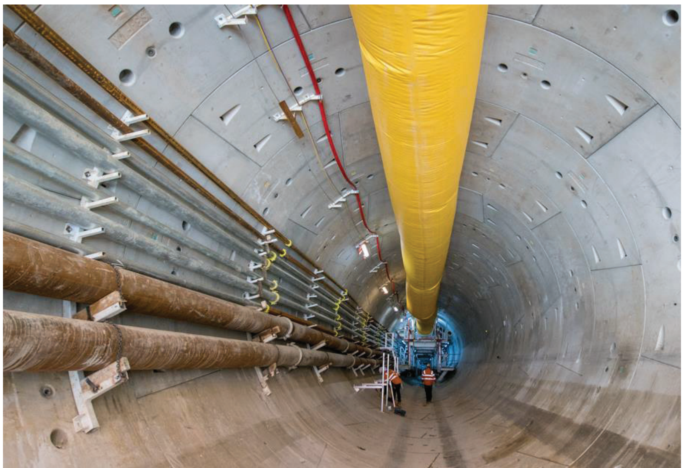
RESULTS

For the half year ended
31 December 2019

20 February 2020

Boral's first half results are broadly in line with guidance.
A challenging start to second half with resolute focus to strengthen performance.

Agenda


Melbourne Metro Tunnel Project, Vic

Results overview
Mike Kane

Financial results
Ros Ng

Current priorities
Mike Kane

Outlook
Mike Kane

1H FY2020 snapshot

A$m	1H FY2020[1] Reported	1H FY2020[1,2] excl. leases	1H FY2019[3]	% 1H20 v 1H19 excl. leases
Continuing operations basis				
Revenue	**2,960**	**2,960**	2,897	2
EBITDA[4]	**493**	**440**	470	(6)
Total operations				
Revenue	**2,989**	**2,989**	2,990	-
EBITDA[4]	**493**	**439**	475	(8)
Net Profit after tax (NPAT)[4]	**156**	**159**	192	(18)
Statutory NPAT	**137**	**139**	229	(39)
NPATA[4]	**179**	**182**	216	(16)
EPSA[4] (cents)	**15.3**	**15.5**	18.4	(16)
EPS[4] (cents)	**13.3**	**13.5**	16.4	(18)
Interim dividend (cents)	**9.5**	**9.5**	13.0	(27)

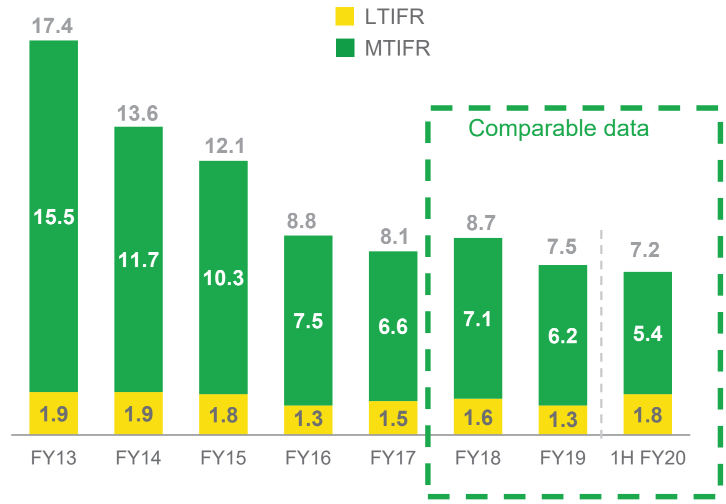
1. Refer to slides 61-62 for reconciliation and comparative to reported results
2. Excluding the impact of the new leasing standard (AASB 16) in order to provide a more comparable basis for analysis with the prior half year
3. 1H FY2019 comparative figures have been restated primarily due to the agreed sale of Midland Brick and financial irregularities in Boral's North American Windows business
4. Excluding significant items

Safety performance

Company-wide commitment to Zero Harm Today

Employee and contractor RIFR[1]

(per million hours worked)

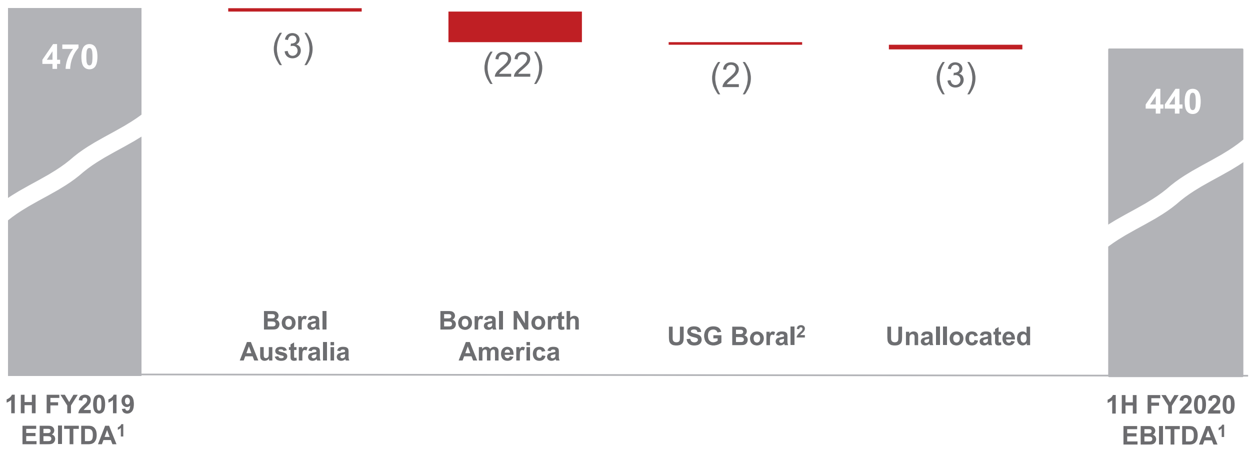


- **Safety strengthened in some areas with a RIFR of 7.2, a 4% improvement on FY2019**
  - LTIFR of 1.8, deteriorated from 1.3 in FY2019 largely due to an increase in reported contractor injuries in Australia
  - MTIFR of 5.4, down from 6.2 in FY2019

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

For continuing operations, EBITDA declined 6% (excluding the impact of the new leasing standard)

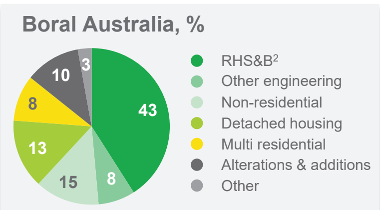
EBITDA[1] variance, A$m

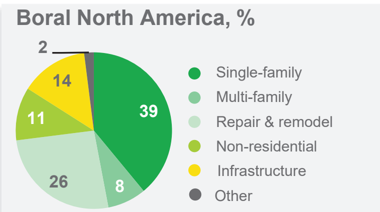


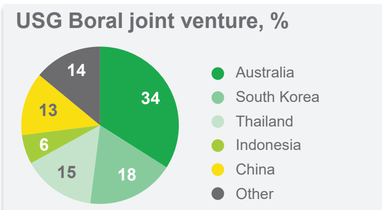
1. Excluding significant items and discontinued businesses, and excluding the impact of the new IFRS leasing standard (AASB 16) on 1H FY2020 EBITDA. Reported EBITDA including the new leasing standard for 1H FY2020 is $493m. 1H FY2019 comparative EBITDA is restated to correct for financial irregularities in Boral's North American Windows business
2. Represents Boral's 50% post-tax equity accounted income from USG Boral JV

Underlying activity in most markets remains solid, although cyclical downturns in Australia and South Korea

Revenue[1] by end-market, %







Market activity: 1H FY20e vs 1H FY19

Australia	
RHS&B[2]	↑ 5%
Non-residential[3]	↑ 3%
Total housing starts[4]	↓ 23%
- Detached	↓ 15%
- Multi	↓ 33%
Alterations & additions[3]	↓ 8%

USA	
Total housing starts[5]	↑ 13%
- Single	↑ 10%
- Multi	↑ 20%
Repair & remodel[6]	↓ 1%
Non-residential[7]	↓ 1%
Infrastructure[8]	↑ 3%

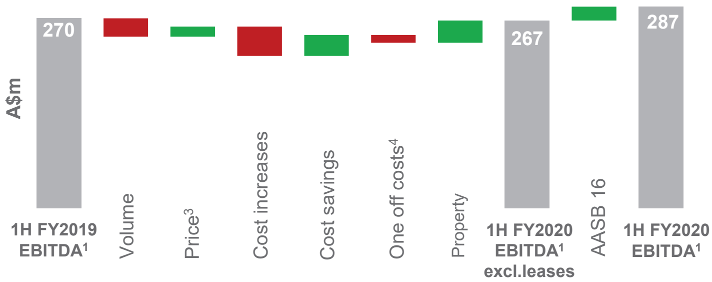
Asia & Middle East[9]	
South Korea	↓
Thailand	↓
China	↔
Indonesia	↔
Other emerging markets	↔

1. Based on 1H 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 (constant 2016/17 prices) for FY2020 vs FH2019
3. Original series (constant 2016/17 prices) from ABS for Sep 2019 quarter. Average of Macromonitor and BIS Oxford Economics forecast for December 2019 quarter
4. ABS original housing starts; average of of Macromonitor, BIS Oxford Economics and HIA forecasts for December 2019 quarter
5. US Census seasonally adjusted annualised housing starts. Based on data up to December 2019
6. Moody's retail sales of building products, January 2020
7. Management estimate of square feet area utilising Dodge Data & Analytics December 2019 report and US Census Bureau non-residential Construction PIP spending, December 2019
8. Management estimate of ready mix demand utilising Dodge Data & Analytics December 2019 report and other industry sources
9. Based on various indicators of building and construction activity

Boral Australia

A$m	1H FY2020	1H FY2019	Var, %
Revenue	1,752	1,794	(2)
EBITDA[1]	287	270	
EBITDA[1] excl.leases	**267**	**270**	**(1)**
EBITDA[1] ROS excl. leases	15.3%	15.0%	
EBIT[1]	160	168	
EBIT[1] excl.leases	**158**	**168**	**(6)**
EBIT[1] ROS excl.leases	9.0%	9.4%	
ROFE[1,2]	13.9%	16.4%	
ROFE[1,2] excl.leases	**14.5%**	**16.4%**	
Property	29	(3)	
EBITDA[1] excl.Property & leases	**239**	**273**	**(12)**
EBITDA[1] ROS excl.Property & leases	13.9%	15.2%	
Net Assets	2,712	2,476	
Net Assets excl.leases	2,588	2,476	

- **Revenue decreased** 2% to $1,752m with higher contribution from Asphalt, primarily offset by lower revenues in Concrete and Building Products
- Cement and Quarries LFL prices[3] steady, Concrete slightly softer
- **Earnings impacted by:**
  - 7% lower Concrete volumes
  - one off costs of ~$11m due to business interruption
  - cost savings of $30m
  - contribution of $29m from property

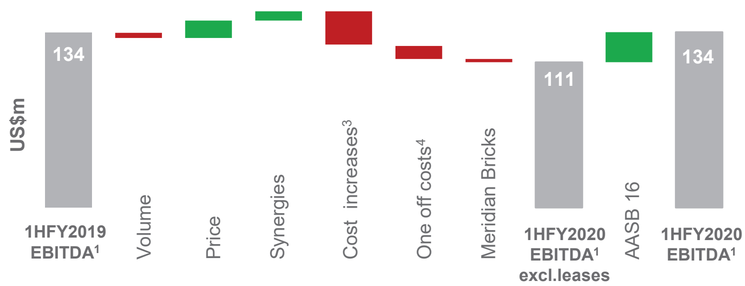


1. Excluding significant items
2. Divisional ROFE based on moving annual total EBIT before significant items on divisional funds employed at period end
3. On a like-for-like basis. Includes favourable Asphalt and Placing mix
4. One off costs include $1m in bushfire related costs plus $10m associated with disruptions at Peppertree Quarry and Berrima Cement

