
ASX Announcement**11 May 2022****CSR Limited delivers 20% increase in net profit after tax (before sig. items)****24% growth in Building Products earnings reflecting strong operational execution and high demand**

CSR Limited (ASX:CSR) announces net profit after tax (NPAT before significant items) for the year ended 31 March 2022 of \$193 million, up 20% from the previous year.

Statutory net profit after tax of \$271 million included significant items relating to the recognition of \$86 million in carry forward capital tax losses. This result compares to statutory net profit after tax of \$146 million in the previous year.

Trading revenue of \$2.3 billion was up 9% with earnings before interest and tax (EBIT before significant items) of \$291 million, up 22% which included the following results:

- **Building Products** – Record EBIT of \$228 million, up 24%, reflecting strong detached housing activity driving higher volumes, improved factory performance and operational execution and continued cost discipline across all businesses. Return on funds employed increased to 27% from 21%.
- **Property** - EBIT of \$47 million, down from \$54 million, which included the next stage at Horsley Park and the sale of 4.6ha of land at Badgerys Creek.
- **Aluminium** - EBIT of \$40 million, up from \$23 million, reflecting higher aluminium pricing partly offset by higher production costs.

Final dividend of 18.0 cents per share (fully franked) declared. This brings the full year dividend to 31.5 cents per share (fully franked) which is at the top end of CSR's policy of 60-80% of net profit after tax (before significant items).

Strong execution in disrupted market with continued progress on strategy

Commenting on the result, CSR Managing Director & CEO Julie Coates said,

“All of CSR's businesses have performed very well during the year. In Building Products, our team worked hard to support the demand in residential housing with strong operational execution. The organisational change we have made streamlining the business over the last 18 months along with the initiatives aligned to our supply chain strategy have supported our ability to deliver for CSR's customers against a challenging backdrop.

“We will continue to implement our strategy this year with increased investment at key sites to further improve productivity and optimise operations, as well as enhancing workplace safety and sustainability.

“Investing in our Property assets and our development capability is also a core part of our results with contracted sales secured for all stages at Horsley Park to deliver \$408 million in proceeds over six years. Remediation work is also progressing on the 196 hectare site at Badgerys Creek adjacent to the new Western Sydney Airport.

“CSR has also continued to deliver strong cash generation and returns for shareholders with the full year dividend at the top end of our dividend policy.”

Outlook for the financial year ending 31 March 2023 (YEM23)

The strong pipeline of detached housing projects is expected to continue in the year ahead as completion times lengthen with supply chain and trade capacity impacting the broader industry.

Activity in the apartment and non-residential markets has improved after an extended slowdown in the last few years.

Building Products is well positioned to continue to grow, with a clear strategy to drive improved performance from a strong portfolio of brands and customer solutions. In YEM23, the business expects to return to more normal levels of investment to support the delivery of its strategy.

In Property, EBIT for YEM23 is expected to be ~\$52 million which includes completion of the next tranche at Horsley Park as well as completion of the sale of the Warner, QLD site.

In Aluminium, CSR has a significant hedge position for YEM23. At this early point in the year, an indicative earnings range for YEM23 of \$33 million to \$49 million is based on current pricing and cost scenarios. Significant aluminium price and cost volatility (in particular carbon based inputs) will impact the final result.

In summary, CSR’s largest business, Building Products is performing well with the team working hard to meet high levels of demand in residential construction which is expected to continue in the year ahead. Group earnings will be supported by contracted transactions in Property over the next three years and an increased hedge position in Aluminium which extends to 2027.

Full year results webcast details

CSR will present its results for the year ended 31 March 2022 at 10.00am AEST time today, Wednesday 11 May 2022, via webcast.

The webcast is available from CSR’s website at www.csr.com.au or [Click here](#).

This announcement has been authorised for release by the Board of Directors of CSR Limited.

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