

INVESTOR SITE TOUR & PRESENTATIONS

Boral North America

*Atlanta, Georgia and
Lake Wales, Florida
18–19 September 2018*



Day 1 and day 2 schedule Tuesday and Wednesday, 18-19 September 2018



Sep 18 – Time	Agenda
8:00 a.m. – 12:10 p.m.	Management Presentations and Q&A
12:10 p.m. – 12:40 p.m.	Lunch
12:40 p.m. – 2:25 p.m.	<i>Drive to Bowen plant</i>
2:25 p.m. – 4:20 p.m.	Safety Briefing, Tour of Bowen facility
4:20 p.m. – 5:35 p.m.	<i>Drive to Four Seasons Hotel</i>
6:45 p.m. – 9:15 p.m.	Cocktails and Dinner
Sep 19 – Time	Agenda
10:30 a.m. – 11:30 a.m.	Lunch buffet at Ritz Carlton Orlando
11:30 a.m. – 1:20 p.m.	<i>Drive to Lake Wales Roofing Plant</i>
1:20 p.m. – 3:25 p.m.	Safety Briefing, Demo, Tour of Lake Wales facility
3:25 p.m. – 5:05 p.m.	<i>Drive to Ritz Carlton</i>

Agenda



Introduction

Mike Kane

Boral North America

David Mariner

Fly Ash

Keith Depew

Block

Bob Whisnant

Building Products Group

Chris Fenwick

Roofing

Darren Schulz

Stone

Victoria Sherwood

Light Building Products

Joel Charlton

Windows

David Decker



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Boral today

Transformation strategy on track with three strong divisions and a robust balance sheet



1 BORAL AUSTRALIA

Delivering further gains and maintaining leading positions

- › Key supplier to strong & resilient infrastructure, non-residential and residential construction markets
- › Valuable quarry positions and downstream networks
- › Strengthening margins and customer experience through excellence programs and innovation
- › ROFE of 17.5%

2 USG BORAL

Positioned to return to earnings growth plus strategic options

- › Organic and innovation-based growth including Sheetrock®, technical board & non-board
- › Responding to cyclical demand changes and competitive pressures
- › In FY19, strategic opportunity to return to 100% ownership or expanded JV
- › ROFE of 9.9%

3 BORAL NORTH AMERICA

Synergy benefits, transformation and growth on track

- › Headwaters acquisition is delivering substantial growth and driving ROFE recovery
- › Further growth through market recovery, innovation and fly ash strategy
- › Short-term operational issues largely addressed
- › Four year synergy target increased 15% to US\$115m
- › ROFE of 4.4%

4 BORAL GROUP

Solid balance sheet and growing shareholder returns

- › At 30 June 2018, gearing (net D / net D + E) of 30%
- › Boral's principle debt gearing covenant well within threshold
- › Denver divestment proceeds will reduce net debt from \$2,453m to \$2,281m
- › 28% growth in EPSA¹

1. FY18 on prior corresponding period, earnings per share before amortization

4



Headwaters acquisition delivers on our objectives

Highly complementary businesses, generating substantial synergies



STRENGTHENING The Portfolio

- Establishes Boral North America (BNA) as a leader in our product areas
- Grows scale of Fly Ash, Stone, Roofing and Light Building Products (LBP)
- Improves capabilities, offering and earnings

TRANSFORMING Our Business Position

- Balances end-market exposures, reducing dependence on new residential building
- Diversifies channel, geography and customer base
- Creates a more variable based, low fixed cost asset platform

SCALING Light Building Products

- Establishes a significant LBP platform
- Focuses on large repair and remodel segment
- Complements Innovation Factory

DELIVERS

- ✓ Strong businesses
- ✓ Platform for innovation and growth
- ✓ Significant value and synergies
- ✓ Improved quality of earnings
- ✓ Better positioned to exceed cost of capital through cycle

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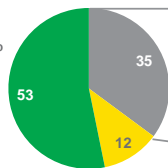
Boral North America

Recap of FY18 results – contributing 35% share of underlying revenue



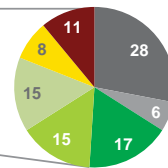
Boral's FY18 revenue by division¹, %

- Boral Australia
- USG Boral
- Boral North America



Boral North America's FY18 revenue by business¹, %

- Fly Ash
- Block
- Roofing
- Stone
- Light Building Products
- Windows
- Meridian Brick



US\$m	FY18	FY17	FY17 proforma
Revenue	1,656	726	1,666
EBITDA ²	284	84	260
EBITDA ROS ² , %	17.2	11.6	15.6
EBITA ²	208	55	188
EBITA ROS ² , %	12.5	7.6	11.3
EBIT ²	161	45	158
ROFE ³ , %	4.4	4.3	

FY18 US\$m	External revenue ⁴	EBITDA ⁴
Fly Ash	523 ▲ 7%	▲
Block	117 ▼ 4%	▼
Stone	268 ▼ 2%	▲
Roofing	320 ▲ 8%	▲
LBP	276 ▲ 6%	▲
Windows	150 ▲ 32%	▲

Construction Materials
EBITDA ROS 22.2%

Building Products
EBITDA ROS 15.6%

1. Includes Boral's 50% share of underlying revenue from USG Boral and Meridian Brick joint ventures, which are not included in Group reported revenue
 2. Excluding significant items
 3. ROFE calculated on funds employed as at 30 June 2018 and average monthly funds employed as at 30 June 2017
 4. Change from FY18 relative to FY17 PF

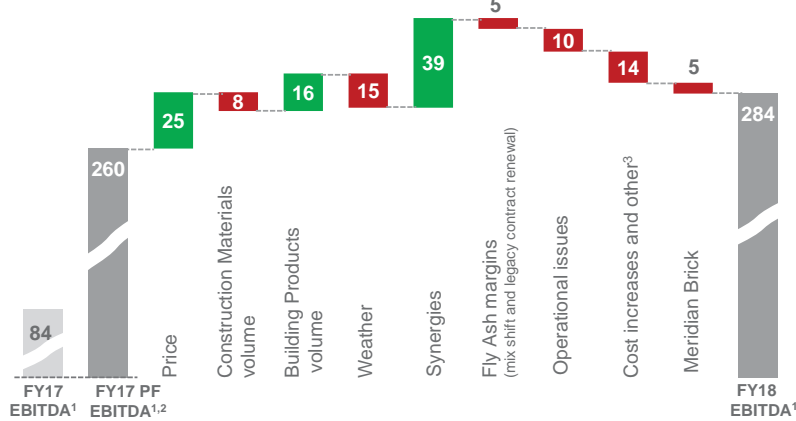
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Boral North America

Recap of FY18 EBITDA impact and FY19 outlook (as disclosed 29 August 2018)



EBITDA¹ variance, US\$m



1. Excluding significant items
2. Proforma results for 12 months to June 2017 for continuing operations
3. Includes higher operational costs in BCI, raw material and inflationary cost increases
4. Based on external market forecasts

FY19 OUTLOOK

- EBITDA growth of around 20% or more in FY19 (for continuing operations)
- Further synergies of ~US\$25m and operational improvements
- Underlying market growth expected⁴: ~5% in housing starts to ~1.31m, ~3% in repair & remodel, ~2% in non-residential and ~6% in infrastructure
- Fly ash volumes should increase at least in line with cement demand, reflecting efforts to increase available supply
- Price growth for most products with margins improving or at least holding across all businesses
- Meridian Brick JV delivering positive and improved earnings
- Assumes a return to normal weather patterns, with the spring recovery expected from March 2019

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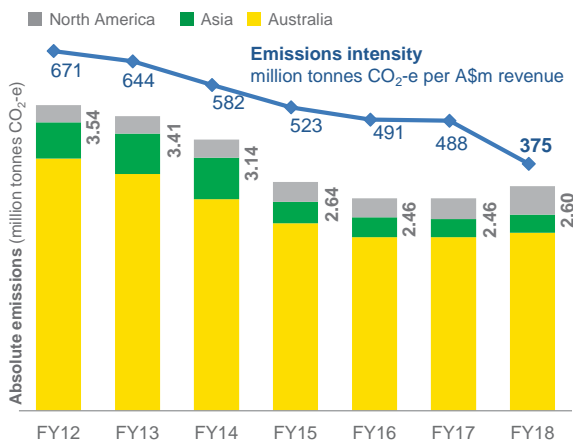
Boral's CO₂-e emissions totalled 2.60m tonnes in FY18

Our strategy to reduce exposure to energy- and emissions-intensive, high fixed cost operations and grow lighter weight products is delivering better financial and environmental outcomes



2018 Annual Review & Sustainability Report now published on www.boral.com

Boral's GHG emissions from operations¹



In FY18:

- Absolute GHG emissions: 2.6m tonnes CO₂-e p.a. (Scope 1 & 2)
 - ▲ 5% in FY18 (largely due to Headwaters)
 - ▼ 27% since FY12
- GHG emissions intensity: 375 tonnes CO₂-e per A\$m revenue
 - ▼ 23% in FY18 (due to Headwaters)
 - ▼ 44% since FY12
- Boral's Scope 3 (supply chain) cementitious emissions
 - For clinker imported by Boral Cement and cement used in North America Building Products: ~1.2m tonnes CO₂-e pa
 - Boral's fly ash in supply chain avoids ~5.2m tonnes CO₂-e pa
 - Target to reduce supply chain emissions by a further 1.1-1.5m tonnes CO₂-e p.a. through increased fly ash supply²

1. For 100% owned operations and Boral's share of 50%-owned joint ventures. Excludes some JVs which in aggregate are not deemed to have material emissions
2. Based on target to increase net supply of fly ash by 1.5-2.0m tons p.a. over three years

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Agenda



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Light Building Products	<i>Joel Charlton</i>
Windows	<i>David Decker</i>



Agenda – Boral North America



- **Business Overview**
- Year in Review
- Strategic Priorities

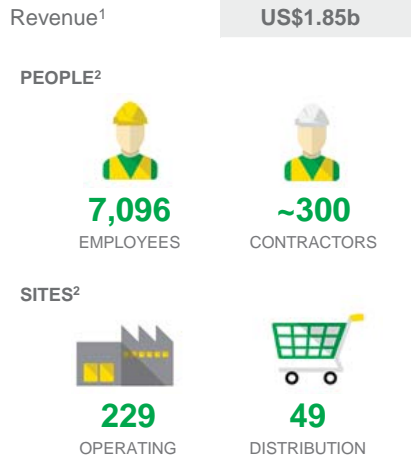


Boral North America (“BNA”) overview

A leader in fly ash and building products industries



Overview



Well positioned to deliver synergies and growth

- 1 Industry leading player with national footprint
- 2 Significant synergies in Fly Ash, Stone, Roofing, Light Building Products and Corporate
- 3 Fundamentals signal healthy market growth over next 5+ years
- 4 Growth, requiring limited capital, by capitalising on network scale and investing in innovation and early stage products
- 5 Strong management team with extensive industry experience and track record of integrating operations and realizing synergies

1. For continuing operations based on 12 months ended 30 June 2018, and includes Boral's 50% share of revenue from the Meridian Brick JV for 12 months ended 30 June 2018
 2. As of 30 June 2018, people on a full time equivalent basis, includes Headwaters and Meridian Brick employees and sites

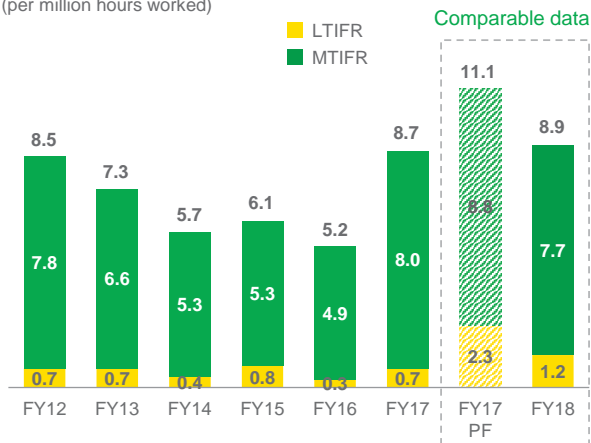
Safety: a key focus within integration

Significant improvements in safety culture and performance



Boral North America employee and contractor RIFR¹

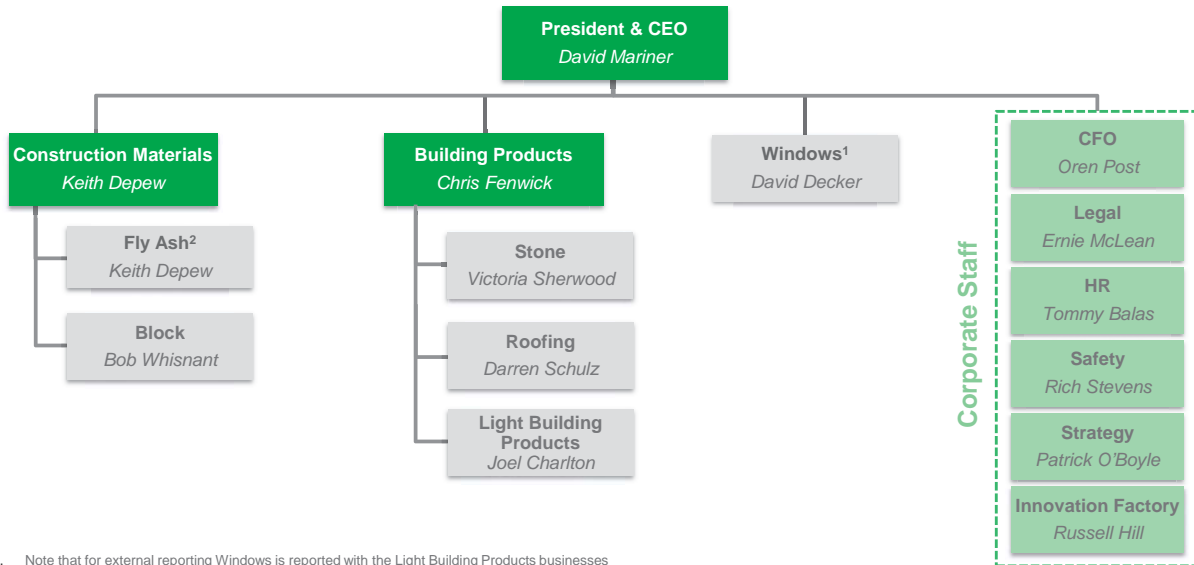
(per million hours worked)



- On a **comparable basis** (*proforma FY17*) RIFR of 8.9 down from 11.1 and LTIFR of 1.2 versus 2.3 last year
- RIFR for **Headwaters** businesses **improved 27%** year on year to 10.7
- RIFR of 8.9**, up from reported 8.7 in FY17 and 5.2 in FY16, reflecting ~4,000 FTEs from Headwaters from May 2017 and ~1,200 FTEs from Meridian Brick from Nov 2016
- Implementing Zero Harm Today culture across all sites, emphasizing hazard and risk awareness
- Implemented safety absolutes and proper incident reporting

1. Recordable incident frequency rate (RIFR) per million hours worked is made up of lost time incident frequency rate (LTIFR) and medical treatment incident rate (MTIFR). Includes employees and contractors. FY18 and FY17PF include 100%-owned businesses including Headwaters and all joint ventures regardless of equity interest. Prior years include 100%-owned businesses and 50%-owned joint venture operations only. FY17 includes 2 months of Headwaters and 8 months of Meridian Brick joint venture operations. FY17PF includes a full 12 months of Headwaters and Meridian Brick safety data for comparable purposes.

