Boral Limited

ABN 13 008 421 761

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# APPENDIX 4E

# PRELIMINARY FINAL REPORT

24 August 2021

Name of Entity: **Boral Limited**

ABN: **13 008 421 761**

Financial Year ended: **30 June 2021**

## Results for announcement to the market

| | | | | **2021 $m** | 2020[1] $m |
|---|---|---|---|---|---|
| Revenue from continuing operations | down | (6.2%) | to | **2,924.1** | 3,116.5 |
| Revenue from discontinued operations | | | | **2,421.6** | 2,611.9 |
| **Total revenue** | **down** | **(6.7%)** | **to** | **5,345.7** | 5,728.4 |
| Profit from continuing operations before net interest expense, income tax and significant items | down | (7.9%) | to | **181.2** | 196.7 |
| Profit from discontinued operations before net interest expense, income tax and significant items | | | | **263.4** | 127.0 |
| Profit before net interest expense, income tax and significant items | up | 37.3% | to | **444.6** | 323.7 |
| Net interest expense from continuing operations before significant items | | | | **(122.9)** | (116.0) |
| Net interest expense from discontinued operations before significant items | | | | **(7.7)** | (10.4) |
| Profit before income tax and significant items | up | 59.1% | to | **314.0** | 197.3 |
| Income tax from continuing operations before significant items | | | | **(10.4)** | (15.8) |
| Income tax from discontinued operations before significant items | | | | **(52.9)** | (8.0) |
| Net profit before significant items | up | 44.5% | to | **250.7** | 173.5 |
| Significant items from continuing operations net of tax [2] | | | | **(28.8)** | (80.5) |
| Significant items from discontinued operations net of tax [2] | | | | **418.0** | (1,237.8) |
| **Net profit/(loss)** | **up** | **155.9%** | **to** | **639.9** | (1,144.8) |

1. Restated, refer Note 1(c) and 1(d) of the attached financial report.
2. Refer Note 2 of the attached financial report.

Profit before significant items is a Non IFRS measure reported to provide a greater understanding of the underlying business performance of the Group. The above disclosures are derived from the financial report for the year ended 30 June 2021, which has been audited by KPMG. The Independent Auditor's Report provided by KPMG is included in the Full Year Financial Report of Boral Limited for the year ended 30 June 2021.

| **Dividends** | Amount per security | Franked amount per security at 30% tax |
|---|---|---|
| Current period<br>Final and Interim - ordinary | - | - |
| Previous corresponding period<br>Final - ordinary<br>Interim - ordinary | -<br>9.5 cents | -<br>4.75 cents |

Comparative figures: Full year ended 30 June 2020

## Commentary on the results for the period

The commentary on the results of the period is contained in the Results Announcement for the year ended 30 June 2021 - Management Discussion and Analysis dated 24 August 2021.

# Income Statement

**BORAL LIMITED AND CONTROLLED ENTITIES**

| For the year ended 30 June | Note | **2021 $m** | 2020[1] $m |
|---|---|---|---|
| **Continuing operations** | | | |
| Revenue | 3 | **2,924.1** | 3,116.5 |
| Cost of sales | | **(2,166.8)** | (2,335.9) |
| Selling and distribution expenses | | **(404.5)** | (417.1) |
| Administrative expenses | | **(217.6)** | (245.6) |
| | | **(2,788.9)** | (2,998.6) |
| Other income | 4 | **26.9** | 65.1 |
| Other expenses | 5 | **(41.2)** | (110.8) |
| Results of equity accounted investments | 11 | **19.1** | 13.7 |
| **Profit before net interest expense and income tax** | | **140.0** | 85.9 |
| Interest income | 6 | **1.5** | 1.6 |
| Interest expense | 6 | **(124.4)** | (117.6) |
| Net interest expense | | **(122.9)** | (116.0) |
| **Profit/(loss) before income tax** | | **17.1** | (30.1) |
| Income tax benefit | 7 | **2.0** | 14.5 |
| **Profit/(loss) from continuing operations** | | **19.1** | (15.6) |
| **Discontinued operations** | | | |
| Profit/(loss) from discontinued operations (net of income tax) | 8 | **620.8** | (1,129.2) |
| **Net profit/(loss)** | | **639.9** | (1,144.8) |
| Basic earnings per share | 9 | **52.5c** | (95.8c) |
| Diluted earnings per share | 9 | **52.2c** | (95.8c) |
| **Continuing operations** | | | |
| Basic earnings per share | 9 | **1.6c** | (1.3c) |
| Diluted earnings per share | 9 | **1.6c** | (1.3c) |

1. Restated, refer to Note 1(c) and 1(d) for further details.

The Income Statement should be read in conjunction with the accompanying notes which form an integral part of the financial report.

# Statement of Comprehensive Income

**BORAL LIMITED AND CONTROLLED ENTITIES**

| For the year ended 30 June | **2021 $m** | 2020[1] $m |
|---|---|---|
| **Net profit/(loss)** | **639.9** | (1,144.8) |
| **Other comprehensive income** | | |
| **Items that may be reclassified subsequently to Income Statement:** | | |
| Net exchange differences from translation of foreign operations taken to equity | **(166.3)** | 10.1 |
| Foreign currency translation reserve transferred to net profit on disposal of equity accounted investment | **(56.8)** | - |
| Fair value adjustment on cash flow hedges | **22.3** | (8.9) |
| Income tax on items that may be reclassified subsequently to Income Statement | **(31.9)** | 20.9 |
| **Total comprehensive income/(loss)** | **407.2** | (1,122.7) |

1. Restated, refer to Note 1(c) for further details.

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes which form an integral part of the financial report.