Boral North America

A$m	1H FY2020	1H FY2019	Var, %
Revenue	1,208	1,104	9
EBITDA[1]	197	185	
EBITDA[1] excl.leases	**163**	**185**	**(12)**
EBIT[1] excl.leases	**80**	**105**	**(23)**
Net Assets	4,720	4,708	
Net Assets excl.leases	4,451	4,708	
US$m			
Revenue	825	796	4
EBITDA[1]	134	134	
EBITDA[1] excl.leases	**111**	**134**	**(17)**
EBITDA[1] ROS excl.leases	13.5%	16.8%	
EBIT[1]	58	76	
EBIT[1] excl.leases	**55**	**76**	**(27)**
EBIT[1] ROS excl.leases	6.7%	9.5%	
ROFE[1,2]	4.3%	4.4%	
ROFE[1,2] excl.leases	**4.5%**	**4.4%**	

- **Revenue** up 4% largely due to Light Building Products & Fly Ash sales; **Fly Ash** volumes up 5% and price up 10%
- **Earnings impacted by:**
  - completion of Fly Ash site services projects
  - 10% decline in Stone volumes
  - one-off costs of US$10m
  - lower contribution from Meridian Brick
  - synergies of US$7m

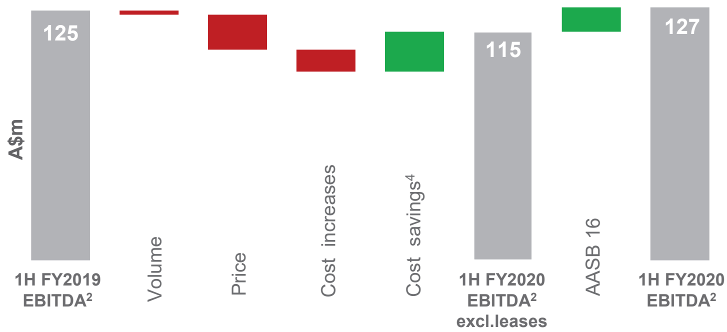


1. Excluding significant items
2. Divisional ROFE based on moving annual total EBIT before significant items on divisional funds employed at period end
3. Includes inflationary costs, higher fly ash costs (US$7m) and lower fixed cost absorption primarily in Stone (~US$4m)
4. Includes ~US$4m Windows legal & investigation costs, and ~US$6m for increased BCI provision

USG Boral

A$m	1H FY2020	1H FY2019	Var, %
Reported result			
Equity income[1,2]	23	25	(8)
Underlying result			
Revenue	812	831	(2)
EBITDA[2]	127	125	
EBITDA[2] excl.leases	**115**	**125**	**(8)**
EBITDA[2] ROS excl.leases	14.2%	15.1%	
EBIT[2]	75	84	
EBIT[2] excl.leases	**75**	**84**	**(11)**
EBIT[2] ROS excl.leases	9.2%	10.1%	
ROFE[2,3]	7.6%	8.1%	
ROFE[2,3] excl.leases	**7.6%**	**8.1%**	
Net Assets	2,101	2,031	–

- **Revenue** decreased 2% reflecting cyclical declines in South Korea and Australia, largely offset by growth in other countries
- **Australia** revenue declined 10%, due to lower housing starts
- **Asia** revenue up 2%, with strong growth in China, and growth in Thailand and India, largely offset by a decline in South Korea
- **EBITDA** decreased as strong growth in China and growth in Thailand was offset by lower earnings from South Korea and Australia



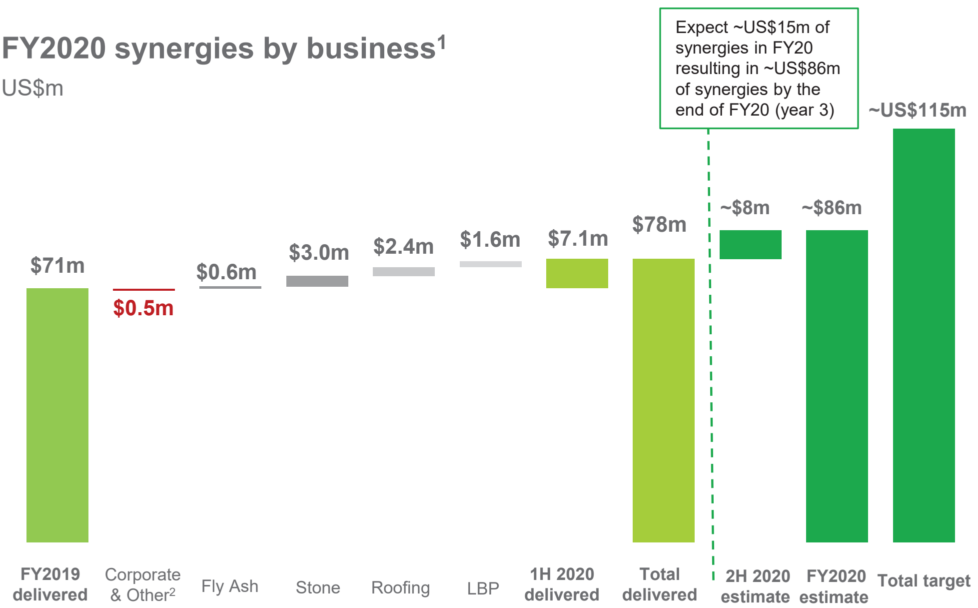
1. Post-tax equity income from Boral's 50% share of USG Boral JV
2. Excluding significant items
3. Divisional ROFE is underlying moving annual total EBIT before significant items on divisional funds employed
4. Includes $9m of savings delivered from Project Horizon plus lower energy costs and other input costs

Boral North America – synergies

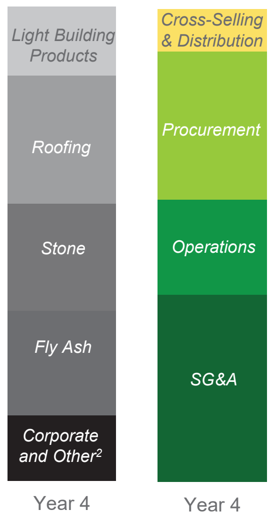
Expect ~US$15m for FY20 and continuing to target US$115m of total synergies

FY2020 synergies by business[1]

US$m



Total synergy target US$115m

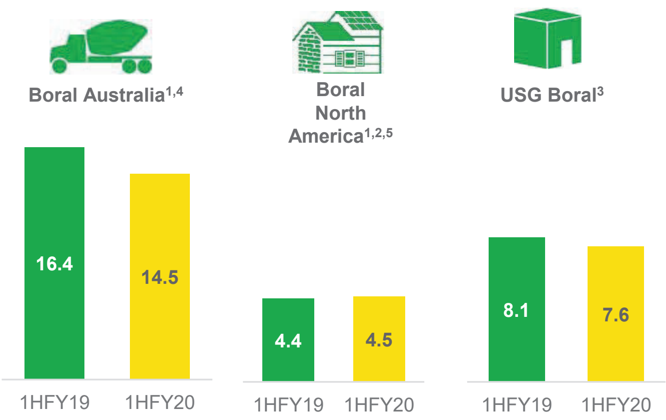


1. Synergies include cost synergies and estimated cross-selling and distribution revenue synergies, and excludes one-off integration costs of ~US$100m, now largely complete
2. Other includes Block (in year 1 only) and reversal of FY2019 Windows synergies

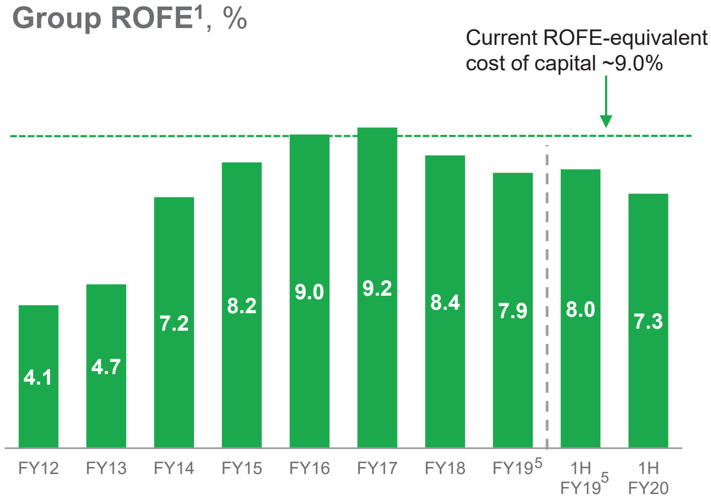
Positioned to improve ROFE

Targeting above cost of capital returns through the cycle

Divisional EBIT return on funds employed (ROFE)[1], %



Group ROFE[1], %

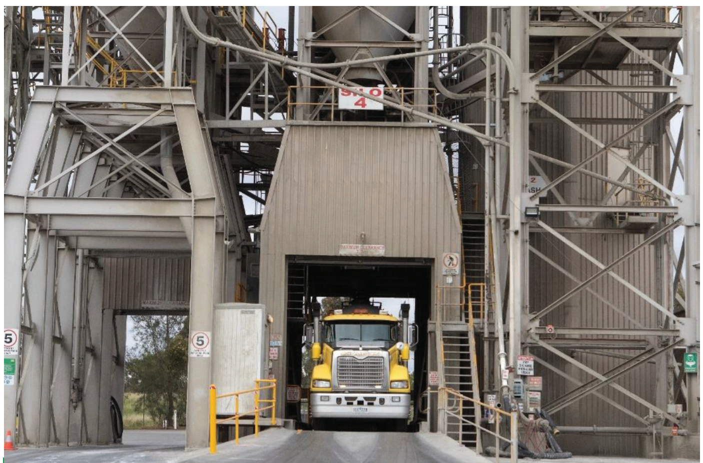


1. Return on funds employed (ROFE) is based on moving annual total EBIT before significant items on funds employed, except for FY2017 which is calculated based on average monthly funds employed due to the impact of the Headwaters acquisition. 1H FY2020 excludes the impact of the new IFRS leasing standard AASB 16
2. Excludes Denver Construction Materials and US Block as these businesses were sold in 1H FY2019
3. Based on USG Boral's underlying moving annual total EBIT (excluding significant items) on funds employed at 31 December
4. Excludes Midland Bricks as this business has been reclassified to discontinued operations
5. 1H FY2019 and FY2019 comparative figures have been restated to reflect the correction of Windows misreporting in underlying earnings

Financial results

Ros Ng – Group President Ventures and CFO

Boral Australia, plant upgrade at Ormeau Quarry, Qld



Boral Australia, Somerton Concrete Plant, Vic

Group financial performance

Total operations basis (A$m) *(figures may not add due to rounding)*	1H FY2020[1]	1H FY2020 excl. leases[1,2]	1H FY2019[3]	Var % excl. leases
Revenue	2,989	2,989	2,990	-
EBITDA[4]	**493**	**439**	**475**	**(8)**
Depreciation and amortisation	(210)	(162)	(156)	
EBITA[4]	283	277	319	(13)
Amortisation of acquired intangibles	(31)	(31)	(32)	
EBIT[4]	252	246	287	(14)
Net interest	(61)	(52)	(49)	
Tax[4]	(34)	(35)	(46)	
Net profit after tax[4]	**156**	**159**	**192**	**(18)**
Significant items (gross)	(24)	(24)	53	
Tax on significant items	4	4	(16)	
Statutory net profit after tax	**137**	**139**	**229**	**(39)**
Net profit after tax and before amortisation (NPATA)[4]	179	182	216	(16)
Effective tax rate[4]	*18.0%*	*18.0%*	*19.3%*	