BNA leadership



1. Note that for external reporting Windows is reported with the Light Building Products businesses
2. Former President of the Fly Ash business, Bill Gehrman, has transitioned to support management through a multi-year consulting agreement

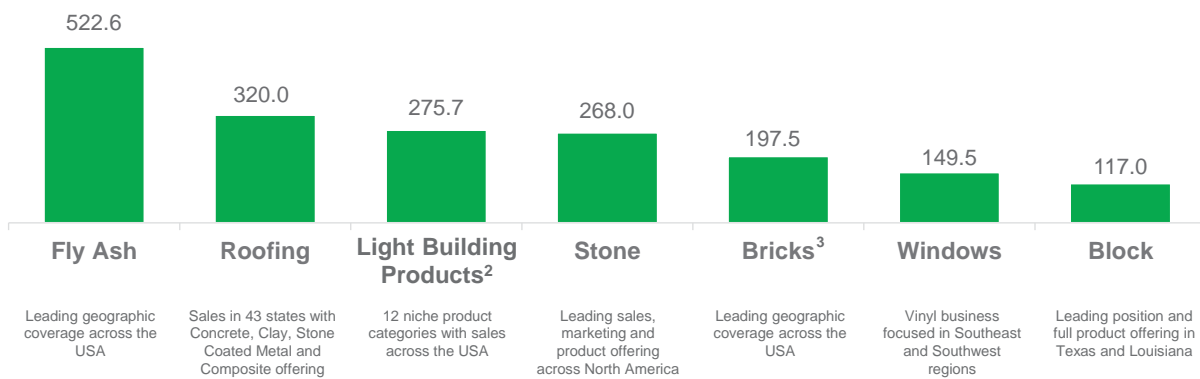
Industry leader in product areas

Strengthening our strategic core



Complementary businesses with strong capabilities in key segments and national scale

FY18 external revenue (US\$m)¹



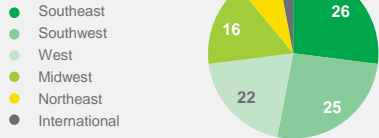
1. Excludes Denver Construction Materials business divested in July 2018
2. Light Building Products includes siding, trim, panelized stone, shutters, vents, blocks and tools
3. Represents Boral's 50% share of revenue from the Meridian Brick JV for 12 months ended 30 June 2018

Extensive national footprint

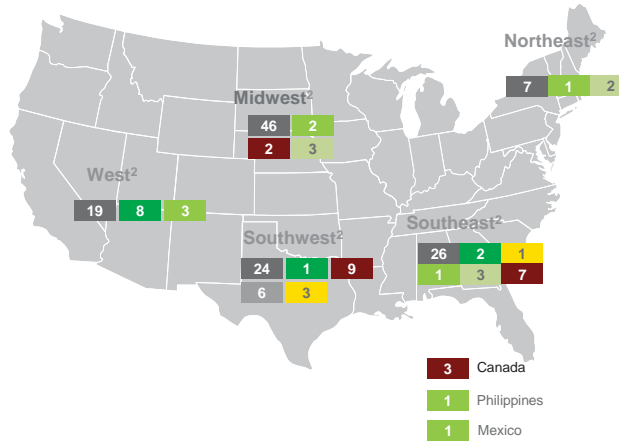
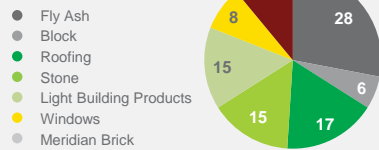
Strong national networks in building products and fly ash



Revenue¹ by geography², %



Revenue¹ by business, %



229 operating sites³

Fly ash ⁴	122
Block	6
Roofing	11
Stone	9
Light Building Products	8
Windows	4
Meridian Brick	21

1. Based on FY18 external revenue, including Boral's 50% share of Meridian Brick JV revenue, which is not included in reported revenue
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.
3. As at June 2018. Includes 44 clay mines and four R&D sites. Excludes mothballed plants
4. Operating site definition for Fly Ash amended in FY18; site totals are therefore not directly comparable with prior period data

Agenda – Boral North America



- Business Overview
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- Strategic Priorities



BNA strategic objectives

FY18 progress



Strategic objectives

- ✓ Zero Harm Today
- ✓ **Integrate** business and deliver on **synergies**
- ✓ **Grow** our top line into new segments, channels and geographies
- ✓ **Manage** our cost base to offset cyclical challenges

FY18 progress

1. Safety incident rates down 27%¹
2. **Stone**: completed plant resets and made progress towards network optimization initiatives
3. **Roofing**: significant progress towards integration of Florida tile business and metal turnaround plan
4. **Windows**: improved Magnolia operation and grew multi-family sales by 5x
5. **Light Building Products**: invested in capacity expansion for siding & trim business, expanded retail presence in shutters & accessories business
6. **Block**: gained share in North Texas and increased geographic coverage in Louisiana and Mississippi with 39 new locations
7. **Fly Ash**: invested in storage capacity and laid foundation to grow ash supply
8. **Meridian**: completed integration of IT systems and eliminated associated redundant headcount; implemented price increases across all regions
9. Delivered US\$39m in synergies

1. Reflects total recordable incidents, which includes lost time incidents and medical time incidents

Our safety journey

Working to achieve zero harm today



FY18 Safety Highlights

- Implemented safety absolutes and trained staff on hazard and risk recognition
- Deployed consistent incident reporting, providing insight into problem areas
- Developed traffic management programs to minimize pedestrian and mobile equipment interactions
- Spent US\$15m¹ to bring legacy Headwaters facilities up to Boral standards
- Will focus on behavioral safety programs in FY19



Water safety sign
Roofing – Rialto, CA



Chop saw guarding
Windows – Krestmark, TX



Roof access gate
Building Products – Salisbury, NC



Pedestrian signs
Block – Alleyton, TX



Stop saw
Stone – Everett, WA



Hand rails
Fly Ash – SynMat, GA

1. Safety spend includes \$6.7m in capital and \$8.8m in expenses

Strengthening our culture

Finding ways to foster collaboration among our employees and businesses



People

- Presenting employee awards and highlighting achievements
- Awarding tuition scholarships to our teams' children
- Investing in programs to develop talent
- Highlighting employee profiles and success stories



Communications

- Strengthening social media presence
- Delivering newsletters to keep employees informed on latest news
- Highlighting and sharing successes and best practices
- New divisional communications function to drive BNA culture



Collaboration

- Consolidated International Builders Show (IBS) presence
- Pooled cross functional and cross business teams to design margin enhancement projects
- Created cross functional team to identify and execute on procurement opportunities



Portfolio management

Strengthening capabilities and exiting non-core businesses and product lines



1. Entegra Roofing	Consolidated		Consolidated concrete tile capabilities in Florida into Boral Roofing
2. Denver Construction Materials	Divested		Boral's last ready mix concrete and quarry operations in the US, identified as non-core
3. Clubhouse Decking	Divested		Small decking operation within Tapco at the time of Headwaters purchase
4. Enviroshake Roofing	Divested		Small composite roofing operation at time of Headwaters purchase
5. Energy Business	Divested		Small clean energy operation at the time of Headwaters purchase; identified as non-core

Major wins and new challenges post acquisition

Integration & synergies progressing well, operational issues largely addressed



Challenge / Opportunity

- **Synergy opportunities** – initial Year 1 targets of US\$30-35m (and run rate of US\$50-55m); US\$100m year 4 target
- **Safety performance** of Headwaters
- **Operational issues** – plant integration (Oceanside, Entegra, Magnolia), commissioning capacity (Lake Wales, Greencastle), safety interventions (StoneCraft)
- **Stone** – result in part reflects share loss and included as a dis-synergy in year 1
- **Challenges in Meridian Brick** – impacted by decline in brick intensity and smaller network post restructuring
- **LBP** – higher production costs in TruExterior® siding & trim associated with a newer siding product line and raw materials
- **Fly Ash** – attractive medium- and longer-term opportunities. Short term supply disruptions
- **Right people** – great depth of talent from Boral and Headwaters businesses

Response / Status

- ✓ **Outperforming** – US\$39m net synergies delivered, exceeding year 1 target (US\$51m run rate); year 4 target now US\$115m
- ✓ **27% improvement** in Headwaters RIFR to 10.7 in FY18
- ✓ **Operational issues largely resolved** – Oceanside metal roofing (California) will continue to improve in FY19. Capacity upgrades will ramp up in FY19
- ✓ **Stone** – share stabilized, working to recover volumes. Manufacturing consolidation underway
- ✓ **Meridian Brick** – ongoing focus to deliver synergies of US\$25m in FY21. Expect to be profitable in FY19
- ✓ **LBP** – BCI TruExterior® issues being addressed – expect improvements from FY19
- ✓ **Fly Ash** – aiming to increase our annual supply of available fly ash to the market by 1.5 – 2.0 million tons¹ in 3 years
- ✓ **Leadership team strengthened** – management support expanded plus fly ash support through consulting arrangement

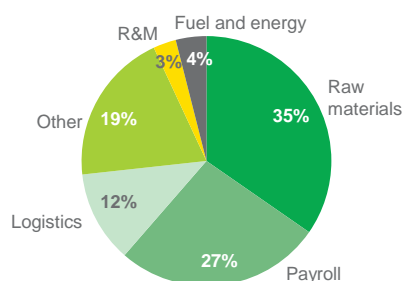
1. Based on currently known utility retirements as disclosed by the U.S. Energy Information Administration (EIA) www.eia.gov

BNA cost base

Recovering cost increases through price



~US\$1.4b cost base¹



Higher fixed, lower variable cost businesses Concrete & clay tiles, Block

Lower fixed, higher variable cost businesses Metal & composite roofing, manufactured stone, Fly Ash, Windows, LBP

FY18 update

- **Raw materials costs:** increased ~3-5% depending on region and material. Cement, vinyl, glass, PVC experienced increases. Some materials for composite siding increased more significantly
- **Labor:** shortage of qualified workers is evident in some regions. Overall, wage rate growth ~3%
- **Logistics:** availability of carriers and equipment, along with increased fuel prices has been challenging but manageable. ~35% of transport costs billed directly to customers (Fly Ash and parts of Roofing, LBP and Block); remaining cost increases recovered through price
- **Energy and fuel:** electricity, gas & fuel total cost of ~US\$49m in FY18 (versus US\$28m in FY17 reflecting Headwaters acquisition)

In FY19, targeting to recover cost increases through price

1. Excluding Meridian Brick JV

Agenda – Boral North America



- Business Overview
- Year in Review
- **Strategic Priorities**



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BNA strategic objectives FY19 progress focus areas



Strategic objectives

- ✓ Zero Harm Today
- ✓ **Deliver** on FY19 synergies
- ✓ **Grow** our top line into new segments, channels and geographies
- ✓ **Manage** our cost base to offset cyclical challenges

FY19 focus areas

1. Continue Zero Harm Today journey
2. **Stone**: grow share, continue manufacturing optimization
3. **Roofing**: complete Florida tile integration and metal turnaround
4. **Windows**: further lean implementation and operational improvements to create additional capacity
5. **Light Building Products**: continue margin enhancement programs across portfolio and grow siding & trim channel
6. **Block**: expand sales in high-margin products and explore opportunities to increase geographic footprint
7. **Fly Ash**: expand supply
8. **Meridian Brick**: achieve profitability in FY19, execute on US\$25m in synergies by FY21 and implement continuous improvement across network
9. Continue to identify and execute on synergy opportunities (targeting ~US\$115m in year 4)

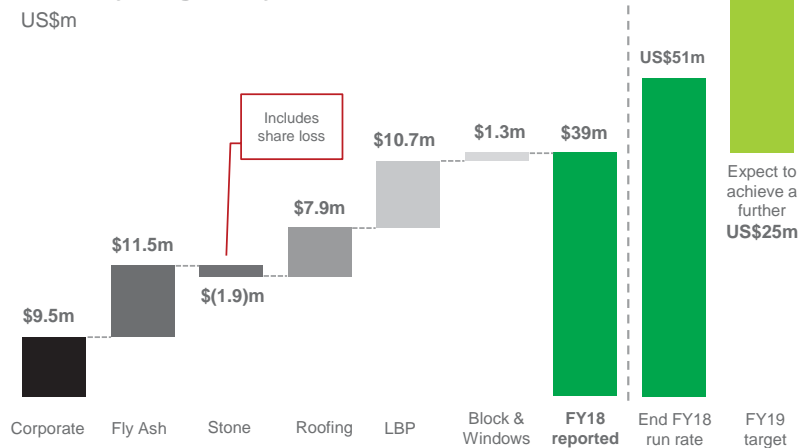
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On track to deliver US\$25m FY19 synergy target

Four-year synergy target increased to US\$115m

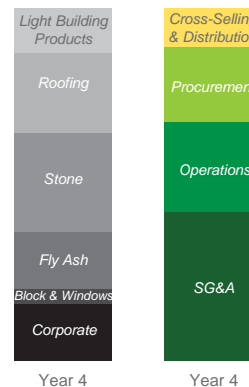


FY18 synergies by business¹



Four-year synergy target increased to US\$115m

Underpinned by increases in Roofing, Light Building Products and some synergies in Windows & Block



1. Synergies include cost synergies and estimated cross-selling and distribution revenue synergies, and exclude one-off integration costs estimated at US\$90-\$100m over FY18 and FY19

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Agenda – Fly ash



- Business Overview
- Year in Review
- Strategic Priorities



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Business overview

Boral is the only national fly ash marketer with a full service platform

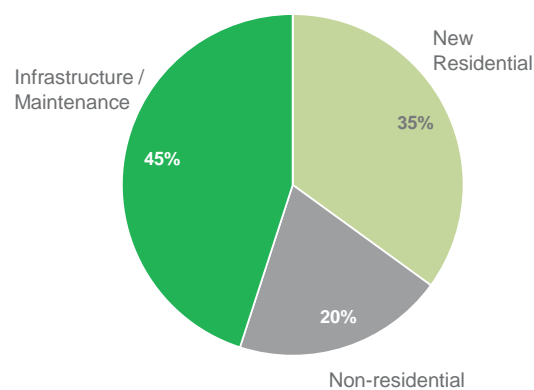


Snapshot of Boral's position

- FY18 revenue of ~US\$523m
- FY18 supply of >7.1m short tons¹ of fly ash to US construction industry – predominantly ready mix concrete industry
- National supply / distribution footprint with ~122 operational sites providing full service portfolio to utilities and customers
 - 63 fly ash supply, 6 gypsum supply, 7 LA ash sites, 19 service only sites, and 27 distribution terminals
- Leading fly ash **beneficiation technologies**
- **Strong reputation** with utilities & fly ash customers, with excellent quality, safety, environmental track record
- National coverage, ash sales in 46 states

1. Short tons equals 2,000 pounds; supply reflects FY18 results
2. Source: Management estimates on FY18 results

Fly ash sales by segment²



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Business overview (cont.)