# Balance Sheet

**BORAL LIMITED AND CONTROLLED ENTITIES**

| As at 30 June | Note | **2021 $m** | 2020[1] $m |
|---|---|---|---|
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | | **903.8** | 904.4 |
| Receivables | | **472.7** | 798.3 |
| Inventories | | **213.5** | 523.9 |
| Financial assets | | **11.6** | 4.7 |
| Current tax assets | | **13.4** | 12.5 |
| Other assets | | **28.6** | 47.2 |
| Assets classified as held for sale | | **3,626.1** | 84.2 |
| **TOTAL CURRENT ASSETS** | | **5,269.7** | 2,375.2 |
| **NON-CURRENT ASSETS** | | | |
| Receivables | | **24.2** | 24.9 |
| Inventories | | **4.8** | 11.2 |
| Investments accounted for using the equity method | | **15.0** | 1,209.7 |
| Financial assets | | **8.3** | 55.7 |
| Property, plant and equipment | | **2,031.7** | 3,060.0 |
| Intangible assets | | **72.4** | 2,223.2 |
| Deferred tax assets | | **133.1** | 162.5 |
| Other assets | | **25.2** | 39.6 |
| **TOTAL NON-CURRENT ASSETS** | | **2,314.7** | 6,786.8 |
| **TOTAL ASSETS** | | **7,584.4** | 9,162.0 |
| **CURRENT LIABILITIES** | | | |
| Trade creditors | | **484.1** | 728.8 |
| Interest bearing liabilities | 13 | **33.2** | 106.0 |
| Financial liabilities | | **22.1** | 13.7 |
| Current tax liabilities | | **5.0** | 4.4 |
| Employee benefit liabilities | | **93.2** | 119.7 |
| Provisions | | **32.5** | 63.1 |
| Liabilities classified as held for sale | | **610.3** | 10.3 |
| **TOTAL CURRENT LIABILITIES** | | **1,280.4** | 1,046.0 |
| **NON-CURRENT LIABILITIES** | | | |
| Interest bearing liabilities | 13 | **1,769.7** | 3,378.0 |
| Financial liabilities | | **19.4** | 26.6 |
| Deferred tax liabilities | | **39.9** | 14.1 |
| Employee benefit liabilities | | **10.1** | 43.4 |
| Provisions | | **100.6** | 152.5 |
| Other liabilities | | **0.3** | 6.3 |
| **TOTAL NON-CURRENT LIABILITIES** | | **1,940.0** | 3,620.9 |
| **TOTAL LIABILITIES** | | **3,220.4** | 4,666.9 |
| **NET ASSETS** | | **4,364.0** | 4,495.1 |
| **EQUITY** | | | |
| Issued capital | 14 | **3,839.5** | 4,376.4 |
| Reserves | 15 | **122.8** | 356.9 |
| Retained earnings/(accumulated deficit) | | **401.7** | (238.2) |
| **TOTAL EQUITY** | | **4,364.0** | 4,495.1 |

1. Restated, refer to Note 1(c) for further details.

The Balance Sheet should be read in conjunction with the accompanying notes which form an integral part of the financial report.

# Statement of Changes in Equity

**BORAL LIMITED AND CONTROLLED ENTITIES**

| | Issued capital $m | Reserves $m | Retained earnings/ (accumulated deficit)[1] $m | Total equity $m |
|---|---|---|---|---|
| Balance at 30 June 2020 | **4,376.4** | **356.9** | **(238.2)** | **4,495.1** |
| Net profit | **-** | **-** | **639.9** | **639.9** |
| **Other comprehensive income** | | | | |
| Translation of net assets of overseas entities | **-** | **(256.2)** | **-** | **(256.2)** |
| Translation of share of equity accounted other comprehensive income | **-** | **6.0** | **-** | **6.0** |
| Translation of long-term borrowings and foreign currency forward contracts | **-** | **83.9** | **-** | **83.9** |
| Foreign currency translation reserve transferred to net profit on disposal of equity accounted investment | **-** | **(56.8)** | **-** | **(56.8)** |
| Fair value adjustment on cash flow hedges | **-** | **22.3** | **-** | **22.3** |
| Income tax relating to other comprehensive income | **-** | **(31.9)** | **-** | **(31.9)** |
| **Total comprehensive income/(loss)** | **-** | **(232.7)** | **639.9** | **407.2** |
| **Transactions with owners in their capacity as owners** | | | | |
| On-market share buy-back[2] | **(536.9)** | **-** | **-** | **(536.9)** |
| Share acquisition rights vested | **-** | **(1.3)** | **-** | **(1.3)** |
| Share-based payments | **-** | **(0.1)** | **-** | **(0.1)** |
| **Total transactions with owners in their capacity as owners** | **(536.9)** | **(1.4)** | **-** | **(538.3)** |
| **Balance at 30 June 2021** | **3,839.5** | **122.8** | **401.7** | **4,364.0** |
| Balance at 30 June 2019 | 4,265.1 | 331.0 | 1,236.3 | 5,832.4 |
| Transition impact from implementation of AASB 16 | - | - | (26.2) | (26.2) |
| IFRIC decision - software capitalisation[1] | - | - | (33.8) | (33.8) |
| Balance at 1 July 2019 | 4,265.1 | 331.0 | 1,176.3 | 5,772.4 |
| Net loss | - | - | (1,144.8) | (1,144.8) |
| Other comprehensive income | | | | |
| Translation of net assets of overseas entities | - | 91.4 | - | 91.4 |
| Translation of share of equity accounted other comprehensive income | - | (20.5) | - | (20.5) |
| Translation of long-term borrowings and foreign currency forward contracts | - | (60.8) | - | (60.8) |
| Fair value adjustment on cash flow hedges | - | (8.9) | - | (8.9) |
| Income tax relating to other comprehensive income | - | 20.9 | - | 20.9 |
| Total comprehensive income/(loss) | - | 22.1 | (1,144.8) | (1,122.7) |
| Transactions with owners in their capacity as owners | | | | |
| Shares issued under the Dividend Reinvestment Plan | 111.3 | - | - | 111.3 |
| Share acquisition rights vested | - | (2.0) | - | (2.0) |
| Dividends paid | - | - | (269.7) | (269.7) |
| Share-based payments | - | 5.8 | - | 5.8 |
| Total transactions with owners in their capacity as owners | 111.3 | 3.8 | (269.7) | (154.6) |
| Balance at 30 June 2020 | 4,376.4 | 356.9 | (238.2) | 4,495.1 |

1. Restated, refer to Note 1(c) and 1(d) for further details.

2. This includes $30.3 million of share buy-back that was paid after 30 June 2021.

The Statement of Changes in Equity should be read in conjunction with the accompanying notes which form an integral part of the financial report.

# Statement of Cash Flows

**BORAL LIMITED AND CONTROLLED ENTITIES**

| For the year ended 30 June | **2021 $m** | 2020[1] $m |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Receipts from customers | **5,672.1** | 6,194.5 |
| Payments to suppliers and employees | **(4,900.9)** | (5,418.2) |
| | **771.2** | 776.3 |
| Dividends received | **84.0** | 26.3 |
| Interest received | **3.5** | 3.1 |
| Borrowing costs paid | **(137.4)** | (124.3) |
| Income taxes paid | **(7.0)** | (30.7) |
| Restructure, transaction and integration costs paid | **(60.6)** | (37.8) |
| **Net Cash Provided by Operating Activities** | **653.7** | 612.9 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Purchase of property, plant and equipment | **(257.7)** | (324.1) |
| Purchase of intangibles | **-** | (3.7) |
| Repayment of loans by associates | **(0.3)** | - |
| Proceeds on disposal of non-current assets | **40.2** | 27.3 |
| Proceeds on disposal of controlled entities and associates (net of transaction costs) | **1,409.4** | 13.1 |
| **Net Cash Provided by/(Used in) Investing Activities** | **1,191.6** | (287.4) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| On-market share buy-back | **(506.6)** | - |
| Dividends paid | **-** | (158.3) |
| Repayment of lease principal | **(88.0)** | (98.4) |
| Settlement of financial instruments | **(37.3)** | - |
| Proceeds from borrowings | **105.9** | 2,266.3 |
| Repayment of borrowings | **(1,256.3)** | (1,603.9) |
| **Net Cash Provided by/(Used in) Financing Activities** | **(1,782.3)** | 405.7 |
| **NET CHANGE IN CASH AND CASH EQUIVALENTS** | **63.0** | 731.2 |
| Cash and cash equivalents at beginning of the year | **904.4** | 207.2 |
| Effects of exchange rate fluctuations on the balances of cash held in foreign currencies | **(63.6)** | (34.0) |
| **Cash and cash equivalents at the end of the year** | **903.8** | 904.4 |

1. Restated, refer to Note 1(c) for further details.

The Statement of Cash Flows should be read in conjunction with the accompanying notes which form an integral part of the financial report.