1. Refer to slides 61-62 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 half year
3. 1H FY2019 comparative figures have been restated due to the financial irregularities in Boral's North American Windows business
4. Excluding significant items

Significant items

A$m *(figures may not add due to rounding)*	1H FY2020
Headwaters integration costs	(8)
Cost reduction and rightsizing	(7)
USG Boral legal and consulting fees	(8)
Expense before interest and tax	**(24)**
Income tax benefit	4
Significant items (net)	**(20)**

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 6 of the Half Year Financial 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)*	1H FY2020	1H FY2020 ex. leases[2]	1H FY2019
EBITDA[1]	**493**	**439**	**475**
Change in working capital and other	(102)	(102)	(121)
Property development receivable	(30)	(30)	-
Windows restatement impact	-	-	10
Share acquisition rights vested	(2)	(2)	(8)
Interest and tax *(includes lease interest)*	(90)	(81)	(82)
Equity earnings less dividends	(6)	(6)	(2)
Restructuring, acquisition & integration payments	(25)	(25)	(19)
Operating cash flow	**237**	**192**	**253**
Repayment of lease principal	(46)	-	-
Capital expenditure	(189)	(189)	(183)
Investments	-	-	(11)
Proceeds on disposal of assets	33	33	382
Free cash flow	**35**	**35**	**441**
Dividends paid	(158)	(158)	(164)
Cash flow	**(123)**	**(123)**	**277**

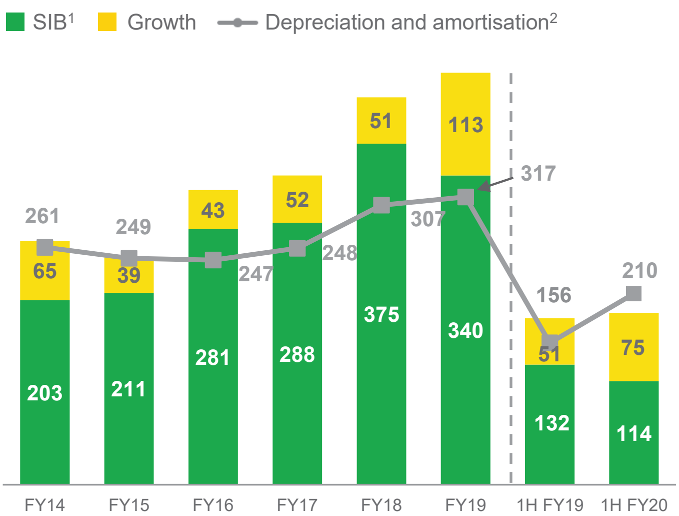
1. Excluding significant items
2. Excluding the impact of the new leasing standard (AASB 16) in order to provide a more comparable basis for analysis with the prior half year

- **Free cash flow lower with minimal portfolio activity in 1H FY2020**
  - Lower underlying performance of the business
  - Impacted by unbilled property development receivables expected to be collected in accordance with contractual instalment terms
  - **Net working capital** outflow of $102m primarily reflects lower payables and impact of restatement of June 2019 Windows net working capital balances
  - **Net proceeds** of $377m in 1H FY2019 from disposal of Denver Construction Materials and US Block

Capital expenditure

Disciplined approach to capital management

Total capital expenditure



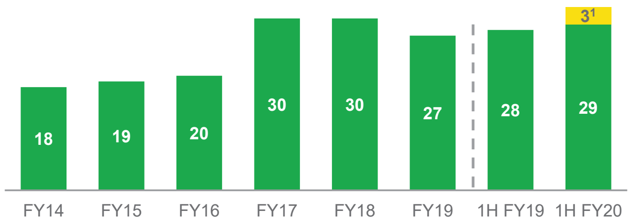
1. Stay in business capital expenditure
2. Excludes amortisation of acquired intangibles

- **Total capex up 3% to $189m**
  - **~68%** invested in Boral Australia
    - Clinker grinding facility at Port of Geelong (Vic)
  - **~31%** invested in Boral North America
    - Windows manufacturing plant in Houston
- 1H FY2020 depreciation and amortisation includes $48m of leasing related depreciation
- Excluding the impact of leasing, depreciation and amortisation for 1H FY2020 is $162m
- **FY2020 capex expected to be ~$400m**

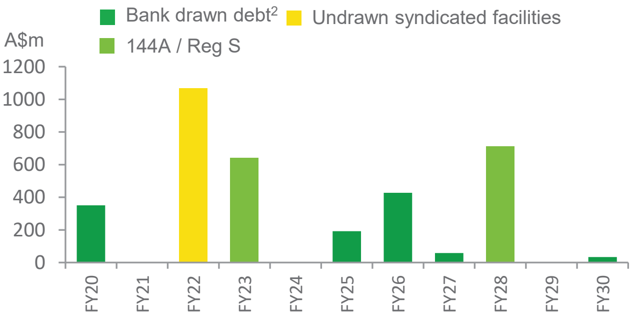
Balance sheet

Maintaining strong credit ratings

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



Bank debt maturity profile



- Net debt of $2.32b[3] at 31 Dec-19, up from $2.19b at 30 Jun-19
- Credit rating of BBB/Baa2
- Dividend Reinvestment Plan reactivated and to be underwritten for interim and final FY2020 dividends
- Principal debt gearing covenant[4] of 30%, up from 29% at Jun-19 (threshold is less than 60%)
- Weighted average debt facility maturity is 4 years
- Net interest cover[5] of 4.7 times, down from 6.1 times on a restated basis at Jun-19

Net debt reconciliation, A$m	**1H FY2020[3]**
Opening balance	**(2,193)**
Cash flow	(123)
Non cash (FX)	(6)
Closing balance	**(2,322)**

1. Represents the impact of the new IFRS leasing standard AASB 16
2. Consists of syndicated bank debt, US Private Placement notes and Swiss franc notes issued under EMTN program
3. Excludes $392 million of lease liabilities
4. Gross debt / (gross debt + equity)
5. EBIT excluding leases before significant items / net interest expense

Current priorities

Mike Kane – CEO & Managing Director

USG Boral supplied FIBEROCK® to Karratha Health Campus, WA

Boral North America, TruExterior®

Boral's divisions, and the portfolio as a whole, have attractive attributes

3 operating divisions

Key attributes	Boral Australia	Boral North America	USG Boral
• Positive market fundamentals	✓✓	✓✓	✓✓
• Competitive advantage & scale	✓✓	✓	✓✓
• Capital light, low energy-intensive, higher variable-cost	~	✓✓	✓✓
• Growth (market and share)	✓	✓✓	✓✓
• Operating experience	+70 years	+40 years	+25 years

Group

• Diversity of earnings	✓	Operating across a geographically broad range of construction markets
• Innovation	✓	Strengthened focus and investment on materials-based R&D / innovation
• Operating excellence	✓	Significantly improved safety outcomes and focus on operational excellence

Focused on operational execution to better leverage the potential of our business and deliver on our goals

DIVISIONAL ATTRIBUTES

- Operating in markets with **positive fundamentals and growth**
- Sustainable **competitive advantage** and **scale** within markets
- **Capital light, lower energy-intensive, higher variable-cost** building products operations
- Pursuing **effective growth strategies**

BORAL'S PORTFOLIO BENEFITS

- **Diversification** of earnings
- Additional **growth** opportunities, including through **innovation**
- **Collaboration** and **operational excellence**, including **safety excellence**

Our goals are to deliver:

Zero Harm Today
Above cost of capital returns through the cycle
Investment grade credit ratings through **prudent balance sheet management**

Boral Australia: commitment to strengthen returns through the cycle

STRATEGIC PRIORITIES

- Maintain attractive, above cost of capital returns and margins
- Harness leading position in Australia
- Leverage innovation
- Profitably supply multi-year major roads & infrastructure growth

Programs in place to drive profitability and strengthen returns

- Rightsizing, supply chain optimisation and organisational effectiveness plus additional Value Improvement Projects (VIP), including procurement savings to boost FY2020 earnings:
  - delivered $30m in 1HFY2020
  - expected to deliver >$80m in FY2020
- Deliver benefits from quarry, cement, plant network reinvestments
- Continue to secure supply to major infrastructure projects
- Maintain margins through customer, commercial and operational excellence programs
- Grow through materials based innovation eg. low carbon, recycling
- Property pipeline remains a source of ongoing earnings

Boral North America: resolute focus on improving operational execution

STRATEGIC PRIORITIES

- Drive returns on funds employed (ROFE) to above cost of capital
- Leverage growth from Headwaters acquisition, including full delivery of US$115m synergy target
- Deliver fly ash and other growth strategies together with range of business improvement plans

Programs in place to drive profitability and strengthen returns

- Windows improvement program
- 50+ improvement initiatives spanning:
  - product penetration & marketing initiatives
  - plant OEE and product weight/design improvements
  - procurement savings
  - sales and margin enhancements
- Deliver remaining synergies: delivered US$78m of US$115m target
- Harness market recovery with focus on price recovering costs
- Leverage innovation to grow new products and differentiate
- Progress plan to increase fly ash supply volumes by 1.5-2m tons by end of FY2021

Fly ash strategy progressing to grow annualised rate of supply by a net 1.5-2m tpa by end of FY2021 (on FY2018 levels)

Additional volume opportunities ('000 tons)		Capital / ton of annual capacity	FY2019 progress	FY2020 progress	Annualised progress on FY2018
Network optimisation (and storage)	~500+	$5-$60	Captured additional ~400k tpa	Captured additional **150k** t in 1H FY20	~700
Domestic contracts	~400+	0-$15	3 new contracts ~320k tpa	**Additional 290k tpa** secured available from 2HFY20; one lost contract from 2HFY20 (~175k tpa)	~440
Harvesting ash from wet ponds & landfills	~400+	$40-$60	Montour fully operational ~40k t in FY2019	**Montour ~100k tpa** – extra lines can be added. MOU re potential new project now part of broader tender	100+
Imports (long term strategy into key areas)	~300+	developing	From FY19 imports from Mexico to secure DOT approvals; optimising logistics to grow volumes; currently lower margin opportunity		~40
Blending with **natural pozzolans**	~400+	$60-$85	Dragon Mine (UT) source secured: investigations underway to blend with ash	**Kirkland (AR) acquired:** high quality pozzolan to deliver ~500k tpa by FY22	~500
Utility closures			Texas closures & Florida (800k tpa FY18/19, incl. 475k in FY19)	Navajo & Vistra closures (475k tpa) FY20/21 (including ~150k in 1HFY20)	(~950)

USG Boral: create value through strategic growth and innovation

STRATEGIC PRIORITIES

- Create value through strategic growth opportunities, including completing transaction with joint venture partner
- Continue to grow business through product penetration and innovation
- Respond to changes in cyclical demand and competition through business improvement initiatives and capacity planning

Programs in place to drive profitability and strengthen returns

- Project Horizon improvement program underway
  - delivered $9m in 1H FY2020
  - expect to deliver a further $10m in 2H FY2020
- Deliver value through anticipated transaction with Knauf including new expanded USG Boral Asia JV
  - Asset utilisation and distribution to improve with expanded JV
  - Low capital intensive businesses
  - US$30m synergies from Knauf transaction in year 4
- Well-supported R&D platform underpinning new products
- Transaction with Knauf remains subject to regulatory approval – expected to complete in 2H FY2020

Outlook

Boral cement delivery at Deer Park Precast Facility in Ravenhall


Construction of the new clinker & slag grinding plant and storage facility, Vic

Outlook for FY2020

Boral expects its FY2020 EBITDA to be down relative to FY2019, with lower reported EBITDA in all three divisions. Together with higher depreciation charges, this translates to **an expected NPAT[1] range of around $320–$340m** for FY2020, which compares with a **restated FY2019 NPAT[1] of $420m** after adjusting for Windows misreporting.

