

CSR LIMITED

Annual General Meeting

27 June 2023



Delivered another strong performance

CSR Group Revenue
\$2.6bn

13%

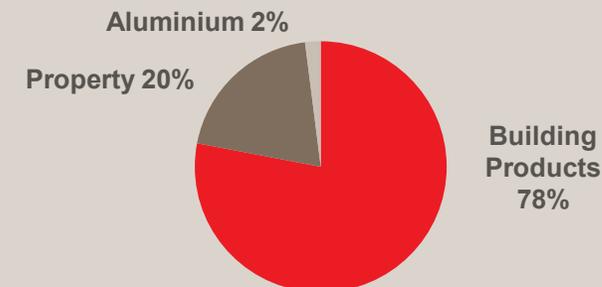
- Building Products revenue \$1.8bn, up 14%

CSR Group EBIT¹
\$330m

13%

- Building Products EBIT¹ \$273m, up 20%

EBIT by business¹



Net profit after tax
(before significant items)
\$225m

17%

- Statutory net profit after tax \$219m, down from \$271m (YEM22 included \$86m benefit of carry forward capital tax losses)

Earnings per share¹
46.9 cents

18%

Full year dividend
36.5 cents

Final dividend
20.0 cents
(fully franked)

- Fully franked with payout ratio at the top end of the dividend policy²
- \$36m in share buyback since July 2022

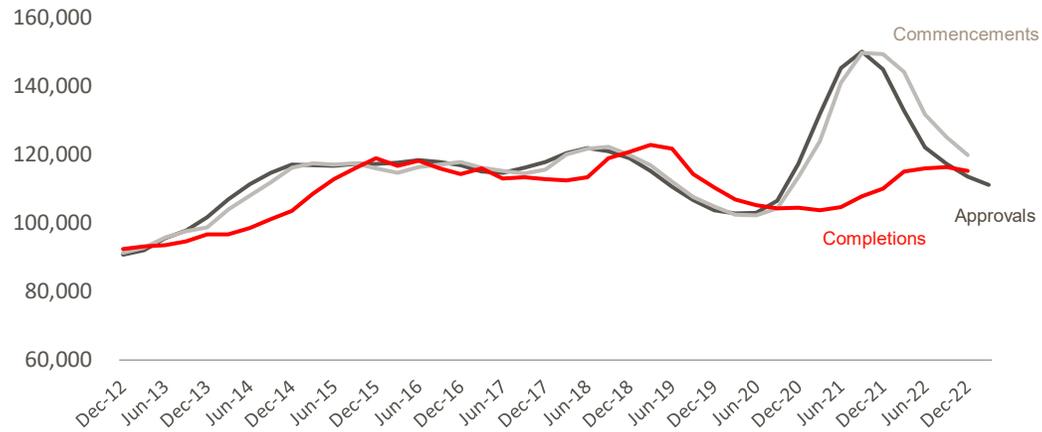
1. Earnings before interest and tax (EBIT) and earnings per share are all before significant items. They are non-IFRS measures and are used internally by management to assess the performance of the business and have been extracted or derived from CSR's financial statements for the year ended 31 March (YEM23). All comparisons are to the year ended 31 March 2022 (YEM22) unless otherwise stated.

2. CSR policy is to pay dividends between 60-80% of full year net profit after tax (before significant items). CSR is continuing to distribute franking credits as they are realised, with the YEM24 interim dividend likely to be partially franked.

Increased profitability supporting investment and shareholder returns

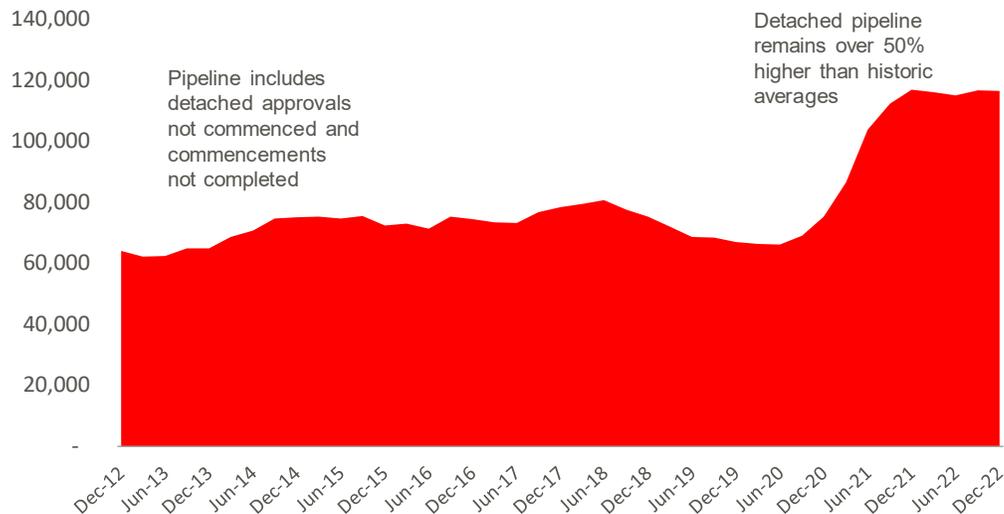
Pipeline creating resilience in detached work done

