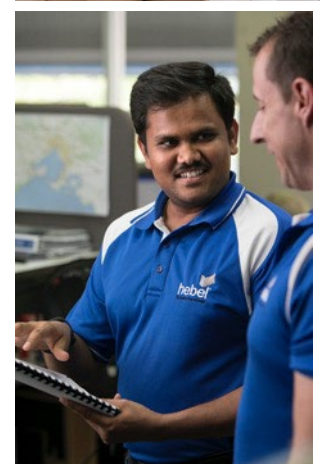


30 June 2022

# CSR Limited

## Annual General Meeting Presentation



# Improved performance while continuing to drive strategy

**CSR Group Revenue**  
**\$2.3bn**

9%

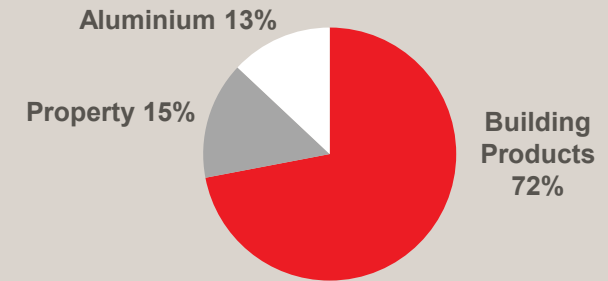
- Building Products revenue \$1.6bn, up 5%

**CSR Group EBIT<sup>1</sup>**  
**\$291m**

22%

- Building Products EBIT<sup>1</sup> \$228m, up 24% and Return on Funds Employed of 27%

**EBIT by business<sup>1</sup>**



**Net profit after tax**  
(before sig items)  
**\$193m**

20%

- Statutory net profit after tax \$271m, up from \$146m

**Earnings per share<sup>1</sup>**  
**39.7 cents**

20%