This is before the inclusion of expected additional earnings from the announced USG Boral/Knauf transaction and before the impact of accounting changes resulting from the adoption of the new leasing standard (AASB 16). ***Under the new leasing standard, FY2020 reported EBITDA will be ~$105m higher, EBIT will be ~$10m higher and NPAT ~$5m lower.***

2H FY2020 trading and other FY2020 financial considerations

- Challenging start to 2H in Australia with bushfires and extreme weather; January **concrete volumes down ~30% on pcp**
- Expected FY2020 **Property earnings** of around $55–$65m in Boral Australia
- **Depreciation & amortisation** is expected to be in the **range of $400–$410m** in FY2020 (before the impact of the new leasing standard), reflecting completion of quarry upgrades in Australia
- Boral's interest expense is currently expected to reflect a continued **cost of debt of ~4.25–4.50% pa** with net debt increasing to reflect the announced investments in USG Boral
- Boral's **effective tax rate** is currently expected to be ~**22%**
- Expect **capital expenditure** to be ~$400m
- The **DRP** has been reactivated and will be fully underwritten with respect to the interim and final dividends for FY2020
- Closely monitoring potential direct and indirect impacts of **coronavirus**, which have not been factored into outlook guidance.

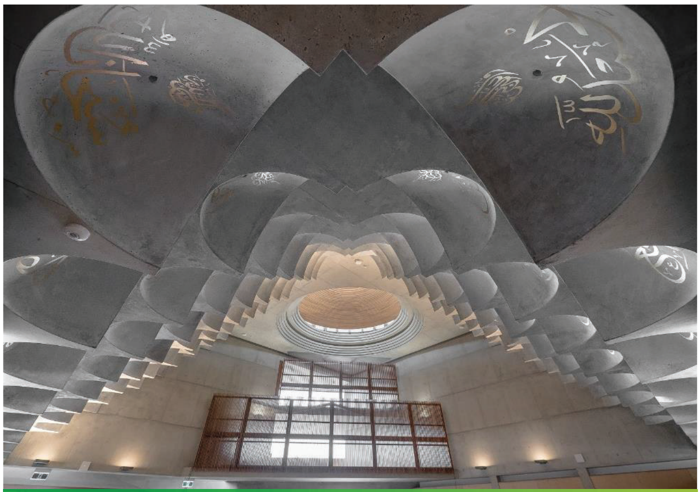
1. Excluding significant items

Questions

Boral Australia, Berrima Cement Works, NSW

Employee at Boral Concrete Plant in Cairns, Qld

Supplementary information



ENVISIA® Concrete used at the Punchbowl Mosque in Sydney, NSW

Boral North America, sourcing fly ash from a utility

FY2020 financial considerations

Area	FY2020 implications
Synergies	• Headwaters synergies in year three of US$15m; with US$7m delivered in 1H FY2020 • Remain focused on attaining full synergy target of US$115m
Corporate costs	• FY2020 to be higher than FY2019 reflecting higher R&D and senior executive team costs in FY2020
Depreciation & Amortisation	• Group D&A ~A$400-410m in FY2020, (before the impact of the new leasing standard) including amortisation of acquired intangibles of ~A$60-65m[1]
Capex	• Total Boral capital expenditure expected to be ~A$400m
Debt & gearing	• Cost of debt ~ 4.25% to 4.5% p.a. • Excluding lease liabilities, gearing (net debt/net debt+equity) was 29% as at 31 December 2019, we expect gearing to increase in line with USG Boral investment, partially offset by underwritten DRP announced in February 2020
Headwaters significant items	• Integration completed. Incurred costs of ~US$6m in 1H FY2020 which form part of the total expected integration costs of ~US$90-100m in line with previous guidance
Taxation	• Effective tax rate projected to be ~22% in FY2020 • Cash flow benefits of US tax loss carried forward
Dividends & franking	• Franking rates for dividends expected to continue to be partially franked at or around 50% • Dividend Policy: payout ratio ~50%-70% of earnings before significant items, subject to Boral's financial position
New IFRS 16 leasing standard	• The leasing standard is expected to impact Boral's reported earnings in the following way: **EBITDA will be ~$105m higher, EBIT will be ~$10m higher, NPAT will be ~$5m lower.**

1. Based on US$44m estimated amortisation of acquired intangibles

AASB 16 Leases: impacts for 1H FY2020

Balance Sheet
- Assets[1] $400m ↑
- Liabilities[1] $433m ↑

Income Statement
- EBITDA $54m ↑
- EBIT $6m ↑
- NPAT $2m ↓
- Depreciation $48m ↑
- Interest $9m ↑

Cash Flow Statement
- Operating cash inflow $46m ↑
- Investing cash flow no impact
- Financing cash outflow $46m ↑

Disclosures
- Operating lease commitments $450m ↓
- Short term, low value leases

Financial metrics
- Net debt[1] $392m ↑
- Gearing (net debt/ net debt + equity) 3% ↑
- EBITDA margin 1.8% ↑
- ROFE 0.3% ↓

1. Excludes assets held for sale

Boral Group: snapshot

Australian based, ASX listed international building and construction materials group

A$5.65b
market capitalisation[1]
S&P/ASX 100 company

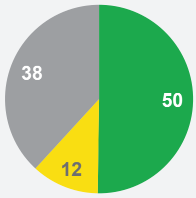
17
countries[2]

~672
operating sites[2]

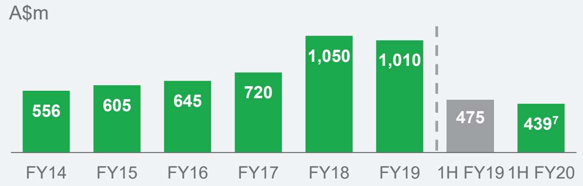
16,796
employees[3]

1H FY2020 revenue by division[4] , %

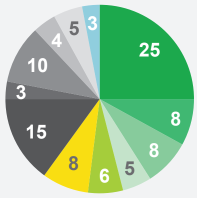
- Boral Australia
- USG Boral
- Boral North America



EBITDA[5]
A$m



1H FY2020 revenue by end market[4] , %



- Australian RHS&B[6] & other engineering
- Australian non-residential
- Australian detached housing
- Australian multi-residential
- Australian alterations & additions
- Asia & Middle East
- USA single-family
- USA multi-family
- USA repair & remodel
- USA non-residential
- USA infrastructure
- Other

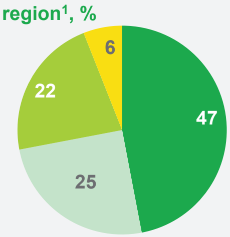
1. As at 19 February 2020
2. As at 30 June 2019
3. Full-time equivalent employees, including in joint ventures, as at 31 December 2019.
4. Includes Boral's 50% share of underlying revenue from USG Boral and Meridian Brick joint ventures, which are not included in Group reported revenue and excludes discontinued operations
5. Excluding significant items and restated for Windows overstatement of earnings
6. RHS&B: Roads, highways, subdivisions & bridges
7. Excluding leases

Boral Australia

Diversified geographic exposure across construction materials

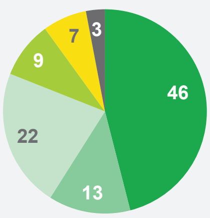
1H FY2020 Revenue by region[1], %

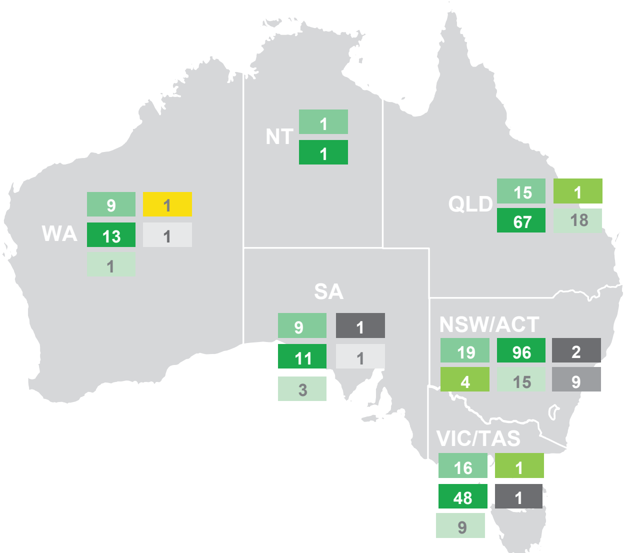
- NSW / ACT
- VIC / TAS / SA
- QLD
- WA



1H FY2020 Revenue by business[2], %

- Concrete & Placing
- Quarries
- Asphalt
- Cement
- Building Products
- Other





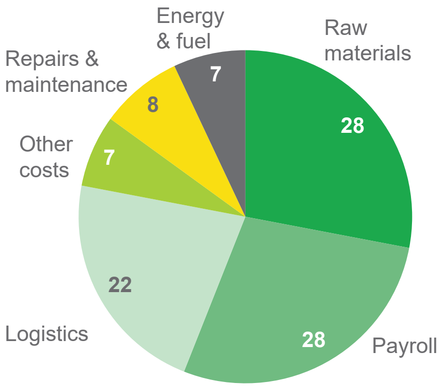
396 operating sites[3]

Quarries	69
Concrete	236
Asphalt	46
Cement[4]	6
Bricks WA	1
Roof tiles	4
Timber[5]	9
Masonry	2

1. Boral Australia external revenue for the six months ended 31 December 2019
2. Other includes Transport, Landfill and Property revenues
3. As at 30 June 2019. Includes clay pits, transport, recycling and R&D sites. Concrete 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
~$1.5b 1H FY2020 cash cost base, %



- **Raw materials costs**: internationally traded clinker prices increased in line with Asian markets and FX
- **Labour**: average wage inflation ~2%-3%
- **Logistics:** supply chain optimisation program delivered ~$10m of savings in 1H FY2020
- **Energy and fuel:** benefited from lower electricity, diesel and coal prices
- **FY2020**: expect to deliver **>$80m of cost savings** through Organisational Effectiveness program, rightsizing, supply chain optimisation and additional initiatives

Boral Australia

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

Cement
- ~70% manufactured clinker, ~30% imported
- 1.5m tonne p.a. clinker kiln capacity and ~4m tonne p.a. cement grinding capacity[1]

Quarries (all product types)
- >30m tonnes p.a.
- Close to 1b tonnes total reserves with ~20-50 years reserves in key metro quarries

Bitumen
Bitumen Importers Australia (BIA) JV

~ 50-60% Cement volumes sold internally to Concrete[2]

~40-50% Quarry volumes sold internally to Concrete[2,3]

~5-15% Quarry volumes sold internally to Asphalt[2,3]

~35% of bitumen supplied by BIA JV[2]

Concrete & Placing (in Sydney & SEQ)
- ~7m m^3 p.a. concrete
- Per m^3 concrete:
  ~0.3t cementitious material
  ~1.0t aggregates
  ~0.9t sand