# Notes to the Financial Report

**BORAL LIMITED AND CONTROLLED ENTITIES**

## 1. ABOUT THIS REPORT

### Statement of compliance

This financial report represents the consolidated results of Boral Limited (ABN 13 008 421 761), a for profit company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The financial report comprises Boral Limited and its controlled entities (the "Group"). The financial report has been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001 for the purposes of fulfilling the Group's obligation under Australian Securities Exchange (ASX) listing rules.

### (a) Basis of preparation

The financial report has been prepared on a historical cost basis, except for the revaluation of certain financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

A full description of the accounting policies adopted by the Group can be found in the Group's full financial statements.

### (b) Accounting estimates and judgements

Preparation of the financial report requires management to make judgements, estimates and assumptions about future events. Information on material estimates and judgements considered when applying the accounting policies can be found in the Group's full financial statements.

### (c) Changes in accounting policies and reclassification

The Group has adopted all new and amended Australian Accounting Standards and AASB interpretations that are mandatory for the current reporting period and relevant to the Group, which excluding the impact of the IFRS Interpretations Committee ("IFRIC") ruling in relation to the configuration and customisation costs in a cloud computing arrangement (IAS 38 *Intangible Assets*), did not have a significant impact on the Group's full year financial report. The details of changes in accounting policies are disclosed below.

**Treatment of configuration and customisation costs in a cloud computing arrangement**

At the end of April of the current financial year, the International Accounting Standards Board (IASB) accepted the IFRS Interpretations Committee's (IFRIC) decision around the accounting treatment for costs of configuring and customising software in a Software as a Service (SaaS) arrangement. The decision clarifies that the right to receive access to the supplier's application software over an agreed contract term does not provide the customer with a software asset at the contract commencement date. As a result, the costs of configuring and customising the software are considered to be period costs expensed as the service is performed.

*Accounting policy applicable prior to 1 July 2020*

The Group has historically capitalised configuration and customisation costs for all software agreements.

*Accounting policy applied from 1 July 2020*

The IFRIC's decision has resulted in the Group changing its accounting policy for cloud computing arrangements to align with the conclusion that configuration and customisation costs for SaaS arrangements should be expensed at the time the service is performed. As a result of the change in accounting policy, the Group has reduced the 1 July 2019 opening retained earnings by $33.8 million. The impact to 30 June 2020 is disclosed below.

*Impact on the Balance Sheet of the Group - increase/(decrease)*

| **30 June 2020** | **Impact $m** |
|---|---|
| Property, plant and equipment | (57.0) |
| Deferred tax assets | 17.0 |
| **Total Assets** | **(40.0)** |
| Retained earnings | (40.0) |
| **Total Equity** | **(40.0)** |

# Notes to the Financial Report

**BORAL LIMITED AND CONTROLLED ENTITIES**

## 1. ABOUT THIS REPORT (continued)

### (c) Changes in accounting policies and reclassification (continued)

*Impact on the Income Statement of the Group - (increase)/decrease*

| | 30 June 2021 $m | 30 June 2020 $m |
|---|---|---|
| Administrative expenses | **15.7** | (5.4) |
| Other expenses | **(10.2)** | (3.4) |
| Income tax (expense)/benefit | **(1.6)** | 2.6 |
| **Profit/(loss) from continuing operations** | **3.9** | (6.2) |

*Impact on Total earnings per share - increase/(decrease)*

| | | |
|---|---|---|
| Basic earnings per share | 0.3c | (0.5c) |
| Diluted earnings per share | 0.3c | (0.5c) |

The change did not have an impact on other comprehensive income for the periods ended 30 June 2021 and 30 June 2020. In the Group's Statement of Cash Flows for 30 June 2021, $9.2 million (2020: $18 million) of SaaS costs previously classified as investing cash outflows are now presented as operating cash outflows.

**Presentation of internal distribution costs**

As a result of the change in Group's new operating model from a regional operating structure to a national integrated operating structure, the Group has changed the presentation of internal distribution costs to better reflect the integrated financial outcome. The voluntary change in presentation results in all internal distribution costs being presented as part of cost of sales within the Income Statement as opposed to within selling and distribution expenses. As a result of the change, the Group has adjusted the presentation of these expenses in the Income Statement resulting in an increase of $163 million (2020: $190.5 million) in cost of sales and an offsetting decrease of $163 million (2020: $190.5 million) in selling and distribution expenses for the year ended 30 June 2021.

### (d) Comparative figures

Where applicable, certain comparative figures have been reclassified to discontinued operations, to align with current year presentation, as a result of the divestments of Boral's 50% interest in USG Boral and Midland Brick; and the expected divestment of Boral's investments in North America, specifically Building Products, Fly Ash and the 50% interest in Meridian Brick and Australian Building Products. Refer to Note 8 for further details.

*Impact of comparative figures adjustments on the Income Statement - increase/(decrease)*

| 30 June 2020 | Previously Reported $m | Changes in accounting policies and reclassification[1] $m | Discontinued operations $m | Restated $m |
|---|---|---|---|---|
| Revenue | 5,671.4 | - | (2,554.9) | 3,116.5 |
| Cost of sales | (3,965.0) | (190.5) | 1,819.6 | (2,335.9) |
| Selling and distribution expenses | (996.5) | 190.5 | 388.9 | (417.1) |
| Administrative expenses | (478.8) | (5.4) | 238.6 | (245.6) |
| Other income | 66.3 | - | (1.2) | 65.1 |
| Other expenses | (1,322.9) | (3.4) | 1,215.5 | (110.8) |
| Results of equity accounted investments | (42.1) | - | 55.8 | 13.7 |
| Interest income | 3.4 | - | (1.8) | 1.6 |
| Interest expense | (129.8) | - | 12.2 | (117.6) |
| Income tax (expense)/benefit | 60.9 | 2.6 | (49.0) | 14.5 |
| **Profit/(loss) from continuing operations** | **(1,133.1)** | **(6.2)** | **1,123.7** | **(15.6)** |
| **Profit/(loss) from discontinued operations (net of income tax)** | **(5.5)** | **-** | **(1,123.7)** | **(1,129.2)** |

