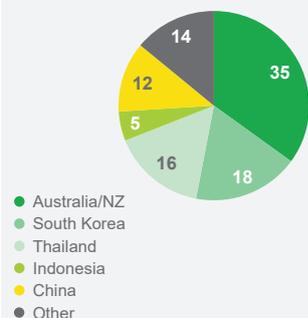
1. Prior year Block synergies included in cumulative figure

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# USG Boral

50%-owned joint venture in Australasia, Asia & Middle East

FY2020 External revenue<sup>1</sup>, %



### Operating Footprint (number of operating sites<sup>2</sup>)

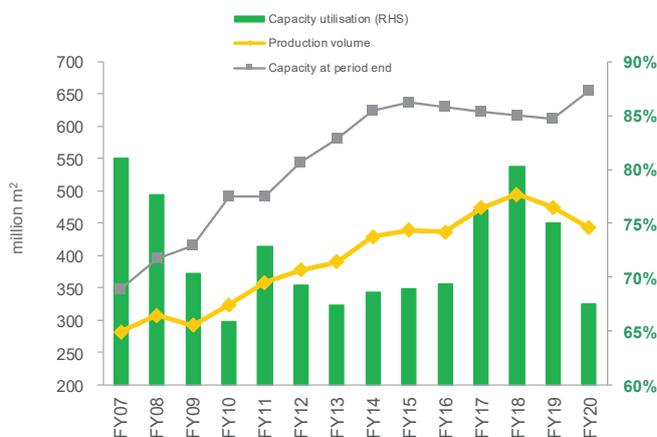
- 19** Plasterboard plants  
656m<sup>2</sup> capacity  
24 board lines / 9 ceiling lines
- 3** Gypsum mines
- 30** Other plants<sup>3,4</sup>



- Based on split of underlying revenue for USG Boral. USG Boral's revenue is not reported in Boral's income statement as this 50% investment is equity accounted
- As at 30 June 2020. Certain manufacturing facilities and gypsum mines are held in joint venture with third parties
- Production of plasterboard and other products may be at the same physical location
- Other plants include mineral fibre ceiling tile, metal ceiling grid, metal products, joint compounds, bonding compounds, industrial plasters, mineral wool and cornice production
- Includes the cornice plant in Australia that will be rebuilt

# USG Boral

5% CAGR in plasterboard volumes and strong capacity utilisation



- Average capacity utilisation of ~68% across network in FY2020, slightly lower than FY2019<sup>1</sup>
- Plasterboard production volume CAGR<sup>2</sup> of 5% p.a. (including Aus/NZ) since FY2007

- Includes plasterboard and gypsum ceiling tile volumes
- Based on total production capacity at period end. Compound annual growth rate

# Market data and forecasts – Australia



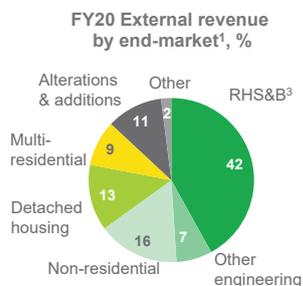
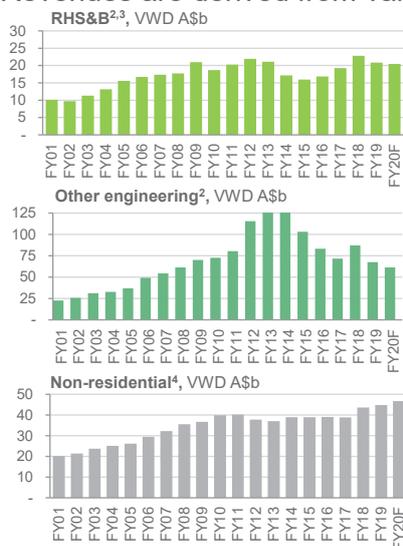
Boral Australia's new Forward Moving Aggregate Spreader



Boral Australia, plant upgrade at Ormeau Quarry, Qld

# Boral Australia's markets

Revenues are derived from various market segments



1. Based on split of FY2020 Boral Australia external revenues  
2. Source: ABS, BIS Oxford Economics and Macromonitor forecasts

3. Roads, highways, subdivisions and bridges  
4. Source: ABS, BIS Oxford Economics and Macromonitor forecasts  
5. Source: ABS, BIS Oxford Economics, Macromonitor and HIA forecasts