Detached completions extending timelines



Source: ABS, MAT

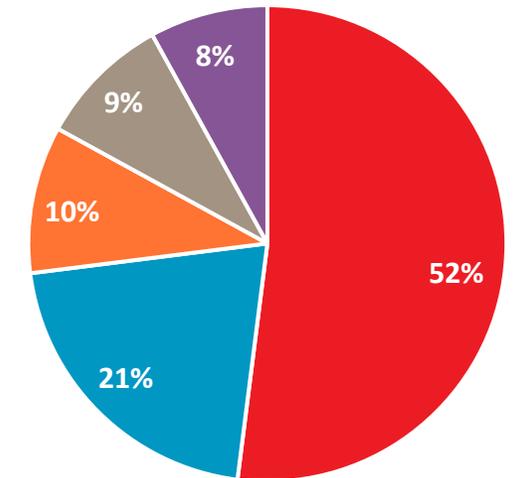
Pipeline of detached housing sustaining



Source: ABS

- Build times continue to be extended due to ongoing supply chain constraints and trade labour availability
- Detached pipeline remains strong as commencements continue to exceed completions
- Forward pipeline remains over 50% above historic averages – currently at ~110,000 detached homes
- Net overseas migration forecast to contribute strongly to population growth and support housing demand

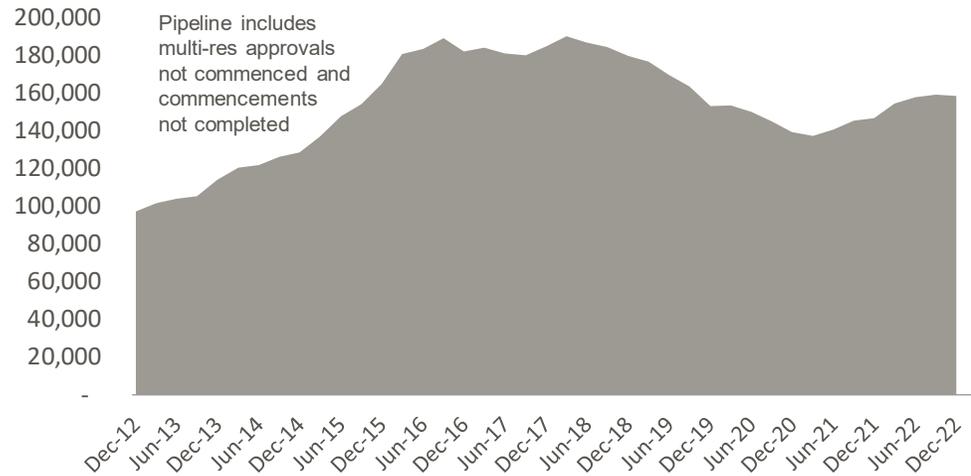
CSR construction market diversification



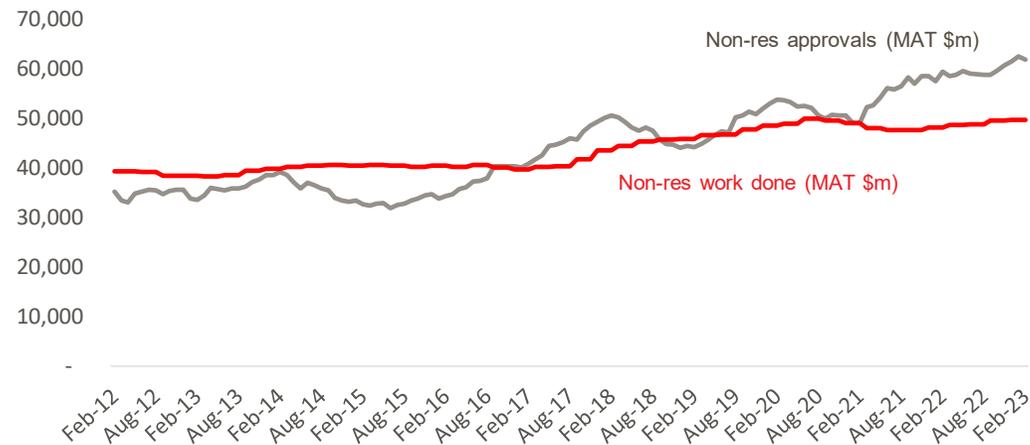
- Detached
- Non-residential
- Medium density
- High density
- A&A