1. Refer to Note 1 (c) for further details.

# Notes to the Financial Report

**BORAL LIMITED AND CONTROLLED ENTITIES**

## 1. ABOUT THIS REPORT (continued)

### (d) Comparative figures (continued)

*Impact of comparative figures adjustments on the Balance Sheet - increase/(decrease)*

| 30 June 2020 | Previously Reported $m | Changes in accounting policies[1] $m | Restated[1] $m |
|---|---|---|---|
| Property, plant and equipment | 3,117.0 | (57.0) | 3,060.0 |
| Deferred tax assets | 145.5 | 17.0 | 162.5 |
| **Total Assets** | **9,202.0** | **(40.0)** | **9,162.0** |
| Retained earnings/(accumulated deficit) | (198.2) | (40.0) | (238.2) |
| **Total Equity** | **4,535.1** | **(40.0)** | **4,495.1** |

1. Refer to Note 1 (c) for further details.

### (e) Rounding of amounts

Unless otherwise expressly stated, amounts have been rounded off to the nearest whole number of millions of dollars and one place of decimals representing hundreds of thousands of dollars in accordance with ASIC Corporations Instrument 2016/191, dated 24 March 2016. Amounts shown as "–" represent zero amounts and amounts less than $50,000, which have been rounded down.

# Notes to the Financial Report

**BORAL LIMITED AND CONTROLLED ENTITIES**

## 2. SEGMENTS

An operating segment is a component of an entity that engages in business activities from which it may earn revenue and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker in order to effectively allocate Group resources and assess performance.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the CEO and Managing Director in assessing performance and in determining the allocation of resources. The operating segments are identified by the Group based on consideration of the nature of the services provided as well as the geographical region. Discrete financial information about each of these operating businesses is reported to the CEO and Managing Director on a recurring basis.

The following summary describes the operations of the Group's reportable segments:

| | | |
|---|---|---|
| Boral Australia | - | Construction Materials (comprising quarries, concrete, asphalt, transport, landfill, property, cement and concrete placing). |
| Discontinued Operations | - | USG Boral, Boral North America (fly ash, stone, roofing, light building products, windows and bricks joint venture) and Australian Building Products (comprising bricks, roofing and masonry, and timber products). |
| Corporate | - | Non-trading operations and unallocated corporate costs. |

The major end use markets for Boral's products include residential and non-residential construction and the engineering and infrastructure markets.

The Group has a large number of customers to which it provides products, with no single customer responsible for more than 10% of the Group's revenue.

Segment results, assets and liabilities includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

| **Reconciliations of reportable segment revenues and profits** | Note | **2021 $m** | 2020[1] $m |
|---|---|---|---|
| External revenue | | **5,345.7** | 5,728.4 |
| Less: revenue from discontinued operations | 8 | **(2,421.6)** | (2,611.9) |
| Revenue from continuing operations | | **2,924.1** | 3,116.5 |
| **Profit/(loss) before tax** | | | |
| Profit/(loss) before net interest expense and income tax from reportable segments | | **802.3** | (1,084.1) |
| Less: (Profit)/loss before net interest expense and income tax from discontinued operations | 8 | **(662.3)** | 1,170.0 |
| Profit before net interest expense and income tax from continuing operations | | **140.0** | 85.9 |
| Net interest expense from continuing operations | 6 | **(122.9)** | (116.0) |
| Profit/(loss) before tax from continuing operations | | **17.1** | (30.1) |

1. Restated, refer to Note 1(c) and 1(d) for further details.

# Notes to the Financial Report

**BORAL LIMITED AND CONTROLLED ENTITIES**

## 2. SEGMENTS (continued)

| | Boral Australia | | Discontinued Operations | | Corporate | | Total | |
|---|---|---|---|---|---|---|---|---|
| | **2021 $m** | 2020[1] $m | **2021 $m** | 2020[1] $m | **2021 $m** | 2020 $m | **2021 $m** | 2020[1] $m |
| External Revenue | **2,924.1** | 3,116.5 | **2,421.6** | 2,611.9 | **-** | - | **5,345.7** | 5,728.4 |
| Profit/(loss) before depreciation, amortisation, interest, income tax expense and significant items (EBITDA) | **432.1** | 471.5 | **476.2** | 371.3 | **(26.3)** | (36.1) | **882.0** | 806.7 |
| Depreciation and amortisation | **(222.5)** | (236.6) | **(212.8)** | (244.3) | **(2.1)** | (2.1) | **(437.4)** | (483.0) |
| **Profit/(loss) before interest, income tax and significant items (EBIT)** | **209.6** | 234.9 | **263.4** | 127.0 | **(28.4)** | (38.2) | **444.6** | 323.7 |
| Discontinued operations matters (i) | **-** | - | **398.9** | (4.8) | **-** | (7.8) | **398.9** | (12.6) |
| Takeover costs (ii) | **-** | - | **-** | - | **(10.0)** | - | **(10.0)** | - |
| Transformation and restructure costs (iii) | **-** | (32.5) | **-** | (13.2) | **(21.0)** | - | **(21.0)** | (45.7) |
| SAP Implementation costs (iv) | **(10.2)** | (3.4) | **-** | - | **-** | - | **(10.2)** | (3.4) |
| Impairment (v) | **-** | (67.1) | **-** | (1,279.0) | **-** | - | **-** | (1,346.1) |
| **Significant items before income tax expense** | **(10.2)** | (103.0) | **398.9** | (1,297.0) | **(31.0)** | (7.8) | **357.7** | (1,407.8) |
| Profit/(loss) before interest and income tax expense | **199.4** | 131.9 | **662.3** | (1,170.0) | **(59.4)** | (46.0) | **802.3** | (1,084.1) |
| Equity accounted income before significant items | **19.1** | 13.7 | **52.5** | 25.7 | **-** | - | **71.6** | 39.4 |
| Significant items (i) (v) | **-** | - | **-** | (81.5) | **-** | - | **-** | (81.5) |
| **Equity accounted income after significant items** | **19.1** | 13.7 | **52.5** | (55.8) | **-** | - | **71.6** | (42.1) |

1. Restated, refer to Note 1(c) and 1(d) for further details.

# Notes to the Financial Report

**BORAL LIMITED AND CONTROLLED ENTITIES**

## 2. SEGMENTS (continued)

| Significant items | Gross 2021 $m | Tax 2021 $m | Net 2021 $m | Gross 2020 $m | Tax 2020 $m | Net 2020 $m |
|---|---|---|---|---|---|---|
| (i) Discontinued operations matters | **398.9** | **19.1** | **418.0** | (12.6) | - | (12.6) |
| (ii) Takeover costs | **(10.0)** | **3.0** | **(7.0)** | - | - | - |
| (iii) Transformation and restructure costs | **(21.0)** | **6.3** | **(14.7)** | (45.7) | 12.6 | (33.1) |
| (iv) SAP implementation costs | **(10.2)** | **3.1** | **(7.1)** | (3.4) | 1.0 | (2.4) |
| (v) Impairment | **-** | **-** | **-** | (1,346.1) | 75.9 | (1,270.2) |
| | **357.7** | **31.5** | **389.2** | (1,407.8) | 89.5 | (1,318.3) |