## Australian RHS&B activity

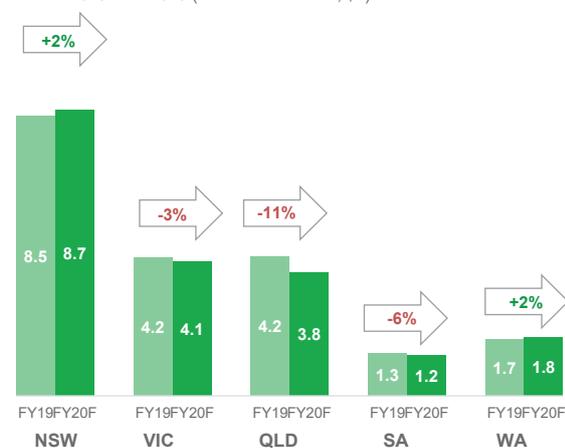
### RHS&B<sup>1</sup>

(value of work done, \$b)



### RHS&B<sup>1</sup>, by state

FY2020f v FY2019 (value of work done, \$b)

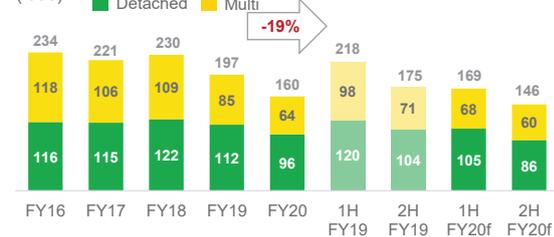


1. RHS&B refers to roads, highways, subdivisions and bridges. Source: ABS, average of BIS Oxford Economics and Macromonitor forecasts

## Australian residential construction decline

### Total housing starts<sup>1</sup>

('000)



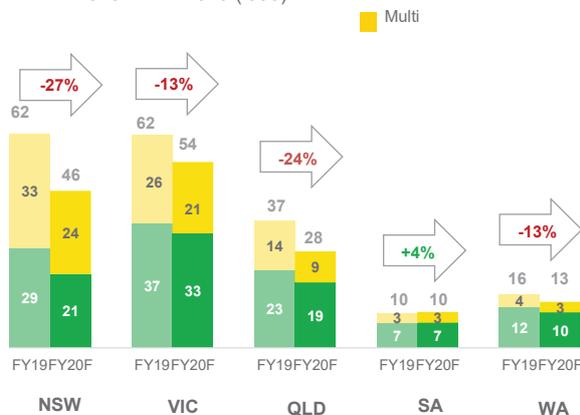
### Alterations & additions<sup>2</sup>

(value of work, \$b)



### Housing starts – by state<sup>1</sup>

FY2020f vs FY2019 ('000)



1. Original series housing starts from ABS to Mar-30 quarter. Average of BIS Oxford Economics, Macromonitor and HIA forecast for Jun-20 quarter.  
 2. Original series from ABS. Average of BIS Oxford Economic and Macromonitor forecast for Jun-20 quarter.  
 3. Figures may not add due to rounding



## Selection of Aus. project work and potential pipeline

Project <sup>1</sup>	Status <sup>2</sup>	Project <sup>1</sup>	Status <sup>2</sup>
Barangaroo 1B – Tower 1, NSW		M6 – Kogarah, NSW	
Norfolk Island Airport, Qld		Monash Freeway Upgrade – Stage 2, Vic	
Melbourne Metro Rail Project (Precast), Vic		North East Link, Melbourne, Vic	
Pacific Motorway: Varsity Lakes to Tugun Upgrade, Qld	Est. completion FY21	Pacific Motorway M1 (various), SE Qld	
RAAF East Sale, Vic		RAAF Williamtown, NSW	
Karratha Tom Price Road, WA		Snowy Hydro 2.0, NSW	Tendering
Queens Wharf – resort development, Qld		Sydney Gateway Project, NSW	
Mordialloc Bypass, Vic	Est. completion FY22	Sydney Road Asset Performance Contract, NSW	
West Gate Tunnel, Vic		Sydney Metro (various stations), NSW	
Snowy Hydro 2.0, NSW (precast)	Est. completion FY23	Tonkin Highway extension, WA	
Sydney Metro (Martin Place Station), NSW		Western Sydney Airport, NSW	
WestConnex 3B (above ground), NSW		Bunbury Outer Ring Road, WA	
Road Asset Management Contracts, Qld	Est. completion FY24	Coffs Harbour Bypass, NSW	
DPTI Road Work Network maintenance, Zone 4, SA		Inland Rail Project, Qld, NSW, Vic	Pre-tendering
Bruce Highway Upgrade (Various), Qld		New M12 Motorway, NSW	
Cross River Rail, Qld		Sydney Metro, West extension, NSW	
Gold Coast Light Rail, 3A, Qld	Tendering	Warringah Freeway Upgrade, NSW	
Golden Plains Wind Farm, Vic			
Kidston Hydro Project, Qld			