Support across different construction segments

Recovery in multi-res pipeline

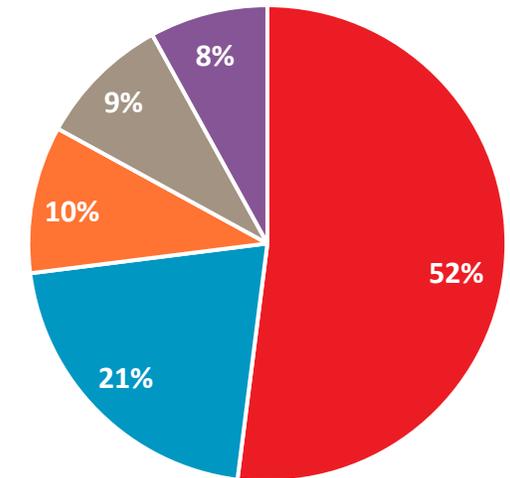


Non-res construction pipeline growth



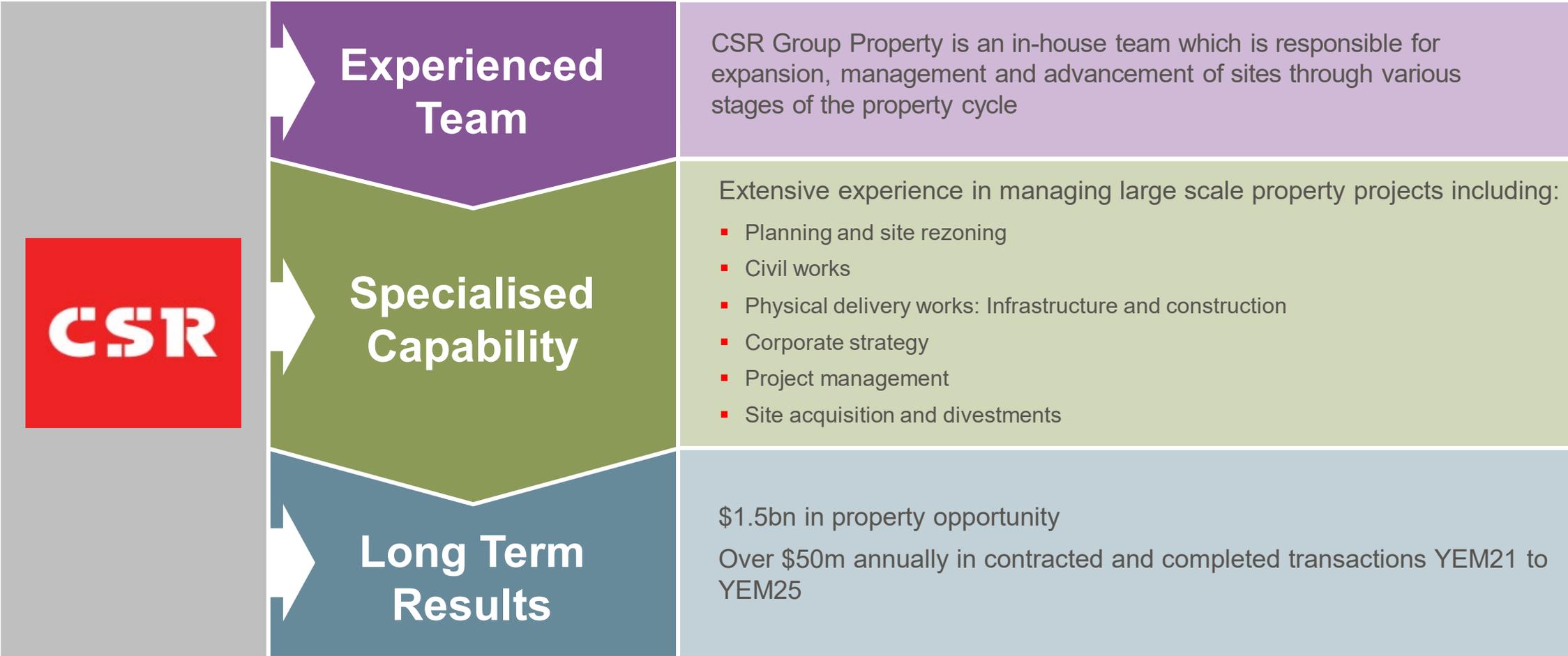
- CSR has ~48% exposure to non-detached markets
- Medium density stable while high density starting to improve
- Non-residential market has also improved with approvals supporting a large pipeline of activity
- CSR has exposure across all of these markets and the business is adaptable to changes in end market demand