**(i)** ***Discontinued operations matters***

During the current financial year, the Group made significant progress resetting the portfolio including:

- completing the sale of the Midland Brick business, which generated a profit before tax of $2.4 million, and the divestment of its 50% interest in USG Boral, which generated a profit before tax of $442.9 million; and
- progressing the portfolio review and the decision to exit the North American businesses, including entering into agreements to dispose the North American Building Products business and its 50% interest in Meridian Brick, as well as the Australian Building Products businesses, including entering into an agreement to dispose the Australian Timber business. As a result of these activities, the Group incurred:
  - $15.4 million of transaction costs, primarily legal and consulting;
  - $9.7 million of property, plant and equipment impairments primarily due to the closure of the innovation factory in the United States;
  - $3.2 million of restructuring costs incurred in conjunction with the business disposals in the United States; and
  - $18.1 million of net asset write downs primarily related to inventory in the Australian Building Products business.

In the prior year, the Group incurred $7.8 million of costs, primarily legal and consulting, in conjunction with the previously announced change in ownership and operating structure of the plasterboard businesses, as a result of Knauf's acquisition of USG. In addition, the joint venture directly incurred costs related to the change in operating structure and restructuring costs in response to softer trading conditions with $4.8 million recognised as Boral's share of the costs.

**(ii)** ***Takeover costs***

During the second half of the current financial year, the Group incurred $10 million of costs, primarily legal and advisory, in response to the off-market takeover offer made by Network Investment Holdings Pty Limited, a wholly-owned subsidiary of Seven Group Holdings Limited.

**(iii)** ***Transformation and restructure costs***

During the current financial year, the Group incurred $21 million of costs in conjunction with the implementation of the Group's transformation program, primarily restructuring costs incurred in resetting the operating model as well as consulting costs to support the major initiatives.

In the prior year, $36.2 million of restructuring related costs were incurred to align the Australian business with the prevailing trading conditions and $9.5 million of costs were incurred in relation to the integration of the Headwaters business into the Group's existing North America business portfolio.

**(iv)** ***SAP implementation costs***

The implementation of SAP in Australia is a key initiative in the Group's transformation program with $10.2 million (2020: $3.4 million) of costs incurred during the period.

**(v)** ***Impairment***

In the prior year, the non-cash asset impairment charges relate to updated year-end valuation estimates of several assets and asset groups across the Group primarily driven by forecast declines in the US and Australian housing markets as well as taking into account the potential longer term impact of prevailing economic conditions. The impairments recognised relate to $1,066.8 million of Boral North America goodwill, the Windows cash generating unit (CGU) ($79.4 million relating to intangible assets), the Australian Building Products CGU ($56.1 million relating to property, plant and equipment), the Investment in the Meridian Brick joint venture impairment loss of $76.7 million and the Western Region Construction Materials CGU ($1.9 million relating to goodwill and $65.2 million relating to property, plant and equipment).

# Notes to the Financial Report

**BORAL LIMITED AND CONTROLLED ENTITIES**

## 2. SEGMENTS (continued)

| | Boral Australia | | Discontinued Operations | | Corporate | | Total | |
|---|---|---|---|---|---|---|---|---|
| | **2021 $m** | 2020[1] $m | **2021 $m** | 2020[1] $m | **2021 $m** | 2020 $m | **2021 $m** | 2020[1] $m |
| Segment assets (excluding equity accounted investments)[2] | **2,856.5** | 2,910.3 | **3,626.1** | 3,917.0 | **36.5** | 45.6 | **6,519.1** | 6,872.9 |
| Equity accounted investments | **15.0** | 20.9 | **-** | 1,188.8 | **-** | - | **15.0** | 1,209.7 |
| | **2,871.5** | 2,931.2 | **3,626.1** | 5,105.8 | **36.5** | 45.6 | **6,534.1** | 8,082.6 |
| Cash and cash equivalents | **-** | - | **-** | - | **903.8** | 904.4 | **903.8** | 904.4 |
| Tax assets | **-** | - | **-** | - | **146.5** | 175.0 | **146.5** | 175.0 |
| Total assets | **2,871.5** | 2,931.2 | **3,626.1** | 5,105.8 | **1,086.8** | 1,125.0 | **7,584.4** | 9,162.0 |
| Segment liabilities[3] | **623.9** | 637.0 | **610.3** | 428.1 | **138.4** | 99.3 | **1,372.6** | 1,164.4 |
| Interest bearing liabilities | **-** | - | **-** | - | **1,802.9** | 3,484.0 | **1,802.9** | 3,484.0 |
| Tax liabilities | **-** | - | **-** | - | **44.9** | 18.5 | **44.9** | 18.5 |
| Total liabilities | **623.9** | 637.0 | **610.3** | 428.1 | **1,986.2** | 3,601.8 | **3,220.4** | 4,666.9 |
| Acquisition of segment assets | **184.4** | 248.5 | **128.2** | 205.1 | **-** | 0.5 | **312.6** | 454.1 |

**Geographic location**

In presenting information on a geographical basis, assets are based on the geographical location of the assets.

| **NON-CURRENT ASSETS** | **2021 $m** | 2020[1] $m |
|---|---|---|
| Australia | **2,173.3** | 2,519.7 |
| Asia | **-** | 723.0 |
| North America | **-** | 3,236.5 |
| Other | **-** | 89.4 |
| | **2,173.3** | 6,568.6 |
| Tax assets | **133.1** | 162.5 |
| Financial assets | **8.3** | 55.7 |
| | **2,314.7** | 6,786.8 |

1. Restated, refer to Note 1(c) and 1(d) for further details.
2. $163.0 million of equity accounted investment relating to Meridian Brick joint venture is included within Discontinued Operations segment assets.
3. $207.0 million of lease liabilities (2020: $1.5 million) are included within Discontinued Operations segment liabilities.