Boral is the link between the utilities and the ready mix concrete industry



1

Utility

- Utilities motivated by production costs & demand

2

Marketer

- Marketers need:
 - Manageable royalties and minimum volumes
 - Supply availability (seasonality)
 - Consistent quality

3

End User

- End users seek:
 - Low landed cost, consistent supply and quality

Connect the utility to end user

Boral's Fly Ash business model

- Boral has relationships with utilities and end users as we connect fly ash resources to markets
- Low capital intensive operations
- Low ongoing operating costs, as proportion of revenue, with minimal plant and equipment required
- Percentage of revenue / royalty share with utilities
- Boral provides site services across 19 sites¹
- Boral creates value through technical know how (fly ash beneficiation), benefits of a national network and other capabilities (e.g. storage)
- Defined strategy to increase future volumes

1. Sites with only site service operations, Boral provides services at many marketing sites.

Fly ash is a growth business for Boral

Boral is well-positioned to continue growing the business



We are targeting to meet and exceed the rate of ready mix demand growth and to increase fly ash substitution over time, while continuing to deliver price gains and synergies

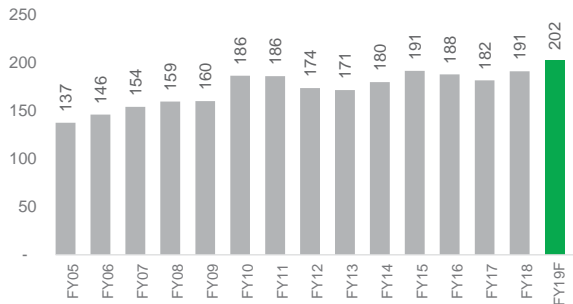
- ✓ Demand is growing
- ✓ Price is growing in a competitive environment, 8-10% p.a. since FY17
- ✓ Growing fly ash supply through several strategic opportunities
- ✓ Margins are strong, albeit FY18 impacted by extreme weather and realignment of Texas network
- ✓ Delivered US\$11.5m of synergies in FY18 and confident of achieving US\$20m of synergies in year 4

Construction driving fly ash volume

Ready mix demand expected to grow ~6% during FY19



Ready Mix: Infrastructure (millions of cubic yards)¹



- Forecast growth of ~6% in FY19 driven by continued investment into US Infrastructure

- Fly ash growth could exceed ready mix growth as replacement rates increase from 16% currently
- Fly ash demand underpinned by ready mix demand, substitution rates and growth in non-traditional products
- Strong ready mix growth expectations driven by continued investment in national infrastructure
- Cement sales forecast of 96.8m tons² in CY18, approaching domestic capacity of 104m tons³
- Non-traditional products sales continue to improve in high strength concrete, filler applications, and engineered products

1. Source: Dodge Data & Analytics, Infrastructure Ready Mix Demand.
 2. Portland Cement Association: Spring 2018 Forecast
 3. USGS Annual Yearbook: July 10, 2018

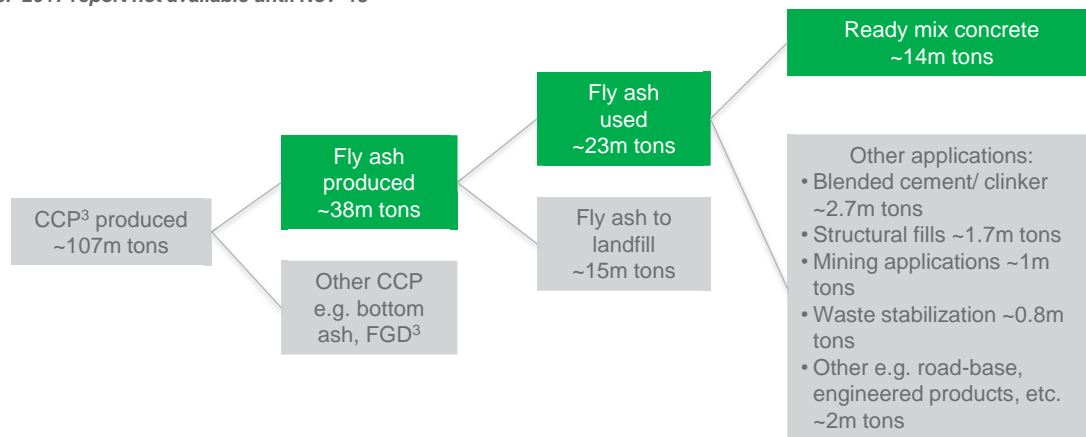
Ample saleable ash despite closures

Additional 1 billion tons¹ of fly ash currently in landfills and growing



2016 American Coal Ash Association Volumes²

Note: 2017 report not available until Nov '18



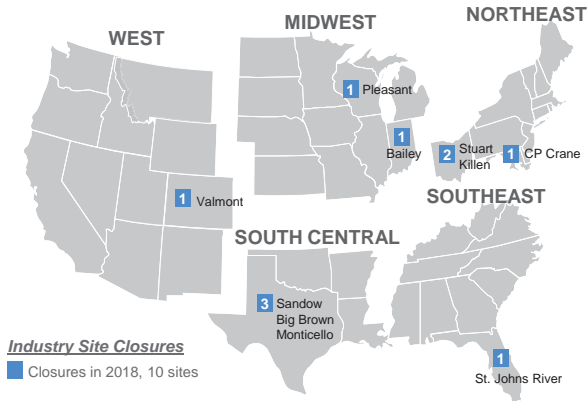
1. ~1 billion tons of fly ash currently landfilled (source: American Coal Ash Association) | ~1.5 billion tons of CCPs landfilled (source: US EPA)
 2. ACAA 2016 Coal Combustion Product (CCP) Production & Use Survey report
 3. CCP is Coal Combustion Products; FGD is flue gas desulfurization which includes gypsum and sludge

Industry supply impacted by closures

Closures in FY18 impacted industry sales by ~1m tons



Industry supply: site closures¹



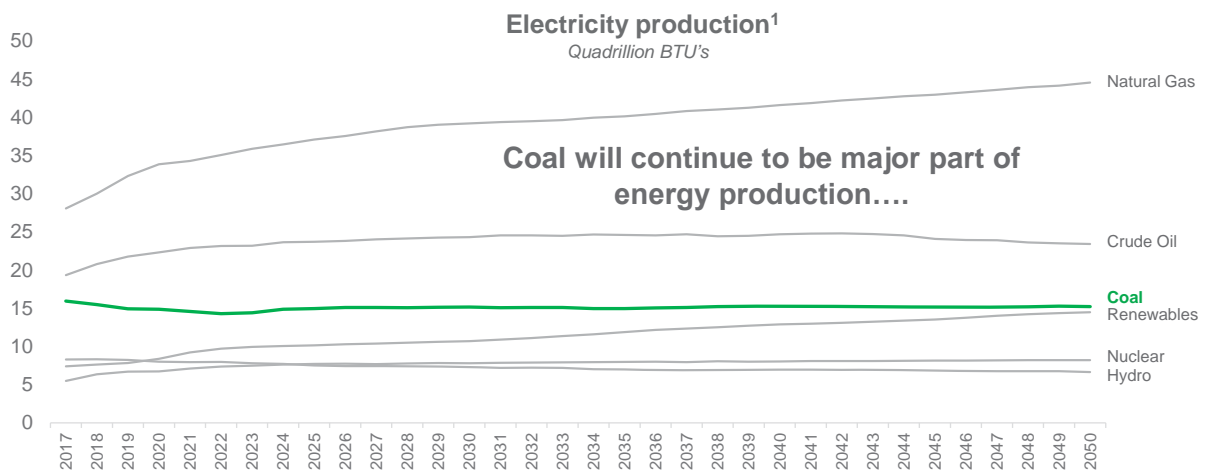
Closure impacts¹

- 10 plants closed in FY18
- 2.5m tons of annual production taken offline
- Impacted annual industry sales by ~1.0m tons of annual sales

1. Source: EIA, publicly available announcements

Coal remains a significant, long term power source

30+ year CAGR for coal to remain steady



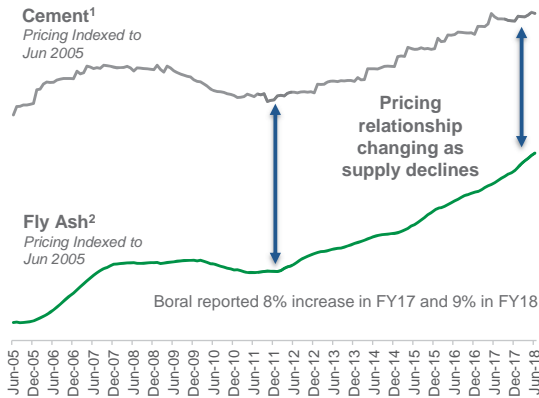
1. EIA: 2018 Energy Outlook: Total Energy Supply, Deposition, and Pricing, Energy Production

Industry pricing dynamics strong

Boral pricing up ~9% in FY18, driven by high demand and tightening supply

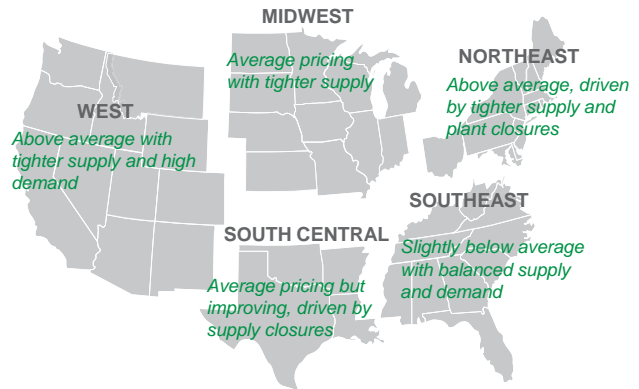


Pricing relationship



1. Cement average selling price (ASP); source: Bureau of Labor Statistics. (Producer price indexed to June 2005)
2. Management estimate of industry fly ash average selling price (ASP), indexed to June 2005

Regional overview



Price is ranging from \$35 to \$90 per ton

Our footprint

National footprint with strong infrastructure and full service offering



Contracts and services¹

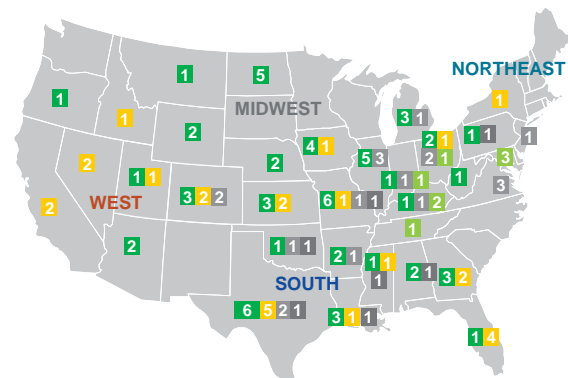
- Products make up 70-80% of revenue
- Site services make up 20-30% of revenue
- Fly Ash supply and site service contracts with utilities, terms range from 1 year to life of plant
- Industry practice is to pay utilities royalty based on revenues

Examples of Competitors



1. Management estimates as at 30 June 2018

Boral's presence across the US



- 63 Fly ash source¹
- 19 Services only
- 6 Synthetic gypsum sources
- 27 Terminal
- 7 LA ash

Our value proposition

One stop shop, solutions provider for utilities and our end users



Value to utilities

- Historically, material was a waste stream and cost burden
- Marketers transformed the annual waste cost into a revenue stream through beneficiation and royalty payments
- A 'full service' solution offering for environmental / CCR¹ reclamation

Products



Concrete Fly Ash



Micron3

Services



Disposal



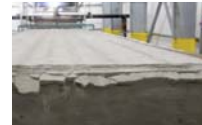
Wet to Dry Conversion

Value to end users

- 20 years ago: Optional material, cost savings versus cement
- 10 years ago: Cost savings material with marketable quality advantages versus cement
- Today: Widely required in many state DOT / federal project works to improve durability
- Increasing use in concrete to increase strength and improve properties in building construction



Celceram



Gypsum



Harvesting



Fluidized Bed

1. Coal combustion residuals

Agenda – Fly ash



- Business Overview
- Year in Review
- Strategic Priorities



Fly ash strategic priorities

Integrating the businesses while managing our supply



Strategic objectives

- ✓ Zero Harm Today
- ✓ **Expand** marketable supply through storage, ash harvesting, wet to dry conversion, and technology
- ✓ Deliver **synergy** value through integration, including best practices and technology
- ✓ Leverage full **service offering** to market
- ✓ Manage **supply** base

FY18 progress

1. Safety incidents down ~8%¹
2. Achieved price increases of ~9%
3. Expanded supply through wet to dry conversions and increased storage to capture seasonal supply in 3 areas
4. First US dry harvesting operation nearing implementation in Pennsylvania
5. Bundled service platform to include plant services, gypsum, and circulated fluidized bed (CFB)
6. Managing through dynamics of utility closures
7. Delivered ~US\$11.5m in synergies

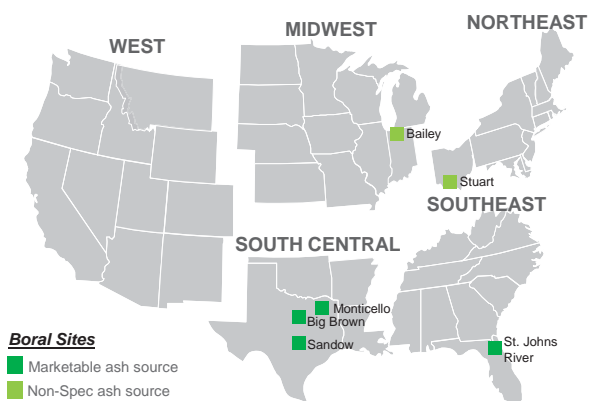
1. Reflects total recordable incidents, which includes lost time incidents and medical treatment incidents

Challenging year due to supply correction

6 site closures in 2018, four sites selling marketable material



Boral supply: 2018 site closures



Challenges

- FY18 sales decreased 0.4m tons
 - 0.2m net tons from Texas closures
 - 0.2m net tons from weather, intermittent closures and St. Johns closure

Actions taken in FY18

- Repositioned supply in Texas through optimization
- Commenced Dallas distribution terminal
- Finished Houston distribution terminal
- Gained new Florida contract

We expanded storage to manage our supply

Expanded fixed storage by ~65k tons



Fixed storage

- In FY18, expanded fixed storage
 - 20k tons in Houston
 - 35k ton dome in Georgia
 - 10k ton silo in Boston
 - Capex of US\$12m¹ for 65k tons of new storage
- New storage will support capture of incremental tons in key areas



Houston terminal



Bowen, GA Dome

- Approved and spent in FY18
- Approved and committed in FY18, to be spent in 1HFY19

Floating storage

- FY18 approval to expand rail car fleet by 170 cars that leverages ~20k tons of floating storage
 - 70 cars to support Western US
 - 100 cars to support Texas strategy
 - Capex of ~US\$13m² for additional 20k tons of new storage
- Targeting 8 to 10 turns per year



Bowen loadout



Rail loading system

Began harvesting / wet to dry conversion operations

Incremental supply through non-traditional outlets, targeted at similar margins



Dry harvesting in Pennsylvania

- Partnered with utility for the first harvesting of a closed landfill in the USA
- Removes and beneficiates material that was historically disposed
- Site has ~2m tons of reserves that will support undersupplied Northeastern area
- First shipment from site anticipated to occur in September 2018
- Expect ~40-50k tons p.a. initially, growing to >100k p.a.
- ~US\$6m in capital



Stockpiled Ash



Harvesting Site

Wet to dry conversion in Alabama

- Wet sluicing was normal practice in the industry, ash is not marketed at these facilities
- Regulations eliminating this practice
- Boral converted 2 sites from wet to dry in Alabama and maintained the marketing rights
- New supply coming online in FY19
- Minimal capital



Alabama Project



Alabama Project

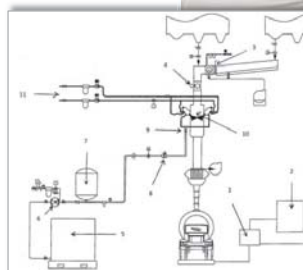
Optimized our beneficiation technology

Leveraging improved beneficiation technology to increase supply



RestoreAir® – Technology to mitigate the impact of carbon in ash for use in concrete

- Integrated the two legacy technologies (PACT® and RestoreAir®) based on best practices
- New reagent formulation (RA4.2) with improved dispersion and better compatibility with concrete admixtures
- RA4.2 was formulated and released within 6 months of transaction
- Large sources were converted within 1 year; whole system converted within 15 months
- Implemented system improvements to optimise reagent dosage and reduce cost
- Deployed a robust QC program to improve product quality
- New formula estimated to support growth at 7 sites



Virtually eliminated customer complaints and down-time

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Strengthened our service offering

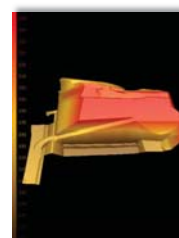
Offered utilities a wide range of civil, design, and engineering services



- As a % of total sales, Boral Plant Services (BPS) contributed:
 - ~22% in FY17
 - ~28% in FY18 – due to two major projects
 - Forecast ~20% in FY19
- Services provided include:
 - Design: Provide design expertise on onsite projects
 - Engineering: Provide engineering support across many applications
 - Project management: Leads in development of major onsite projects including CCR¹ compliance
 - Civil: Day to day operations on disposal operations (i.e. landfilling)
- EBITDA margins strong but less than fly ash margins



Surveying



Design / Engineering



Landfill Oversight



Construction

1. Coal combustion residuals

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Providing other non-traditional services

Offered utilities services beyond traditional collection and marketing



Synthetic materials

- Leaders in synthetic gypsum dewatering equipment design, processing, and sales management
- Offer expertise on dewatering and separation technologies
- Mobile technology is marketable beyond contracted sites
- Margins in line with fly ash sales margins