**Full year dividend**  
**31.5 cents**  
**(fully franked)**

Final dividend of 18.0 cents (fully franked)

- Full year payout ratio at top end of dividend policy<sup>2</sup>

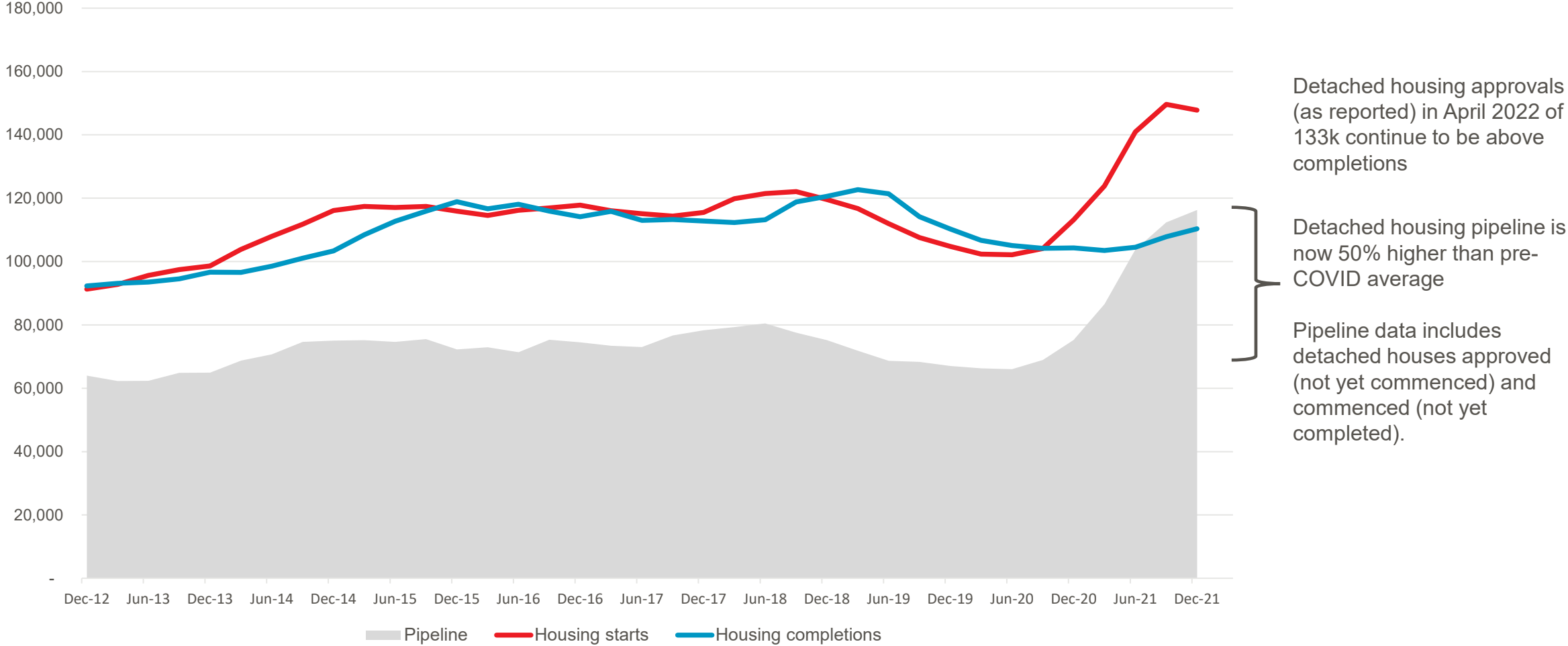
1. Earnings before interest and tax (EBIT) and earnings per share are all before significant items. They are non-IFRS measures and are used internally by management to assess the performance of the business and have been extracted or derived from CSR's financial statements for the year ended 31 March 2022 (YEM22). All comparisons are to the year ended 31 March 2021 (YEM21) unless otherwise stated.