~35-55% Quarry volumes sold externally[2]

Asphalt
- >2m tonnes of asphalt p.a.
- Per tonne asphalt
  ~0.055t bitumen
  ~0.7t aggregates
  ~0.2t sand

End Customer

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

Generating significant value through an integrated life-cycle approach to land management

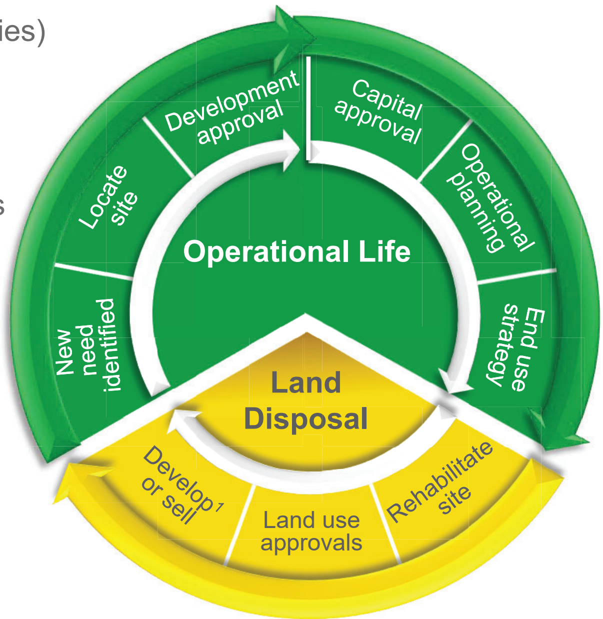
Boral Australia manages a large land bank (400+ properties) through all operational stages to disposal

Key activities

- Securing site tenure and related government approvals, including land use to supply major projects
- Facilitating stakeholder engagement
- Managing leases and property administration
- Developing future end-use options

Key challenges

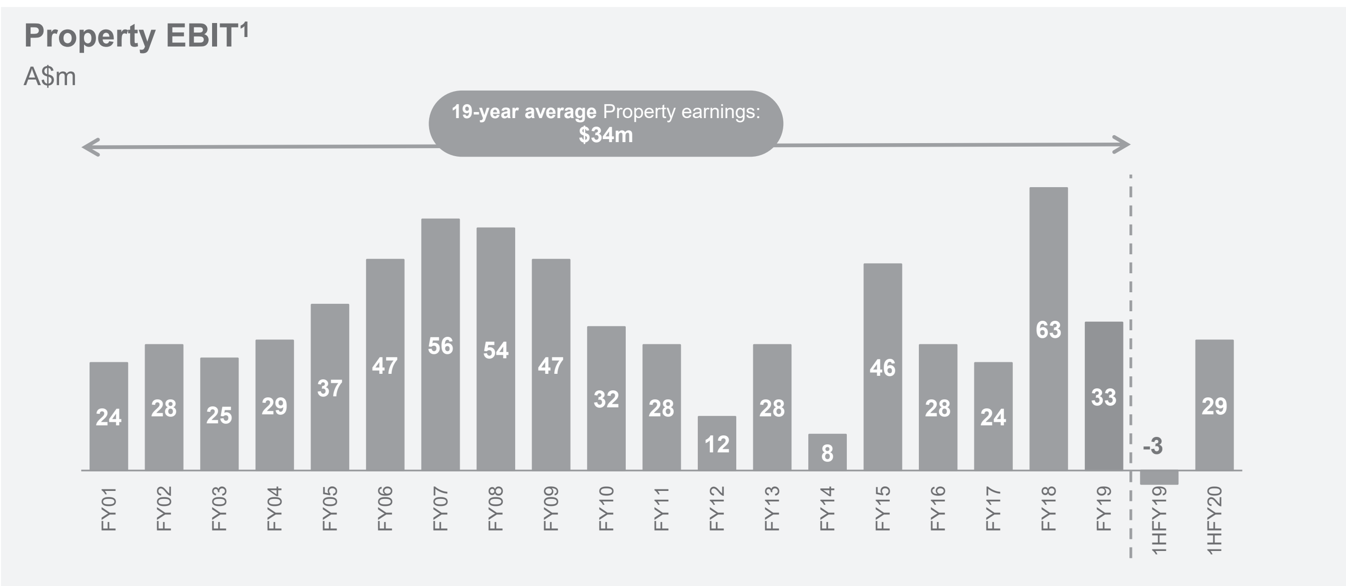
- Securing government approvals for greenfield, upgrades or rezoning
- Ongoing urban encroachment impacting existing locations
- Expanding operational life timeframes



1. Boral engages external land developers to manage this process

Property is an ongoing contributor to earnings

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

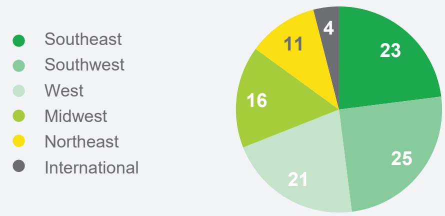


1. Excluding significant items (including divestment proceeds from Deer Park Landfill) and ongoing landfill royalties

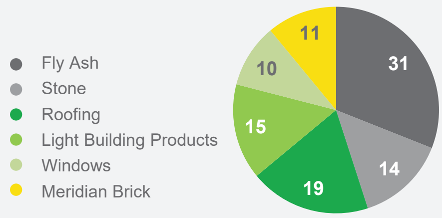
Boral North America

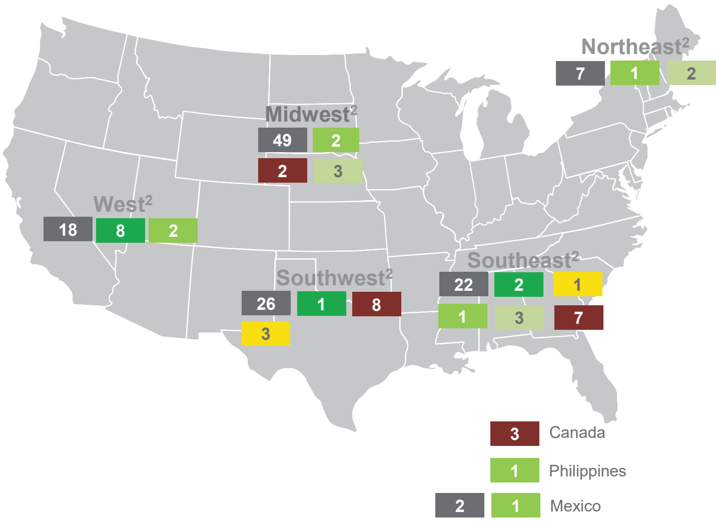
Strong national networks in building products and fly ash

1H FY2020 Revenue[1] by geography[2], %



1H FY2020 Revenue[1] by business, %





223 operating sites[3]

Fly ash	124
Roofing	11
Stone	8
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 2019. Includes 44 clay mines and four R&D sites. Excludes mothballed plants and distribution locations

Meridian Brick joint venture update

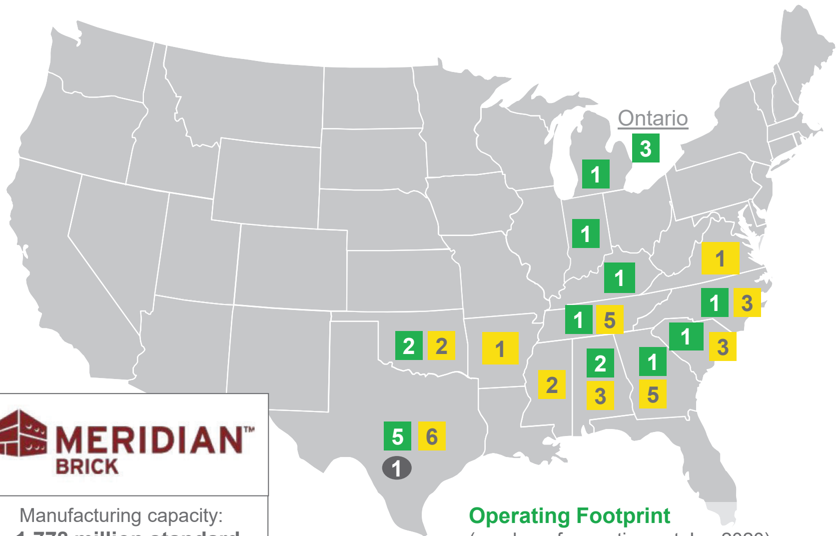
Underlying result

US$m	1H FY2020	1H FY2019
Revenue	198	188
EBITDA[1]	4	13

- Revenue benefited from increase in US Brick & Resale volume, partly offset by a decline in Canada Brick volume due to substantially lower housing activity
- Underlying EBITDA of US$4m was lower reflecting lower production levels to reduce inventory levels leading to lower fixed cost recovery

MERIDIAN™ BRICK

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



Operating Footprint
(number of operations at Jan 2020)

19	Clay Bricks
1	Concrete Bricks
31	Building Products Distribution Centres

1. Excludes significant items

Headwaters acquisition synergies

Boral North America businesses continue to target US$115m of total synergies

Synergy drivers by business, US$	Delivered in 1H FY2020	Cumulative Delivered 1H FY2020	Total Yr 4 target, pa
Corporate – *incl. executive headcount, public company costs, procurement*	$0.2m	$11.8m	>$15m
Fly Ash	$0.6m	$19.1m	>$24m
■ Ash supply / network optimisation / logistics			
■ Procurement			
■ Sales coverage expansion & high value product growth – *Boral faces local supply constraints in some locations, HW has ability to supply*			
■ Organisational efficiencies – *e.g. consolidating finance systems and overlapping sales coverage, engineering support and operations*			
■ Other including technology / R&D			
Stone	$3.0m	$7.5m[1]	>$25m
■ Plant network optimisation			
■ Sales coverage			
■ Procurement			
■ Manufacturing equipment			
■ Other including organisational efficiencies			

CONTINUED OVER PAGE

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

Headwaters acquisition synergies

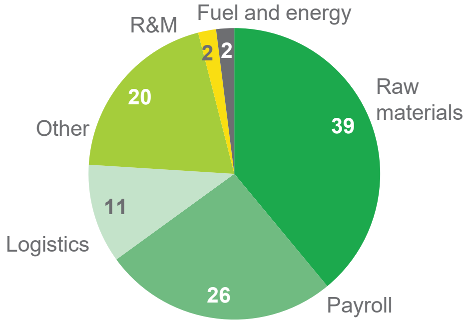
Boral North America businesses continue to target US$115m of total synergies

Synergy drivers by business, US$	Delivered in 1H FY2020	Cumulative Delivered 1H FY2020	Total target, pa
Roofing	$2.4m	$21.3m	>$30m
■ Procurement			
■ Cross-selling portfolio – *e.g. re-sale products account for ~20% of Boral's Roofing sales, while Headwaters has minimal exposure*			
■ Manufacturing & network optimisation			
■ Manufacturing efficiencies			
■ Other including organisational efficiencies			
Light Building	$1.6m	$16.8m	>$16m
■ Procurement			
■ Sales coverage, cross selling, retail presence			
■ Organisational efficiencies			
■ Other			
Other: Including Block[1] & Windows	($0.7m)	$1.3m	>$2m
Total	$7.1m	$77.8m	$115m

1. Prior year Block synergies included in cumulative figure

Boral North America

1H FY20 Boral North America ~US$770m cost base %[1]



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

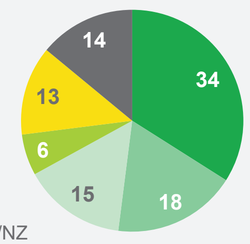
1. Excluding Meridian Bricks JV. Total cost base represents continuing operations