CSR construction market diversification



- Detached
- Non-residential
- Medium density
- High density
- A&A

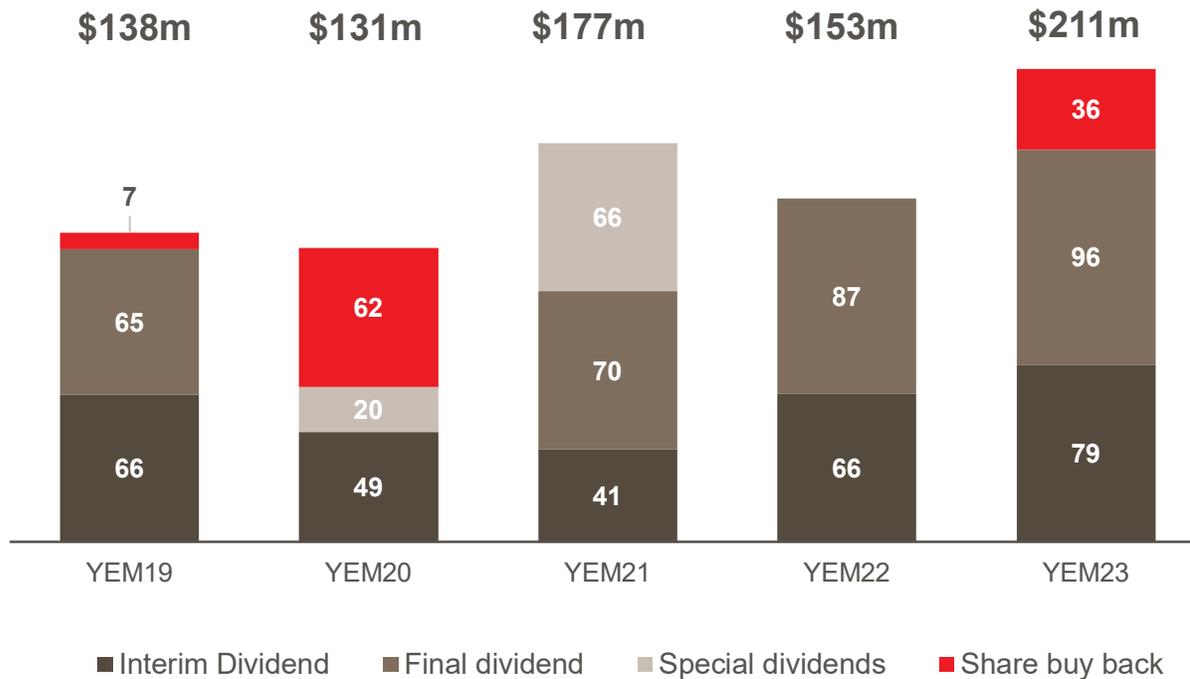
Property strategy delivering strong results



Property supports the strategic positioning of our sites, ensuring operational flexibility, managing the transition of sites and maximising the value of our Property assets once released.

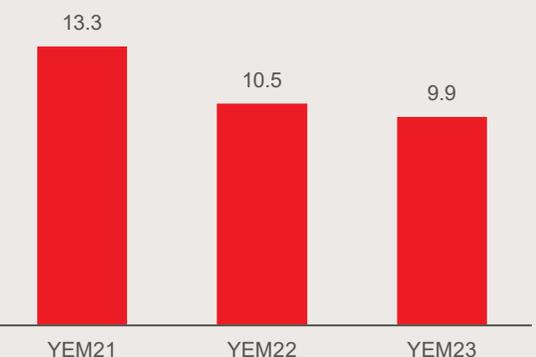
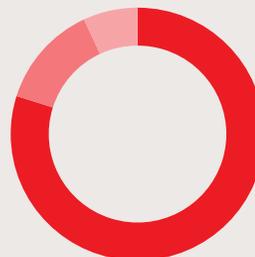
Strong balance sheet supporting shareholder returns