# Notes to the Financial Report

**BORAL LIMITED AND CONTROLLED ENTITIES**

| | Note | 2021 $m | 2020[1] $m |
|---|---|---|---|
| **3. REVENUE FROM CONTINUING OPERATIONS** | | | |
| Sale of goods | | **2,631.3** | 2,807.8 |
| Rendering of services | | **69.3** | 68.8 |
| Contracting business | | **223.5** | 239.9 |
| Revenue from continuing operations | | **2,924.1** | 3,116.5 |
| **4. OTHER INCOME FROM CONTINUING OPERATIONS** | | | |
| Net profit on sale of assets | | **26.0** | 60.5 |
| Net foreign exchange gain | | **0.7** | 1.2 |
| Other income | | **0.2** | 3.4 |
| Other income from continuing operations | | **26.9** | 65.1 |
| **5. OTHER EXPENSES FROM CONTINUING OPERATIONS** | | | |
| Significant items | 2 | **(41.2)** | (110.8) |
| Other expenses from continuing operations | | **(41.2)** | (110.8) |
| **6. NET INTEREST EXPENSE FROM CONTINUING OPERATIONS** | | | |
| **Interest income received or receivable from:** | | | |
| Other parties (cash at bank and bank short-term deposits) | | **1.5** | 1.6 |
| **Interest expense paid or payable to:** | | | |
| Other parties (bank overdrafts, bank loans and other loans)[2] | | **(95.2)** | (108.1) |
| Make-whole and refinance related costs | | **(22.2)** | - |
| Interest expense on capitalised leases | | **(4.4)** | (5.0) |
| Unwinding of discount | | **(2.6)** | (4.5) |
| | | **(124.4)** | (117.6) |
| Net interest expense from continuing operations | | **(122.9)** | (116.0) |
| **7. INCOME TAX EXPENSE** | | | |
| **Reconciliation of income tax expense to prima facie tax** | | | |
| Income tax expense/(benefit) on profit/(loss) at Australian tax rates 30% | | **201.5** | (363.1) |
| Variation between Australian and overseas tax rates | | **(5.4)** | 48.1 |
| Exempt income on disposal of business | | **(118.4)** | - |
| Share of associates' net income (excluding significant items) | | **(16.6)** | (8.6) |
| Capital and income tax losses realised | | **(28.7)** | (17.2) |
| Non-deductible significant items | | **-** | 275.3 |
| Tax benefit arising from share acquisition rights vested | | **(0.3)** | (0.6) |
| Changes in estimate from prior years | | **1.3** | (2.5) |
| Other items | | **(1.6)** | 2.9 |
| | | **31.8** | (65.7) |
| Tax (benefit)/expense relating to continuing operations | | **(2.0)** | (14.5) |
| Tax (benefit)/expense relating to discontinued operations | | **33.8** | (51.2) |
| | | **31.8** | (65.7) |

1. Restated, refer to Note 1(c) and 1(d) for further details.
2. In 2021, interest of $4.5 million (2020: $3.4 million) was paid to other parties and capitalised in respect of qualifying assets. The capitalisation rate used was 3.9% (2020: 5.4%).

# Notes to the Financial Report

**BORAL LIMITED AND CONTROLLED ENTITIES**

## 8. DISCONTINUED OPERATIONS AND DISPOSALS

During the current financial year, the Group made significant progress resetting the portfolio including:

- completing the divestment of its 50% interest in USG Boral in March 2021, which generated a profit before tax of $442.9 million and sale of the Midland Brick business in September 2020, which generated a profit before tax of $2.4 million; and
- progressing the portfolio review and the decision to exit the North American businesses, including entering into agreements to dispose the North American Building Products business and its 50% interest in Meridian Brick, as well as the Australian Building Products businesses, including entering into an agreement to dispose the Australian Timber business post-year end. Subject to regulatory approvals, the disposals of these businesses are expected to occur in financial year 2022.

The earnings up to date of disposal, in the current and comparative periods for these businesses, including the gain on sale in Midland Brick business and USG Boral, have been reclassified to "Discontinued Operations" in the Income Statement, and are summarised below.

| | | Boral North America | | USG Boral | | Australian Building Products | | Total | |
|---|---|---|---|---|---|---|---|---|---|
| | Note | **2021 $m** | 2020 $m | **2021 $m** | 2020 $m | **2021 $m** | 2020 $m | **2021 $m** | 2020 $m |
| **Results of discontinued operations** | | | | | | | | | |
| Revenue | | **2,162.4** | 2,335.8 | **-** | - | **259.2** | 276.1 | **2,421.6** | 2,611.9 |
| Expenses | | **(1,969.6)** | (2,215.8) | **-** | - | **(241.1)** | (294.8) | **(2,210.7)** | (2,510.6) |
| Share of equity accounted income | | **16.0** | 0.7 | **36.5** | 25.0 | **-** | - | **52.5** | 25.7 |
| **Trading profit before significant items, net interest expense and income tax** | | **208.8** | 120.7 | **36.5** | 25.0 | **18.1** | (18.7) | **263.4** | 127.0 |
| Significant items | 2 | **(26.4)** | (1,236.1) | **442.9** | (4.8) | **(17.6)** | (56.1) | **398.9** | (1,297.0) |
| **Profit/(loss) before net interest expense and income tax** | | **182.4** | (1,115.4) | **479.4** | 20.2 | **0.5** | (74.8) | **662.3** | (1,170.0) |
| Net interest expense | | **(7.4)** | (10.0) | **-** | - | **(0.3)** | (0.4) | **(7.7)** | (10.4) |
| **Profit/(loss) before income tax** | | **175.0** | (1,125.4) | **479.4** | 20.2 | **0.2** | (75.2) | **654.6** | (1,180.4) |
| Income tax (expense)/benefit | | **(40.7)** | 29.1 | **-** | - | **6.9** | 22.1 | **(33.8)** | 51.2 |
| **Net profit/(loss)** | | **134.3** | (1,096.3) | **479.4** | 20.2 | **7.1** | (53.1) | **620.8** | (1,129.2) |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Cash flows from discontinued operations** | | | | | | | | | |
| Net cash provided by operating activities | | **293.6** | 397.1 | **62.6** | 19.4 | **40.9** | 4.1 | **397.1** | 420.6 |
| Net cash (used in)/provided by investing activities | | **(89.1)** | (92.0) | **1,337.9** | - | **65.4** | (5.9) | **1,314.2** | (97.9) |
| Net cash used in financing activities | | **(51.7)** | (58.2) | **-** | - | **(3.9)** | (4.8) | **(55.6)** | (63.0) |
| **Net cash (used in)/provided by discontinued operations** | | **152.8** | 246.9 | **1,400.5** | 19.4 | **102.4** | (6.6) | **1,655.7** | 259.7 |

# Notes to the Financial Report

**BORAL LIMITED AND CONTROLLED ENTITIES**

## 8. DISCONTINUED OPERATIONS AND DISPOSALS (continued)

| | 2021 $m |
|---|---|
| **Assets and liabilities classified as held for sale** | |
| Receivables | **311.2** |
| Inventories | **262.0** |
| Investments accounted for using the equity method | **163.0** |
| Property, plant and equipment | **882.0** |
| Intangible assets | **1,924.3** |
| Other financial assets | **36.0** |
| Other assets | **47.6** |
| **Assets classified as held for sale** | **3,626.1** |
| Payables | **(251.8)** |
| Interest bearing liabilities | **(207.0)** |
| Employee benefit liabilities | **(80.1)** |
| Provisions | **(71.4)** |
| **Liabilities classified as held for sale** | **(610.3)** |
| **Net assets** | **3,015.8** |

The North American businesses represent the remaining overseas exposure. The foreign currency translation reserve will be transferred to net profit on disposal of those businesses.