- **Raw materials costs**: In general, raw materials inflation running in 3% to 4% range, however, initiatives and synergies have continued to target this category
- **Labour:** With continued low unemployment, wage increases have been greater particularly in the Stone and LBP plants
- **Logistics:** Availability of carriers and fuel pricing stabilised
- **Energy and fuel**: Energy stable in consumption as well as continued low pricing, particularly with natural gas and fuels costs

USG Boral

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

1H FY2020 External revenue[1], %



Operating Footprint
(number of operating sites[2])

- **20** **Plasterboard plants**
  656m m^2 capacity[3]
  24 board lines / 5 ceiling lines
- **3** **Gypsum mines**
- **30** **Other plants[4,5]**

1. 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
2. As at 30 June 2019. Certain manufacturing facilities and gypsum mines are held in joint venture with third parties
3. Excludes capacity under construction in India and Vietnam
4. Production of plasterboard and other products may be at the same physical location
5. Other plants include mineral fibre ceiling tile, metal ceiling grid, metal products, joint compounds, bonding compounds, industrial plasters, mineral wool and cornice production

Market data and forecasts – Australia

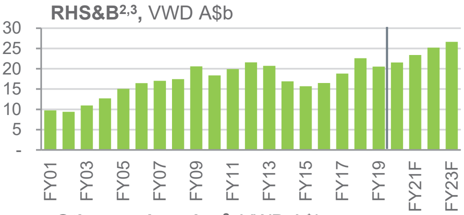
Boral Australia's new Forward Moving Aggregate Spreader

Boral Australia, Orange Grove Quarry

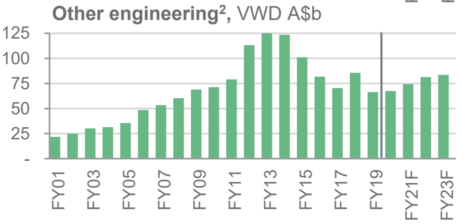
Boral Australia's markets

Revenues are derived from various market segments

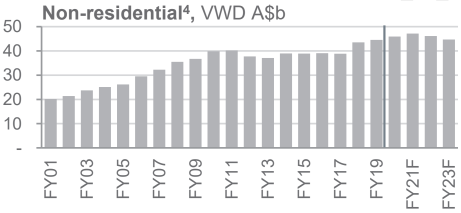
RHS&B[2,3], VWD A$b



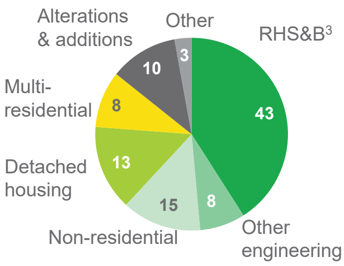
Other engineering[2], VWD A$b



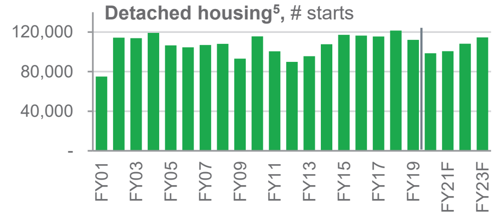
Non-residential[4], VWD A$b



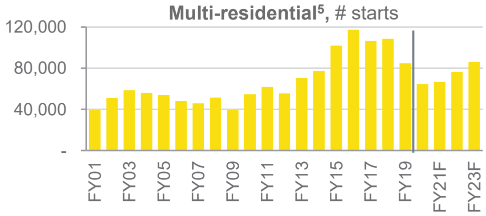
1H FY20 External revenue by end-market[1], %



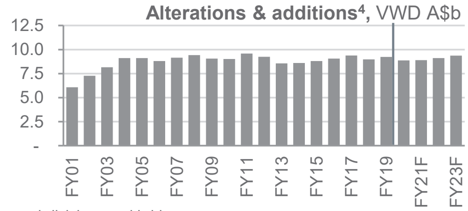
Detached housing[5], # starts



Multi-residential[5], # starts



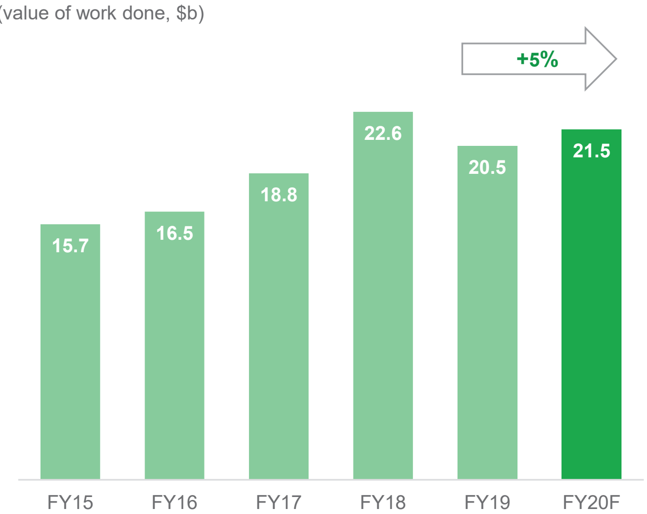
Alterations & additions[4], VWD A$b



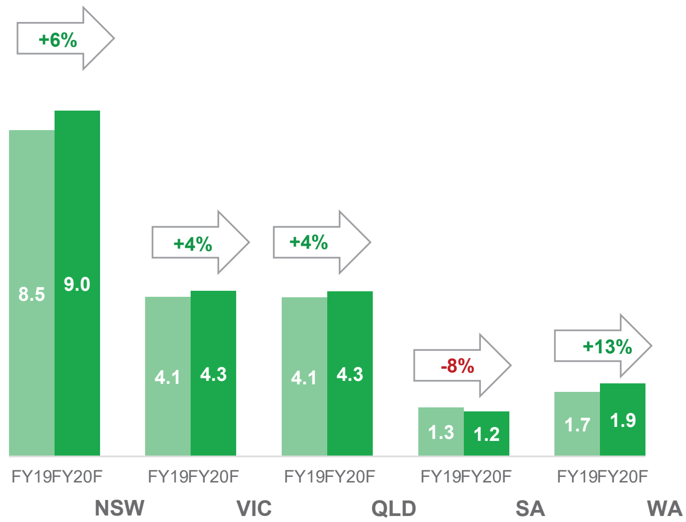
1. Based on split of 1H FY2020 Boral Australia external revenues
2. Source: ABS, BIS Oxford Economics and Macromonitor forecasts, constant 2016/17 dollars
3. Roads, highways, subdivisions and bridges
4. Source: ABS, Macromonitor forecasts, constant 2016/17 dollars
5. Source: ABS, BIS Oxford Economics, Macromonitor and HIA forecasts

Australian RHS&B activity

RHS&B[1]
(value of work done, $b)



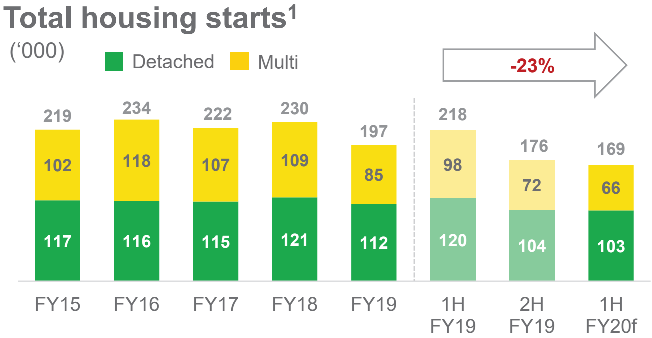
RHS&B[1], by state
FY2020f v FY2019 (value of work done, $b)



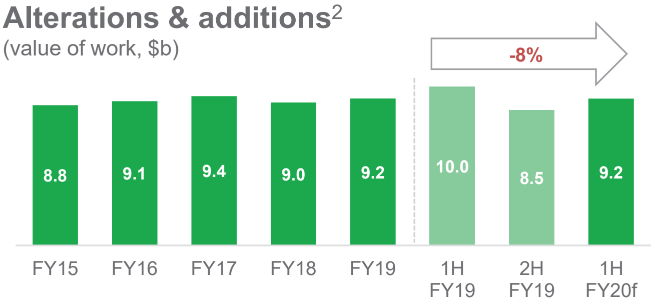
1. RHS&B refers to roads, highways, subdivisions and bridges. Source: ABS, average of BIS Oxford Economics and Macromonitor forecasts, 2016/17 constant prices

Australian residential construction decline

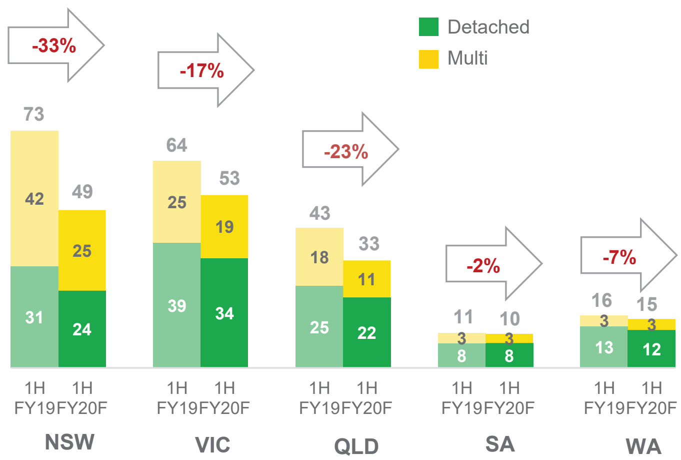
Total housing starts[1]
('000)



Alterations & additions[2]
(value of work, $b)



Housing starts – by state[1]
1H FY2020f vs 1H FY2019 ('000)



1. Original series housing starts from ABS to Sep-19 quarter. Average of BIS Oxford Economics, Macromonitor and HIA forecast for Dec-19 quarter. Six monthly data annualised
2. Original series (constant 2016/17 prices) from ABS. Average of BIS Shrapnel and Macromonitor forecast for Dec-19 quarter. Six monthly data annualised

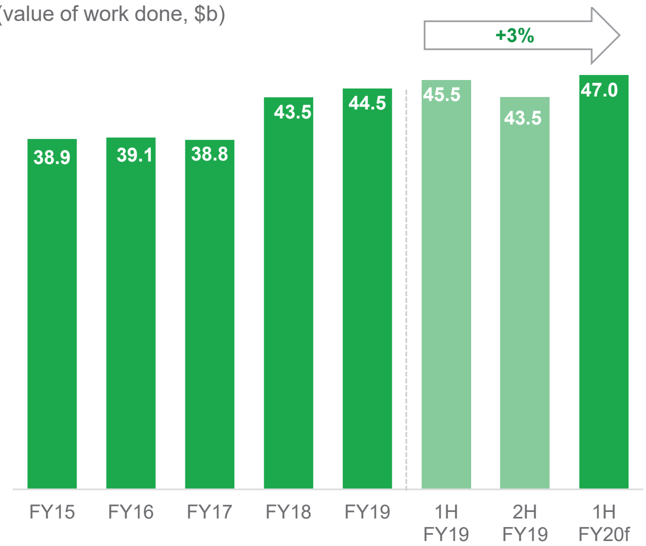
Figures may not add due to rounding

Australian non-residential activity continuing growth

Further growth expected in most regions

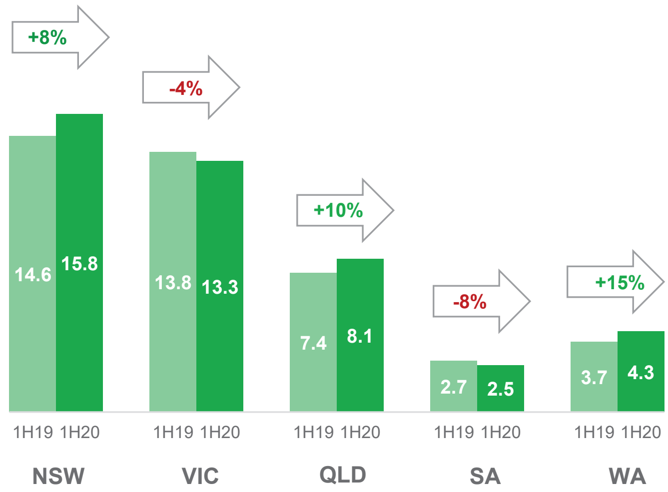
Non-residential[1]

