

**Company:** Boral Limited  
**Title:** Annual General Meeting  
**Date:** 3 November 2022  
**Time:** 10:30 am AEDT

## Start of Transcript

Ryan Stokes: Well, good morning, everyone, and welcome to the 2022 Annual General Meeting. My name is Ryan Stokes, I'm the Chairman of the Board of Directors and will chair today's meeting. I confirm there's a quorum present and I declare the meeting open. On behalf of the Board, I welcome our shareholders, proxy holders and guests. It's great to see you all in person. The meeting is also being webcast, so I welcome shareholders and others listening online.

We're holding today's AGM in The Concourse at Chatswood, New South Wales. We acknowledge the traditional owners of the land on which we are joining this meeting today, the Cammeraygal people. We recognise and respect Aboriginal and Torres Strait Islander people and their unique position in Australian culture, history and pay our respects to their Elders past, present and emerging.

Safety is a highest priority of Boral, so I want - would like to provide you with some important information regarding the safety procedures we all need to follow in the unlikely event of an emergency. Should there be an emergency situation, you will hear two tones. The first tone is the alert tone, and you should remain seated and await direction from Concourse staff. If you hear the second tone, this will be the evacuation tone and we ask that you please follow directions from the Concourse staff.

I would now like to introduce our directors, who join me today. From your left they are: Paul Rayner, the Chairman of the Audit and Risk Committee; Karen Moses, member of the Audit and Risk Committee and Chair of the Health and Safety and Environment Committee; Amy Jackson, our Company Secretary, Vik Bansal the CEO and Managing Director; Rob Sindel, the Chairman of the Independent and Related Party Committee and Chairman of the Remuneration and Nominations Committee; Richard Richards, member of the Audit and Risk Committee and member of the Health and Safety and Environment Committee; Jacqueline Chow, member of the Audit and Risk Committee and member of the Health and Safety Committee; and Mark Johnson, member of the Audit and Risk Committee and member of Remuneration and Nominations Committee.

We also have a number of Boral senior executives in the audience today, as displayed on the screen. Our executives will be joining you for refreshments in the foyer at the end of the meeting. And finally, John Leotta from Deloitte, our external auditor, is also joining us today. John will be available to answer any questions you have about the audit of the financial statements, later in the meeting.

The prepared AGM speeches from myself as Chairman and from the ~~andhG6TJ(aib)3(m)hes#ITb.9(hesnf)2.1(t)626(2)4~~ af0  
Let me turn to my address.

I want to start by reflecting on the past year, a year of significant change for Boral which we have reshaped the Company and strengthened its foundations with the objective of building a more profitable, competitive and customer focused business.



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We completed the strategic realignment of our portfolio towards the Australian construction materials business, a journey that began in FY21.

The sale of non-core businesses delivered proceeds of \$5.5 billion, including \$4.1 billion from the sale of the Boral North America and Australian Building Products business in FY22. This enabled Boral to return \$3 billion in surplus capital to shareholders in February, which was approved by you, our shareholders, at our 2021 Annual General Meeting.

Today, Boral is a focused Australian construction materials business with a privileged asset position, and we are committed to realising its full potential.

Seven Group Holdings, of which I am Managing Director and CEO, holds a 72.6% interest in Boral. This investment not only reflects our confidence in the underlying business and its growth potential, but also our belief in the partnership to deliver meaningful and profitable change. Through the adoption of an Owner's Mindset, a driving operating discipline, efficiency and engagement, we have clear aspirations of returning Boral to double digit EBIT margins and mid-teens return on funds employed.

Turning now to our FY22 results. Boral Group's financial performance in FY22 reflects the realignment of our portfolio towards the Australian construction materials business, and the impact of several external operating challenges on our continuing operations.

The continuing operations results were impacted by government-mandated construction shutdowns, extended periods of extraordinary rainfall across and a number of our key regions - or in a number of our key regions, and a sharp rise in energy prices, which have also driven broader inflationary costs that affected our business.

Despite this, our strategy delivered 1% year-on-year revenue growth to reach \$2.956 billion, and 3% growth on a comparable basis.

Revenue benefitted from stronger demand in infrastructure and residential construction, although this was curtailed by the industry-wide shutdowns and rain and floods in New South Wales and Queensland, as well as ongoing supply chain constraints.

Continuing operations EBIT, excluding Property, declined 32% to \$107 million. The result highlighted areas of focus for Boral's performance journey, and we are confident that the changes we are making will better equip Boral to handle changing market conditions going forward.

The Property segment contributed an EBIT of \$6 million, compared to \$24 million in the prior year, and I will touch on our refreshed property strategy shortly.

Group net profit after tax and before significant items was \$150 million, down 40% on FY21. This reflected a part-year contribution from the divested Boral North American and Australian Building Products businesses, and lower earnings from our continuing operations.

Group statutory profit was \$961 million and included a post-tax significant gain of \$811 million, primarily relating to the profit on the sale of the North American businesses.

To mitigate external challenges, most notably the heightened inflationary pressures that are expected to continue in FY23, we responded by taking pricing actions and prioritising our review on overhead costs. We are already seeing the benefit of these actions in FY23.





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To this end, we have shifted our focus from transformation program to performance, where we are driving earnings improvement through a combination of strong pricing actions and discipline, cost focus, and other performance initiatives. We are also focussed on lifting the engagement of our people in both the business and the performance journey as part of a drive to build a stronger culture, with the Owner's Mindset at its core.

We still have significant work to do. In FY23, we will accelerate our improvement initiatives to build a more resilient core business that delivers improved earnings and is positioned for future growth.

