



AGM PRESENTATION

24 June 2020

CSR

CHAIRMAN'S ADDRESS

John Gillam, Chairman, CSR Limited

1



CSR products and systems reach homes and buildings across Australia and NZ

We are developing new products and systems across our portfolio targeting sustainable buildings of the future.



AFS is a leader in load bearing permanent formwork walling solutions to deliver faster, lower cost construction.



Supplies a full range of thermal, acoustic and fire insulation and energy saving products and systems for homes and commercial buildings



Cemintel provides engineered fibre cement systems and internal lining products.



Gyrock is Australia's leading manufacturer of gypsum based products including plasterboard, cornice and compounds.



Hebel is Australia's only manufacturer of autoclaved, aerated concrete (AAC) that is used in residential, commercial and infrastructure applications.



Himmel and Potter are leading brands in aesthetic and acoustic interior solutions for commercial buildings.



Martini manufactures environmentally sustainable, high-quality thermal and acoustic polyester fibre products for a variety of industries.



Monier is one of Australia's leading roofing experts, with over 100 years of manufacturing quality roofing products which is underpinned by its commitment to innovation.



PGH is one of Australia's largest manufacturers, innovators and marketers of clay bricks, walling systems and façade solutions for homes and commercial applications.

Hebel – sustainability core to design of new plant

Hebel's new \$75 million manufacturing facility in Somersby, NSW officially opened in October 2019



Safety and productivity

Increased automation



Energy

Peak load flexibility



Water

Aimed to have zero water waste



Local sourcing

Collaboration with local manufacturers and raw material suppliers



Environment

Underground storage of raw materials to minimise dust emissions



Recycling

Waste dust capture recycled back into the manufacturing process

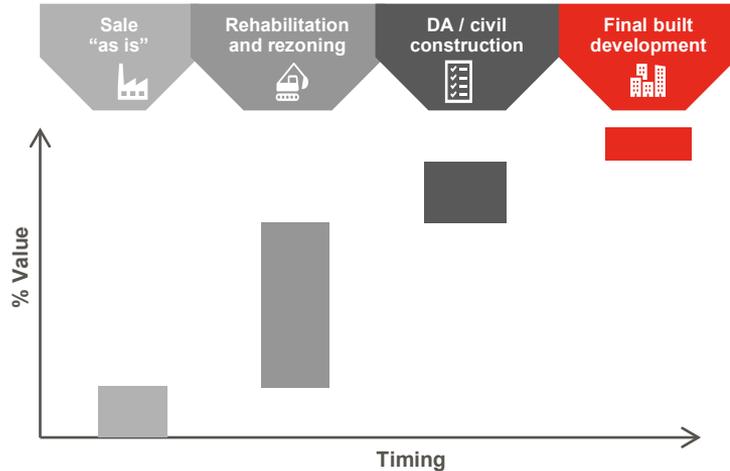


Product innovation

Unique product range and service capability

Property presents significant opportunity

- Site network has significant scale and opportunity
- Property team has strong development capability
- Strategically significant assets with considerable optionality
- Value-led approach to optimise operating footprint and maximise returns



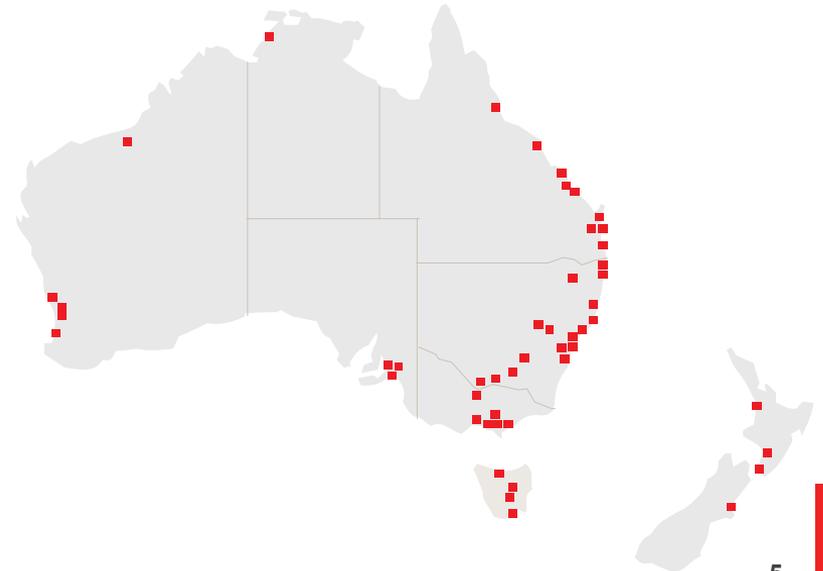
CSR's Extensive Site Network

56 Freehold Sites

› 1,438 hectares owned by CSR – includes operating sites

125 Leasehold sites

› Strategic locations across Australia and NZ



Tomago aluminium joint venture

- Through its 70% shareholding in Gove Aluminium Finance Limited, CSR holds an effective 25.2% interest in the Tomago aluminium smelter joint venture, located near Newcastle in New South Wales.
- Tomago produces around 590,000 tonnes of aluminium annually, some 25% of Australia's primary aluminium production.
- Tomago employs 950 people (full time equivalent) as well as 170 contractors