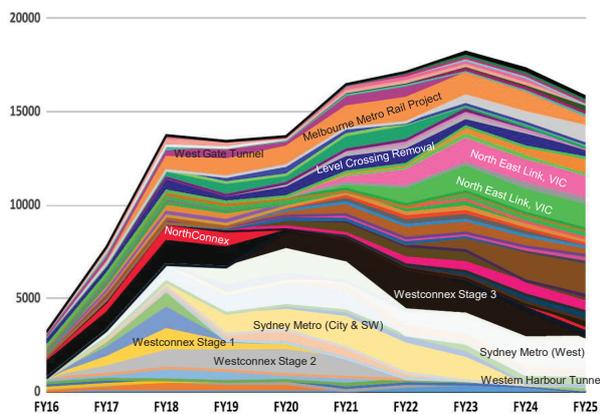
1. Borals major projects are generally defined as contributing >\$15m of revenue to Borals  
 2. As at July 2020



## A strong medium term project pipeline

While the pipeline is strong, the shifting nature of work is changing materials intensity

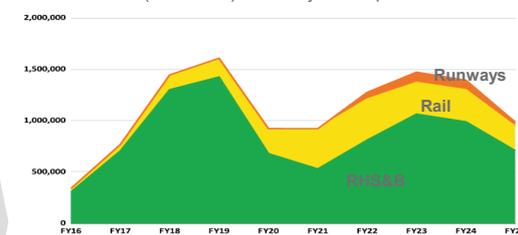
**Major transport infrastructure projects<sup>1</sup>**  
 (A\$m)



1. Macromonitor June 2020 Forecasts. Major projects defined as >\$450m of VWD

**Softer concrete volumes driven by more tunnelling**

Premix demand (million m<sup>3</sup>) from major transport construction<sup>1</sup>



**Growing asphalt volumes driven by Vic demand**

Asphalt demand (million t) from major transport construction<sup>1</sup>

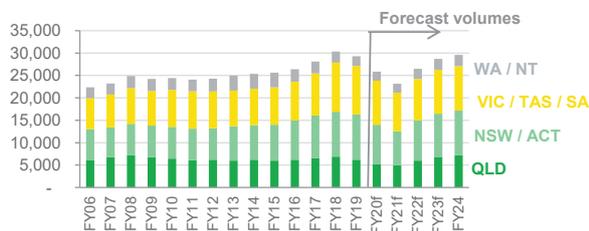


# Concrete and asphalt demand in Australia

Macromonitor forecast<sup>1</sup> demand across all Australian construction markets

## Pre mix concrete demand<sup>1</sup>

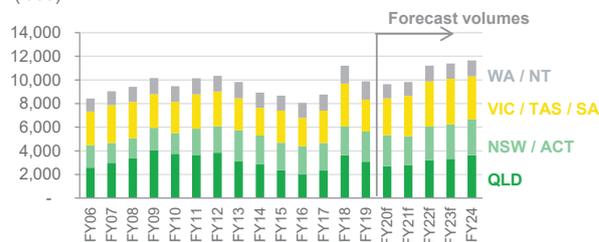
('000) m<sup>3</sup>



- › Macromonitor forecasts Concrete volumes to soften before moderating back to FY2017 levels by FY2023
- › ~(-0.5%) CAGR<sup>2</sup> in concrete volumes forecast FY2019 to FY2023

## Asphalt demand<sup>1</sup>

('000) tonne



- › Macromonitor forecasts Asphalt volumes to be steady in FY2020 and remain at high levels to at least FY2023
- › ~3.7% CAGR<sup>2</sup> in asphalt volumes forecast FY2019 to FY2023

Depending on phasing of projects and given Boral's large share of major projects, Boral's change in FY2021 volumes on FY2020 could be different to what Macromonitor is forecasting

1. Macromonitor, Construction Materials forecast, Jun 2020 estimates  
2. Compound annual growth rate

# Market data and forecasts – USA



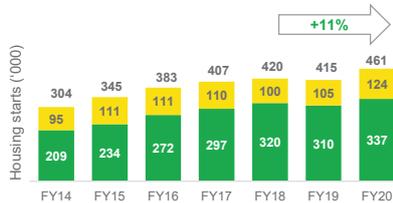
Boral North America, Montour reclaim operation in Pennsylvania