The following disposal entries in relation to the divestment of 50% interest in USG Boral and Midland Brick were recorded in the current period.

| **Amounts in $m** | Note | **USG Boral** | **Midland Brick** | **Total** |
|---|---|---|---|---|
| Current period | | **1,340.4** | **72.3** | **1,412.7** |
| Prior period | | **-** | **9.0** | **9.0** |
| **Consideration** | | **1,340.4** | **81.3** | **1,421.7** |
| Receivables | | **-** | **(7.6)** | **(7.6)** |
| Inventories | | **-** | **(42.1)** | **(42.1)** |
| Investments accounted for using the equity method | | **(948.4)** | **-** | **(948.4)** |
| Property, plant and equipment | | **-** | **(30.9)** | **(30.9)** |
| Other assets | | **-** | **(1.6)** | **(1.6)** |
| Trade creditors | | **-** | **3.5** | **3.5** |
| Employee benefit liabilities | | **-** | **3.0** | **3.0** |
| Provisions | | **-** | **0.3** | **0.3** |
| **Net assets disposed** | | **(948.4)** | **(75.4)** | **(1,023.8)** |
| Foreign currency translation reserve transferred to net profit on disposal | | **56.8** | **-** | **56.8** |
| Costs incurred | | **(5.9)** | **(3.5)** | **(9.4)** |
| **Gain on disposal before income tax** | 2 | **442.9** | **2.4** | **445.3** |

# Notes to the Financial Report

**BORAL LIMITED AND CONTROLLED ENTITIES**

## 9. EARNINGS PER SHARE

**Basic earnings per share**

Basic earnings per share (EPS) is calculated by dividing the net profit, by the weighted average number of ordinary shares of Boral Limited, adjusted for any bonus issue.

**Diluted earnings per share**

Diluted EPS is calculated by dividing the net profit, by the weighted average number of ordinary shares after adjustment for the effects of all dilutive potential ordinary shares and bonus issue.

Options outstanding under the Executive Share Option Plan and Share Performance Rights have been classified as potential ordinary shares and are included in diluted earnings per share only.

| | **2021** | 2020 |
|---|---|---|
| **Weighted average number of ordinary shares used as the denominator** | | |
| Number for basic earnings per share | **1,219,708,646** | 1,194,951,891 |
| Effect of potential ordinary shares | **6,287,372** | 3,944,754 |
| **Number for diluted earnings per share** | **1,225,996,018** | 1,198,896,645 |

| | **Continuing operations** | **Discontinued operations** | **Total** | Continuing operations[1] | Discontinued operations[1] | Total[1] |
|---|---|---|---|---|---|---|
| | **2021 $m** | **2021 $m** | **2021 $m** | 2020 $m | 2020 $m | 2020 $m |
| **Earnings reconciliation** | | | | | | |
| Net profit excluding significant items | **47.9** | **202.8** | **250.7** | 64.9 | 108.6 | 173.5 |
| Net significant items (refer note 2) | **(28.8)** | **418.0** | **389.2** | (80.5) | (1,237.8) | (1,318.3) |
| **Net profit/(loss)** | **19.1** | **620.8** | **639.9** | (15.6) | (1,129.2) | (1,144.8) |
| Basic earnings per share | **1.6c** | **50.9c** | **52.5c** | (1.3c) | (94.5c) | (95.8c) |
| Diluted earnings per share | **1.6c** | **50.6c** | **52.2c** | (1.3c) | (94.5c) | (95.8c) |
| Basic earnings per share (excluding significant items)[2] | **3.9c** | **16.6c** | **20.6c** | 5.4c | 9.1c | 14.5c |
| Diluted earnings per share (excluding significant items) | **3.9c** | **16.5c** | **20.4c** | 5.4c | 9.1c | 14.5c |

1. Restated, refer to Note 1(c) and 1(d) for further details.
2. Numbers may not add due to rounding.

The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options and performance rights was based on quoted market prices for the period that the options were outstanding.

## 10. DIVIDENDS

| | **Amount per share** | **Total amount $m** | **Franked amount per share** | **Date of payment** |
|---|---|---|---|---|
| **2021** | | | | |
| 2020 final - ordinary | **-** | **-** | **-** | **-** |
| 2021 interim - ordinary | **-** | **-** | **-** | **-** |
| Total | **-** | **-** | | |
| **2020** | | | | |
| 2019 final - ordinary | 13.5 cents | 158.4 | 6.75 cents | 1 October 2019 |
| 2020 interim - ordinary | 9.5 cents | 111.3 | 4.75 cents | 15 April 2020 |
| Total | | 269.7 | | |

**Subsequent event**

Since the end of the financial year, the Directors have decided that no final dividend would be paid for the financial year ended 30 June 2021.

**Dividend Reinvestment Plan**

The Group's Dividend Reinvestment Plan, was in effect for the payment of the interim dividend on 15 April 2020.

# Notes to the Financial Report

**BORAL LIMITED AND CONTROLLED ENTITIES**

## 11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

| Name | Principal activity | Country of incorporation | Balance date | OWNERSHIP INTEREST 2021 % | OWNERSHIP INTEREST 2020 % |
|---|---|---|---|---|---|
| **Details of equity accounted investments** | | | | | |
| Bitumen Importers Australia Pty Ltd | Bitumen importer | Australia | 30-Jun | **50** | 50 |
| ConnectSydney Pty Ltd[1] | Road maintenance | Australia | 30-Jun | **38.5** | - |
| Flyash Australia Pty Ltd | Fly ash collection | Australia | 31-Dec | **50** | 50 |
| Highland Pine Products Pty Ltd[2] | Timber | Australia | 30-Jun | **50** | 50 |
| Meridian Brick[3] | Bricks | USA/ Canada | 30-Jun | **50** | 50 |
| Penrith Lakes Development Corporation Ltd | Property development | Australia | 30-Jun | **40** | 40 |
| South Australian Road Services Pty Ltd[4] | Road maintenance | Australia | 30-Jun | **50** | - |
| South East Asphalt Pty Ltd | Asphalt | Australia | 30-Jun | **50** | 50 |
| Sunstate Cement Ltd | Cement manufacturer | Australia | 30-Jun | **50** | 50 |
| USG Boral Building Products[5] | Plasterboard | Australia/ Singapore | 30-Jun | **-** | 50 |

1. The Group has a 38.5% interest in the new joint venture with Lendlease Services Pty Ltd and Tyco Australia Group Pty Ltd, which was formed on 17 December 2020.
2. The Group has a 50% interest in the Highland Pine Products Pty Ltd joint venture, which has been reclassified as assets held for sale. Refer to Note 8.
3. The Group has a 50% interest in the joint ventures in the USA (Meridian Brick LLC) and Canada (Meridian Brick Canada Ltd). This has been reclassified as assets held for sale. Refer to Note 8.
4. The Group has a 50% interest in the new joint venture with Lendlease Services Pty Ltd, which was formed on 2 July 2020.
5. On 31 March 2021, the Group divested its interests in the joint ventures in Australia (USG Boral Building Products Pty Ltd) and Asia (USG Boral Building Products Pte Ltd).