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



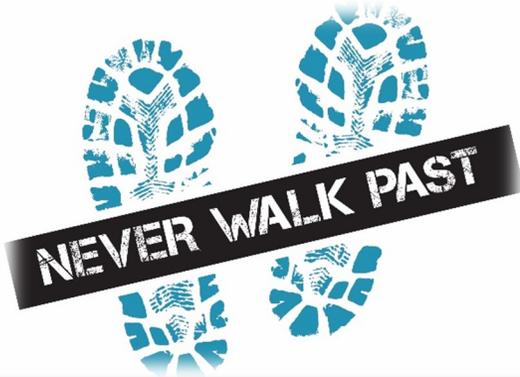
- Final dividend to be paid of 20.0 cps (fully franked)
- Payout ratio at the top end of the dividend policy of 60-80% full year NPAT (before significant items)
- Continuing to distribute franking credits as they are realised, with the YEM24 interim dividend likely to be partially franked
- \$36m completed in the share buyback since July 2022
- Strong financial position supporting organic growth and the opportunity for bolt-on acquisitions while increasing shareholder returns

Driving further improvement in safety

Improvement in safety over last three years	Key focus areas driving improvement	Progress in YEM23	Strategy																
<p>26% improvement in total recordable injury frequency rate since March 2021</p>  <table border="1"> <caption>Injury Frequency Rate</caption> <thead> <tr> <th>Year</th> <th>Rate</th> </tr> </thead> <tbody> <tr> <td>YEM21</td> <td>13.3</td> </tr> <tr> <td>YEM22</td> <td>10.5</td> </tr> <tr> <td>YEM23</td> <td>9.9</td> </tr> </tbody> </table>	Year	Rate	YEM21	13.3	YEM22	10.5	YEM23	9.9	<ul style="list-style-type: none"> Managing high potential consequence risk as core priority Encouraging transparency & accuracy of reporting through “reviewed risk rating” of all incidents Empowering teams at site level to help lead & take ownership for safety Significant improvement in metrics and data transparency 	<ul style="list-style-type: none"> All sites have Risk Reduction plans focussed on CSR wide Top Risks <p>80% of CSR sites with no recordable injuries in the last 12 months</p>  <table border="1"> <caption>Injury Distribution</caption> <thead> <tr> <th>Percentage</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>80%</td> <td>Zero recordable injuries at 115 sites</td> </tr> <tr> <td>13%</td> <td>1 recordable injury at 19 sites</td> </tr> <tr> <td>7%</td> <td>>1 recordable injury at 10 sites</td> </tr> </tbody> </table>	Percentage	Description	80%	Zero recordable injuries at 115 sites	13%	1 recordable injury at 19 sites	7%	>1 recordable injury at 10 sites	<ul style="list-style-type: none"> Continued improvement in the quality of Risk Reduction plans Rollout of “Never Walk Past” cultural safety change program with 500 leaders completing the program in YEM23 Increased focus on contractor management, particularly in Supply & Install
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Never walk past – capturing the hearts and minds of our people



