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# ASX Release

9 February 2024

## 1H24 Financial Results and FY24 Guidance Upgrade

**Boral reports strong 1H24 revenue and earnings growth with margin expansion;  
FY24 Underlying EBIT guidance \$330-350 million (previously \$300-330 million)**

Financial performance summary for the half year ended 31 December 2023<sup>1</sup>

- **Net revenue** of \$1,839.9 million, up 9.4% on prior corresponding period (pcp)
- **Underlying EBITDA** of \$313.6 million, up 51.8%. Underlying **EBITDA margin** of 17.0%, up 470 bps
- **EBIT:**
  - **Statutory EBIT** (continuing ops) of \$ 184.3 million, up 62.3%, **Statutory EBIT margin** of 10%, up 320 bps
  - **Underlying EBIT** of \$201.0 million, up 110.9%. Underlying **EBIT margin** of 10.9%, up 520 bps
- **ROFE<sup>2</sup>** of 18.1%, up 960 bps
- **NPAT:**
  - **Statutory NPAT** of \$122.0 million
  - **Underlying<sup>1</sup> NPAT** of \$138.6 million, up 143.9%
- **Operating cash flow** of \$348.6 million, up 197.0%. **Free cash flow** of \$259.6 million
- **Adjusted<sup>1</sup> EPS** of 12.6 cents per share, up 147.1%

**Boral Limited** (ASX: BLD) today reported its financial results for the half year ended 31 December 2023 (1H24) delivering substantial improvement in revenue, earnings, and margins.

1H24 net revenue was \$1,839.9 million, up 9.4% on 1H23 ('pcp'), driven by strong price realisation and volumes that were flat to slightly up on pcp. Boral's EBIT was up 110.9% to \$201.0 million, reflecting higher revenue and rigorous cost management, and EBIT margin was 10.9%, a 520 basis-point improvement on pcp. 1H24 NPAT was \$138.6 million, up 143.9%.

Boral Chief Executive Officer, Vik Bansal, said: *"I am pleased to report first half results that demonstrate the benefits of our operating model and our business improvement strategy".*

*"Our volumes were flat to slightly up on pcp, with an increase in quarry and recycling materials. We achieved good price realisation across all product lines, and this supported growth in net revenue. We also continued to reduce costs and instil operational efficiencies to offset input cost inflation".*

*"The combined improvements in price and cost efficiencies, together with a mix in volumes that were flat to slightly higher, enabled an EBIT margin of 10.9%, almost double pcp."*

*"Boral's earnings have historically been weighted towards the first half. While FY23 was a recent exception to this trend, with the introduction of a new operating model and strategy in 1H23, we expect to return to a typical first half weighting in FY24".*

<sup>1</sup> Net revenue, EBITDA, EBIT, Underlying NPAT and Adjusted EPS are continuing operations excluding significant items

<sup>2</sup> ROFE = EBIT (excluding significant items) return on average funds employed. Funds employed is calculated as the average of funds employed at the start and end of the year. Funds employed is (assets less cash less tax assets) – (liabilities less borrowings less tax liabilities)



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Boral's operating cash flow in 1H24 was \$348.6 million, up 197.0% on pcp, and free cash flow was \$259.6 million. *"Our cash flow performance was particularly strong, achieved through price realisation, productivity improvements and a focus on working capital management".*

Boral's balance sheet was in a strong position at 31 December 2023, with net debt of \$84.5 million, down from \$338.2 million at 30 June 2023, and gearing (net debt to equity) of 3.8%, down from 14.3%.

The Board has resolved to not pay a dividend for 1H24, due to Boral's low franking credit balance.

Boral reported a 1H24 Total Recordable Injury Frequency Rate (TRIFR) of 4.10, a 45% improvement on 1H23. *"As an industrial business, Zero Harm remains our highest priority. While the reduction in TRIFR was pleasing, there are significant opportunities to improve this further through the safety initiatives we have underway".*

### Underlying Financial Performance Summary<sup>1</sup>

A\$m	1H24	1H23	Change
Net revenue	1,839.9	1,681.1	+9.4%
EBITDA	313.6	206.5	+51.8%
EBIT	201.0	95.3	+110.9%
EBIT margin (%)	10.9%	5.7%	+520bps
Net profit after tax	138.6	56.8	+143.9%
Earnings per share (cents)	12.6	5.1	+147.1%
Operating Cash Flow (\$m)	348.6	117.4	+197.0%

*"Our goal is to take Boral from being a good company to a great one, and our PEMA framework provides the platform to achieve this."*

*"Through the five pillars of People, Environment, Markets, Assets, and Financials, we are simplifying and standardising our business, shaping our priorities, and driving accountability and results. During 1H24, we continued to make good progress across each PEMA pillar".*

### Environment & Sustainability

Decarbonising Boral's operations while supporting our customers in their individual decarbonisation journeys remains a priority for our business.

We have a detailed decarbonisation pathway to FY25, and we will be releasing the same for FY30 and beyond. We have progressed multiple initiatives and we have been able to reduce our Scope 1 and 2 emissions by 10% in absolute terms from FY19.

Boral continues to advocate for a Carbon Border Adjustment Mechanism (CBAM) to prevent potential carbon leakage. We welcome the Government's review into carbon leakage risks and options such as a CBAM to address the real challenge of carbon leakage.

### Markets & Customers

Boral serves various market segments and is focused on improving the customer experience to offer the best possible service outcomes. To achieve this, Boral has decentralised its customer service and allocations team shifting them closer to the market they serve ensuring easy access and better customer outcomes.

Our focus on sales effectiveness and aligning it with market segmentation is still in early stages and will be an area of focus in the coming 12 months. Improved reporting and other measures are identifying pricing opportunities and reducing potential price leakage. Enhancements in sales effectiveness have also enabled pricing growth.



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## Assets

Boral is committed to maximising the value of its assets by strengthening its extensive integrated network and optimising asset performance. Our goal is to have Safe, Compliant, Reliable and Optimised Assets every day. This is true for both fixed and mobile assets.

Boral remains driven to effectively manage our substantial property portfolio through the asset lifecycle to create long term recurring value.

## FY24 Ongoing Priorities

Our priorities for FY24 are aligned with our Good to Great strategy based on our PEMA pillars:

- Ongoing, relentless focus on safety
- Finalising the embedding of Boral's operating model – standardising systems and processes
- Undertaking actions from employee engagement survey
- Progressing initiatives towards FY25 decarbonisation target while developing pathway to FY30 and beyond
- Increasing circular economy participation through growth of our recycling business
- Focusing on call to cash process to improve customer service
- Improving our go-to-market
- Continuing to build integrated networks and extending life of prized upstream assets
- Deploying auto allocations in Sydney metro area
- Building logistics and mobile assets systems and capability

## Outlook

- **Boral's earnings have historically been weighted towards the first half. FY23 was a recent exception to this trend with the introduction of a new operating model and strategy in 1H23. It is expected Boral's typical seasonality (i.e. 1H weighting) will resume in FY24.**
- **Volume trends are expected to remain unchanged in 2H24. We will maintain a strong discipline on price and cost.**
- **Assuming no significant shift in market demand or price environment, we expect to deliver underlying earnings before interest and tax (EBIT) in the range of \$330-\$350 million in FY24.<sup>3</sup>**

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<sup>3</sup> Upgraded from \$300-\$330 million at 11 November 2023, and from \$270-300 million at 10 August 2023