2. CSR policy is paying dividends between 60-80% of full year net profit after tax (before significant items).

**Improved operating performance ensured delivery for customers in a disrupted market**

# Pipeline of detached housing growing

## Australia – 10 Year Detached Housing Activity (MAT)



Detached housing approvals (as reported) in April 2022 of 133k continue to be above completions

Detached housing pipeline is now 50% higher than pre-COVID average

Pipeline data includes detached houses approved (not yet commenced) and commenced (not yet completed).

Source: ABS 8752 as of December 2021

# Improved result delivered while progressing strategy

## Building solutions for a better future

MASONRY & INSULATION	INTERIOR SYSTEMS	CONSTRUCTION SYSTEMS	CUSTOMER SOLUTIONS	SUPPLY CHAIN
  	   	  		

*Safety & Sustainability – Put Safety and Sustainability at the forefront of our decisions and actions*

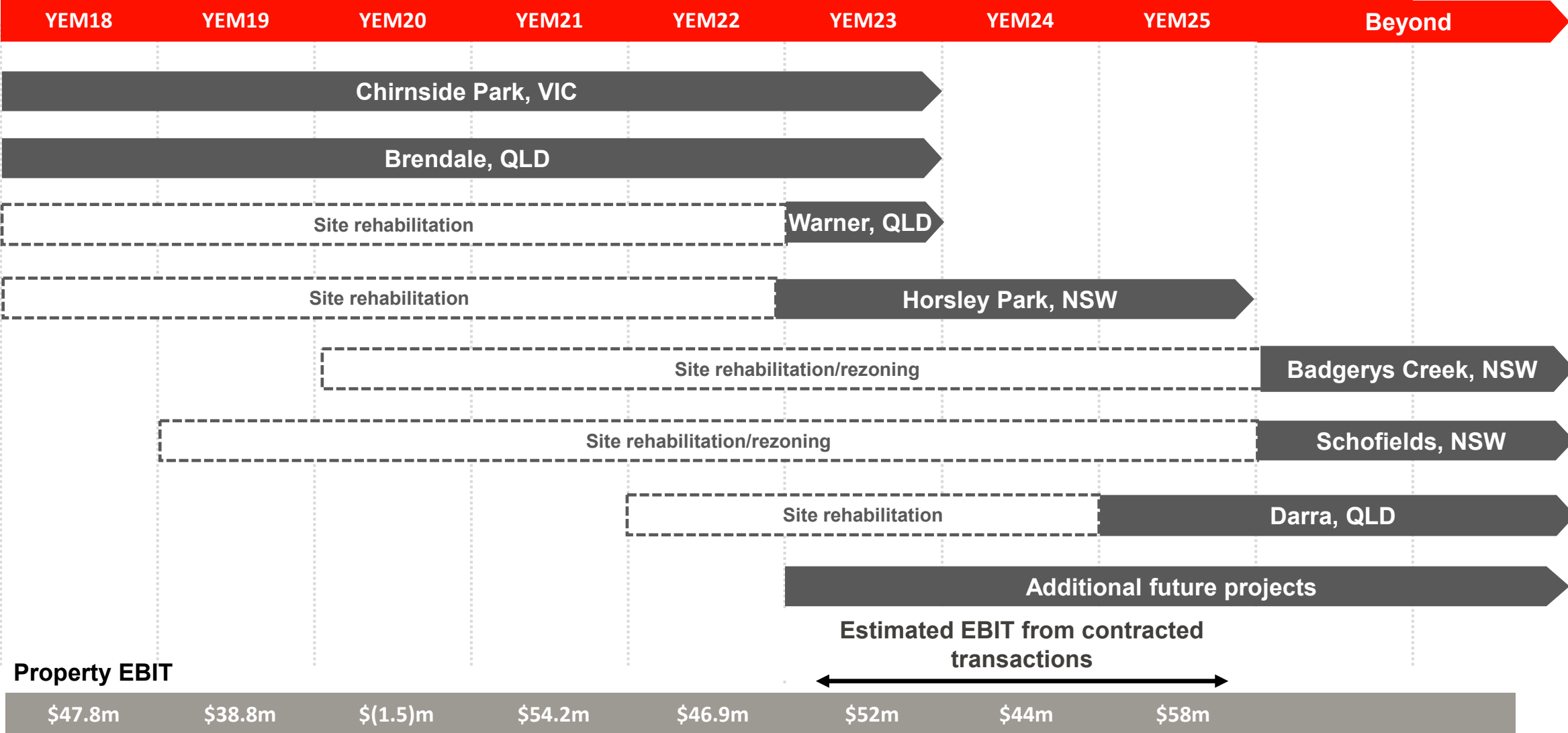
*Customer Centricity – Create and deliver customer-driven integrated solutions and experiences*

*Streamlined Organisation – Delivering efficient and effective business processes, systems and ways of working*

*Transformation & Growth – Driving change & digitisation in the end-to-end value chain to unlock long-term growth opportunities*