Good momentum to deliver 2030 sustainability targets

2009-2020	Set new targets in 2020	Progress in YEM23	Sustainability Focus Areas
<ul style="list-style-type: none"> CSR set four intensity targets <p>TEN YEAR TARGETS COMPLETED IN 2020</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>WASTE PRODUCTION (Kg/Tonne of product) Achieved ↓57% reduction</p> </div> <div style="text-align: center;">  <p>WATER CONSUMPTION (Ltr/Tonne of product) Achieved ↓13% reduction</p> </div> </div> <hr/> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>ENERGY CONSUMPTION (GJ/Tonne of product) Achieved ↓24% reduction</p> </div> <div style="text-align: center;">  <p>TOTAL SCOPE CO₂e (Kg/Tonne of product) Achieved ↓32% reduction</p> </div> </div> <ul style="list-style-type: none"> Completed TCFD climate change scenario analysis on CSR's largest businesses to guide strategic decisions, based on the financial impact analysis Developed staged approach to assess the risks and opportunities 	<h3 style="text-align: center;">2030 Sustainability Targets</h3> <div style="display: flex; flex-direction: column;"> <div style="background-color: #f1c40f; padding: 5px; margin-bottom: 5px;"> <p>7 AFFORDABLE AND CLEAN ENERGY</p> <p>50% of electricity generated by renewable energy 20% energy reduction (GJ) p/t of saleable product (intensity)</p> </div> <div style="background-color: #e67e22; padding: 5px; margin-bottom: 5px;"> <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> <p>5% of indirect spend by Procurement to be spent with social enterprises</p> </div> <div style="background-color: #f1c40f; padding: 5px; margin-bottom: 5px;"> <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>75% reduction in solid waste to landfill 30% reduction of potable water consumed (ltr) p/t of saleable product (intensity)</p> </div> <div style="background-color: #27ae60; padding: 5px; margin-bottom: 5px;"> <p>13 CLIMATE ACTION</p> <p>30% reduction of greenhouse gas emissions (CO₂e) kg p/t of saleable product</p> </div> <div style="background-color: #27ae60; padding: 5px;"> <p>15 LIFE ON LAND</p> <p>Enhance biodiversity outcomes on CSR sites and developments</p> </div> </div>	<ul style="list-style-type: none"> Independent review for alignment to 2030 targets confirmed business is on track for reducing emissions and energy use Developed an overarching Sustainability Framework aligned to CSR's strategy Further work underway on refinement of goals, commitments and metrics across the five pillars Once finalised, this work will be integrated into CSR's sustainability strategy in YEM24 	<p style="text-align: center; font-size: small;">CSR'S SUSTAINABILITY FOCUS AREAS</p> <div style="display: flex; flex-direction: column; align-items: center;"> <div style="background-color: #e91e63; color: white; padding: 10px; width: 100%; text-align: center;">  <p>Empowering our people Thriving, inclusive and high performing team that is empowered to make the change we need</p> </div> <div style="background-color: #8bc34a; color: white; padding: 10px; width: 100%; text-align: center;">  <p>Transition to Net Zero Decarbonising our business to operate in a low/no carbon world</p> </div> <div style="background-color: #00bcd4; color: white; padding: 10px; width: 100%; text-align: center;">  <p>Closing the Loop Contributing to a circular building industry</p> </div> <div style="background-color: #ff9800; color: white; padding: 10px; width: 100%; text-align: center;">  <p>Leading Through Innovation Innovating to advance sustainability at CSR and across the building sector</p> </div> <div style="background-color: #9c27b0; color: white; padding: 10px; width: 100%; text-align: center;">  <p>Building Communities Building long-term, mutually beneficial community relationships</p> </div> </div>

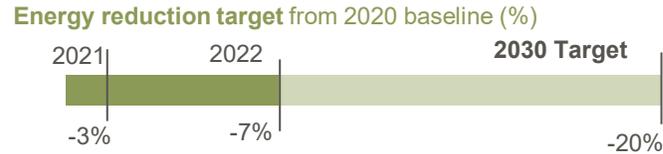
Broadening sustainability focus areas, goals and commitments

Progress on CSR's 2030 sustainability targets

Sustainability is a strategic foundation with a whole of business focus



Energy
2022
2.52
GJ/tonne of saleable product



17 CSR sites have a total capacity of 3,100kW, work underway on \$3m project at Gyprock Wetherill Park for additional capacity of 2,000kW



Emissions
2022
205.5
kg/tonne of saleable product



TCFD climate change modelling completed on five of CSR's businesses
\$23m project underway at Gyprock Wetherill Park to increase stucco capacity, drive significant reduction in gas & electricity usage and increase recycled board capacity



Water
2022
381.4
ltr/tonne of saleable product



Significant projects underway including \$13m new water treatment plant and automation project at Bradford Brendale to reduce potable water by 80%, saving of 35 million litres each year

Waste
2022
12,127
tonnes



New targets to reduce waste by 2025 in line with the Australian Packaging Covenant:

- All packaging is either 100% reusable, recyclable or compostable
- 50% average recycled content in packaging
- A plan to phase out problematic/unnecessary plastics