LA ash

- Collects and markets circulating fluidized bed (CFB) by-products for utilities
- End uses include civil, environmental, oil field for soil stabilization, liquid solidification
- Returns traditional waste products to manufacturing process
- Margins in line with fly ash sales margins



Agenda – Fly ash



- Business Overview
- Year in Review
- Strategic Priorities



FY19: supply, our central focus

Focused pipeline of initiatives to manage and grow our supply



Utilizing contracted tons

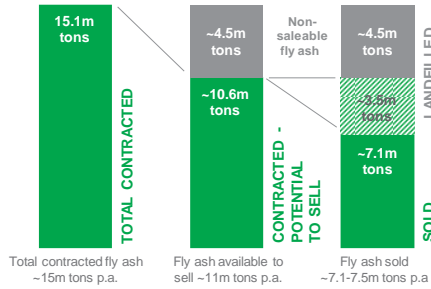
Grow through traditional channels

Grow through non-traditional channels

Capture contracted quality landfilled tons through *storage* and *optimization*

Expand contracted supply through *new domestic contracts* and *harvesting*

Expand supply through *new products, imports, and technology*

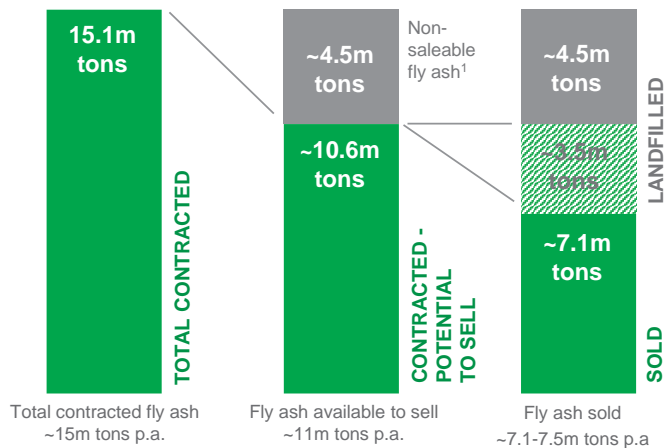


Growing our fly ash volumes

Immediate focus on capturing seasonal contracted tons



Plans to increase supply of Fly Ash by capturing more from current contracted volumes and increasing total contracted volumes



IMMEDIATE OPPORTUNITY:
~3.5m tons of fly ash to landfill for seasonal, quality, network reasons etc:

- A proportion of this presents a valuable, untapped source, depending on location, availability, quality, storage etc
- Reduce good quality ash to landfill through network optimization and storage
- Reduce lower quality ash to landfill through beneficiation and blending

ADDITIONAL OPPORTUNITIES:

- New contracts
- Reclaim
- Other: wet to dry ponding, imports

1. Non-saleable due to a number of reasons including quality issues, uneconomical logistics, no collection systems in place, wet-sludging employed

Boral's fly ash supply opportunities

Plans to increase annual available supply by net 1.5 to 2.0 million tons in 3 years¹



Capturing more from current contracts

Reduce good ash going to landfill

- › Industry: ~39% of fly ash going to landfill
- › Opportunity to capture more saleable product currently going to landfill
- › Network optimization, blending, beneficiation and storage strategies being implemented **4**

Increased storage

- › Fixed and floating storage helps with seasonality and intermittent shuts **1**
- › Added 67,000 tons in FY18
- › Current capacity ~537,000 tons
- › Plans for a further ~70,000 tons of capacity in FY19
- › Storage capacity turns between 1 and 10 times p.a.

Growing total contracted volumes

Secure new contracts & imports

- › New contracts and renewing contracts come available from time to time **2**
- › Targeting best US available contracts
- › FY18 secured new contract - initially 85k tons p.a., increasing to 170k tons p.a.
- › Long-term strategy to import international supply to key markets **5**

Landfill reclaim

- › Reclaim project in Pennsylvania to deliver volumes in 1HFY19 **3**
- › Other potential reclaim sites under investigation
- › Higher costs to be offset by different royalty structure to maintain margins

Other: wet to dry, grinding & blending

- › Opportunity for harvesting ponded ash and beneficiation **3**
- › FY18 conversion of wet to dry processes at two utilities (Alabama) **2**
- › Expand volumes through new beneficiation technologies, grinding & blending, and partnerships **6**
- › Natural pozzolans **4**

Supply opportunity in slides to come

1. Based on currently known utility retirements estimated to impact Boral's network by ~800k tons p.a. (including ~300k ton p.a. from Texas closures in FY2019)

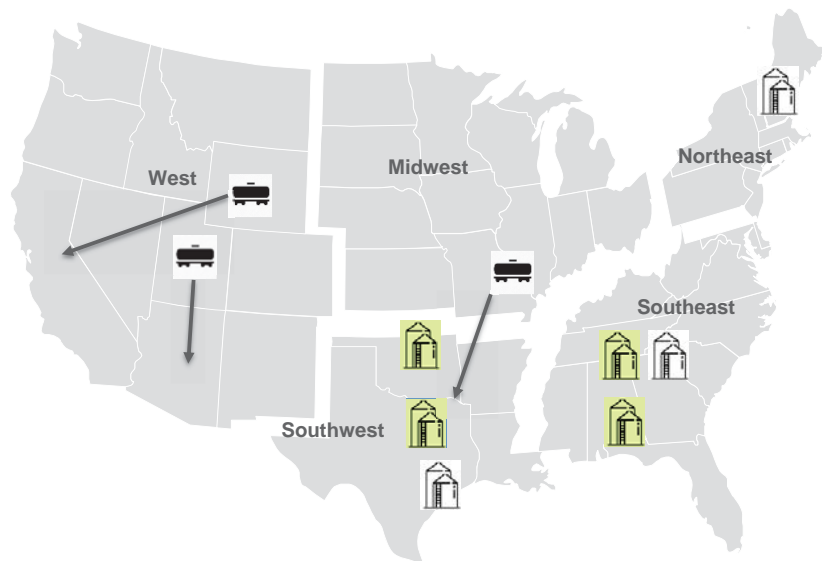
1. Expand storage to capture seasonal ash

Strategic target to expand sales through storage and optimization



Fixed and mobile storage

- In process – ~170 new rail cars in FY18, ~20k tons of floating storage
- FY18 new storage of 65k tons, bringing total storage to ~537k tons
- FY19 storage commitments, targeting storage to increase by ~70k tons, bringing total storage to ~600k tons



2. Pursuit of new domestic contracts

Expanding domestic contracts through full service offering



Expanding marketing presence

- Internal review of competitive landscape completed during FY18
- Identified key domestic contract targets for the short and medium term
- Developing strategy to make strategic bid for all contracts that support growth pipeline
- Leverage beneficiation technologies and full service offering, i.e. wet to dry conversion
- Next phase is to understand where new beneficiation technologies may unlock supply that was historically not saleable
- Three contracts gained in FY18



Plant services...

Technology...



Logistics...

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3. Harvesting ash

Two separate streams, short and medium/long term horizons



Dry impoundment

- Remove landfill materials, beneficiate and market
- Medium to long term opportunity with a large reserve of quality ash in dry landfills
- Boral first to offer beneficiation service in US, opening the first of its kind harvesting operation in a closed landfill in Pennsylvania
- Targeting 5 additional contracts over next 3 years



Dry landfill in Pennsylvania

Ponded material

- Opportunity to harvest and beneficiate ponded material being driven by regulatory changes
- Mainly focused in East Coast
- Boral is leading industry player that provides a full service solution to the utilities, i.e. technology, harvesting, site services
- Boral to participate in multiple upcoming proposals in the next 3 years



Fly ash pond at operational facility

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4. Grinding & blending

Extend supply with non-traditional materials



Natural pozzolan

- Completed purchase of a ~4.5m ton reserve of natural pozzolan in Utah in August 2018
- Reserve was purchased for US\$4.5m + \$1/ton when used
- Natural pozzolan will be processed and blended with fly ash to extend supply
- Targeting incremental ~150k tons post capital investment



Reserve Pile #4: Eureka, UT

Multi source blending

- Blend marginal quality ash with high quality to grow supply
- Blend in regions that are supply constrained
- Still meet ASTM standards
- Enhance performance to grow sales



Bottom ash reserves

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5. Imports

Medium term strategy, targeting first shipments in FY19



Bringing additional supply to constrained regions

Imports background / key metrics

- Targeting US fly ash imports sourced from:
 - Land bound options
 - Ocean bound countries
- Future opportunities will continue to be explored
 - Coal power plants will remain a critical portion of the global energy supply
 - We estimate millions of tons of disposed material to provide opportunities for the medium and long term

Supply chain opportunities

- Demand / supply optimization underway
- Exploring barge opportunities from port to local MSA's¹
- Exploring partnerships to reduce capital needs
- Plan is to continuously optimize network to identify gaps and future opportunities



1. Metropolitan statistical area

54

6. Technology

Acquired beneficiation technology and partnered with aggregate technology



Carbon Burn Out (CBO)

- Completed acquisition of CBO technology from PMI Ash Technologies, LLC. in March 2018
- Technology burns excess carbon in fly ash and lowers LOI, a key ASTM standard
- Currently 4 CBOs with this technology are in the US¹
- Exploring opportunities with multiples utilities

Boral Acquires PMI Ash Beneficiation Technology

The technology combusts residual carbon in fly ash, producing a very consistent, low carbon, high-quality pozzolan.



Boral announces that it acquired the Carbon Burn-Out (CBO) technology developed and deployed by PMI Ash Technologies, LLC. CBO technology is used to improve the quality of fly ash produced at coal & oil-fired electric generating stations, making the ash suitable



LSA agreement

- In June 2018, Boral completed an agreement to maintain exclusive licensing for the LSA aggregate manufacturing process in the US
- The technology provides an outlet for high carbon fly ash that needs to be encapsulated and provides needed aggregate supply to undersupplied US markets
- The technology does not require additional fuel due to combustion of residual coal in the fly ash
- This option enhances Boral's ability to bid on marketing and harvesting opportunities



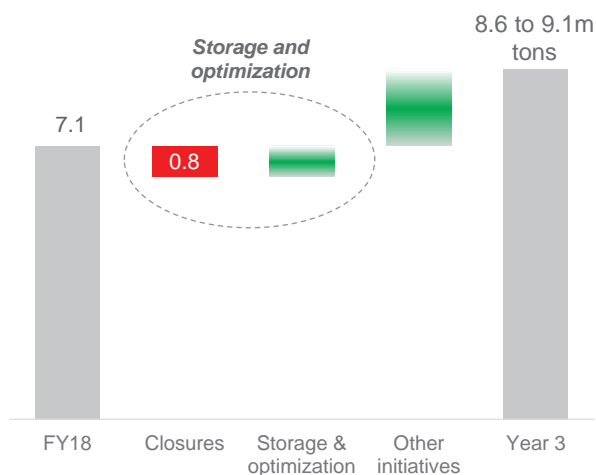
1. CBOs are not owned by Boral

Outlook is strong for Boral

Targeting volume growth of ~1.5 to 2.0m tons in three years



Ash Outlook (millions of tons)



Business outlook

- Price:** Continued opportunity to narrow gap with cement
- Demand:** Underpinned by ready mix concrete and specifications
- Supply:** Growing capabilities with full portfolio offering
- Sales:** Generating incremental sales from key initiatives, underpinned by demand growth
- Margin:** Targeting to maintain or exceed current performance

Agenda



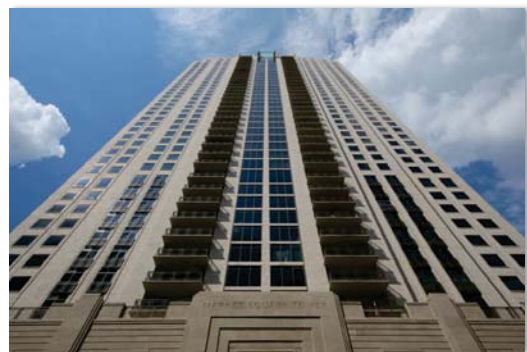
Introduction	<i>Mike Kane</i>
Boral North America	<i>David Mariner</i>
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Roofing	<i>Darren Schulz</i>
Stone	<i>Victoria Sherwood</i>
Light Building Products	<i>Joel Charlton</i>
Windows	<i>David Decker</i>



Agenda – Block



- **Business Overview**
- Year in Review
- Strategic Priorities



Brick, *block* & paver industry: Product categories

Multiple offerings from basic masonry units to high-end non-residential block

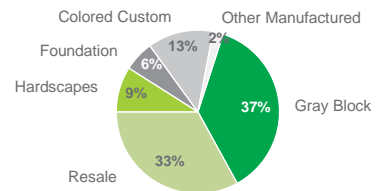


FY18 overview



Product Category		Commentary
Colored Custom		Specialized blocks Unique solutions for customers
Gray Block		Standard gray masonry units High safety standards
Foundation		Shims, cylinders, caps, and other High strength standards
Hardscapes		Pavers, stepping stones, and other Range of styles, sizes, and textures
Other Manufactured		Various products

Revenue breakdown by type



Manufacturing footprint



Agenda – Block



- Business Overview
- **Year in Review**
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FY18 focus areas and priorities



Strategic objectives

- ✓ Zero Harm Today
- ✓ Expand **geographic** coverage
- ✓ Grow in **high margin** products
- ✓ Diversify **end-markets**
- ✓ Manage **capacity** to meet demand

FY18 progress

1. Safety incidents decreased by 36%¹
2. Gained share in North Texas
3. Increased sales of resale products
4. Reduced operational cost in Dallas operation by ~10%
5. Increased geographic coverage in Louisiana and Mississippi with 39 additional big box stores

1. Reflects total recordable incidents, which includes lost time incidents and medical treatment incidents

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Safety journey

Continued focus on safety at all sites



Safety overview

- 4 locations with 365 days incident free
- Embracing new safety changes, with painting, 5S¹ system, and guarding machinery
- Safety steering committees in all locations driving safety culture
- Safety audits performed routinely
- Traffic management plan in place to prevent incidents between mobile equipment and pedestrians



5S Striping



New pedestrian signage



Traffic management map



New handrails for catwalk

1. Process in organizing spaces for work to be performed efficiently, effectively, and safely

Utilizing big board machine to expand production

Delivering efficiencies and creating new opportunities



Big board FY18 update

- Boral's big board machine is the largest in the US
 - Big board makes 18 blocks¹ at a time
 - Traditional Besser makes 4 blocks¹ at a time
- FY18 was the first full year of operation
- Significant efficiencies added capacity allowing the business to expand production in FY18
 - Purchased several new molds to introduce new SKUs into other retail outlets
 - Added hardscape products to provide more offerings for variety of customers
 - Big board production increase from 10 to 15 hours per day



New canyon stone patio

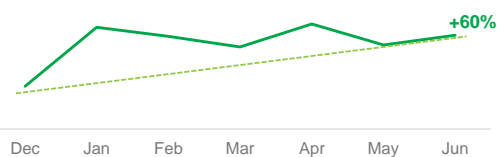


New alameda edger



New wood grain block

Big board production Dec-17 through Jun-18
(^{000s} of block per day)



1. Block unit defined as standard 8 inch block

Education construction is a key driver for growth

Education bonds are a good proxy for two year forward revenue

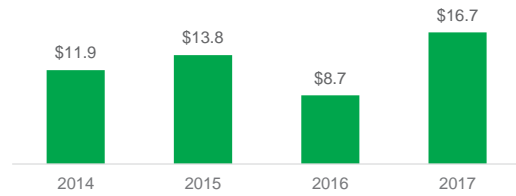


School construction in Texas

- High margin block products are used in school construction due to their product attributes
- Texas' high population growth, well above the national average, is expected to generate construction of 150 new campuses through year 2025¹
- Texas funds local public schools through education bonds issued by municipalities, state and federal funds
- Once approved, a bond provides a pretty accurate two year forward estimate of our bonded, manufactured product revenue
- School construction in Texas drives higher revenues and margins for the business

Approved Texas municipal bond issuance¹

(US\$ in billions)