*High Performance Teams – Deliver better outcomes together*

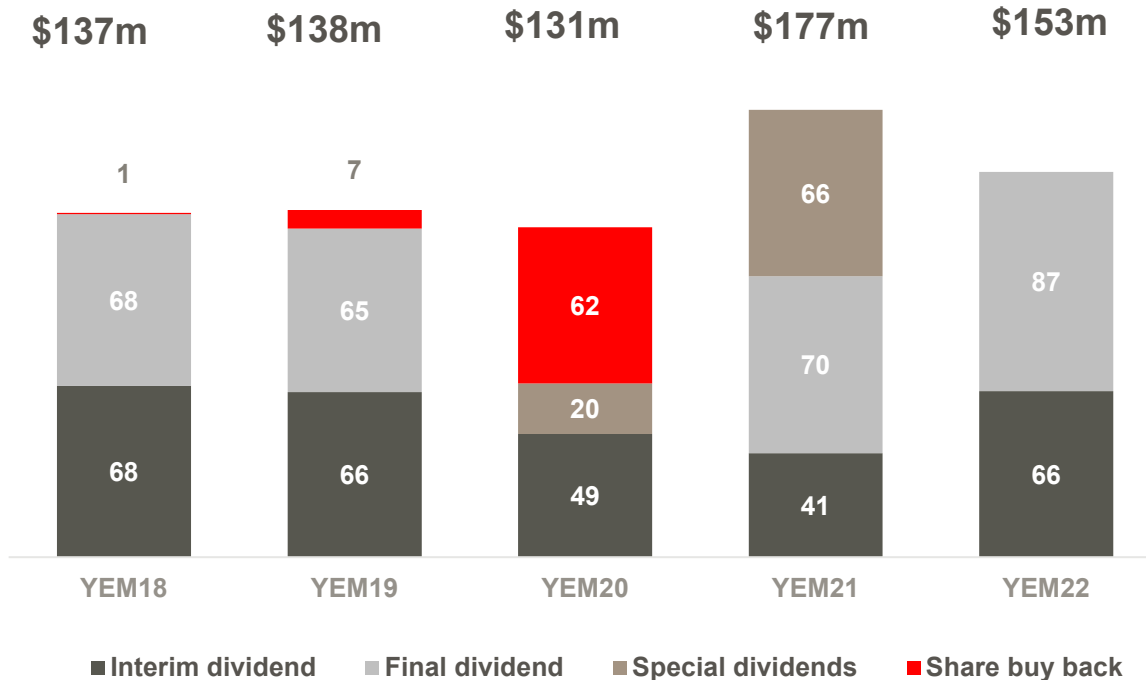
# Project pipeline to deliver long-term earnings



Significant future earnings potential over next 10+ years driven by high value assets and development capability

# Share buyback to increase shareholder returns

Capital management (A\$m)  
(Dividends and share buybacks)



- On-market share buyback announced today for up to \$100 million
- Share buyback will operate as part of existing capital management approach which includes payment of dividends
  - Payout ratio of 60-80% of NPAT (before significant items)
  - Continue to distribute franking credits as they are realised
- CSR's strong cash flow to support continued investment in growth initiatives and property projects

# Prioritising workplace health and safety

## Embedding risk reduction plans at all sites

- All sites have reviewed top risks and corrective actions to reduce potential risks to people or the environment
- Increased coaching and review by workplace health and safety teams to provide consistency and accuracy of risk ratings and reviews
- Consistency of hazard standards including regular review of trends ensures that business is adapting to changing risk profile and captures emerging risks



## Improving safety performance

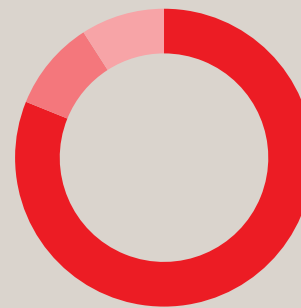
- Step change improvement in last year
- Key focus areas of safety strategy:
  - Managing risk effectively
  - Increase the transparency of reporting
  - Empower teams at the site level to help lead and take ownership for safety

**Total recordable injury frequency rate reduced**

13.4  
YEM21

9.8  
YEM22

**in last 12 months**



- 81% Zero recordable injuries at 116 sites
- 10% 1 recordable injury at 14 sites
- 9% >1 recordable injury at 13 sites

**116 sites achieved zero recordable injuries in the 12 months to 31 March 2022**

## Managed COVID safe workplace across changing requirements

- Transitioning from managing changing COVID requirements to COVID safe workplace as part of business as usual
- Supported workforce vaccination with paid leave
- Launched Wellbeing@CSR program with dedicated tools and resources and 24/7 support for all employees and their families