(value of work done, $b)



Non-residential – by state[1]

1H FY2020f v 1H FY2019 (value of work done, $b)



1. Original series (constant 2016/17 prices) from ABS to Sep-19 quarter. Average of BIS Oxford Economics and Macromonitor forecast for December 2019 quarter. Six monthly data annualised

Selection of Aus. project work and potential pipeline

Project[1]	Status[2]
Barangaroo – Crown Casino, NSW Logan Motorway – Enhancement works, Qld NorthConnex, NSW Northern Road – Stages, 2 & 3, NSW North South Corridor, SA Pacific Motorway M1 M3 Merge, Qld RAAF – East Sale, Vic Sydney Metro rail, NSW	Est. completion FY20
Norfolk Island Airport, Qld Melbourne Metro Rail Project (Precast), Vic	Est. completion FY21
Queens Wharf – resort development, Qld	Est. completion FY22
WestConnex 3B (above ground, early works), NSW West Gate Tunnel, Vic	Est. completion FY23
Road Asset Management Contracts, Qld	Est. completion FY24
Bruce Highway, Haughton River Floodplain, Qld Bruce Highway, Cairns Southern Access Corridor, Qld Cross River Rail, Qld DPI Roadwork Network maintenance, SA	Tendering

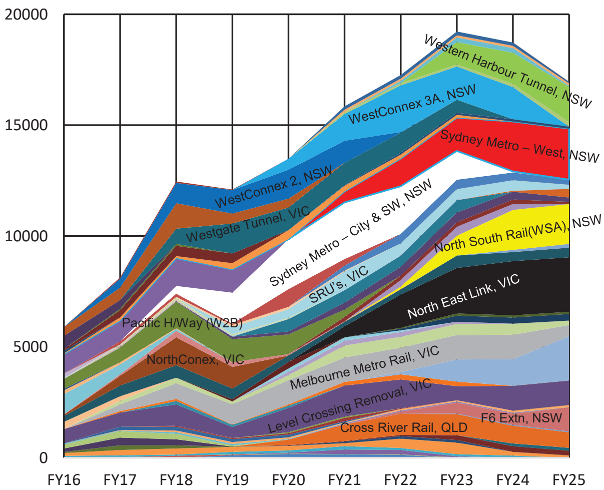
Project[1]	Status[2]
Kidston Hydro Project, Qld Inland Rail Project – (Section 7) NSW North East Link, Melbourne, Vic North South Corridor, SA Snowy Hydro 2.0, NSW Suburban Roads upgrade, (SRU), Vic Sydney Gateway Project, NSW Sydney Metro (Victoria Cross Station), NSW Sydney Metro (Martin Place Station), NSW Tonkin Highway extension, WA	Tendering
Bruce Highway upgrade, Qld Forest Wind Farm, Qld Inland Rail Project, Qld, NSW, Vic Sydney Metro, West extension, NSW Sydney Stewardship Maintenance, NSW Warragamba Dam raising, NSW Western Sydney Airport, NSW	Pre-tendering

1. Boral's major projects are generally defined as contributing >$15m of revenue to Boral
2. As at February 2020

A strong medium term project pipeline

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

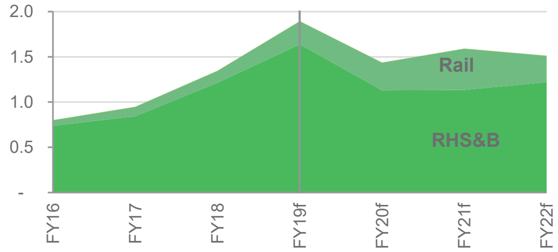
Major transport infrastructure projects[1]
(A$m)



1. Macromonitor February 2020 Forecasts. Major projects defined as >$75m of VWD

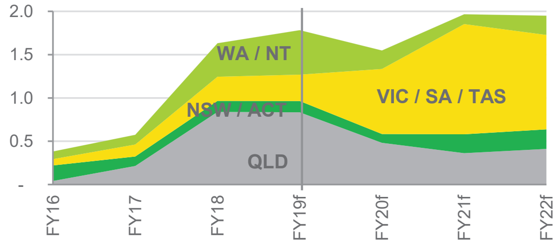
Softer concrete volumes driven by more tunnelling

Premix demand (million m^3) from major transport construction[1]



Growing asphalt volumes driven by Vic demand

Asphalt demand (million t) from major transport construction[1]

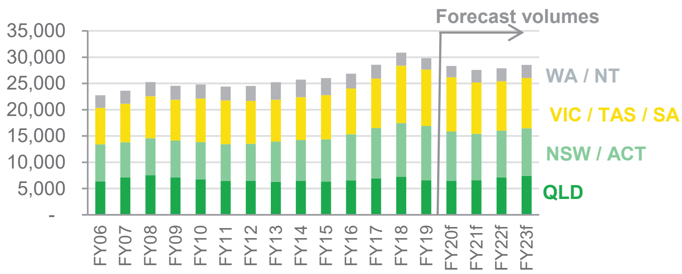


NOTE: demand from major transport construction represents ~5% of total industry concrete volumes and ~15% of total industry asphalt volumes in FY19 & FY20

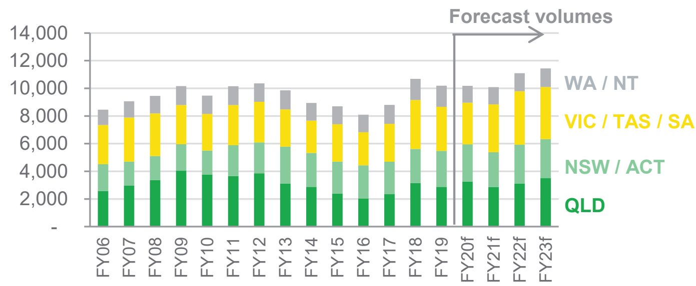
Concrete and asphalt demand in Australia

Macromonitor forecast[1] demand across all Australian construction markets

Pre mix concrete demand[1]
('000) m^3



Asphalt demand[1]
('000) tonne



- **Macromonitor forecasts Concrete volumes to soften before moderating back to FY2017 levels by FY2022**
  - ~ (1.1%) CAGR[2] in concrete volumes forecast FY2019 to FY2023
- **Macromonitor forecasts Asphalt volumes to be steady in FY2020 and remain at high levels to at least FY2023**
  - ~2.9% CAGR[2] 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, Feb 2020 DRAFT estimates
2. Compound annual growth rate

Market data and forecasts – USA

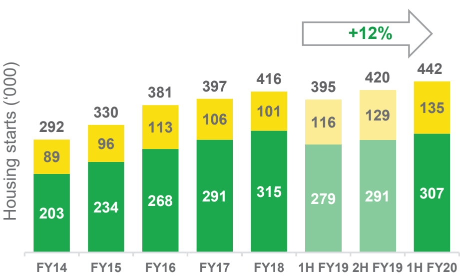
Boral North America, Montour reclaim operation in Pennsylvania

Boral North America, TruExterior®

US housing starts by region

Southeast, Southwest and Northeast regions continue to grow

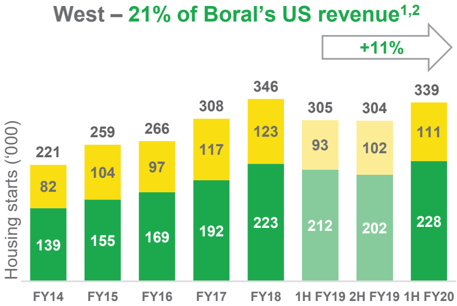
Southeast – 23% of Boral's US revenue[1,2]



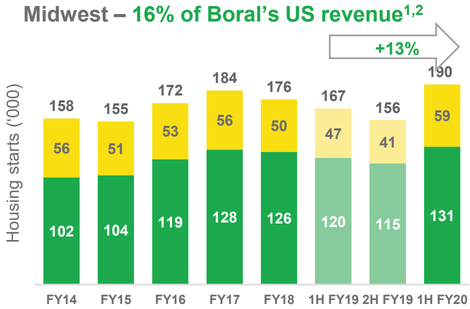
Multi Family

Single Family

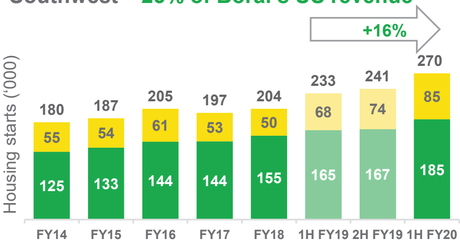
West – 21% of Boral's US revenue[1,2]



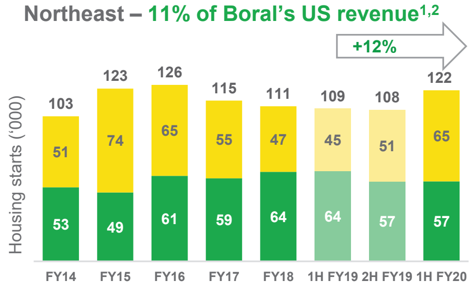
Midwest – 16% of Boral's US revenue[1,2]



Southwest – 25% of Boral's US revenue[1,2]



Northeast – 11% of Boral's US revenue[1,2]

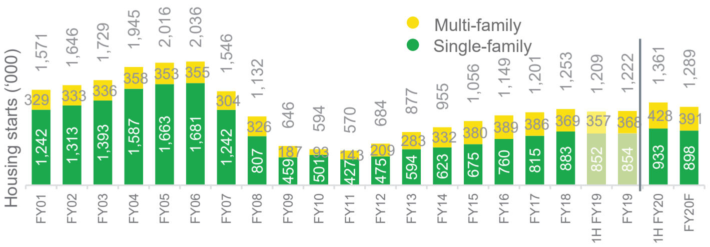


1. US Census seasonally adjusted annualised housing starts. Based on data through December 2019, January 17, 2020 release.
2. Based on 1H FY2020 external revenue, including Boral's 50% share of Meridian Brick JV revenue, which is not included in reported revenue.
Southeast – AL, FL, GA, KY, MS, NC, SC, 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

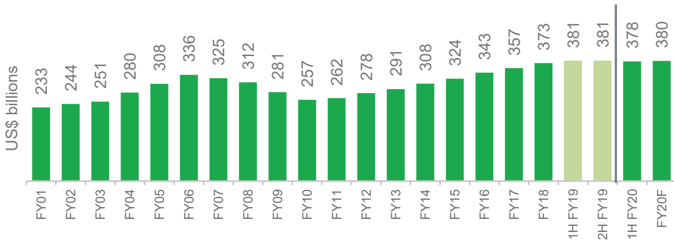
Boral North America markets

Solid outlook across all market segments

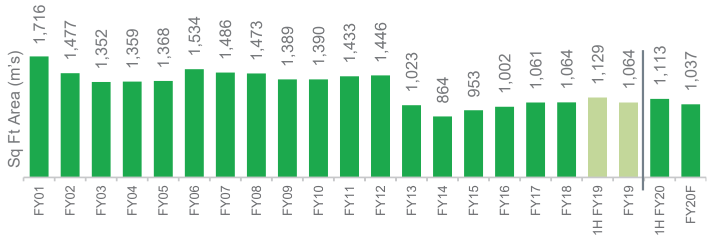
USA new residential: 50% of BNA revenue[1]