Texas schools showcasing our products

1. Source: National center for education statistics, school planning and management, and ASCE

Hurricane Harvey's impact and outlook

Hurricanes driving changes in construction industry and opportunities in FY19



The damage of Hurricane Harvey¹

- Second-most costly hurricane in US history, ~US\$125bn
- Third, 500-year flood event in Houston since 2015
- 60+ inches of rain over southeastern Texas
- Delayed construction projects
- Boral network offline for 14 total days²



Outlook and recovery post-Harvey

- Delayed projects from FY18 set to pickup in FY19
- New building codes to result in additional construction spending, specifically for durable masonry products
 - Retaining walls required to better withstand winds and flooding
 - New homes and businesses required to be built 2ft above ground, 8-10ft for coastal areas
 - Incentive to lift existing buildings to maintain value and marketability
- Boral is positioned to capitalize on demand uplift



House lift with foundation products



Coast house lift with foundation products

1. Statistics from National Oceanic and Atmospheric Administration Report (May 9, 2018)
 2. Reflected combined total for all impacted plants

Growing presence in retail channel

Leveraging Boral's reputation in the region to win new business



Growth in retail

- Big Box and Other Retail account for 30% of total Block revenue
- Channel focused on reliable, on-time delivery, quality, and affordable product
- Currently offering products in 95% of stores in coverage area
- Added 39 new Big Box locations in Louisiana and Mississippi in FY18
- Additional SKUs introduced in other retail outlets

1

Big Box



Product displayed in lawn and garden section

2

Other Retail

Smaller regional retailers



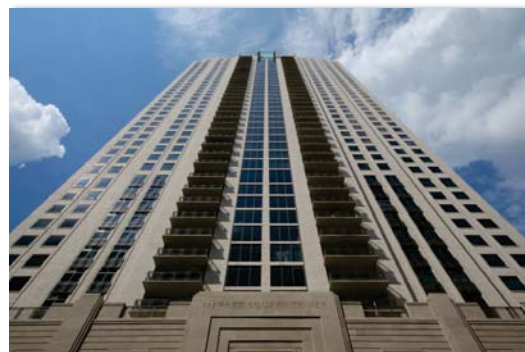
Inventory at McCoy's store

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Agenda – Block



- Business Overview
- Year in Review
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FY19 focus areas and priorities



Strategic objectives

- ✓ Zero Harm Today
- ✓ Expand **geographic** coverage
- ✓ Grow in **high margin** products
- ✓ Diversify **end-markets**
- ✓ Manage **capacity** to meet demand

FY19 focus areas

1. Implement Zero Harm Today
2. Expansion of hardscape opportunities
3. Explore opportunities to increase geographic footprint
4. Expand sales in custom, architectural specification products
5. Continue to drive resale product lines
6. Deliver synergies (Block and Windows combined targeting ~US\$5m in year 4)

Agenda











Introduction	<i>Mike Kane</i>
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Windows	<i>David Decker</i>



Building Products

Portfolio of industry leading businesses with significant synergies



Stone 	Roofing 	Light Building Products 	Windows 
<p>Leading provider of stone veneer</p> <ul style="list-style-type: none"> 8 manufacturing plants¹ 1 mold plant Brands: Eldorado Stone®, Cultured Stone®, Dutch Quality Stone®, StoneCraft™, ProStone® 	<p>Leading provider of high-end roofing products across NA</p> <ul style="list-style-type: none"> 13 manufacturing plants¹ 9 distribution sites Brands: Boral®, US Tile®, BoralSTEEL™, Inspire® 	<p>Siding & trim, shutters & accessories, tools</p> <ul style="list-style-type: none"> 10 manufacturing plants¹ Brands: Mid-America®, TruExterior®, Kleer®, Versetta®, Grayne®, Atlantic® 	<p>Regional vinyl and aluminium window manufacturer</p> <ul style="list-style-type: none"> 4 manufacturing plants¹ Brands: Krestmark®, Legacy™, Magnolia™
 <p>Eldorado®, Stone</p>	 <p>Inspire®, Roofing</p>	 <p>Mid-America®, LBP</p>	 <p>Krestmark®, Windows</p>

1. Number of plants may not coincide with slide 16 due to some plants servicing more than one business

Building products

Portfolio of products targeting the building envelope



Building product envelope

- Shutters
- Windows
- Outdoor Living
- Speciality Siding
- Architectural Stone
- Gable Vents
- Trim
- Siding Accessories
- Clay Roof Tile
- Concrete Roof Tile
- Composite Roofing
- Metal Roofing
- Bead Board
- Moulding
- Roof Components
- Stone Accessories

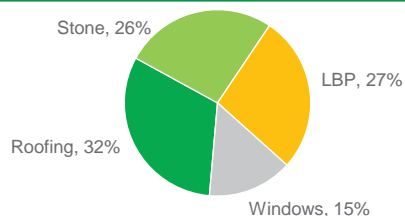


Building products revenue

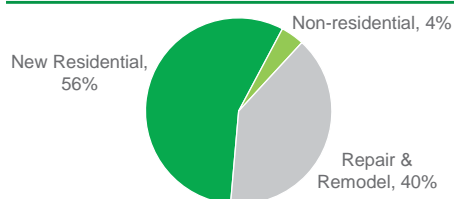
Proforma revenue CAGR of 13% from FY15 – FY18 (excluding Bricks)



Revenue by business¹



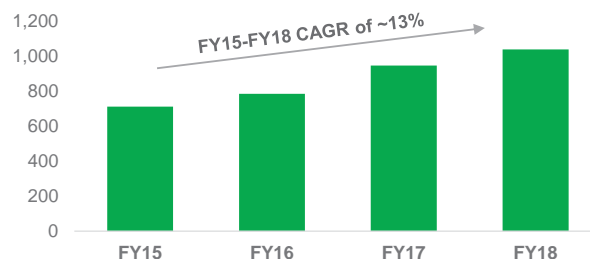
Revenue by segment¹



1. 12 months ended 30 June for 2018; excludes Bricks

Building Products¹

Proforma combined historical revenue (US\$m)



- FY17 and FY18 growth supported by Windows acquisitions
- FY18 growth result of organic business and high growth categories

Building products

Focus on cost improvements plus portfolio and manufacturing synergies



Opportunities

- Product portfolio, brand and go to market strategy
- Margin improvement initiatives
- Manufacturing network optimization
- Back office and ERP conversion

FY18 focus

- ✓ Safety minimum standards
- ✓ Organization leadership & structure
- ✓ Divest non-core assets
- ✓ Integration and operational fixes
- ✓ ~US\$18m synergy delivery

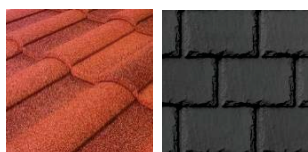
FY19 priorities

- ❖ Safety behaviours and identification
- ❖ Price, volume, margin
- ❖ Input costs: labor, freight, materials
- ❖ Manufacturing and network optimization
- ❖ Deliver on synergies (targeting ~US\$73m in year 4)

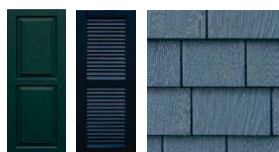
Stone



Roofing



Light Building Products



Windows



Agenda



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Stone	<i>Victoria Sherwood</i>
Light Building Products	<i>Joel Charlton</i>
Windows	<i>David Decker</i>



Agenda – Roofing

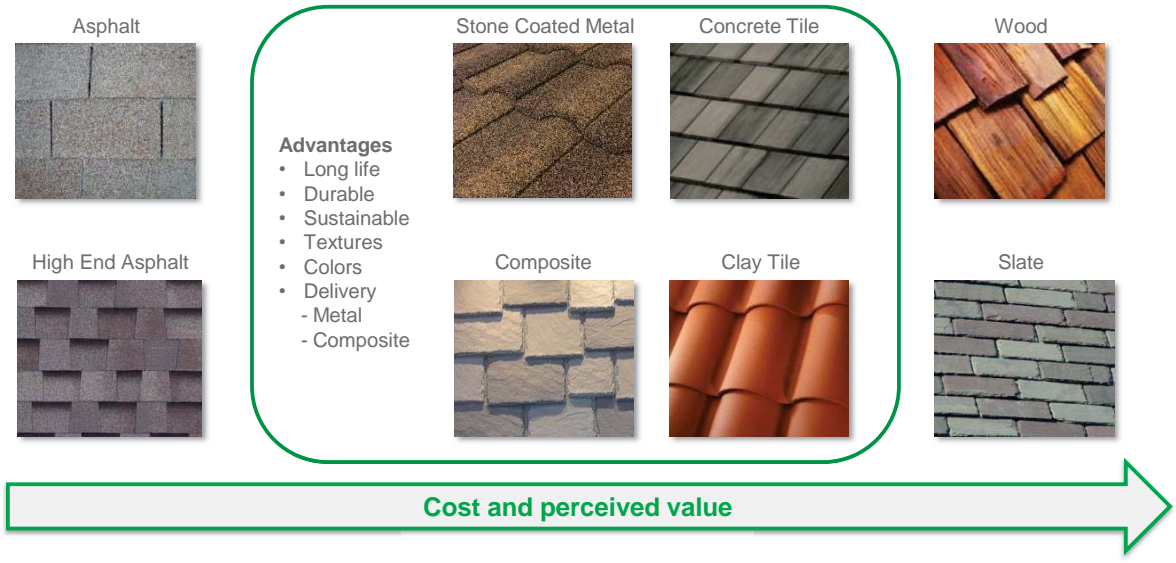


- **Business Overview**
- Year in Review
- Strategic Priorities



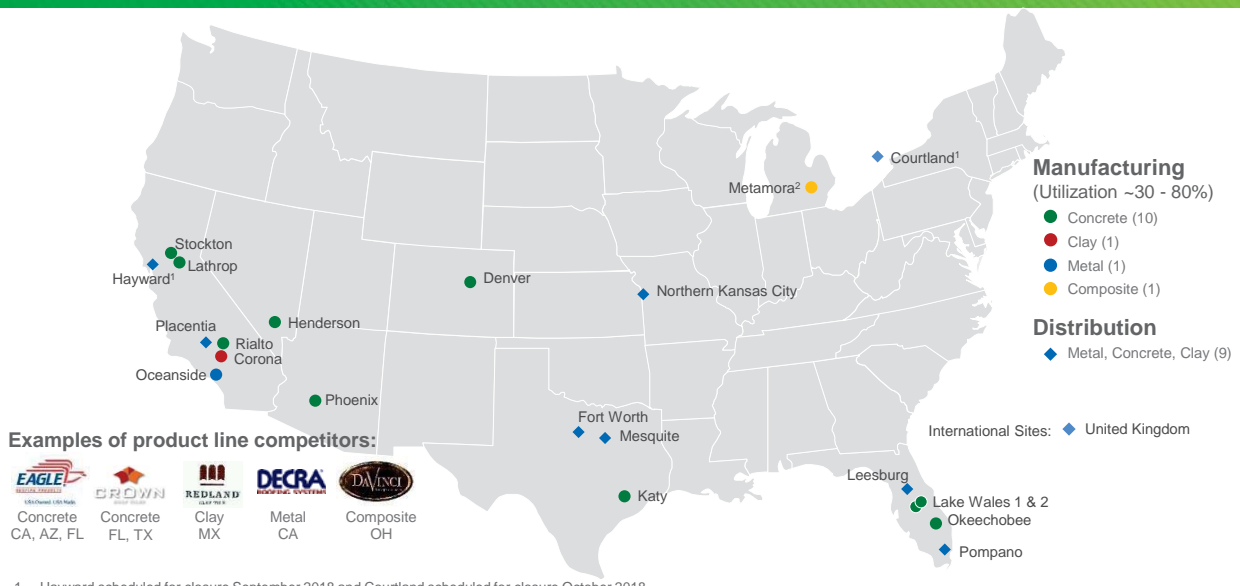
Roofing industry: Product categories

Perceived value of new products increasing versus traditional asphalt



Boral Roofing: New geographies

Expanding beyond 4 tile states with national manufacturing and distribution



1. Hayward scheduled for closure September 2018 and Courtland scheduled for closure October 2018
 2. Metamora is primarily a Light Building Products site, but also manufactures some roofing product

Agenda – Roofing



- Business Overview
- Year in Review
- Strategic Priorities



Roofing strategic objectives

FY18 progress on Florida integration and metal roofing fix



Strategic objectives

- ✓ Zero Harm Today
- ✓ **Expand geographic reach** beyond the traditional tile regions
- ✓ **Expand product offerings** beyond the traditional clay and concrete offerings
- ✓ **Diversify end-market exposure** growing non-residential and re-roof segments


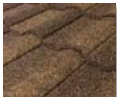


FY18 progress

1. Safety incidents down 39%¹
2. Revenue up, led by stronger tile and roof component sales
3. Tile: significant progress in Florida integration
4. Components & Services: significant growth, result of cross-selling
5. Metal: fix underway
6. Composite: consolidated manufacturing operations
7. Delivered US\$7.9m in synergies

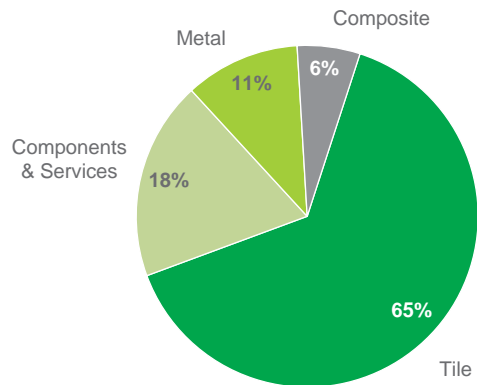
1. Reflects total recordable incidents, which includes lost time incidents and medical treatment incidents

FY18 overview



Product Category		Growth ¹	Commentary
Tile		↑	Volume and price growth Hurricane and labor impact
Metal		↓	Plant allocation Channel strategy impact
Composite		↓	Enviroshake divestment Exchange rate impact (UK)
Components & Services		↑	Cross-selling components Loading outsourced

Revenue breakdown by type



1. FY18 revenue growth

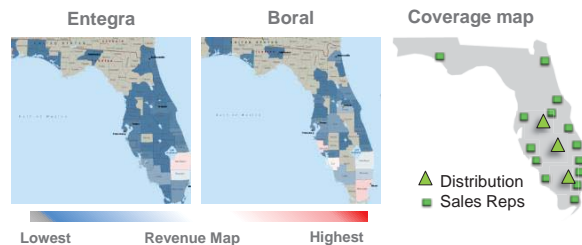
Florida tile: commercial

Implementing our commercial sales strategy through integration



Florida Integration

- Sales consolidation
- Single brand strategy
- Single distribution strategy
- Design centre optimization
- Cross-selling of full offering
- Increased focus on price and volume
- Exit loading service
- Continue to convert customers away from asphalt



Portfolio remastering to produce across network



Florida tile: operations

Improvements in plant performance driving production increases



Florida Integration

- Acquired remaining minority interest in Entegra
- Optimized operations
 1. Okeechobee reset
 2. Lake Wales automation
 3. Deerfield closure and sale
 4. Jacksonville land sale
- Three distribution locations
- Product line optimization (in process)
 - Products remastered
 - Further equipment investment scheduled in FY19

1 Okeechobee reset

- Safety reset, 8 to 0 LTIs
- Lower rejects
- Improved labor productivity
- Lift in OEE, 35% to 62%



2 Lake Wales automation

- Line 3 commissioned
- Capacity unlocked
- Production optimized
- Reduction in labor, 6 robots
- Increase in efficiency



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Metal roofing: commercial

On path to improved performance in FY19



Background

- Portfolio: 3 brands, >8,400 SKUs
- Channel: distribution and direct
- Organization: 24 reps across NA
- Pricing: high pricing, high rebates



FY18 actions

- Single brand: BoralSTEEL™
- Simplified portfolio: >90% reduction in SKUs
- Channel alignment: 100% distribution
- Organization: 70 reps, cross-selling
- Pricing: Premium to concrete tile

BoralSTEEL
STONE COATED ROOFING



<https://www.youtube.com/watch?v=GnvU3NrPnPI>

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Metal roofing: operations

On path to improved performance in FY19



Background

- Headwaters consolidated 3 plants into 1 in Oceanside, California in FY17
- Consolidation caused drop in throughput, which led to increased production costs and capacity constraints
- Boral commissioned dedicated team to execute a plant turnaround