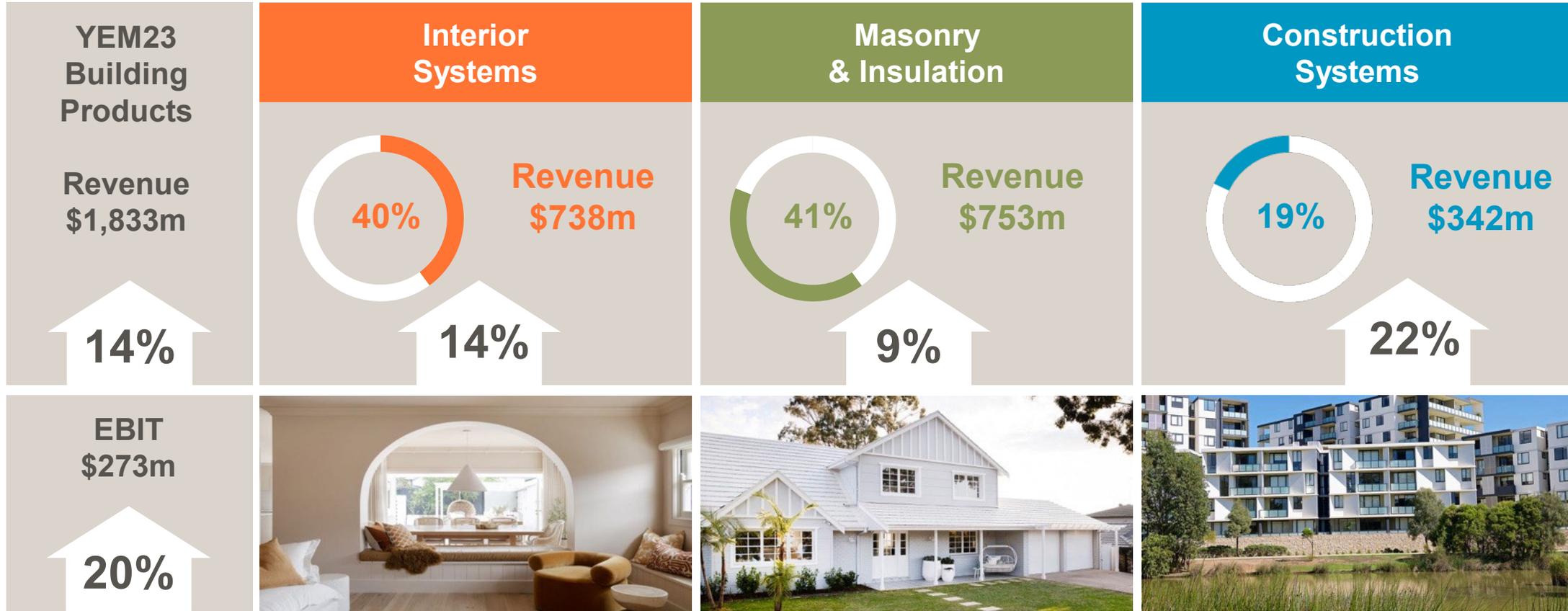
Social Spend
2022
\$5m



CSR now tracking at 76% of social spend target (including indigenous and disability owned businesses)
\$39 million was spent with over 90 suppliers with diversity equity credentials

Note: Data as of 30 June 2022.

Diversification across end markets and build cycles



GYPROCK

martini

Bradford

PGH BRICKS & PAVERS

hebel
The better way to build

afs
smarter permanent formwork.

HIMMEL
INTERIOR SYSTEMS

POTTER
INTERIOR SYSTEMS

Monier
ROOFING

CEMINTEL

Project tracking – visibility of strong commercial pipeline



- **Hospitals** – 113 projects planned to commence in the next 24 months
 - Total of \$38B construction value
 - 4x increase over last 24 months



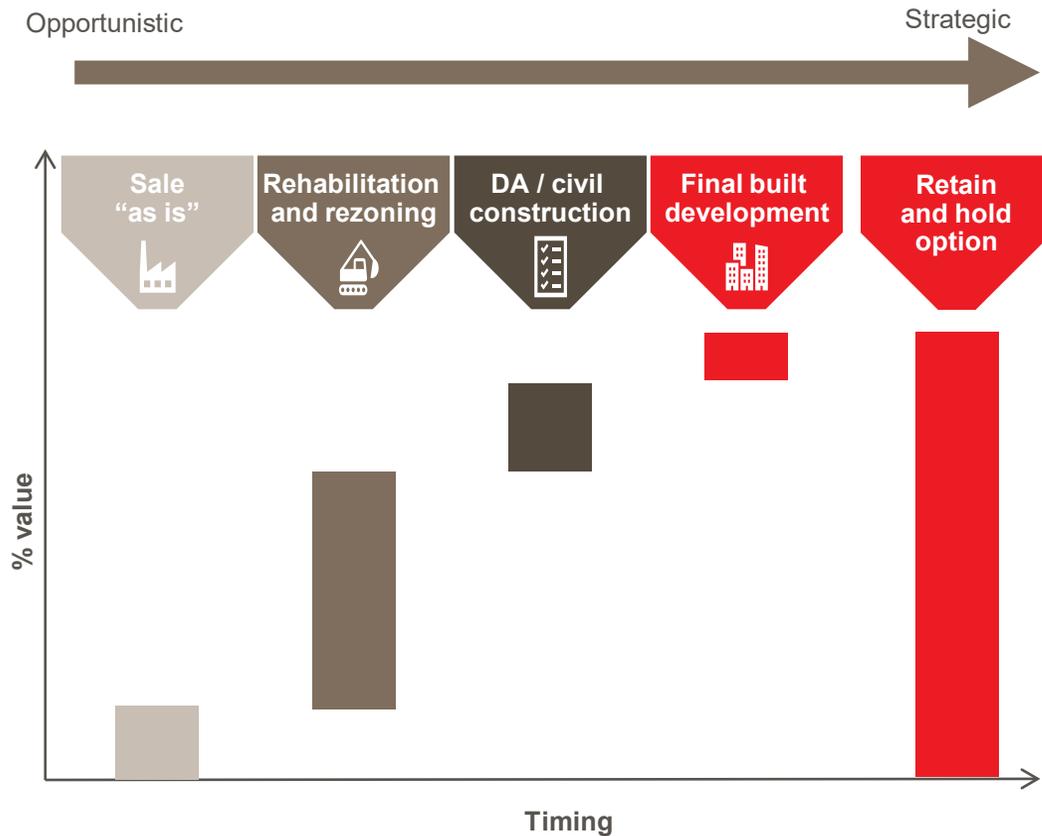
- **Education** – over 1,000 projects planned to commence in the next 24 months
 - Total construction value of \$22B
 - Greater penetration of CSR products and systems per project