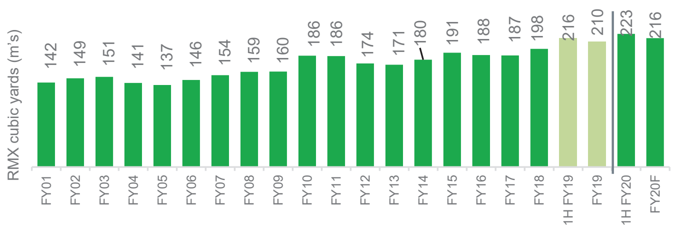
USA repair & remodel: 24% of BNA revenue[2]



USA non-residential: 12% of BNA revenue[3]



USA infrastructure: 13% of BNA revenue[4]



1. US Census seasonally adjusted annualised housing starts, January 2020 release. Forecasts based on an average of analysts' forecasts sourced from NAHB, MBA, Wells Fargo, NAR, Fannie Mae and Freddie Mac. Various release dates between December 2019 and January 2020
2. Moody's Retail Sales of Building Products as at January 2020 for both 1HFY20 and full year forecast FY20 activity.
3. Dodge Data & Analytics, Non-Residential Area (December 2019). Forecast based on Dodge Data and Analytics (Dec 2019) and FMI US Construction Outlook (Q3, 2019)
4. Dodge Data & Analytics, Infrastructure Ready Mix Demand (December 2019). Forecast based on Dodge Data and Analytics (Dec 2019),FMI US Construction Outlook (Q3, 2019) and PCA cement consumption outlook (Fall 2019)

Financial data

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

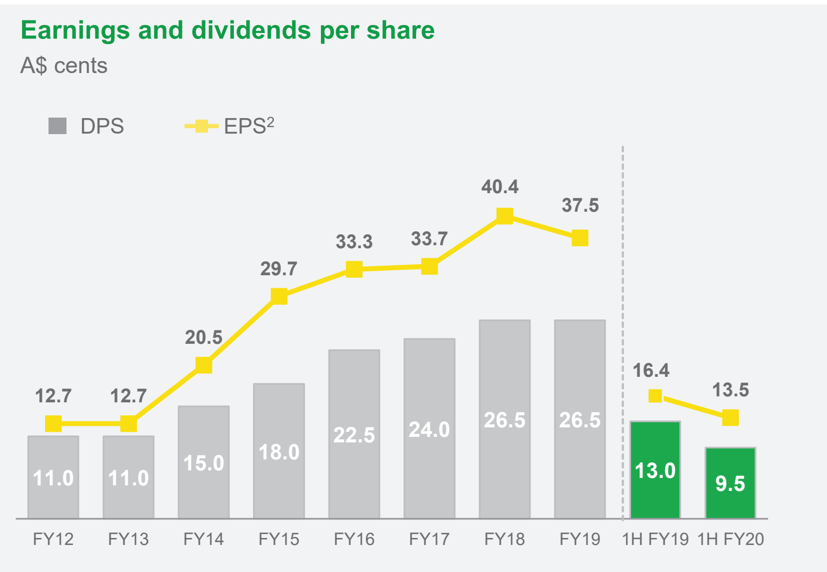
1H FY2020 segment revenue, EBITDA and EBIT

	External revenue, A$m		EBITDA[2,3], A$m		EBIT[2,3], A$m	
	1H FY2020	1H FY2019 Restated[4]	1H FY2020	1H FY2019 Restated[4]	1H FY2020	1H FY2019 Restated[4]
Boral Australia	**1,752**	1,794	**267**	270	**158**	168
Boral North America	**1,208**	1,104	**163**	185	**80**	105
USG Boral[1]	**-**	-	**23**	25	**23**	25
Discontinued Operations[5]	**29**	93	**(1)**	5	**(2)**	(1)
Corporate	**-**	-	(13)	(10)	(13)	(10)
Total	**2,989**	2,990	**439**	475	**246**	287

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. Excluding significant items and the impact of the new leasing standard
4. 1H FY2019 results have been restated to reflect the correction of Windows misreporting in underlying earnings
5. Discontinued Operations includes Midland Brick, Denver Construction Materials and US Block

(Figures may not add due to rounding)

Earnings and dividends per share



EPS[1,2] of 13.5 cents, down 18%

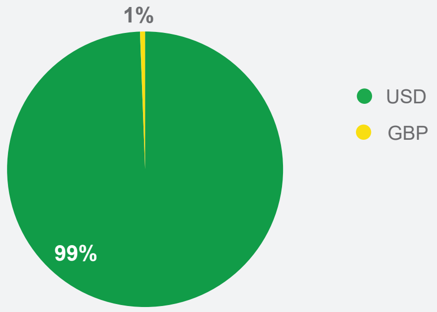
EPSA[1,2] of 15.5 cents, down 16%

- Interim dividend of 9.5 cents per share (50% franked)
- Dividend payout ratio of 71%
- Fully underwritten DRP activated for interim dividend

1. Refer to slides 61-62 for reconciliation and explanation of these items
2. Excluding significant items and the impact of the new leasing standard

Bank debt profile

Gross debt currency exposure, %
As at 31 December 2019



Total = A$2,406m

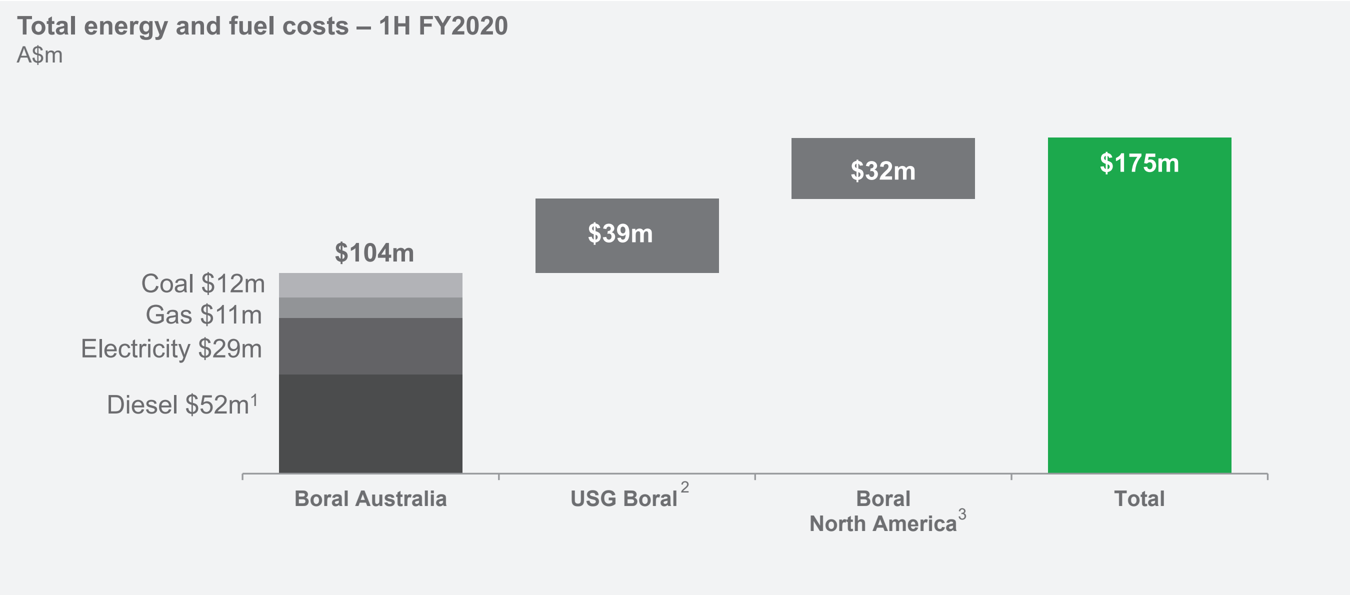
Bank debt facilities, A$m	1H FY2020[2]	FY2019
US Private Placement Notes	817	817
Swiss Franc notes[1]	221	219
US 144A / Reg S Senior Notes	1,351	1,350
Other	17	15
Gross debt	**2,406**	**2,401**
Net debt	**2,322**	**2,193**

1. Issued under EMTN program. Swapped to USD
2. Excludes $392.2 million of lease liabilities

US tax loss summary

Federal tax losses US$m	Gross value	Tax effected value
Recognised on balance sheet	500	105
Unrecognised	90	19
Total	**590**	**124**

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 6 of the Half Year Financial 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 six 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 Half Year Financial Report for the half year ended 31 December 2019. This Half Year Financial Report for the year ended 31 December 2019 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	2,989.1	-	2,989.1	2,960.2	28.9	2,989.1
Profit before depreciation, amortisation, interest & tax, EBITDA	**493.0**	**(23.5)**	**469.5**	**469.8**	**(0.3)**	**469.5**
Depreciation & amortisation, excl amortisation of acquired intangibles	(210.3)	-	(210.3)	(208.4)	(1.9)	(210.3)
Profit before amortisation of acquired intangibles, interest & tax, EBITA	**282.7**	**(23.5)**	**259.2**	**261.4**	**(2.2)**	**259.2**
Amortisation of acquired intangibles	(31.0)	-	(31.0)	(31.0)	-	(31.0)
Profit before interest & income tax, EBIT	**251.7**	**(23.5)**	**228.2**	**230.4**	**(2.2)**	**228.2**
Interest	(61.2)	-	(61.2)	(61.2)	-	(61.2)
Profit before tax, PBT	**190.5**	**(23.5)**	**167.0**	**169.2**	**(2.2)**	**167.0**
Tax benefit / (expense)	(34.2)	3.7	(30.5)	(31.1)	0.6	(30.5)
Net profit after tax, NPAT	**156.3**	**(19.8)**	**136.5**	**138.1**	**(1.6)**	**136.5**
Add back: Amortisation of acquired intangibles	31.0					
Less: Tax effect of amortisation of acquired intangibles	(8.0)					
Net profit after tax & before amortisation of acquired intangibles, NPATA	**179.3**					
Basic earnings per share, EPS[1], ¢	**13.3**		**11.6**			
Basic EPS before amortisation of acquired intangibles, EPSA[1], ¢	**15.3**					

1. Based on weighted average number of shares on issue of 1,172,331,924

Non-IFRS information (continued)[1]

(A$m unless stated)	1H FY2020 Reported	1H FY2020 excl. leases
EBITDA from Continuing Operations[2]	493	440
EBITDA[2]	493	439
EBIT[2]	252	246
Net interest[2]	(61)	(52)
Profit before tax[2]	191	193
Tax[2]	(34)	(35)
Net profit after tax[2]	156	159
Statutory net profit after tax	137	139
EBITDA margin on revenue[2], %	16.5	14.7
EBIT margin on revenue[2], %	8.4	8.2
EBIT return on funds employed[2,3], %	7.0	7.3
Interest cover[2], times	4.1	4.7
Earnings per share[2], ¢	13.3	13.5

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

Disclaimer

The material contained in this document is a presentation of information about the Group's activities current at the date of the presentation, 20 February 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.