Our strategy also focuses on growing our integrated network, positioning Boral to harness demand opportunities and executing our refreshed property strategy.

Another important element of our strategy is reshaping our business to focus on decarbonisation and increasing the use and reuse of recycled material to build a more circular economy.

This isn't only the right thing to do for our people, customers and communities, but it's directly linked to the long-term sustainability and success of our business.

We operate in a carbon emissions intensive industry; we understand that we have an important role to play. Boral was the first company in the global cement sector to set a 2030 target aligned with a 1.5 degree Celsius pathway for Scope 1 and Scope 2 emissions. In FY22, our emissions reduction 2030 targets for Scope 1 and 2, and for Scope 3 emissions, were approved by the Science Based Target initiative.

The approval confirmed that our targets are consistent with the levels required to meet the goals of the Paris Agreement, a significant milestone that demonstrates our ambitious approach to decarbonisation.

This will continue to be a key focus area as we future proof our business and work towards our purpose of creating a world that future generations will be proud of.

Supporting this ambition is our focus on offering more sustainable and differentiated products and solutions tailored to our customers' needs.

In FY22, we substantially grew our proportion of concrete sales volumes that came from our lower carbon product suite, which comprises ENVISIA, Envirocrete Plus and Envirocrete. The penetration run rate of our lower carbon concrete products increased more than fourfold in the year, representing 19% of concrete volumes by the end of June 2022.

We expect the adoption rates to continue to increase as we launch our lower carbon concretes across Sydney, Victoria and South Australia this year. By the last week in September, the adoption rate had further increased to 24%.

We are also growing our circular economy products and solutions through our Boral Circular Materials Management solutions, which aims to further build on our position as one of the largest recyclers of construction and demolition materials in Australia.

More broadly, a year after launching our Sustainability Framework, we are continuing to embed the framework's priorities into our broader business strategies and decision making, and we understand that environmental and social sustainability is intricately linked to the sustainability of our business.

Now turning to our new leadership.

Vik Bansal commenced as CEO and Managing Director on 10 October 2022. Vik is an accomplished CEO with deep leadership expertise in managing industrial businesses through periods of growth, transition and improvement. His



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proven track record gives the Board confidence that he will get the entire Boral team engaged and invested in the journey to delivering the full performance potential of Boral.

Vick succeeds Zlatko Todorcevski, whose departure was announced in June this year. On behalf of the Board, I would like to commend and thank Zlatko for his contribution and dedication over the past two years. Zlatko has led the business through a successful transformative period in the Company's history, realigning the business portfolio to Australian construction materials and refocusing the organisation to build a stronger foundation.



I do want to reiterate here that Boral's competitive advantage comes from its vertical integration, enviable infrastructure













Ryan Stokes: Appreciate the question. Thank you.

If no further questions in relation to general business we might move to that next item of business in the election and re-election of directors.

As referenced in the Notice of Meeting, in accordance with the Company's Constitution, Jacqueline Chow and Mark Johnson offer themselves for election to the Board, and Karen Moses offers herself for re-election to the Board. Given that Jack and Mark are seeking election for the first time, they will address the meeting. The resolutions relating to each of the directors will be considered separately.

Frist, turning to the election of Jacqueline Chow as a director. Jacqueline was appointed as a director effective 1 March 2022. Accordingly, she retires in accordance with the Company's Constitution and being eligible offers herself for election. Jacqueline has more than 20 years corporate experience in executive and non-executive positions across a range of sectors, including industrial. Jacqueline has significant experience in innovation, digital platforms and technology and driving transformation and cultural change. Additional information on Jacqueline's qualifications and experience can be found in the Notice of Meeting. The Board, with Jacqueline abstaining, considers her election is in the best interests of shareholders and recommends that shareholders vote in favour of the Resolution.

I now invite Jacqueline to say a few words.

Jacqueline Chow: Thank you Chairman. Good morning, shareholders and guests. I am honoured to be standing for election to the Board of Boral. I take this responsibility very seriously. For over 20 years of working life I have been preoccupied with understanding the customer, using data analytics and insights to discern their unmet needs and their pain points, and then creating the innovation and technology solutions to build customer loyalty. Boral's growth opportunity is built on understanding the customer, and then leveraging our integrated network to fulfil that customer demand.

The last few years of geopolitical upheaval and disruptions from natural causes and the pandemic, means businesses have had to redefine their supply chains and mitigate their risks. I have run several large-scale businesses end-to-end and having the recency of that operational experience can be helpful context for what it truly takes to deliver on promises and to embed the relevant mindsets and skills to accelerate performance.

I am motivated to support Boral's dedicated team who are highly committed to generating sustainable high-performance and to creating a world that we will be proud of for generations to come. I would be honoured to receive your support to service director. Thank you.

Ryan Stokes: Thank you, Jacqueline. The matter is now open for discussion. Are there any questions?

If not, then ladies and gentlemen, if there no further discussion, you should now mark your voting cards in relation to Jacqueline Chow's election.







We will now pause for a few moments while shareholders in the room cast their votes. Representatives from Link Market Services will collect your completed voting cards, and I would ask if you could please give your cards to them when you are ready.

All voting cards have now been collected, and I now declare the poll closed. The results of the poll will be released on the ASX Company announcements platform on Boral's website later today.

As there are no further questions, the business of the meeting is now concluded. So I declared the meeting closed.

Ladies and gentlemen, thank you for your attendance. I invite you to join us for refreshments which will be served in the entrance foyer.

Thank you very much.

**End of Transcript**