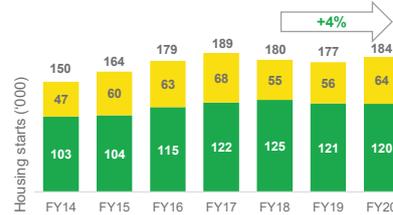
Eldorado Stone® products

# US housing starts by region

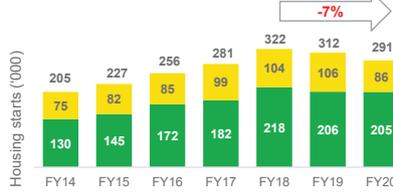
**Southeast – 27% of Boral's US revenue<sup>1,2</sup>**



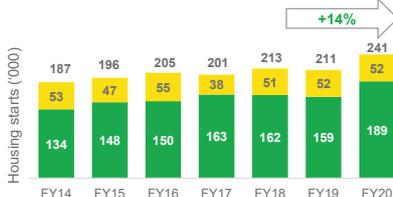
**Midwest – 15% of Boral's US revenue<sup>1,2</sup>**



**West – 19% of Boral's US revenue<sup>1,2</sup>**



**Southwest – 27% of Boral's US revenue<sup>1,2</sup>**



**Northeast – 19% of Boral's US revenue<sup>1,2</sup>**



1. Source: US Census seasonally adjusted annualised housing starts (August, 2020)

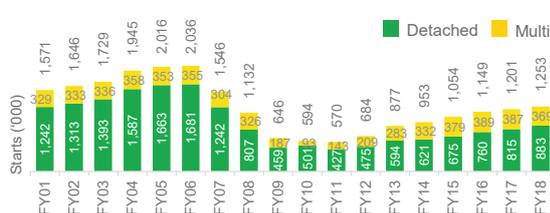
2. Based on FY2020 external revenue, including Boral's 50% share of Meridian Brick JV revenue, which is not included in reported revenue.

3. Southeast – AL, FL, GA, KY, MS, NC, SC, TN, VA, WV; Southwest – AR, LA, OK, TX; West – AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY; Midwest – IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI; Northeast – CT, DC, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VT; international sales comprise the remainder of the revenue split



# Boral North America markets

**USA New Residential<sup>1</sup>: 47% of BNA revenue**



**USA Repair & Remodel<sup>2</sup>: 27% of BNA revenue**



**USA Non-residential<sup>3</sup>: 12% of BNA revenue**



**USA Infrastructure<sup>4</sup>: 13% of BNA revenue**



1. US Census seasonally adjusted annualised housing starts (August, 2020).

2. Moody's Retail Sales of Building Products (July, 2020).

3. Dodge Data & Analytics, Non-Residential Area (June 2020, Q2 2020 update). Forecast based on Dodge Data & Analytics (June 2020)

4. Dodge Data & Analytics, Infrastructure Ready Mix Demand (June 2020). Forecast based on Dodge Data & Analytics, Infrastructure Ready Mix Demand (June 2020)

## Financial data



Boral's road train at the Wellcamp Quarry, Toowoomba, Qld

## FY2020 segment revenue, EBITDA and EBIT

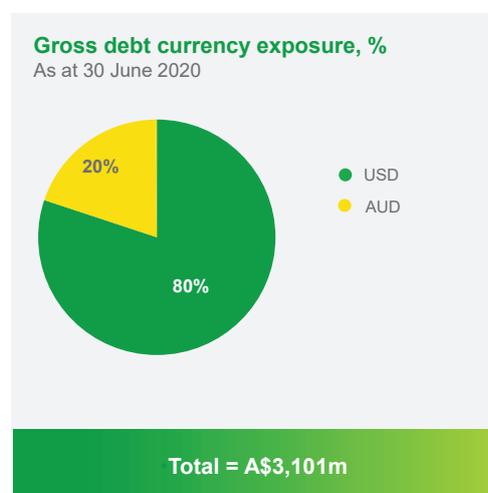
	External revenue, A\$m		EBITDA <sup>2</sup> , A\$m		EBIT <sup>2</sup> , A\$m	
	FY2020	FY2019 <sup>3</sup>	FY2020	FY2019 <sup>3</sup>	FY2020	FY2019 <sup>3</sup>
Boral Australia	3,336	3,511	447	592	225	385
Boral North America	2,336	2,227	281	388	113	225
USG Boral <sup>1</sup>	-	-	25	57	25	57
Discontinued Operations <sup>4</sup>	-	-	(5)	5	(8)	(1)
Corporate	57	123	(38)	(32)	(39)	(33)
<b>Total</b>	<b>5,728</b>	<b>5,861</b>	<b>710</b>	<b>1,010</b>	<b>317</b>	<b>632</b>