FY18 actions

- Safety reset and investment, 4 to 1 LTI
- Changed leadership in the plant (multi layers)
- Addressed shift and labor issues
- Reorganized plant and warehouse sites
- Doubled production of panels
- Reduced reject rate by 40%



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Agenda – Roofing



- Business Overview
- Year in Review
- **Strategic Priorities**



Roofing strategic objectives

FY19 focus on Florida integration, metal turnaround, and cross-selling



Strategic objectives

- ✓ Zero Harm Today
- ✓ **Expand geographic reach** beyond the traditional tile regions
- ✓ **Expand product offerings** beyond the traditional clay and concrete offerings
- ✓ **Diversify end-market exposure** growing non-residential and re-roof segments

FY19 focus areas

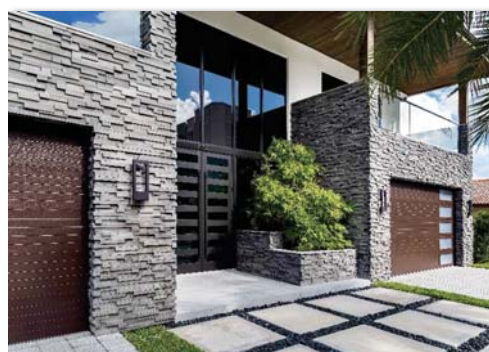
1. Drive down safety incident rates
2. **Tile**: complete integration of Florida business
 - Sales volume and price plans
 - Product portfolio optimization
 - Deliver service platform
3. **Components & Services**: enhance value to our customers with broader portfolio, better service, strengthened network
 - Complete ERP conversion
4. **Metal**: complete turnaround plan and increase profitability in FY19
5. **Composite**: Focused growth in North America and Europe
6. Deliver synergies with key focus on expanding cross-selling opportunities (targeting ~US\$27m in year 4)

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Agenda



Introduction	<i>Mike Kane</i>
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Agenda – Stone



- Business Overview
- Year in Review
- Strategic Priorities



Masonry industry: product categories

Stone competes at different value points in industry



Stucco Economical



Stucco Premium



Block



Brick



Thin Brick



Advantages

- Aesthetics
- Durable
- Low maintenance
- Sustainable
- Ease of installation
- Availability

Manufactured Stone Economical



Manufactured Stone Premium



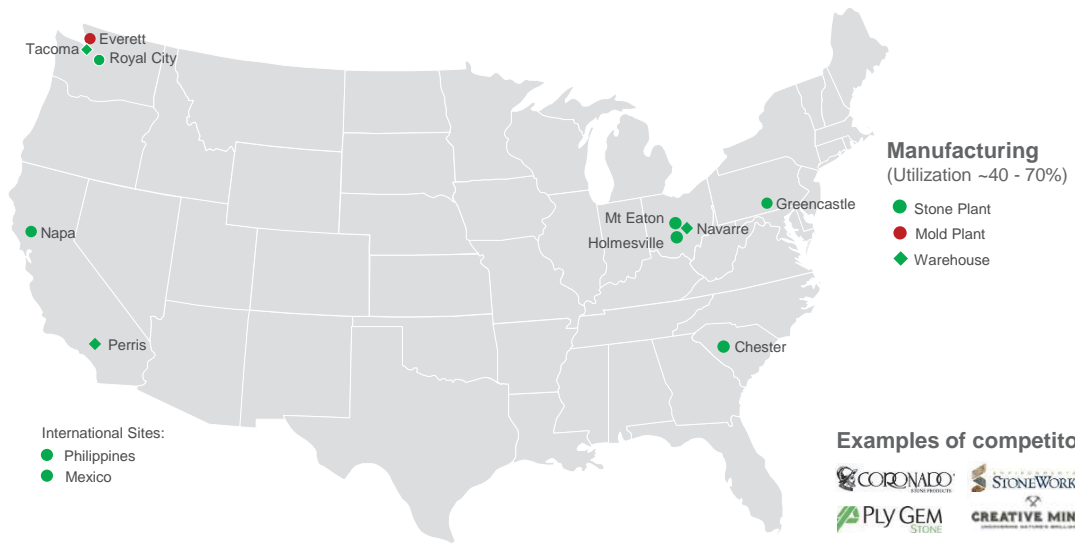
Real Stone



Cost and perceived value

Boral Stone: manufacturing positioned in key regions

Leading capabilities across the nation servicing all stone markets



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Agenda – Stone



- Business Overview
- Year in Review
- Strategic Priorities



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Stone strategic objectives

FY18 progress on sales stabilization and network optimization



Strategic objectives

- ✓ Zero Harm Today
- ✓ **Strong** brand portfolio with expanded opportunities for growth across broader distribution network
- ✓ **Increased** category awareness through marketing and new product development
- ✓ **Expanded** sales through architectural specifications



FY18 progress

1. Safety incidents down 46%¹
2. Enhanced customer value, broader product “Good, Better, Best” offering
3. Plant resets complete, progress towards network optimization in Western and Eastern United States
4. Stabilized share following integration of Stone businesses

1. Reflects total recordable incidents, which includes lost time incidents and medical treatment incidents

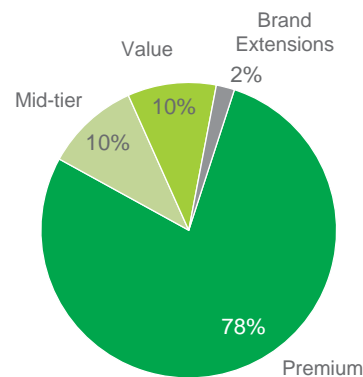
FY18 overview

Revenue 2% softer in FY18 due to lower volumes offset by price increases



Product Category	Growth ¹	Commentary
Premium 	~	<ul style="list-style-type: none"> • Eldorado and Cultured Stone® • Some share erosion • Distribution strategy in place
Mid-tier 	↓	<ul style="list-style-type: none"> • Dutch Quality • Multi-family decline in central region • New sales initiatives
Value 	↓	<ul style="list-style-type: none"> • StoneCraft and ProStone® • StoneCraft plant allocation • Plant reset in progress
Product Extensions 	↑	<ul style="list-style-type: none"> • Outdoor living, fire bowls • Good growth, retail strategy

Revenue breakdown by type



1. FY18 revenue growth

Brand strategy

Decoupled 'who we are' from 'what we make and sell'



Brand strategy

- Established 'House of brands' strategy maximizing value of all brands (including Boral)
- Created individual value propositions to simplify go to market positioning
- New website and marketing tools creating significant lead generation (Cultured Stone® from 0 to 300+ per month)



Value



ProStone

Limited product line
Affordability
Consistent quality and service

Mid-tier



Full product line
Consistent quality
Reliable service

Premium

CULTURED STONE



Expansive product line
Innovative products and quality
National footprint
Premium tools and support

Go to market strategy

Enhanced sales discipline and realigned capability with customer channels

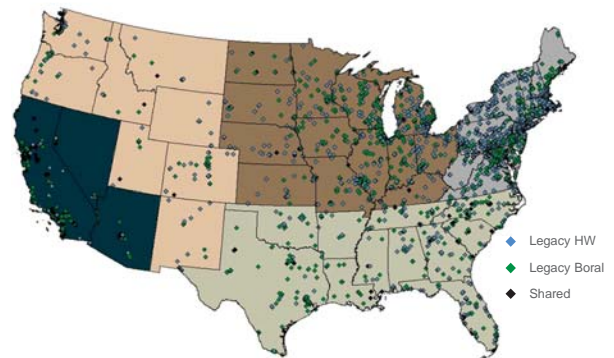


Go-to market strategy

- Redesigned sales organizational structure to better align with differing customer channels
 - Established national and regional teams
 - Bolstered architect / designer capability
 - Expanded sales leadership
- Increased CRM pipeline opportunity 5x
- Product extensions' innovative market strategy already delivering significant margins and growth



Distribution network



- Utilized portfolio through expanded network in Southwest and Southeast primarily through strategic distributor alignment

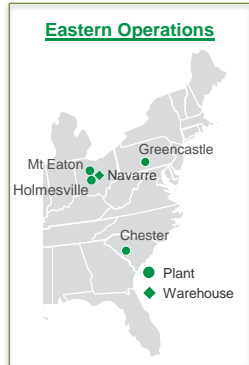
Optimizing our eastern operations

Converting StoneCraft facility to a low cost, value tier line



Background

- Specialized facilities for good, better, best products
- Well positioned to service large Northeast, Southeast, and European regions
- Distribution warehouses to reach customers
- FY18 cost reduction focus in Chester
- StoneCraft upgrade underway
- Greencastle plant commissioned



StoneCraft strategy

- Site investment
- Specialized manufacturing for value tier line
- Equipment upgrade to large format molds
- Reduced material, labor and mold costs
- Low fixed cost operation with ability to scale
- Launch in 2H FY19

Current mold



New mold format



Greencastle commissioning

FY17 and FY18 investment to deliver benefits in FY19



Background

- Eldorado plant servicing domestic and international customers
- Historically constrained site:
 - Standalone production and warehouse
 - Insufficient capacity
 - Poor layout and inefficient production
- Headwaters initiated upgrade project prior to acquisition



FY18 Actions

- Built and commissioned high efficiency plant
- Consolidated manufacturing and warehousing in new 400,000 square foot facility
- Successful incorporation of simple robotics
- Leveraged best practices
- Ability to scale for minimal investment



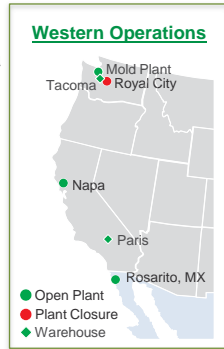
Optimizing our western operations

Two low cost, high capacity plants to service our customers



Background

- Optimize production across low cost, high efficiency plants
- Distribution warehouses to reach customers
- Production ramp up in Rosarito and Napa
- Royal City closure announced – 1Q FY19
- Service USA and Canada
- Results in significant cost savings



Rosarito plant in Mexico

- Low landed cost
- 20% production increase
- Additional capacity available
- Low labor rates
- Low fixed cost



Napa plant in California

- World class, automated plant
- Low landed cost
- High efficiency operation
- Additional capacity available
- Mature and stable workforce

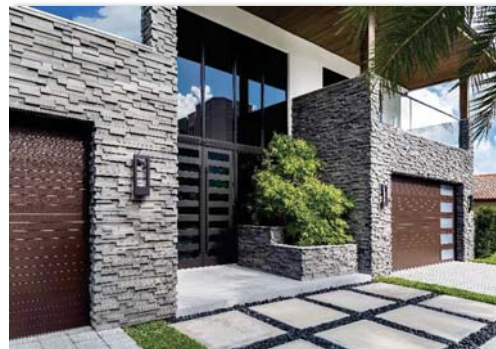


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Agenda – Stone



- Business Overview
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Stone strategic objectives

FY19 focus on sales growth and network optimization



Strategic objectives

- ✓ Zero Harm Today
- ✓ **Stronger** brand portfolio with expanded opportunities for growth across broader distribution network
- ✓ **Increased** category awareness through marketing and new product development
- ✓ **Expanded** sales through architectural specifications



FY19 focus areas

1. Drive down safety incident rates
2. Leverage brand strategy and complete product offering to achieve growth
3. Expand distribution strategy and key partnerships
4. Continue Eastern manufacturing optimization with StoneCraft investment for value products on new platform
5. Complete Western manufacturing optimization with Royal City closure
6. Deliver synergies (targeting ~US\$29m in year 4)

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Agenda



Introduction	<i>Mike Kane</i>
Boral North America	<i>David Mariner</i>
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Light Building Products	<i>Joel Charlton</i>
Windows	<i>David Decker</i>



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Agenda – Light building products



- Business Overview
- Year in Review
- Strategic Priorities



Light building products: portfolio overview

The portfolio consists of three main product categories



Category	Description	Primary Material	Brands	Light Building Products
Siding and Trim <i>Invest in high growth products</i>	Vinyl Siding	Vinyl	Grayne™	
	PVC Trim	Polyvinyl chloride (PVC)	Kleer®	
	Poly Ash Siding / Trim	Polyurethane	TruExterior®	
	Panelized Stone Siding	Concrete	Versetta®	
Shutters and Accessories <i>Nurture mature, cash-generating products</i>	Decorative shutters, vents, blocks	Polyvinyl chloride (PVC)	Mid-America® / Builder's Edge® / Vantage	
	Blocks and Mounts	Polyvinyl chloride (PVC)	Sturdimount	
	Functional Shutters	Composite	Atlantic®	
Specialty / Other <i>Nurture mature, cash-generating products</i>	Metal siding tools	Aluminum	Tapco Tools®	
	Egress wells	Polyethylene	Wellcraft®	

Light building products industry: siding & trim

Categories range from low-end wood to high-performance composite materials







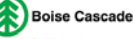












Siding	Commodity Vinyl / Low-end Wood	Fiber Cement / Engineered Wood	<p>Advantages</p> <ul style="list-style-type: none"> • Durable • Low maintenance • Ease of install • Aesthetics • Profiles • Sustainable 	Specialty Vinyl	Poly Ash
					
Trim	Wood	Fiber Cement / Engineered Wood		Poly Ash	PVC
					

Light building products: channel overview

We reach our customers through three primary channels to market

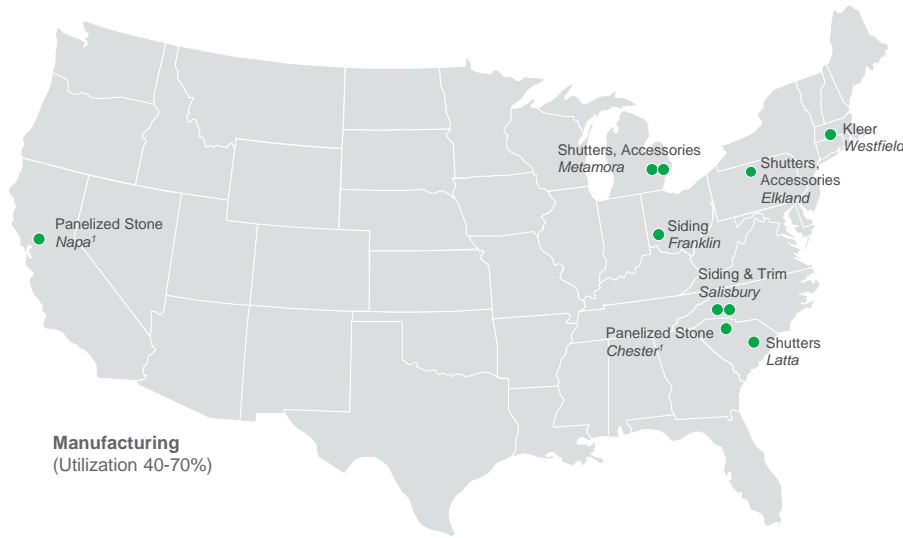


Channel	% of Total Sales ¹	Distributors	Brands	Benefits
One Step Distribution	~40%	  	 	<ul style="list-style-type: none"> ▪ Access to complementary products ▪ Extension of sales efforts ▪ Move high volume materials
Two Step Distribution	~40%	  	  	<ul style="list-style-type: none"> ▪ Break bulk materials ▪ Access to dealers ▪ Extension of sales efforts
Retail	~20%	  	  	<ul style="list-style-type: none"> ▪ Exposure with ~4,500 locations ▪ Ease of doing business, purchasing ▪ E-commerce leadership

1. Management estimates

Light building products: manufacturing footprint

Industry leading competitor in key geographic areas



Examples of Product Line Competitors:



1. Napa and Chester operate primarily as Stone plants, but also manufacture Light Building Products' Versetta Stone

Agenda – Light building products



- Business Overview
- Year in Review
- Strategic Priorities



Light building products strategic objectives

FY18 progress on portfolio alignment and high growth products



Strategic objectives

- ✓ Zero Harm Today
- ✓ Maintain and leverage established products, and develop and grow new lightweight composite products
- ✓ Grow high end, niche product positions
- ✓ Leverage distribution footprint to accelerate penetration of new, high growth products