| RESULTS OF EQUITY ACCOUNTED INVESTMENTS FROM CONTINUING OPERATIONS | 2021 $m | 2020[6] $m |
|---|---|---|
| **Summarised Income Statement at 100%** | | |
| Profit before income tax | **53.5** | 36.0 |
| Income tax expense | **(13.4)** | (8.9) |
| Net profit from continuing operations | **40.1** | 27.1 |
| **The Group's share based on % ownership:** | | |
| Net profit before significant items | **19.1** | 13.7 |
| Net profit from continuing operations | **19.1** | 13.7 |

## 12. NET TANGIBLE ASSET BACKING

| | 2021 | 2020[6] |
|---|---|---|
| Net tangible asset backing per ordinary security | **$2.06** | $1.85 |

6. Restated, refer to Note 1(c) and 1(d) for further details.

# Notes to the Financial Report

**BORAL LIMITED AND CONTROLLED ENTITIES**

## 13. INTEREST BEARING LIABILITIES

| | 2021 $m | 2020 $m |
|---|---|---|
| **Current** | | |
| Loans – unsecured | **-** | 9.0 |
| Other loans | **1.8** | 5.3 |
| Lease liabilities | **31.4** | 91.7 |
| | **33.2** | 106.0 |
| **Non-current** | | |
| Loans – unsecured | **1,672.1** | 3,084.6 |
| Other loans | **0.1** | 2.0 |
| Lease liabilities | **97.5** | 291.4 |
| | **1,769.7** | 3,378.0 |
| Total | **1,802.9** | 3,484.0 |

### TERM AND DEBT REPAYMENT SCHEDULE

Terms and conditions of outstanding loans were as follows:

| | Currency | Effective interest rate 2021 | Calendar year of maturity | 2021 **Carrying amount $m** | 2020 Carrying amount $m |
|---|---|---|---|---|---|
| **Current** | | | | | |
| Bank loans – unsecured | GBP | - | - | **-** | 9.0 |
| Other loans | USD | 3.25% | 2021-2022 | **1.8** | 5.3 |
| | | | | **1.8** | 14.3 |
| **Non-current** | | | | | |
| US senior notes – private placement – unsecured | USD | 4.20% | 2025-2030 | **830.6** | 1,011.3 |
| US senior notes – 144A/Reg S – unsecured | USD | 3.60% | 2022-2028 | **841.5** | 1,396.1 |
| Bank loans – unsecured | USD | - | - | **-** | 677.2 |
| Other loans | USD | 3.25% | 2023 | **0.1** | 2.0 |
| | | | | **1,672.2** | 3,086.6 |
| Total | | | | **1,674.0** | 3,100.9 |

### CHANGES TO INTEREST BEARING LIABILITIES

$207 million of lease liabilities have been reclassed to liabilities held for sale in the Balance Sheet.

The Group repaid the drawn bank loans, US$75 million of US senior notes and successfully tendered US$323.1 million of US 144A senior notes maturing in November 2022.

# Notes to the Financial Report

**BORAL LIMITED AND CONTROLLED ENTITIES**

## 14. ISSUED CAPITAL

Ordinary shares issued are classified as equity and are fully paid, have no par value and carry one vote per share and the right to dividends. Incremental costs directly attributable to the issue of new shares or the exercise of options are recognised as a deduction from equity, net of any related income tax effects.

During the year, the Company completed the buy-back of 78,919,134 shares as part of the Company's on-market share buy-back program on 1 April 2021 for up to 10 per cent of the Company's issued capital or approximately 122 million ordinary shares. As at 30 June 2021, the total consideration of shares bought back on market was $536.9 million and at an average price of $6.80. The consideration paid was allocated to share capital.

In the event of a winding up of Boral Limited, ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

| | **2021 $m** | 2020 $m |
|---|---|---|
| **Issued and paid up capital** | | |
| 1,146,734,664 (2020: 1,225,653,798) ordinary shares, fully paid | **3,839.5** | 4,376.4 |
| **Movements in ordinary issued capital** | | |
| Balance at the beginning of year | **4,376.4** | 4,265.1 |
| 78,919,134 (2020: Nil) on-market share buy-back[1] | **(536.9)** | - |
| Nil (2020: 14,407,567) shares issued under the Dividend Reinvestment Plan | **-** | 29.7 |
| Nil (2020: 38,914,307) shares issued under the Dividend Reinvestment Plan underwriting agreement | **-** | 81.6 |
| Balance at the end of the year | **3,839.5** | 4,376.4 |

1. This includes 5,505,800 shares bought back on market prior to 30 June 2021 that were cancelled on 2 July 2021. $30.3 million of the share buy-back was paid after 30 June 2021.

## 15. RESERVES

| | **2021 $m** | 2020 $m |
|---|---|---|
| Foreign currency translation reserve | **79.5** | 327.8 |
| Hedging reserve | **3.6** | (12.0) |
| Share-based payments reserve | **39.7** | 41.1 |
| | **122.8** | 356.9 |

## 16. SUBSEQUENT EVENTS

On 14 July 2021, the Group announced the completion of the on-market share buy-back, having acquired 122,565,379 ordinary shares for the total consideration of $859.5 million, being approximately $7.01 per share.

On 26 July 2021, the Group has announced that it has entered into an agreement with Allied Natural Wood Enterprises Pty Limited (Pentarch Group) to sell its Australian hardwood and softwood timber business for $64.5 million, subject to customary completion adjustments.

As a result of the off-market takeover offer made by Network Investment Holdings Pty Limited, a wholly-owned subsidiary of Seven Group Holdings Limited, obtained control of the Group subsequent to 30 June 2021 as a result of its off-market takeover offer. Network Investment Holdings Pty Limited finished with an ownership interest of 69.6% upon completion of the takeover offer.

On 30 July 2021, the Group announced that Ryan Stokes has been appointed Chairman of the Board of Directors, Richard Richards has been appointed as a Director and Kathryn Fagg has retired from the Board. In addition, Peter Alexander and Deborah O'Toole will retire from the Board immediately following Boral's AGM in October 2021.

## Annual General Meeting

The Annual General Meeting will be held as follows:

| | |
|---|---|
| Place: | To be held virtually through an online platform |
| Date: | Thursday, 28 October 2021 |
| Time: | 10.30 am |
| Approximate date the annual report will be available: | Thursday, 23 September 2021 |
| Date of the close of nominations for election as a director at the Annual General Meeting: | Thursday, 9 September 2021 |

## Compliance Statement

1 This preliminary final report for the year ended 30 June 2021 has been prepared in accordance with the ASX listing rules. It should be read in conjunction with any announcements to the market made by the Group during the year.

This report is based on accounts which have been audited. The audit report, which is unmodified, will be made available with the Boral Limited Annual Report on 23 September 2021. The Annual Report is currently being finalised in publishable form.

2 The entity has a formally constituted audit committee.