1. Represents Boral's 50% post-tax equity accounted income from the USG Boral joint venture  
2. EBITDA and EBIT exclude the impact of the new IFRS leasing standard (AASB16)  
3. FY2019 results have been restated. See Note 1d of the preliminary final report for further details.  
4. Discontinued Operations includes Midland Brick, Denver Construction Materials and US Block  
*(Figures may not add due to rounding)*

## US tax loss summary

Federal tax losses US\$m	Gross value	Tax effected value
Recognised on balance sheet	493	103
Unrecognised	85	18
<b>Total</b>	<b>578</b>	<b>121</b>

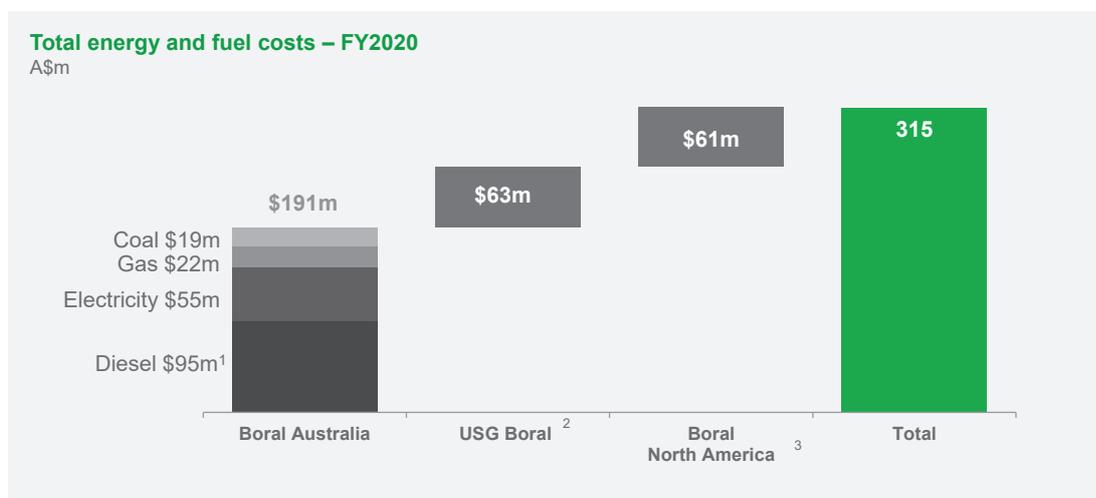
## Bank debt profile



Bank debt facilities, A\$m	FY2020 <sup>1</sup>	FY2019
US Private Placement Notes	1,011	817
Swiss Franc notes <sup>2</sup>	-	219
US 144A / Reg S Senior Notes	1,396	1,350
Bank Loans <sup>3</sup>	677	-
Other	17	15
<b>Gross debt</b>	<b>3,101</b>	<b>2,401</b>
<b>Net debt</b>	<b>2,197</b>	<b>2,193</b>

1. Excludes \$383.1 million of lease liabilities  
 2. Issued under EMTN program. Swapped to USD, matured in Feb 2020  
 3. USD 467m drawn under the bilateral facilities

## Boral's energy and fuel costs



1. Net of fuel tax rebates
2. Based on 50% of USG Boral's energy and fuel costs, reflecting Boral's 50% equity interest in the joint venture
3. Includes 50% of Meridian Brick JV's energy and fuel costs

## Non-IFRS information

Boral Limited's statutory results are reported under International Financial Reporting Standards. Earnings before significant items is a non-IFRS measure reported to provide a greater understanding of the underlying business performance of the Group. Significant items are detailed in Note 2 of the preliminary final report and relate to amounts of income and expense that are associated with significant business restructuring, business disposals, impairment or individual transactions.

A reconciliation of these non-IFRS measures to reported statutory profit is detailed on the next page.

The USG Boral division commentary also includes a non-IFRS measure of underlying results excluding significant items, representing the 12 months trading results to assist users to better understand the trading results of this division.