FY18 progress




1. Safety incidents down 52%¹
2. Revenue up, led by strong siding & trim growth
3. Siding & Trim: invested in capacity expansion to meet demand and grew channel
4. Shutters & Accessories: nurtured through channel expansion in retail and 2-step
5. Tools & Other: margin enhancement programs
6. Delivered ~US\$10.7m in synergies

1. Reflects total recordable incidents, which includes lost time incidents and medical treatment incidents

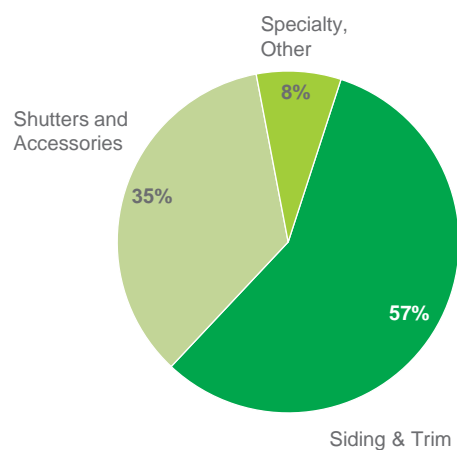
FY18 overview

Revenue growth of 6% in FY18



Product Category	Growth ¹	Commentary
 <p>Siding & Trim</p>	↑	High growth, high return product groups with strong brand equity
 <p>Shutters and Accessories</p>	↑	More mature products with strong retail exposure
 <p>Specialty, Other</p>	↑	Essential tools for the siding industry

Revenue breakdown by type



1. FY18 revenue growth

Siding & trim portfolio strategy

“Invest” – focused on accelerating high growth products through the channel



Background

- Strategy to invest in earlier life cycle, high growth products
- Utilize full range of combined distribution channel – 1 Step, 2 Step, Retail
- Innovative, premium performance products that address market pain points
- Partner with Innovation Factory to commercialize next generation LBP product / platform

FY18 actions

- Kleer®: Added capacity to meet growing demand
- Versetta®: Wausau win, the largest opening order in Versetta history
- Versetta®: Canadian distributor Kaycan added category, supporting much of eastern Canada
- TruExterior®: Significant growth from key channel partners in 2018
- Grayne™: Launched accessories to improve install experience



Kleer®



TruExterior®



Versetta®



Grayne™

Shutters, accessories & tools portfolio strategy

“Nurture” – rounding out offering across retail and 2-step distribution



Background

- Nurture stage of life cycle - mature and stable businesses that provide attractive cash flows
- Maximize operating efficiencies and preserve margins
- Utilized combined sales network to deliver opportunistic growth and cross-sell opportunities

FY18 actions

- Vantage: Acquired Lowe’s east coast business, now have nationwide distribution both in-store and through special order desk
- Mid-America®: Leveraged Versetta® to cross-sell into national program with Morton
- Atlantic®: Margin enhancement program
- Tools: Restructured pricing program



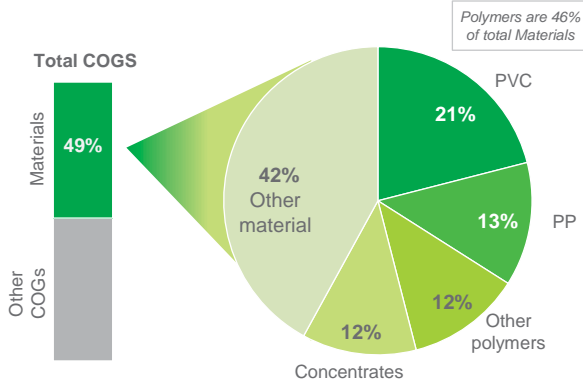
Raw material management

Addressing cost escalations through regrind¹ program and strategic sourcing



Background

- Highest input cost is materials
- Hurricane Harvey drove polymer supply disruptions and cost escalations



1. Regrind: recycled raw material that is used in manufacturing process

FY18 actions

- Contract management, renegotiation
- Secured multiple supply sources
- Synergies with Boral Windows
 - Access to polymer supply
 - Regrind¹ equipment in place



Operational improvements

Driving a cross-functional effort to improve network margins



Home Depot label

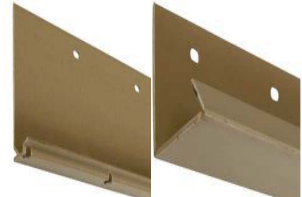
- Automated label installation
- Improved ergonomics
- Reduced direct labor spend
- Improved part quality
- Part to label verification

Franklin, OH plant

- Consume window scrap
- Reduce raw material cost
- Blended mix at lower cost
- Convey blended mix directly
- Consume black, internal regrind

Versetta® accessories

- Vertically integrated
- Improved quality
- Reduced manufacturing cost
- Reduced raw material cost
- Top line growth



Agenda – Light building products



- Business Overview
- Year in Review
- Strategic Priorities



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Light building products strategic objectives FY19 focus on price, margin, and operational initiatives



Strategic objectives

- ✓ Zero Harm Today
- ✓ Maintain and leverage established products, and develop and grow new lightweight composite products
- ✓ Grow capabilities in high end, niche product areas
- ✓ Leverage distribution footprint to accelerate penetration of new, high growth products

FY19 focus areas

1. Zero Harm Today
2. Siding & Trim: grow channel and broaden customer offering; continue cost improvement journey
3. Shutters & Accessories: margin enhancement through raw material management and lean
4. Tools & Other: continue margin enhancement programs
5. Leverage operations and R&D resources
6. Deliver synergies (targeting ~US\$15m in year 4)

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Agenda



Introduction	<i>Mike Kane</i>
Boral North America	<i>David Mariner</i>
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Agenda – Windows



- **Business Overview**
- Year in Review
- Strategic Priorities



Business overview

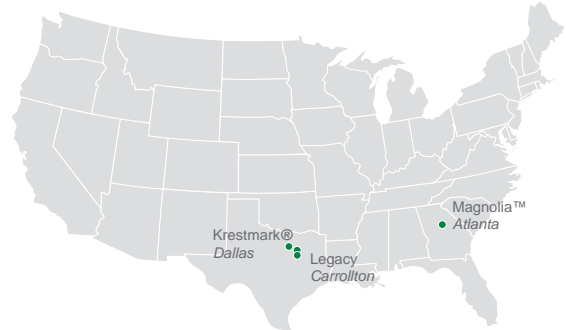


History

- 2004: Krestmark® founded, manufactured aluminum windows in Texas
- 2006: Developed new vinyl window product line
- 2014: Established Legacy brand
- 2016: Acquired by Headwaters
- 2017: Acquisition of Magnolia™ Windows in Georgia



Geographic footprint



- Regional focus mainly in Texas and Georgia
- Roughly 700 mile distribution footprint connects plant network
- Sales in 14 states across the southwest and southeast regions

Agenda – Windows



- Business Overview
- Year in Review
- Strategic Priorities



FY18 focus areas and priorities



Strategic objectives

- ✓ Zero Harm Today
- ✓ **Reset** Magnolia™ business – operations and commercial
- ✓ **Expand capacity** to meet customer demand



FY18 progress

1. Safety incidents reduced by 50% from 1H to 2H¹
2. Magnolia™ operations significantly improved
3. Began lean implementation at Krestmark® operations
4. Upgraded equipment to support growth and improve process and reliability
5. Expanded into multi-family segment

1. Reflects total recordable incidents, which includes lost time incidents and medical treatment incidents; measured as improvement from 2H FY18 over 1H FY18 due to insufficient records for periods prior to Boral's acquisition

Magnolia™ plant's transformation journey

Achieved break even in late FY18



Background

- Business purchased immediately prior to Headwaters acquisition
- 1Q FY18 new management made the decision to scale down customer orders and address operational issues at the plant:
 - Poor safety record and highly manual labor
 - Old, unreliable equipment due to little capex in prior years
 - Inconsistent product quality and capacity constraints from operational inefficiencies
 - Limited financial controls, weak analysis/reporting framework



Automated processing center



Glass optimizer



FY18 Actions

- Implemented safety program; 50% decrease in recordable incidents¹
- US\$1.1m capex for upgrades and new machinery
- Reduced manual labor with purchase of automated process machine and glass optimizer
- Performed workflow process improvements resulting in increased efficiencies
- Revamped analytical capabilities via system improvements and additional analysts in the plant
- Improving and managing labor costs

1. Measured as improvement from 2H FY18 over 1H FY18 due to insufficient records for periods prior to Boral's acquisition

Upgrading Krestmark® operation

Focus on revamping safety culture and lean manufacturing principles



Background

- Highly manual manufacturing processes
- Inefficient workflow leading to manufacturing challenges
- Poor inventory controls resulting in waste
- Approaching capacity limits

FY18 Actions

- Improved workflow leading to increased capacity
- Revamped lean manufacturing principles
- ERP system upgrade
- Performed costing and margin analysis to drive decisions
- Implemented full inventory management controls and just-in-time manufacturing leading to less waste

Before – extrusion aisle



After – extrusion aisle



Inventory management

Before – main aisle



After – main aisle



Workflow improvements

Diversifying customer base

Expanding presence in multi-family residential segment



Background

- Traditional focus on single-family housing
- Concentrated on large national and regional builders
- Limited relationships in multi-family segment
- Multi-family segment requires a different sales approach compared to single-family

FY18 Actions

- New leadership focused on diversifying end-segment exposures to mitigate economic swings
- Leveraged company's strong reputation with 5 day lead times and DIFOT¹ to push into multi-family segment
- Hired dedicated team to focus on multi-family
- 500% increase in multi-family revenue in FY18



1. DIFOT: Delivered in full on time

Agenda – Windows



- Business Overview
- Year in Review
- **Strategic Priorities**



FY19 focus areas and priorities



Strategic objectives

- ✓ Zero Harm Today
- ✓ Continue *Magnolia™ reset* – operations and commercial
- ✓ Continue to *expand capacity* to meet customer demand
- ✓ *Strengthen* multi-family capabilities

FY19 focus areas

1. Implement behavioral safety
2. Continue share capture
3. Continue operational improvements to standardize and streamline processes
4. Further lean journey to create capacity
5. Deliver synergies (Windows and Block combined targeting ~US\$5m in year 4)

Appendix

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1.0

Macroeconomic market overview

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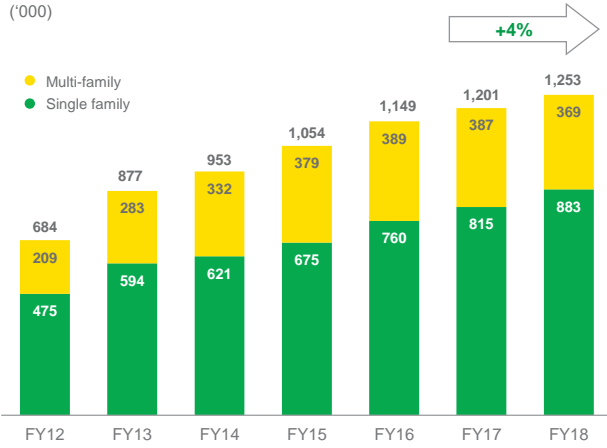
Housing construction markets continue to recover

Single family growing, affordability high, supply remains challenged



Single and multi family housing starts¹

('000)



Single Family Mix¹

(FY2018 % of Total)

71%

~3.0 percentage points above FY17

Affordability Index²

135

above historical average of 100

New Housing Stock³

0.30m

10.3% up year-on-year; in line with 0.36m long-term average

Existing Housing Stock²

2.0m

Flat year-on-year; slightly below long-term average of 2.2m

1. Source: US Census seasonally adjusted annualized housing starts
 2. Source: National Association of Realtors (NAR); May 2018
 3. Source: US Census; May 2018

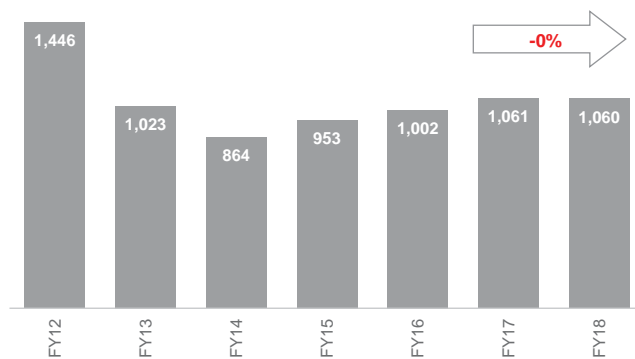
Non-residential

Education and Hotels segments drove construction in FY18

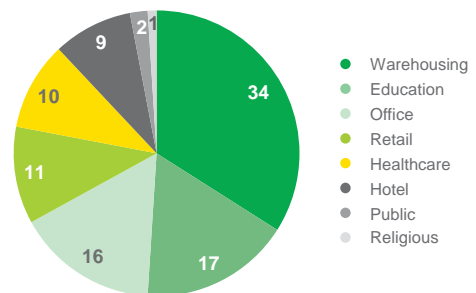


Non-residential construction¹

(million square foot area)



FY18 breakdown by non-residential segment², %



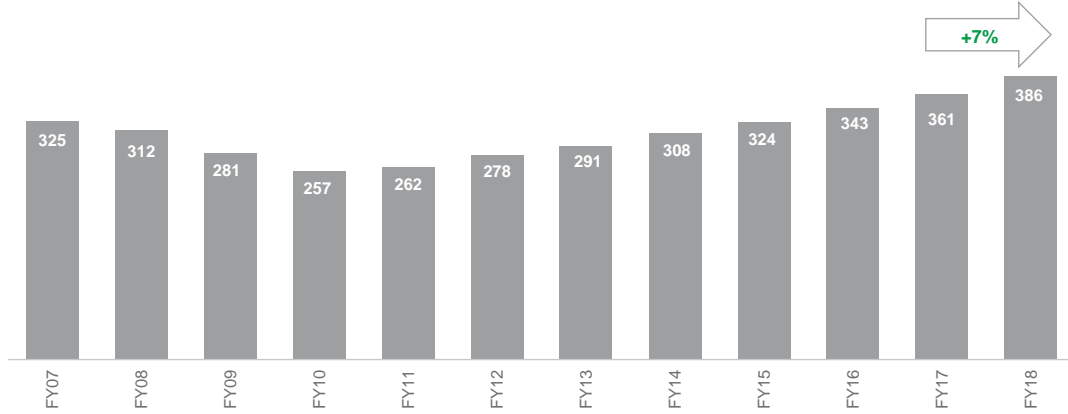
1. Source: Dodge Data & Analytics. Non-residential square feet area (millions), June 2018
 2. Source: Dodge Data & Analytics

Repair and remodel (R&R)

Home improvements sales continue to rise



Building products retail sales¹
(Nominal US\$b)



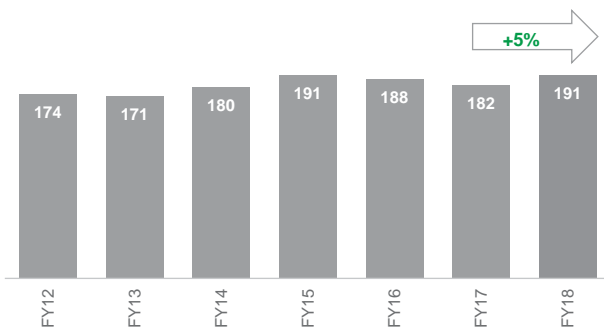
1. Source: Moody's retail sales of building products, July 2018

Infrastructure

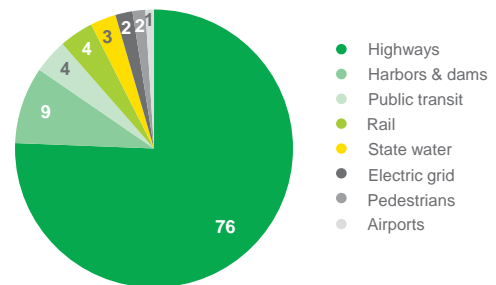
Highways continue to be the main driver in the infrastructure segment



Infrastructure activity, ready mix demand¹
(cubic yards, millions)