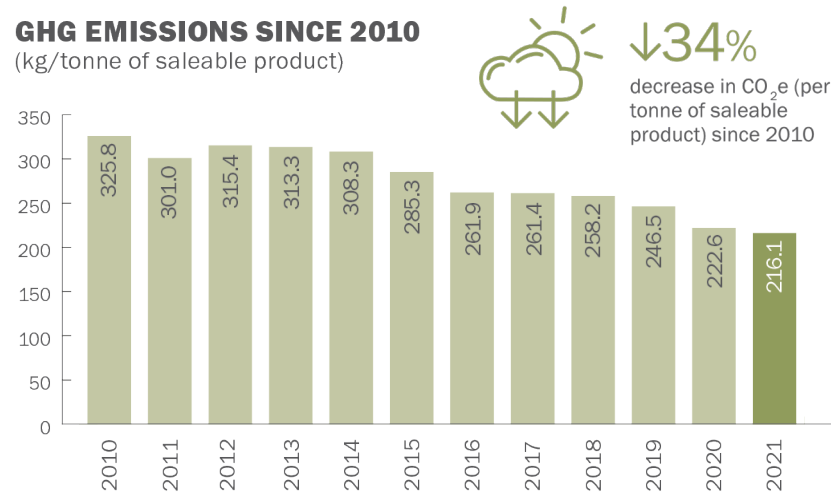


# Sustainability: a strategic foundation

- Executive team leading monthly review of progress to 2030 targets with further work underway on decarbonisation pathway

Reducing emissions	Environment	Diversity and inclusion
<ul style="list-style-type: none"> <li>34% emissions reduction (p/t of saleable product) from 2010 to 2021</li> <li>Additional 30% reduction target to 2030</li> <li>Detailed analysis of the current trajectory to the 2030 targets and extending CSR's overall decarbonisation pathway</li> <li>CSR's unique product offering driving energy efficient design to improve sustainability of the built environment</li> </ul>	<ul style="list-style-type: none"> <li>2030 targets on track – emissions and energy</li> <li>Water and waste projects under review</li> <li>TCFD climate change modelling completed on three largest businesses</li> <li>Since 2015, Solar PV systems across 14 sites with total capacity of 2,600 kWp                             <ul style="list-style-type: none"> <li>\$1m in Solar PV projects completed in the last six months</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Female participation as of 31 March 2022:                             <ul style="list-style-type: none"> <li>Board 50%</li> <li>Executive Leadership Team (ELT) 33% (including CEO)</li> <li>Direct reports to ELT 30%</li> </ul> </li> <li>Diversity and inclusion support - Updated parental leave options and flexible working</li> </ul>
<b>2030 Sustainability Targets</b>		