- **Apartments** – 174 projects at tender stage (firm) and due to commence in the next 24 months
 - Total construction value of \$6.3B

Well positioned to capture non-residential opportunities

Active project pipeline to deliver earnings over future years



MAJOR SITES	TYPE	YEM24	YEM 25-30	Beyond
Horsley Park, NSW (Industrial)	Final \$102m EBIT contracted to be completed by YEM25	✓	✓	
Darra, QLD (Industrial)	Progressing development options for Darra, including JV model	✓		
Schofields, NSW (Residential)	90ha site proposed to be rezoned residential for approximately 1,525+ lots <ul style="list-style-type: none"> • Stage 1 (32ha) • Stage 2 (58ha) – currently PGH Bricks operating plant. Timing based on operational network requirements 		✓	✓
Badgerys Creek, NSW (Industrial)	196ha industry site adjacent to the Western Sydney Airport Rehabilitation of former quarries underway		✓	✓

Contracted Property earnings to YEM25 with significant projects to deliver earnings over the next 10 years

Outlook for the year ending 31 March 2024 (YEM24)



Building Products

- Strong start to the year has continued – pipeline of detached housing at historically high levels. Focused execution and pricing discipline to manage inflationary cost pressures
- Closely monitoring the factors influencing market dynamics and will manage the business accordingly
- Apartment market is improving, while non-residential activity remains strong, supported by a large pipeline of approvals
- Well diversified across brands, market segments and the build cycle – adaptable to end market demand. Incremental investments have improved manufacturing productivity, the variability of the cost base and responsiveness to customer demand
- Focused on providing a platform for growth and resilience to deliver improved performance through the cycle



Property

- YEM24 will include \$44 million in contracted earnings for the next tranche at Horsley Park, NSW with an additional \$58 million in contracted earnings in YEM25.
- Work continues on major projects at Darra, Schofields and Badgerys Creek.



Aluminium

- While cost volatility and unpredictability in energy and raw materials makes forecasting challenging, at this early stage in the year, the best estimate for YEM24 is a loss in the range of -\$5 million to -\$15 million (excluding net RERT income, which was \$13 million in YEM23).
- Aluminium is expected to return to profit in YEM25 and increasing in the following years due to higher hedged pricing, based on current cost assumptions.

Delivering results and improving the business for the future



Progressing strategy and delivering results

- Work to reorganise the business, build capability, focus on Supply Chain and Customer Solutions is supporting performance with EBIT margin in Building Products of 15%
- Incremental investments in manufacturing and plant consolidation has improved variability of cost base
- Unlocking value from Property and development capability – currently valued on an “as is” basis of \$1.5 billion with \$72 million earnings in YEM23



More responsive to demand

- Ongoing manufacturing investment to improve safety, sustainability and productivity
- Building an optimised network to improve customer service



Growth and resilience

- Quality of product, brand and distribution platform supporting continued volume growth and improving performance through the cycle
- Product portfolio adaptable to end market demand



Strong financial position

- Financial position supports investment and shareholder returns with \$175m of dividends and \$36m in the share buyback for YEM23
- Track record of margin management