The results announcement has not been subject to review or audit, however it contains disclosures which are extracted or derived from the Full Year Financial Report for the year ended 30 June 2020. This Full Year Financial Report for the year ended 30 June 2020 is prepared in accordance with the ASX listing rules and should be read in conjunction with any announcements to the market made by the Group during the year.

## Non-IFRS information (continued)

A reconciliation of non-IFRS measures to reported statutory profit is detailed below:

A\$m	Before sig. items	Significant items	Reported Result	Continuing operations	Discontinued operations	Total
Sales revenue	5,728.4	-	5,728.4	5,671.4	57.0	5,728.4
<b>Profit before depreciation, amortisation, interest &amp; tax, EBITDA</b>	<b>821.3</b>	<b>(1,404.4)</b>	<b>(583.1)</b>	<b>(579.1)</b>	<b>(4.0)</b>	<b>(583.1)</b>
Depreciation & amortisation, excl amortisation of acquired intangibles	(429.1)	-	(429.1)	(425.4)	(3.7)	(429.1)
<b>Profit before amortisation of acquired intangibles, interest &amp; tax, EBITA</b>	<b>392.2</b>	<b>(1,404.4)</b>	<b>(1,012.2)</b>	<b>(1,004.5)</b>	<b>(7.7)</b>	<b>(1,012.2)</b>
Amortisation of acquired intangibles	(63.1)	-	(63.1)	(63.1)	-	(63.1)
<b>Profit before interest &amp; income tax, EBIT</b>	<b>329.1</b>	<b>(1,404.4)</b>	<b>(1,075.3)</b>	<b>(1,067.6)</b>	<b>(7.7)</b>	<b>(1,075.3)</b>
Interest	(126.4)	-	(126.4)	(126.4)	-	(126.4)
<b>Profit before tax, PBT</b>	<b>202.7</b>	<b>(1,404.4)</b>	<b>(1,201.7)</b>	<b>(1,194.0)</b>	<b>(7.7)</b>	<b>(1,201.7)</b>
Tax benefit / (expense)	(25.4)	88.5	63.1	60.9	2.2	63.1
<b>Net profit after tax, NPAT</b>	<b>177.3</b>	<b>(1,315.9)</b>	<b>(1,138.6)</b>	<b>(1,133.1)</b>	<b>(5.5)</b>	<b>(1,138.6)</b>
Add back: Amortisation of acquired intangibles	63.1					
Less: Tax effect of amortisation of acquired intangibles	(16.2)					
<b>Net profit after tax &amp; before amortisation of acquired intangibles, NPATA</b>	<b>224.2</b>					
<b>Basic earnings per share, EPS<sup>1</sup>, ¢</b>	<b>14.8</b>		<b>(95.3)</b>			
<b>Basic EPS before amortisation of acquired intangibles, EPSA<sup>1</sup>, ¢</b>	<b>18.8</b>					

1. Based on weighted average number of shares on issue of 1,194,951,891

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## Non-IFRS information (continued)<sup>1</sup>

(A\$m unless stated)	FY2020 Reported	FY2020 excl. leases
EBITDA <sup>2</sup> from continuing operations	825	715
EBITDA <sup>2</sup>	821	710
EBIT <sup>2</sup>	329	317
Net interest <sup>2</sup>	(126)	(109)
Profit before tax <sup>2</sup>	203	207
Tax <sup>2</sup>	(25)	(26)
Net profit after tax <sup>2</sup>	177	181
Statutory net profit after tax	(1,139)	(1,135)
EBITDA margin on revenue <sup>2</sup> , %	14.3	12.4
EBIT margin on revenue <sup>2</sup> , %	5.7	5.5
EBIT return on funds employed <sup>2,3</sup> , %	4.6	4.7
Interest cover <sup>2</sup> , times	2.6	2.9
Earnings per share <sup>2</sup> , ¢	14.8	15.2

1. FY2020 results have been presented including and excluding the impact of the new leasing standard to provide a comparable basis to the prior comparative period

2. Excluding significant items

3. Return on funds employed (ROFE) is based on moving annual EBIT before significant items on funds employed at period end

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## Disclaimer



The material contained in this document is a presentation of information about the Group's activities current at the date of the presentation, 28 August 2020. It is provided in summary form and does not purport to be complete. It should be read in conjunction with the Group's periodic reporting and other announcements lodged with the Australian Securities Exchange (ASX).

To the extent that this document may contain forward-looking statements, such statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this release.

This document is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor.