**GHG EMISSIONS SINCE 2010**  
(kg/tonne of saleable product)



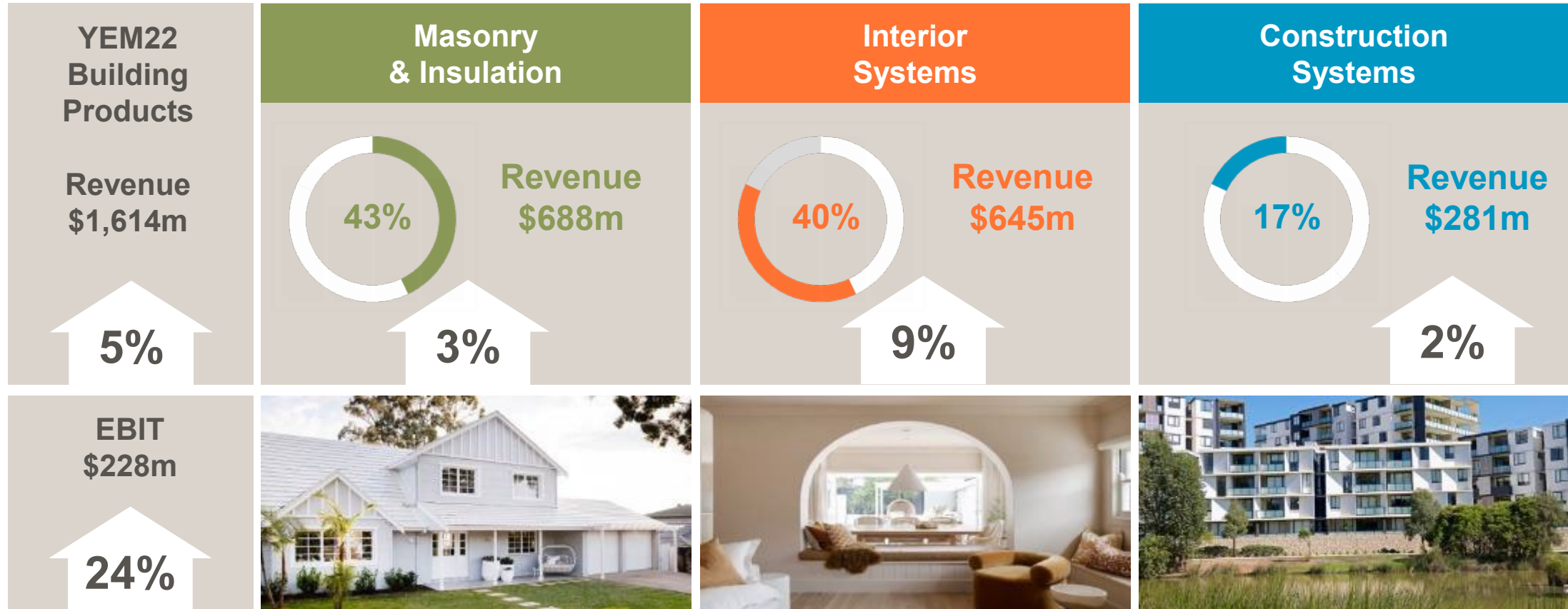
Note: 2020 data excludes Viridian glass operations sold in January 2019.

<b>7 AFFORDABLE AND CLEAN ENERGY</b> 	<ul style="list-style-type: none"> <li>50% of electricity generated by renewable energy</li> <li>20% energy reduction (GJ) p/t of saleable product (intensity)</li> </ul>
<b>11 SUSTAINABLE CITIES AND COMMUNITIES</b> 	<ul style="list-style-type: none"> <li>5% of indirect spend by Procurement to be spent with social enterprises</li> </ul>
<b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b> 	<ul style="list-style-type: none"> <li>75% reduction in solid waste to landfill</li> <li>30% reduction of potable water consumed (ltr) p/t of saleable product (intensity)</li> </ul>
<b>13 CLIMATE ACTION</b> 	<ul style="list-style-type: none"> <li>30% reduction of greenhouse gas emissions (CO<sub>2</sub>e) kg p/t of saleable product</li> </ul>
<b>15 LIFE ON LAND</b> 	<ul style="list-style-type: none"> <li>Enhance biodiversity outcomes on CSR sites and developments</li> </ul>



# Detached market and operational performance underpinned revenue growth

Focused on delivery for customers while managing market and COVID disruptions



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



## Building Products

- CSR remains confident that the strong pipeline of detached housing projects will continue in the year ahead. With completion times continuing to lengthen, in addition to new housing approvals adding to this pipeline, this extends activity well into calendar year 2023. There is also growth in approvals across key segments in multi-residential, alterations & additions and non-residential projects.



## Property

- EBIT for YEM23 is expected to be ~\$52 million following completion of two transactions expected later this financial year. Other projects are also progressing well including the industrial site at Darra in Queensland which is well positioned to add to the near-term Property pipeline.



## Aluminium

- CSR has a significant hedge position for YEM23. The company has previously provided indicative EBIT scenarios for this financial year which remain in the range of \$33 to \$49 million, despite significant aluminium price and cost volatility (in particular carbon based inputs) given current market conditions.

## Well positioned to deliver value for customers and increase shareholder returns

- In summary, Building Products is performing well supported by high levels of demand in residential construction which is expected to continue in the year ahead.
- Group earnings will be supported by over \$150 million in EBIT from contracted transactions in Property over the next three years and an increased hedge position in Aluminium which extends to 2027.

30 June 2022

# CSR Limited

## Annual General Meeting Presentation