Strong financial position

Key actions



\$95m

Net cash position

- Net cash position of \$95 million as of 31 March 2020 (YEM20)
- Post year-end secured \$200 million in additional facilities to bolster liquidity position



\$69m

Dividends

- \$69 million in dividends in YEM20 including an interim (10 cents per share) and special (4 cents per share) both franked at 50%
- No final dividend to be paid due to economic uncertainty



\$69m

On-market share buyback

- \$69 million returned to shareholders since the commencement of an on-market share buyback in March 2019
- Buyback now paused

CHAIRMAN'S ADDRESS

John Gillam, Chairman, CSR Limited

1



2

MANAGING DIRECTOR'S ADDRESS

Julie Coates, Managing Director and CEO, CSR Limited



2030 Sustainability Targets

United Nations Sustainable Development Goal	2030 Targets
Goal 7 Affordable and Clean Energy	Establish and implement a CSR connected power network; 50% of electricity generated by renewable energy. 20% energy reduction (GJ) per tonne of saleable product.
Goal 11 Sustainable Cities and Communities	5% of indirect spend by Procurement to be spent with social enterprises.
Goal 12 Responsible Consumption and Production	CSR packaging to be closed loop (either 100% reusable; recyclable; compostable). All CSR packaging will have 30 per cent average recycled content by 2025; 75% reduction in solid waste to landfill. 30% reduction of potable water consumed (ltr) per tonne of saleable product.
Goal 13 Climate Action	30% reduction of greenhouse gas emissions (CO2e) per tonne of saleable product.
Goal 15 Life on Land	Enhance biodiversity outcomes on CSR sites and developments

Key priorities for the year ahead

Strategic priorities for long-term

Key actions



Customer solutions and systems

- Product development and diversification across residential and commercial markets
- Assessing key opportunities for changing customer requirements



Product and technical support

- Support customers with technical and installation advice on products and systems
- Maximise opportunity from further development of CSR's products and systems



Optimise footprint

- Optimise manufacturing footprint within the COVID-19 market environment as part of overall management of costs
- Ongoing review of scenarios to align product to demand



Supply chain efficiency

- Identify delivery and transport (metro and regional) efficiencies
- Warehouse management to improve flexibility across businesses and reduce costs

Organising to grow

INTERIOR SYSTEMS	MASONRY & INSULATION	CONSTRUCTION SYSTEMS
<div data-bbox="144 248 595 371"> </div> <ul data-bbox="96 398 608 638" style="list-style-type: none"> ▪ Building on leading brand positions in internal systems and fitouts for residential and commercial markets ▪ Martini insulation provides an integrated commercial offering to the CSR interior systems portfolio, which will also leverage Cemintel's internal walling products 	<div data-bbox="743 248 1130 371"> </div> <ul data-bbox="666 398 1207 638" style="list-style-type: none"> ▪ These brands share many residential customers providing great design and functionality ▪ PGH Bricks and Monier Roofing are key areas for selection of external colours and design with integration with Bradford's insulation and ventilation systems 	<div data-bbox="1304 234 1690 376"> </div> <ul data-bbox="1226 398 1767 606" style="list-style-type: none"> ▪ Targeting a number of new markets in structural systems and cladding with a range of new products ▪ Cemintel is already a key partner of the AFS business and this brings further opportunities to expand its external cladding offering
CUSTOMER SOLUTIONS	LOGISTICS	TRANSFORMATION, TECHNOLOGY AND DIGITAL
<ul data-bbox="96 780 608 944" style="list-style-type: none"> ▪ Drive our customer solutions strategy including innovation and solutions development as well as lead our technical strategy, pricing and customer relationship management 	<ul data-bbox="666 780 1207 944" style="list-style-type: none"> ▪ Develop an integrated approach to all of CSR's logistics services including our significant investment in warehouse & transport, network optimisation and site master planning 	<ul data-bbox="1226 780 1767 955" style="list-style-type: none"> ▪ Building change management and transformation capability across CSR ▪ Leverage extensive investment in digital and IT systems to improve efficiency and customer service

Current Trading



- › For the first 11 weeks of the current financial year (on a like for like basis), Building Products revenues in Australia are down 3%. Including the impact of New Zealand COVID-19 restrictions, the decline is 5%
- › We anticipate there will be a slowdown in demand this year, however the timing and extent is uncertain



- › Delivery of Horsley Park Stage 2 industrial project on track to deliver first tranche of \$80m in sale proceeds and \$53m in EBIT in YEM21, with second tranche in YEM23
- › Demand for industrial property in Western Sydney remains strong



- › As of 19 June 2020, 63% of net aluminium exposure for YEM21 is hedged at an average price of A\$2,826 per tonne (excluding ingot premiums)
- › This compares to the current three month price for aluminium which is around the A\$2,320 per tonne level



- › No earnings guidance for YEM21 to be provided for the CSR Group due to market uncertainty