

ASX Announcement

10 May 2023

CSR Limited delivers 17% increase in net profit after tax (before sig. items)**20% growth in Building Products earnings reflecting good execution into end markets, disciplined price and cost management**

CSR Limited (ASX:CSR) announces net profit after tax (NPAT before significant items) for the year ended 31 March 2023 of \$225 million, up 17% from \$193 million in the previous year.

Statutory net profit after tax of \$219 million compared to \$271 million, with the recognition of a \$86 million benefit in carry forward tax losses included in the previous year.

Trading revenue of \$2.6 billion was up 13% with earnings before interest & tax (EBIT before significant items) of \$330 million, up 13% which included the following results:

- **Building Products** – EBIT of \$273 million, up 20%, reflecting good end market execution, disciplined price and cost management. Return on funds employed increased to 31% from 27%.
- **Property** – EBIT of \$72 million, up from \$47 million. Major transactions during the year included the sale of the site at Warner, QLD and the next tranche at Horsley Park, NSW.
- **Aluminium** – EBIT of \$8 million, down from \$40 million, with higher aluminium pricing offset by increased raw material costs including coke & pitch which reached historic highs during the year.

Final dividend of 20.0 cents per share (fully franked) declared (up from 18.0 cents per share). This brings the full year dividend to 36.5 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). Since July 2022, CSR has purchased \$36 million shares in the \$100 million on-market share buyback.

Continued strong performance across the CSR Group

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

"CSR's businesses have performed very well in what was a busy year. In Building Products, our teams delivered another great result by ensuring we optimised our factory operations and distribution channels to deliver for our customers, ensured pricing discipline across the business and continued to focus on cost management.

"All of the Building Products businesses increased revenue with good execution into end markets and strong performances from Gyprock and Bradford as well as Hebel, which is continuing to increase market share with its faster build times and large installer base.

“The investments we have made in reorganising the business, improving our supply chain and focusing on customer solutions have served the business well and supported the capture of earnings in a dynamic market environment. Incremental investments in manufacturing are improving the productivity and variability of our cost base as well as our sustainability performance.

“Property’s earnings increased to \$72 million following completion of six transactions during the year. This was the highest result in Property over the last 15 years and highlights the strength and depth of CSR’s Property team to deliver complex transactions with long lead times, as well as the significant value of our property assets which are currently valued on an “as is” basis of \$1.5 billion.

“CSR’s strong balance sheet provides the capacity for ongoing investment, attractive dividend payments, with full year dividends of \$175 million as well as active capital management through our on-market share buyback.”

Outlook for the financial year ending 31 March 2024 (YEM24)

Building Products

CSR has made a strong start to the year with the pipeline of detached housing projects under construction at historically high levels. CSR’s focused execution into end markets and pricing discipline to manage inflationary cost pressures, continues to support revenues. CSR is closely monitoring the factors influencing market dynamics and will manage the business accordingly.

Activity in the apartment market is improving as more projects have commenced this year, while non-residential activity remains strong, supported by a large pipeline of approvals.

The business is well diversified across brands, market segments and the build process with a product portfolio that is adaptable to end market demand.

Incremental investments in manufacturing performance, plant consolidation, supply chain and customer solutions have improved manufacturing productivity, the variability of the cost base and responsiveness to customer demand. CSR’s strategy is focused on providing a platform for growth and resilience to deliver improved performance through the cycle.

Property

In 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, QLD, Schofields, NSW and Badgerys Creek, NSW.

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 RERT¹ 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.

1. Reliability and Energy Reserve Trader payment for power disruption to support national energy market stability.

Full year results webcast details

CSR will present its results for the year ended 31 March 2023 at 10.00am AEST today, Wednesday 10 May 2023, 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.

Media and analyst enquiries:

Andrée Taylor
CSR Limited Investor Relations
Tel: +61 2 9235 8053
Email: ataylor@csr.com.au
www.csr.com.au

Disclaimer

The material contained in this document is a presentation of information about the Group's activities current as of 10 May 2023. It is provided in summary form and does not purport to be complete. It should be read in conjunction with the Group's periodic reporting and other announcements lodged with the Australian Securities Exchange (ASX).

This document may contain forward-looking statements, including statements of current intention, opinion and predictions regarding the Company's present and future operations, possible future events and future financial prospects. While these statements reflect expectations at the date of this document, they are, by their nature, not certain and are susceptible to change. CSR makes no representation, assurance or guarantee as to the accuracy of or likelihood of fulfilling any such forward-looking statements (whether express or implied) and, except as required by applicable law or the ASX Listing Rules, disclaims any obligation or undertaking to publicly update such forward-looking statements.

This document is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor.