



US Investor Conference Presentation

Mike Kane,
CEO & Managing Director

*New York
15 November 2017*



Boral Group: snapshot¹

An Australian based, ASX listed international building & construction materials group



1. For the financial year ended 30 June 2017

2. Includes full year proforma revenue contribution for Headwaters

3. Excluding significant items

4. Full-time equivalent employees, including employees in joint ventures, as at 30 June 2017

5. As at 9 November 2017

6. Includes full year pro forma revenue contribution for Headwaters and 50% JV revenue from Meridian JV

7. LBP: Light Building Products - includes siding, trim and panelised stone

8. USG Boral revenue is shown on 100% basis. These results are not reported in Boral's income statement as this 50% investment is equity accounted

BORAL 
AUSTRALIA





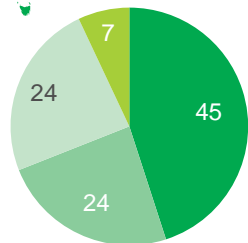
Leading construction materials footprint



Diversified geographic and end-market exposure



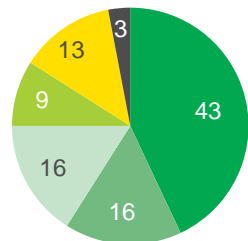
Geographic¹, %



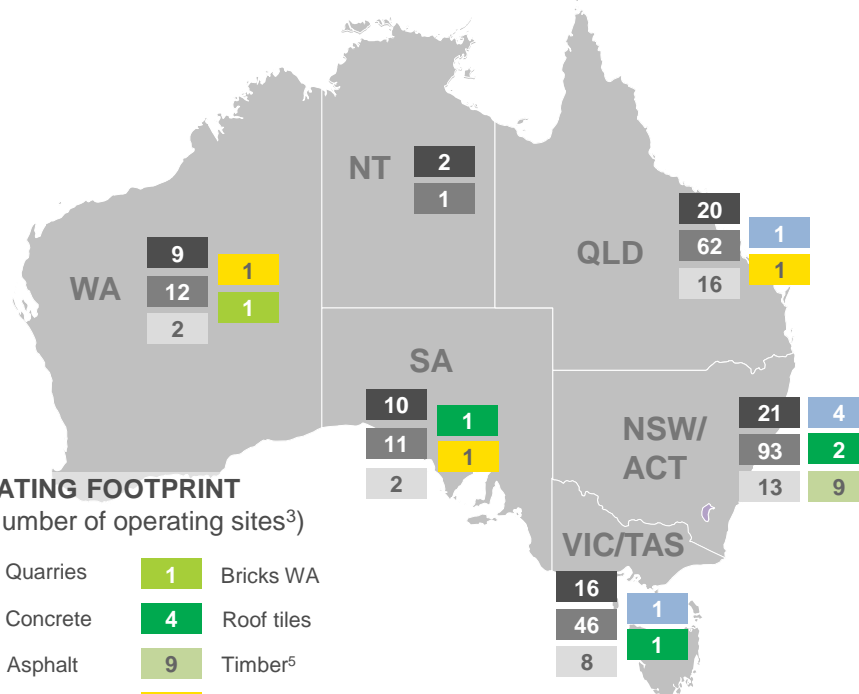
- NSW / ACT
- VIC / TAS/ SA
- QLD
- WA



End-market¹, %



- RHS&B² and other engineering
- Non-residential
- Single residential
- Multi residential
- Alterations & additions
- Other

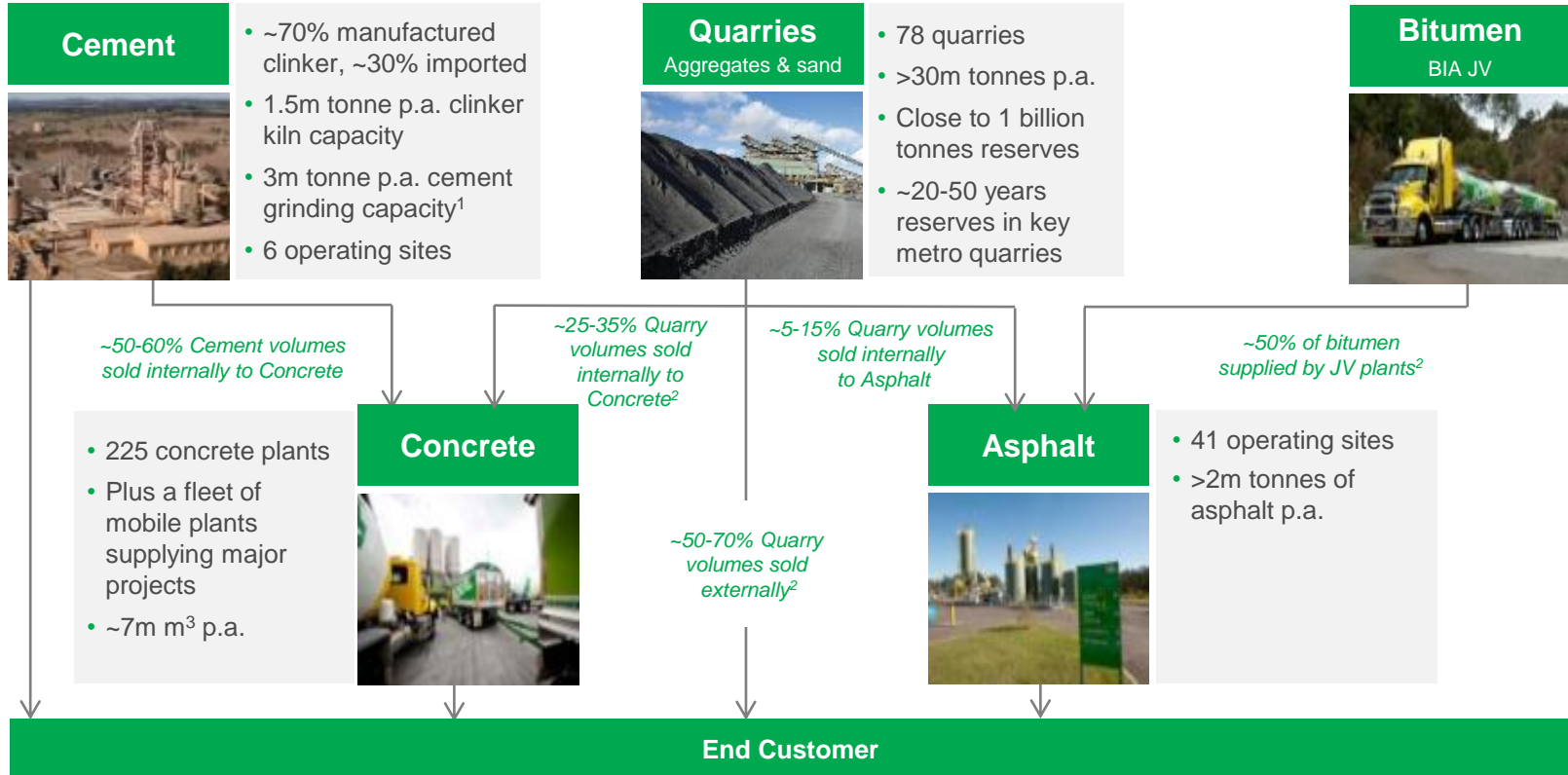


1. Based on FY2017 split of Boral Australia external revenue
 2. Roads, Highways, Subdivisions and Bridges
 3. As at 30 June 2017

4. Includes cement manufacturing plant, bagging plant and lime plant in NSW, a clinker grinding plant in Victoria and a clinker grinding JV in Queensland
 5. Includes 8 Boral Hardwood mills and one JV Softwood operation



Vertically integrated positions in key markets, especially on East Coast



1. Includes Boral's share of 1.5m tonnes of grinding capacity in 50% owned Sunstate JV

2. Based on FY2017 data. Long term historic averages differ as follows: ~40-50% Quarry volumes sold internally to Concrete; ~ 35-55% Quarry volumes sold externally & ~ 35% of bitumen supplied by JV plants



Boral Australia: major project and infrastructure

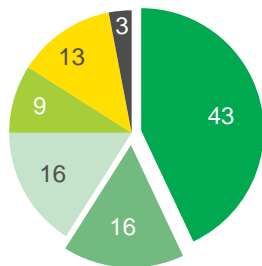


Well positioned to benefit from pipeline of project activity in RHS&B¹ & non-residential segments

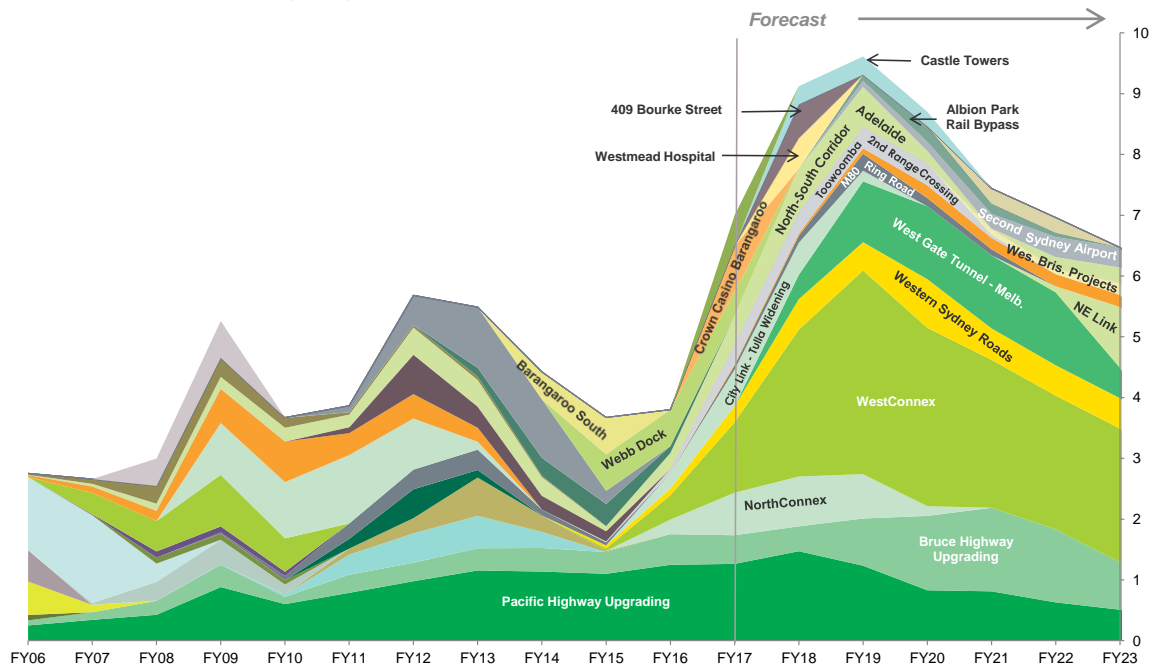
Australian major road & building construction projects^{3,4}

Value of work done (A\$b)

Boral Australia external revenue by sector², %



- RHS&B² and other engineering
- Non-residential
- Single residential
- Multi residential
- Alterations & additions
- Other



1. Roads, Highways, Subdivisions & Bridges
2. Based on FY2017 split of Boral Australia external revenue
3. Chart prepared exclusively by Macromonitor based on publicly available data. Boral has not independently verified either the historical data or forecasts. Chart shows financial years and projects with total value >A\$500m only
4. Forecast spending represents Macromonitor's indicative estimation of likely spending based on currently available information. There can be no assurance that actual results will be as forecasted and such differences can be material. There can be no assurance regarding the proportion of forecast project spending that represents requirements for which we are a potential supplier, or that we will be successful in generating revenue from any of these projects

So many geographies,
just as many ways to **Build something great.**[™]



BORAL NORTH AMERICA



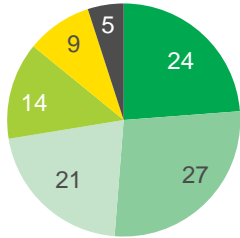


Headwaters acquisition expanded Boral's footprint & diversified our exposures



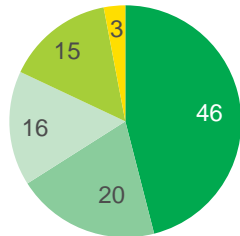
FY2017 Proforma revenue¹

Geographic², %

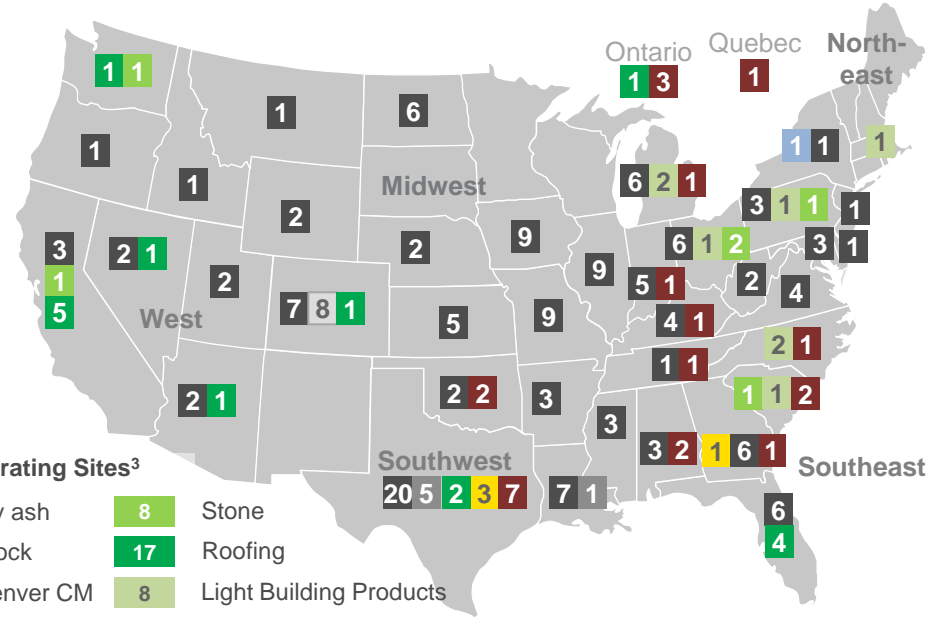


- Southeast
- Southwest
- West
- Midwest
- Northeast
- International

End-market, %



- Residential
- Repair & Remodel
- Non-residential
- Infrastructure
- Other



- 1 Trinidad (mothballed)
- 2 Mexico & Philippines

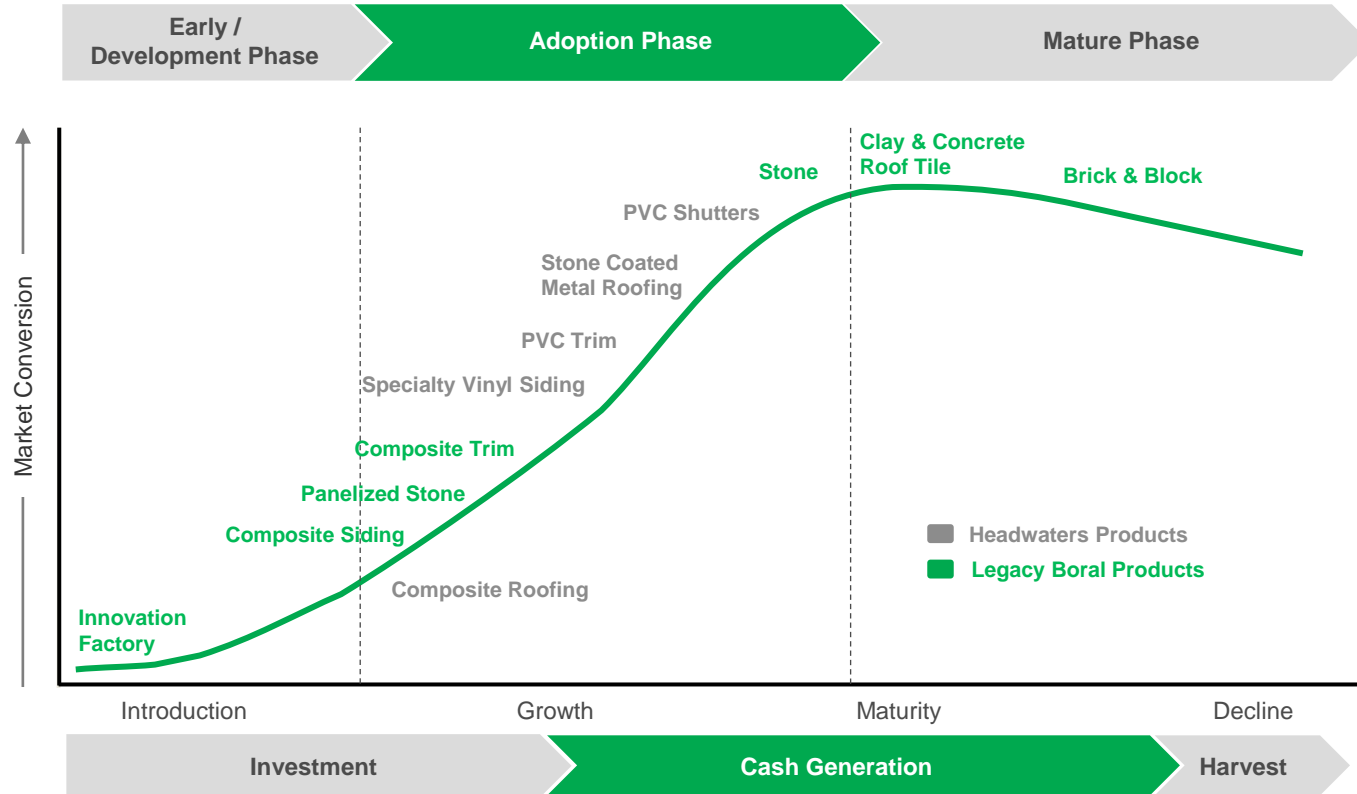
1. Includes Boral's 50% share of JV Revenue from the Meridian Bricks Joint Venture for 12 months ended 30 June 2017 and proforma revenue for Headwaters from 1 July 2016 to 30 June 2017
 2. Southeast – AL, FL, GA, KY, MS, NC, SC, TN, VA, WV; Southwest – AR, LA, OK, TX; West – AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY; Midwest – IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI; Northeast – CT, DC, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VT. Revenue split is based on a combination of FY17 external revenues for legacy Boral (50% of Meridian JV) and the regional level percent split for Oct '15 – Sep '16 applied to FY2017 proforma revenue for legacy Headwaters
 3. As at 30 June 2017



Headwaters complements our product portfolio



Product maturity lifecycle of Boral North America's portfolio





Leading national Fly Ash business



Providing demand and supply growth opportunities

DEMAND: outlook strong

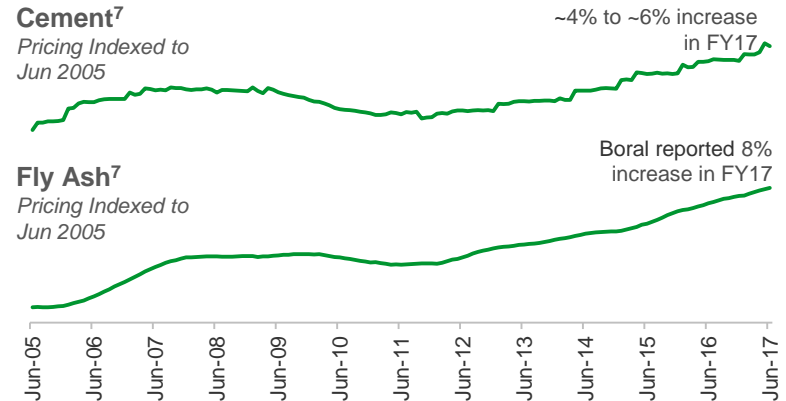
- Potential to expand substitution rates in concrete, currently ~16% (~50% in European markets¹)
- Cement growth forecast² at ~5% CAGR FY2017 – 21
- Exposure to increasing US infrastructure spend
 - Estimated infrastructure investment needed by 2025 is US\$4.6 trillion³

SUPPLY: attractive growth opportunities

- Fly ash supply dependent on coal-sourced electricity generation; coal expected to remain ~30% of energy mix in USA⁴
- Currently ~45% of fly ash produced is land-filled
- Initiatives underway to increase sources of supply over medium to long-term including increased storage capacity and reclamation of landfilled fly ash⁵

PRICING: gap to cement represents opportunity

- Ready mix producers motivated to increase fly ash as generally less expensive than Portland cement
- Fly ash increasingly being specified – performance and sustainability features
- Primary fly ash pricing (~\$25 - \$75/ton)⁶ tends to follow cement pricing (~\$90 - \$150/ton) for the Ready Mix market



1. Management estimates
 2. Portland Cement Association: May 2017 Market Intelligence Report
 3. 2017 American Society of Civil Engineers, Infrastructure Report Card
 4. US Energy Information Administration (EIA)

5. Other fly ash source of supply includes ~1 billion tons currently landfilled (source: American Coal Ash Association)
 6. Approximate range represents cement replacement quality fly ash
 7. Estimated industry fly ash ASP, cement ASP: Bureau of Labor Statistics (PPI Indexed to June 2005)

USG 
BORAL

USG BORAL

USG BORAL 

Systems

Partiwall™

Separating walls for Class 10 buildings



Multiframe™

Timber framed Class 220 buildings



InfPanel™

Securing walls to Class 2 buildings



USG BORAL

Partiwall™

Separating walls for Class 10 buildings



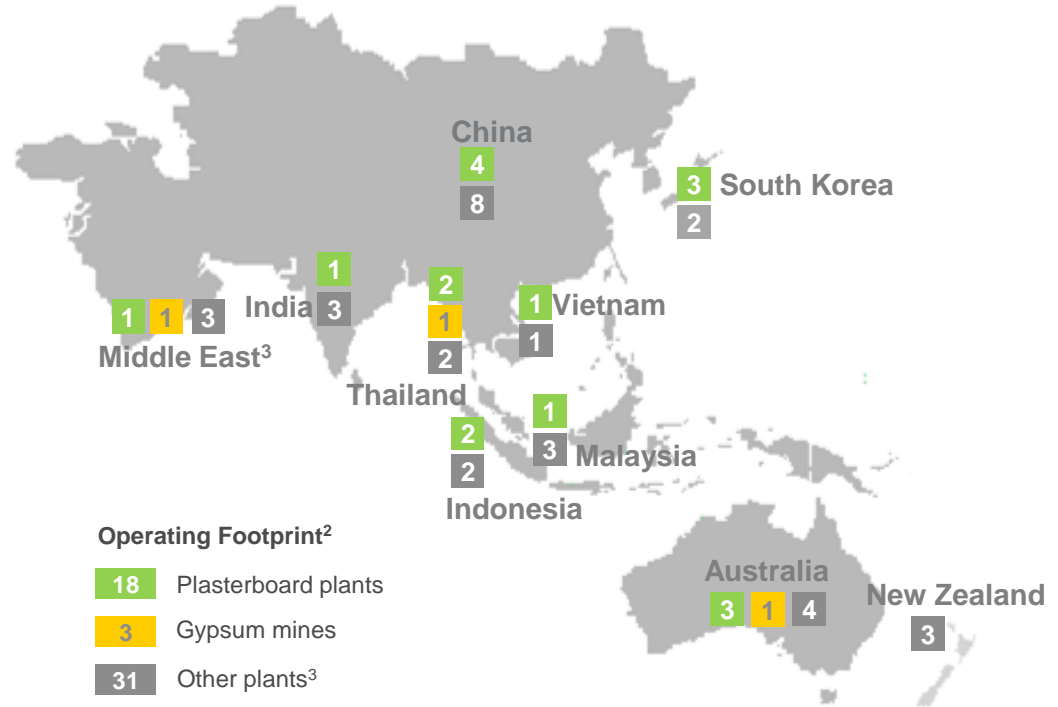
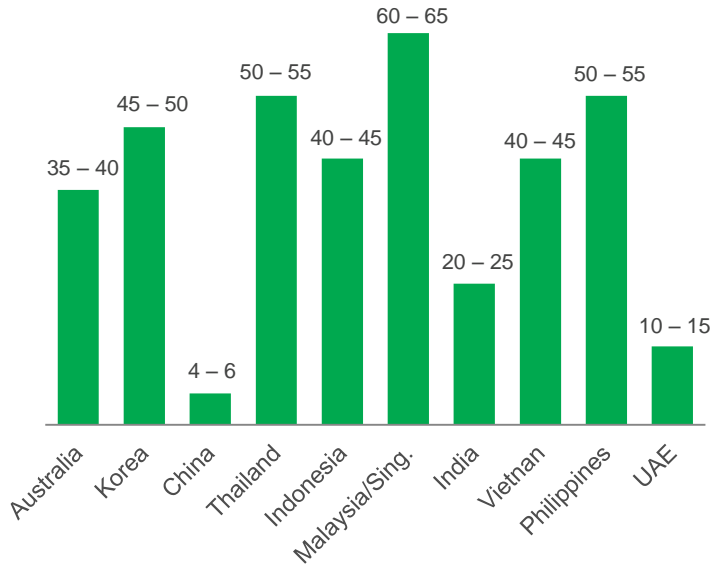
BORAL 



50%-owned joint venture with leading market shares in high growth countries

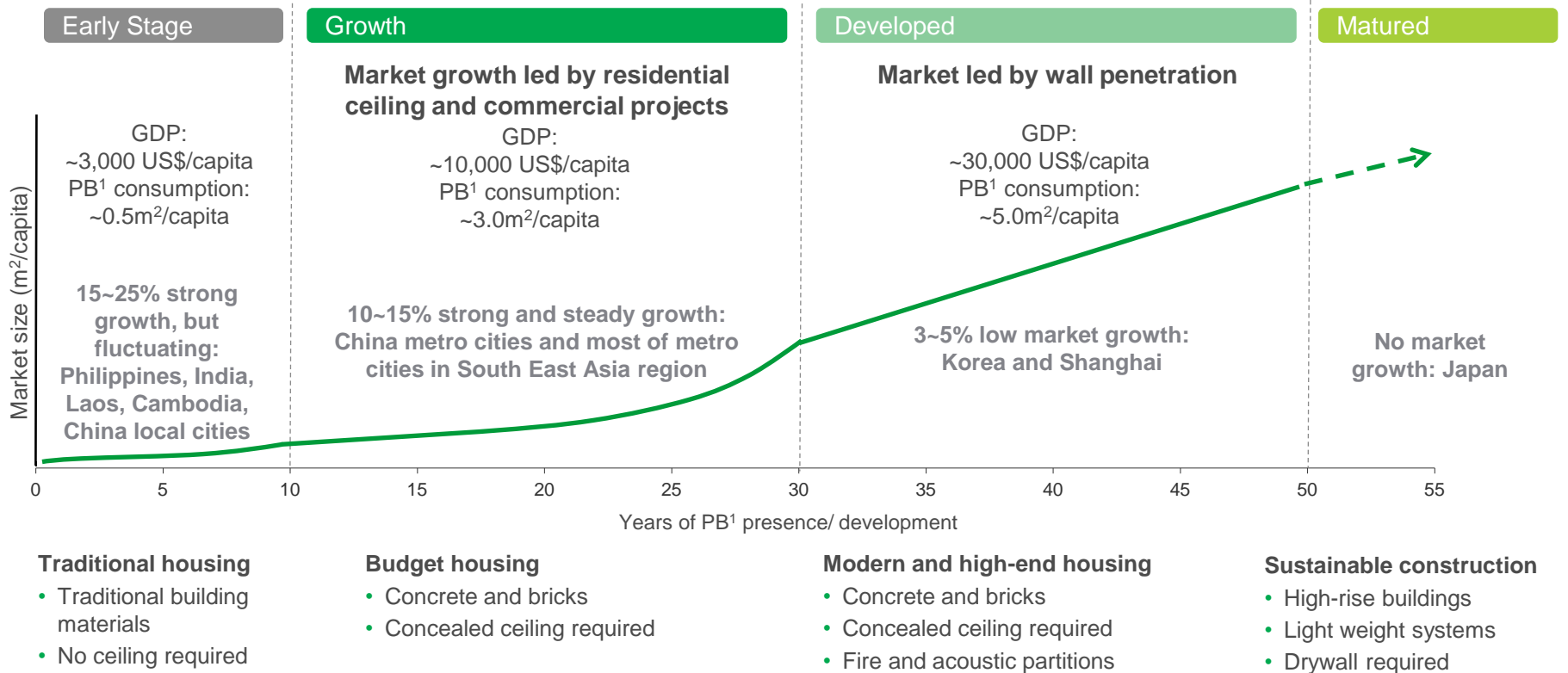


USG Boral's plasterboard market share¹, %



1. Based on management estimates of plasterboard sales volume, excluding ceiling tiles, as at 30 June 2017
 2. As at 30 June 2017. Certain manufacturing facilities and gypsum mines held in JV with third parties
 3. Includes Oman, the United Arab Emirates and Saudi Arabia

Growth underpinned by product penetration opportunities



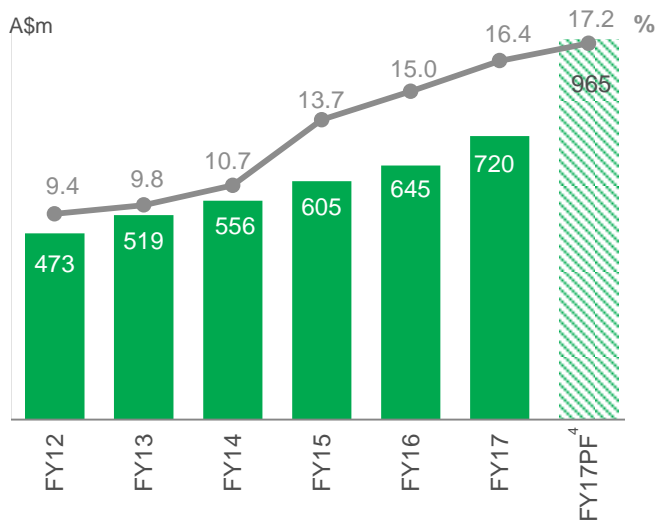
1. Plasterboard

EBITDA growth achieved across each division



EBITDA & EBITDA margin¹

Boral Group

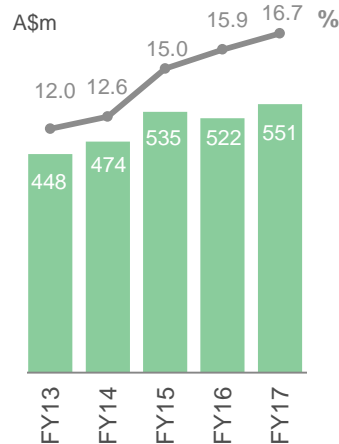


ROFE⁵

9.2%



Boral Australia²

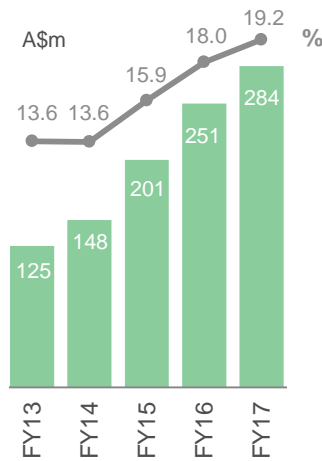


14.6%

FY17 returns exceeding cost of capital (COC)



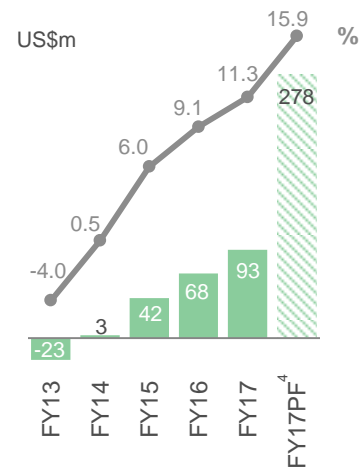
USG Boral^{2,3}



11.6%



Boral North America²



4.3%

Positioned to exceed COC

1. Excluding significant items.

2. For continuing operations in each financial year

3. USG Boral results are shown on 100% basis. These results are not reported in Boral's income statement as this 50% investment is equity accounted

4. Includes full year pro forma contribution for Headwaters.

5. EBIT (excluding significant items) return on funds employed (divisional funds employed is segment assets less segment liabilities). ROFE is calculated based on funds employed as at 30 June, except in FY2017 for Group and Boral North America ROFE, which are based on average monthly funds employed due to the impact of Headwaters only contributing 8 weeks of EBIT in FY2017 but funds employed increasing fully at 30 June 2017

Boral today: Performance, transformation & growth



1. Maintaining and strengthening our leading position in Australia

- Well positioned on the east coast where conditions are strong
- Quarry reinvestment leverages our integrated position and ability to deliver major projects
- Operational and commercial excellence delivering productivity and margin expansion

2. Growing organically and through innovation in USG Boral

- Growing in plasterboard markets in Asia, Australia and the Middle East, including Sheetrock® technologies
- Next generation sheetrock® technology highly attractive in high energy cost, scarce water, high humidity markets

3. Transformational growth in the USA

- Headwaters acquisition delivers transformational growth, including substantial synergies
- Meridian Brick JV delivers portfolio and performance improvements, including strong synergies
- More balanced portfolio, broader exposure to large-scale markets and ability to grow through innovation

4. Leveraging growth in key markets and across all geographies

- **Australia:** multi-year growth trajectory for major roads and infrastructure
- **Asia:** leveraged to economies with long-term growth prospects and increasing product penetration
- **USA:** ongoing market recovery and new market opportunities and scale through Headwaters acquisition

5. Strong cash flows and solid balance sheet



Supplementary slides



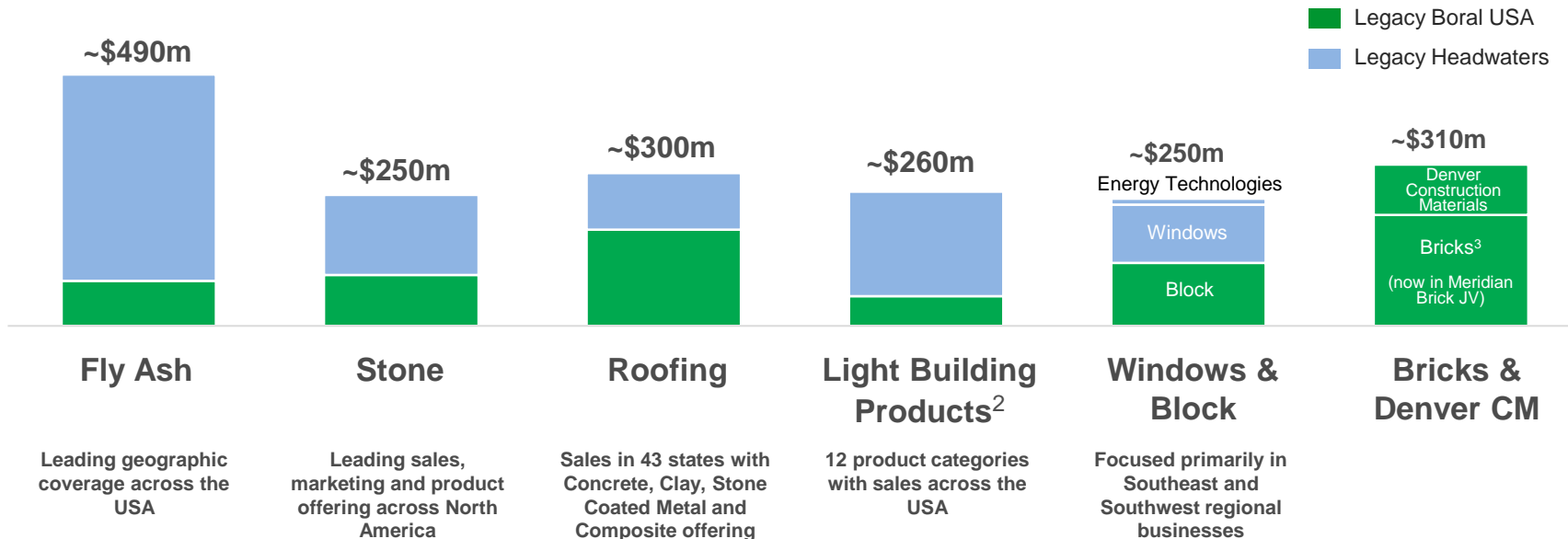
Boral North America: A US\$1.9b¹ revenue business



Strong strategic fit between Headwaters and Boral's existing US businesses

FY2017 external revenue

Proforma (US\$m)¹



1. Proforma based on 12 months ended 30 June 2017 including Headwaters and Meridian JV, except for Windows which is based on revenue post-acquisition from August 2016

2. Light Building Products includes siding, trim and panelised stone

3. Represents Boral's 50% share of revenue from the Meridian Bricks JV for 12 months ended 30 June 2017

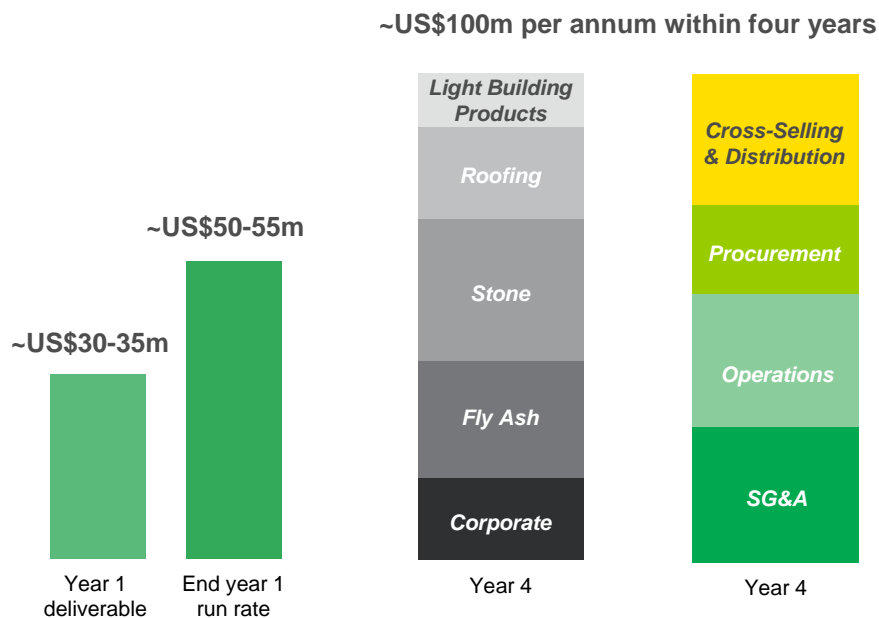


On track to deliver substantial synergies

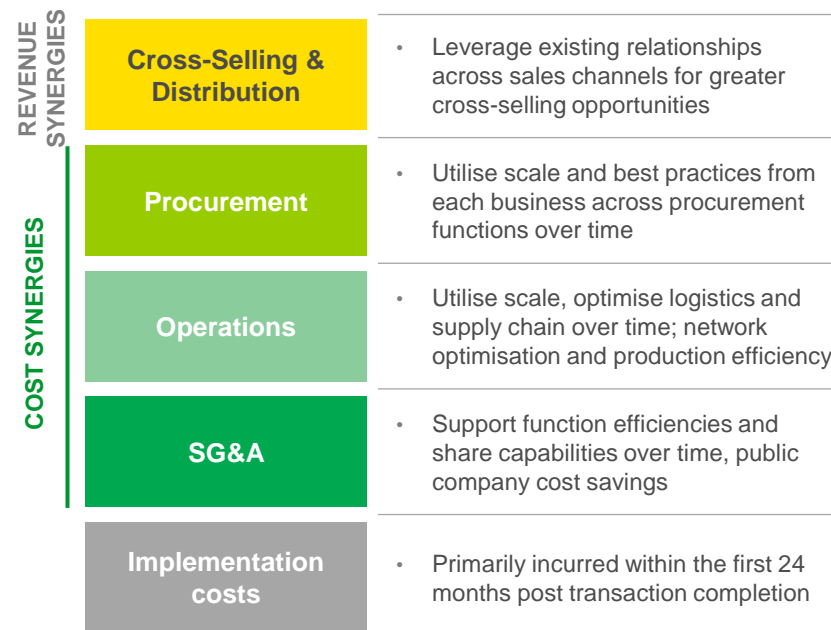


From complementary businesses and SG&A overhead savings

Targeted synergies¹



Synergy sources and implementation costs



1. Synergies include cost synergies and estimated cross-selling and distribution revenue synergies, and exclude one-off implementation costs estimated at approximately US\$100 million

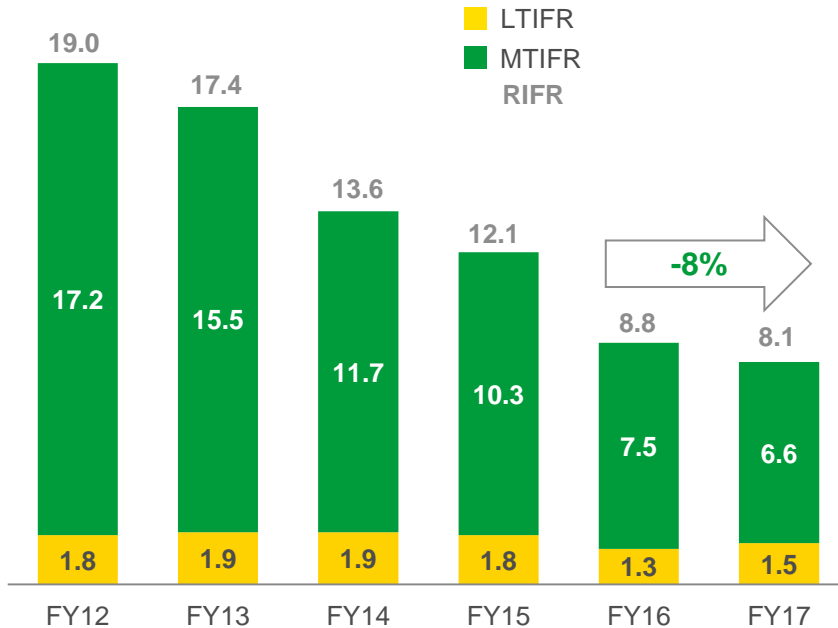
Safety performance

Company-wide commitment to Zero Harm Today



Employee and Contractor RIFR¹

(per million hours worked)



- Continuing to reduce injuries in FY2017 with 8% improvement in **RIFR¹ down to 8.1** from 8.8
 - LTIFR increased slightly to 1.5 from 1.3
 - MTIFR reduced to 6.6 from 7.5
- Continued engagement throughout Boral around our global safety goal including in Meridian Brick & Headwaters businesses

**ZEROHARM
TODAY**

1. Recordable Injury Frequency Rate (RIFR) per million hours worked is made up of Lost Time Injury Frequency Rate (LTIFR) and Medical Treatment Injury Rate (MTIFR). Does not include Headwaters

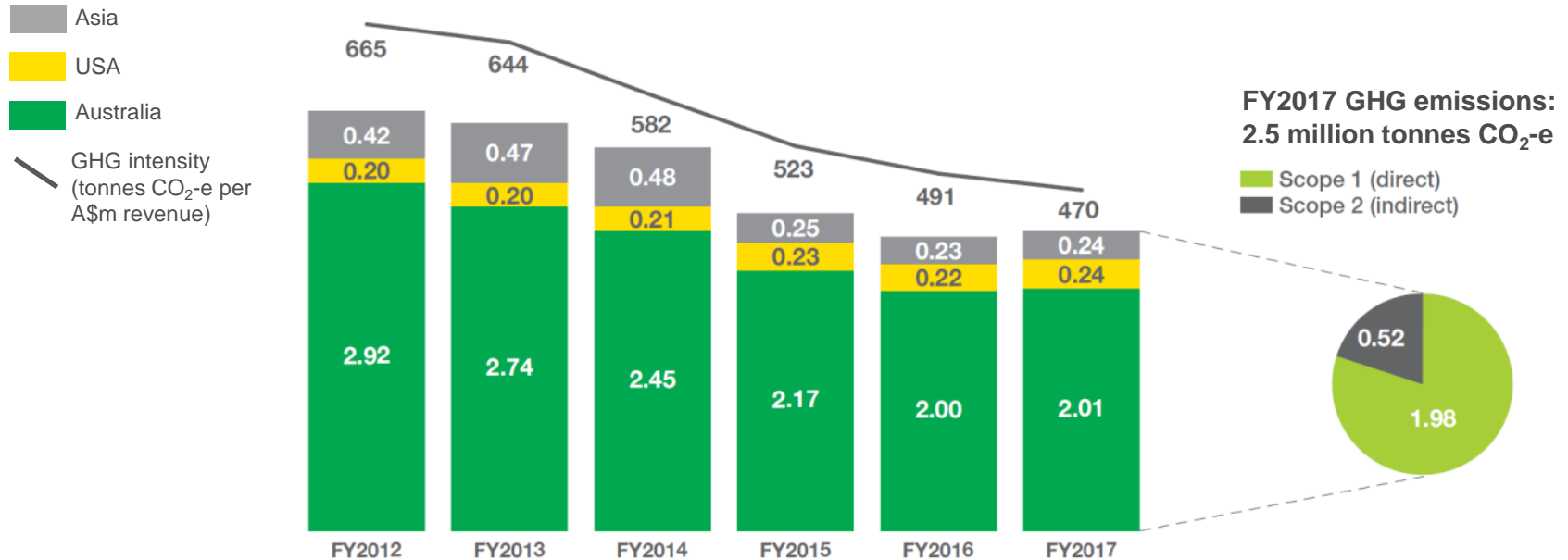
GHG emissions totalled 2.5m tonnes in FY17

Boral's emissions and emissions intensity have reduced by ~30% since FY12



GHG emissions from operations¹ and emissions intensity per A\$m of revenue²

(million tonnes of CO₂-e)



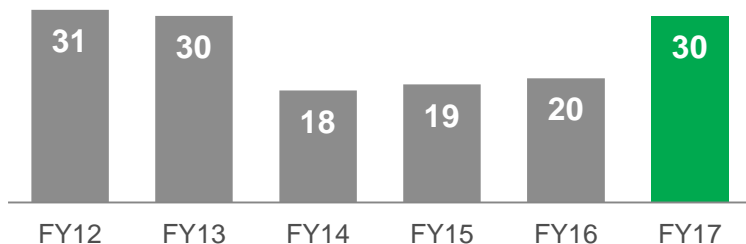
1. Data provided for FY2017 GHG emissions is for Boral's 100% owned operations and Boral's share of emissions from 50%-owned joint venture operations. Does not include Headwaters for FY2017.
 2. Revenue has been adjusted to include 50% share of underlying revenues from USG Boral and Meridian Brick joint ventures, which are not reported in Group revenues.

Balance sheet

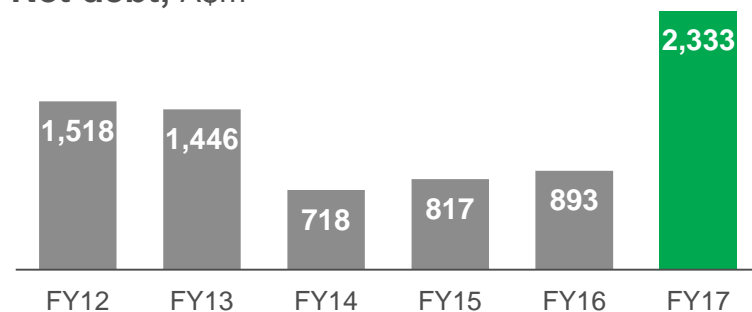
Maintaining a robust financial position



Gearing (net debt / net debt + equity), %



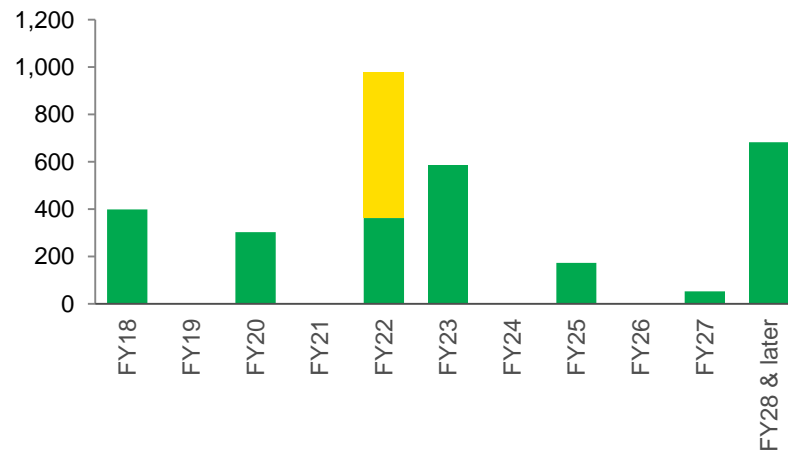
Net debt, A\$m



- **Net debt of \$2,333m** at 30 June 2017 from net debt of \$893m at 30 June 2016 due to Headwaters acquisition
- Weighted average debt facility maturity of ~5.5 years¹

Debt maturity profile (proforma)¹

A\$m ■ Drawn debt² ■ Undrawn syndicated facilities



1. Gross debt as at 30 June 2017 adjusted for 25 October 2017 bond issue
 2. US Private Placement notes, Swiss franc notes issued under EMTN program and Bank syndicated loans



Outlook summary for FY2018 (as presented at Boral's AGM, 2 Nov-17)



Earnings growth across all divisions, with significant lift in Boral North America as we deliver on Headwaters acquisition objectives

Boral Australia	<ul style="list-style-type: none"> • Growth in infrastructure and pricing outcomes on East Coast to more than offset pressures in WA, general softening in housing and higher energy costs • Expect an increase in energy costs at the upper end of \$15-\$20 million estimated range • Property earnings in FY2018 currently expected at lower end of historical range (\$8m–\$46m), skewed to 2H • Expect higher EBIT in FY2018 compared with FY2017 including property in both years, and excluding Property in both years, expect high single-digit EBIT growth in FY2018, assuming a return to average weather conditions
USG Boral	<ul style="list-style-type: none"> • Profit expected to grow at a high single-digit growth rate in FY2018 • Sheetrock® to deliver price, volume and cost benefits across all markets • 2H improvements expected from Indonesia and Thailand businesses, while softer activity is forecast in Australian and Korean residential construction markets
Boral North America	<ul style="list-style-type: none"> • Expect significant growth in EBIT in FY2018 from the full year contribution of Headwaters coupled with US\$30–35m of year 1 synergies • Expect Meridian Brick JV to contribute an earnings uplift from market growth and synergies • Assuming delivery of market growth forecasts¹ of ~8% in housing starts (to ~1.29 million), ~5% increase in US infrastructure activity, ~12% growth in Non-residential and ~6% growth in Repair & Remodel

1. Housing starts based on average of analysts' forecasts (Dodge, Wells Fargo, NAR, NAHB, Fannie Mae, Freddie Mac, MBA) from July/August 2017 forecast; Non-residential from Dodge Data & Analytics, Non-Residential Value of Work; Repair & Remodel from Moody's Retail Sales of Building Products; and Infrastructure Ready Mix Demand from McGraw Hill Dodge.