Infrastructure cement consumption², %



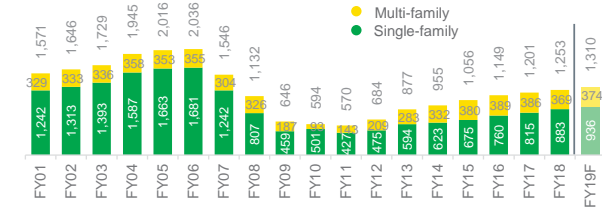
1. Source: Dodge Data & Analytics, Infrastructure Ready Mix Demand, June 2018
2. Source: Portland Cement Association

Boral North America's markets

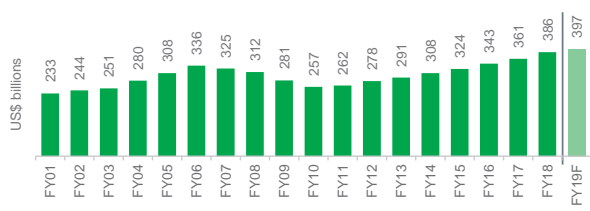
Solid outlook across all markets



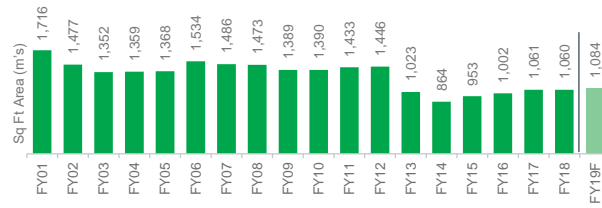
USA new residential: 46% of BNA revenue¹



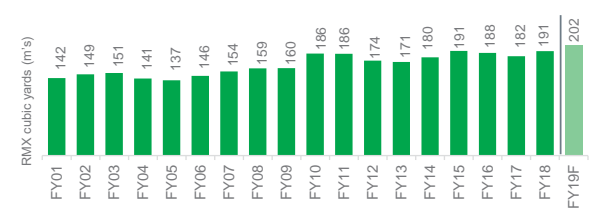
USA repair & remodel: 20% of BNA revenue²



USA non-residential: 16% of BNA revenue³



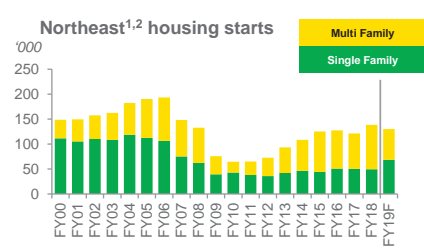
USA infrastructure: 18% of BNA revenue⁴



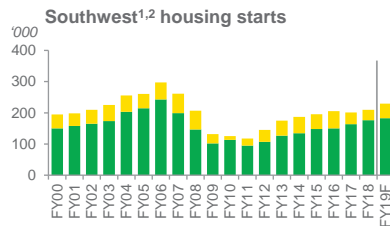
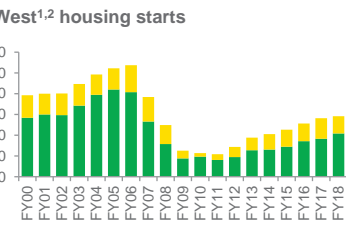
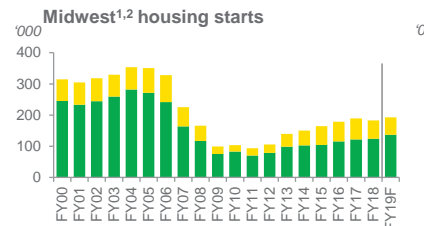
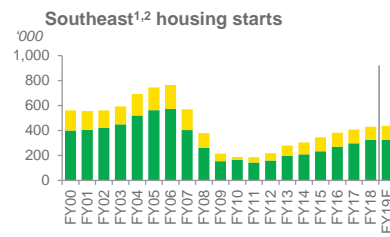
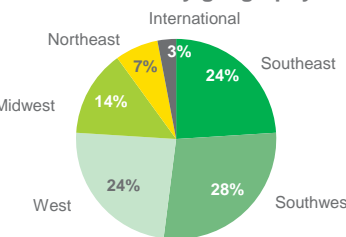
1. Source: US Census seasonally adjusted annualized housing starts. Forecasts based on an average of analysts' forecasts sourced from NAHB, MBA, Wells Fargo, NAR, Fannie Mae and Freddie Mac, Jan-Jun 2018
 2. Source: Moody's Retail Sales of Building Products
 3. Source: Dodge Data & Analytics, Non-Residential Area
 4. Source: Dodge Data & Analytics, Infrastructure Ready Mix Demand.

FY19 housing growth underpinned by single family

Forecasters¹ expect ~1.31m housing starts in FY19



FY18 Revenue by geography^{2,3}



1. Based on the average of Dodge, Wells Fargo, NAR, NAHB, Fannie Mae, Freddie Mac and MBA analysts between Jan-Jun 2018. Historical data – US Census Bureau
 2. SOUTHEAST consists of AL, DE, FL, GA, KY, MD, MS, NC, SC, TN, WV, VA | SOUTHWEST consists of AR, LA, OK, TX | NORTHEAST consists of CT, MA, ME, NH, NJ, NY, PA, RI, VT | MIDWEST consists of IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI | WEST consists of AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY.
 3. Based on 1H FY2018 Boral North America external revenue, including Boral's 50% share of Meridian Brick JV revenue which is not included in reported revenue

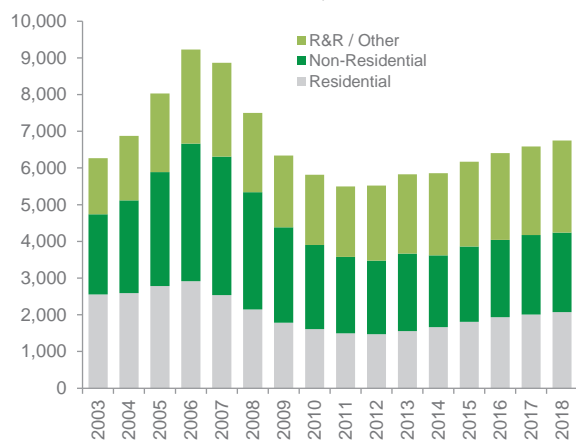
2.0

Market overviews by business

Brick, *block* & paver industry: market size and segments

The brick, block and paver industry is ~US\$7 billion¹

Brick, block, paver demand^{1,2}
in US\$ millions



Market overview¹

- Overall industry includes brick, block, and pavers; broadly weighted towards all three end-markets (residential, non-residential, repair and remodel)
- Brick demand predominantly driven by residential segment
- Block demand more heavily tied to the non-residential segment
- Paver demand predominantly driven by repair and remodel segment
- Texas estimated to be ~8% to 10% of overall industry

1. Based on Freedonia and management estimates, represents market at underlying demand
2. Freedonia 2014, Bricks, Block, Pavers Report, plus management estimates

Brick, *block* & paver industry: market segments

Well balanced market segments



Non-residential	Repair & remodel / Other	New residential ~32% ¹
<ul style="list-style-type: none"> ▪ Specification driven ▪ Longer sales cycle ▪ Higher price and margin ▪ State sponsored projects, e.g. schools, critical to success 	<ul style="list-style-type: none"> ▪ Hardscape growing ▪ Strong margins ▪ Retail channel, Big Box critical ▪ Foundation products, strong margins 	<ul style="list-style-type: none"> ▪ Cyclically driven ▪ Production builder ▪ Lower price / margin (block) ▪ Primarily multi-family (block)



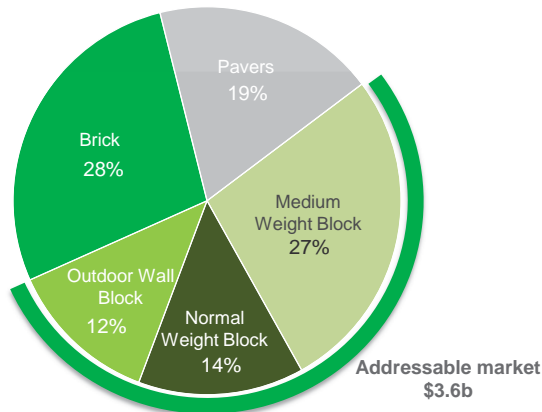
1. Freedonia 2014, Bricks, Block, Pavers Report, Management Estimates; represents market at underlying demand

Brick, *block* & paver industry: product categories

Block represents ~54% of the total industry



Brick, block, and pavers¹
underlying demand²



Total industry size: US\$6.7b²

Product positioning

- Block competes in the cladding and hardscape industry
- Cladding:
 - Block considered a premium cladding option
 - Predominantly used in non-residential segment
- Hardscape:
 - Staple in expanding hardscape industry
 - Mainly tied to repair and remodel segment

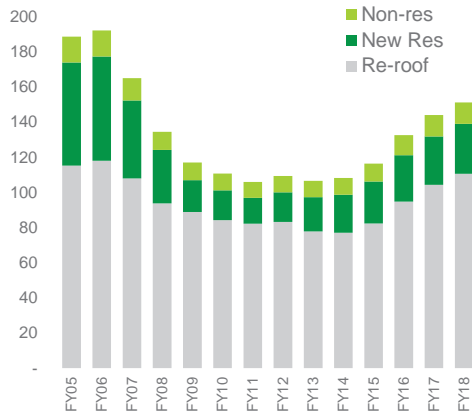
1. Freedonia 2014, Bricks, Block, Pavers Report, management estimates
2. Underlying demand assumed to be average of prior 16 years, 2003 - 2018

Roofing industry: size and segments

The pitched roof industry is currently ~145 million squares



Industry size¹
(millions of squares)



North America overview

- Large industry, ~145m squares
- Three primary pitched roof market segments – Re-roof, new residential, and non-residential
- Industry supported (~70%) by large re-roof demand from +80 million aging single-family detached homes in the USA
- Estimated at US\$14.9 billion² annual spend

1. Source: ARMA, NAHB, Moody's, Dodge, Management Estimates
2. Source: ARMA, BCC, Management Estimates; represents size of market at underlying demand

Roofing industry: market segments

Re-roof construction, the most stable segment, drives demand



New residential ~22% ¹	Re-roof ~70% ¹	Non-residential ~8% ¹
<ul style="list-style-type: none"> ~1.3 million starts in FY18¹ Cyclically driven Production builder Lower price / margin Less fragmented sale 	<ul style="list-style-type: none"> ~4.0 million roofs / year¹ Stable and growing due to aging homes and storms Re-roofer Higher price / margin Fragmented sale 	<ul style="list-style-type: none"> Lower sloped applications Specification driven Longer sales cycle Higher price and margin Less fragmented sale because of limited contractor options due to insurance requirements

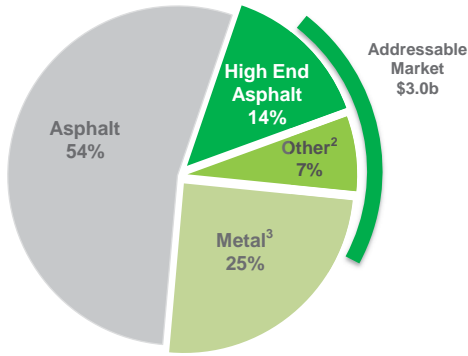
1. Source: ARMA, NAHB, Moody's, Dodge, Management Estimates; represents market at underlying demand

Roofing industry: product categories

The pitched roof market is US\$14.9b¹, Boral's addressable market is ~US\$3.0b



North America pitched roof industry¹



Total industry size: US\$14.9b¹

1. Source: ARMA, BCC, Management Estimates; represents size of industry at underlying demand
 2. Other: Concrete Tile, Clay Tile, Composite, Natural Wood Shake, Natural Slate
 3. Metal: includes Stone Coated Metal, Standing Seam Metal

North America product overview

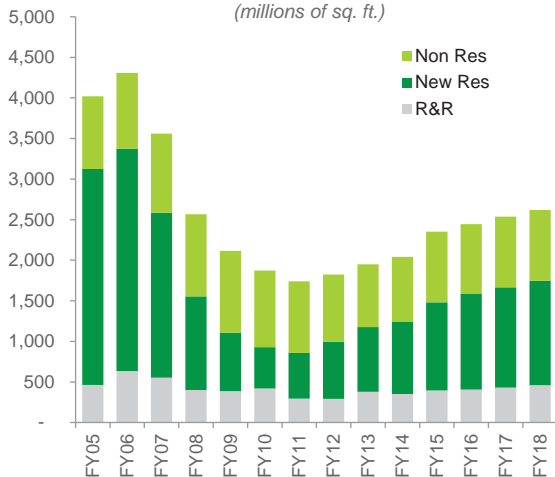
- Asphalt roofing accounts for ~68% of the industry size in North America
- Over last several decades, industry has been converting to higher end asphalt from low-end asphalt
- Other high end products include Tile, Metal, Composite, and Natural Materials (Slate / Wood Shake)
- Other high end products have been gaining share from standard and high end asphalt as customer acceptance increases

Masonry industry: market size and segments

The current industry is ~2,600 million square feet



Masonry industry size¹
(millions of sq. ft.)



1. Market analysis, NAHB for square feet, management estimates
 2. Source: NAHB, Principia, and management estimates; market size at Underlying Demand

North America overview

- Large industry, ~2,600m square feet
- Mainly driven by new construction but emerging outdoor living driving R&R growth
- R&R and Non Res more stable through the market cycle driven by home remodel projects and retail / commercial accents
- Stone estimated at ~US\$2.3 billion² annual spend which includes manufactured and real stone

Masonry industry: market segments

Higher exposure to new construction

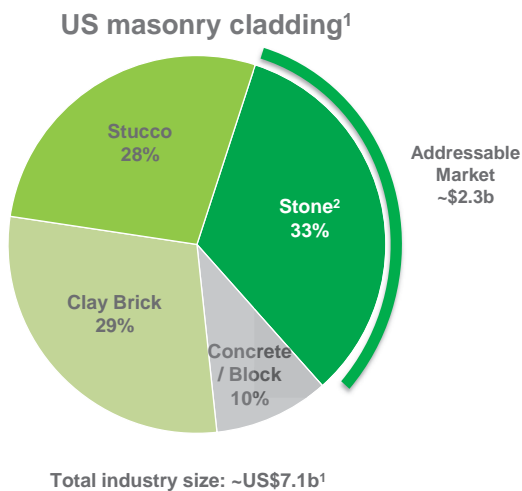


New residential ~49% ¹	Repair & remodel ~16% ¹	Non-residential ~35% ¹
<ul style="list-style-type: none"> ~1.3 million starts in FY18 Cyclically driven Custom builder Regional pricing Less fragmented sale 	<ul style="list-style-type: none"> Limited exposure Expanding presence through hardscapes and interior remodel Fragmented sale 	<ul style="list-style-type: none"> Specification driven Longer sales cycle Stronger price and margin Strong focus on schools, office and retail applications

1. Market analysis, NAHB for square feet, management estimates; represents industry at underlying demand

Masonry industry: product categories

The masonry cladding industry is ~US\$7.1b¹, Boral's opportunity is ~US\$2.3b



North America product overview

- Brick and Stucco product categories account for ~57% of masonry cladding segment
- Stone, manufactured and real, account for ~33% of the segment, valued at ~US\$2.3 billion¹
- Residential recovery has led to a strong national builder market presence
- Manufactured stone veneer products continue to be highly desirable due to ease of installation, low maintenance and affordability

1. Source: NAHB, Principia, and management estimates; industry size at underlying demand
 2. Includes real and manufactured stone

Boral Stone: diversified portfolio

A strong "good, better, best" product portfolio to maximize sales



Value Tier (Good)

Brands: StoneCraft™, ProStone®

- Streamlined product offering
- Value line, limited colors
- Priced competitively
- Strong regional players

StoneCraft™



ProStone®

Middle Tier (Better)

Brand: Dutch Quality®

- Streamlined product offering
- Consistent quality
- Competitively priced
- Strong regional player

Dutch Quality®



Premium Tier (Best)

Brands: Cultured Stone® Eldorado®

- High authenticity and design
- Large selection of colors and textures
- Architecturally focused
- Available nationwide

Cultured Stone®



Eldorado® Stone

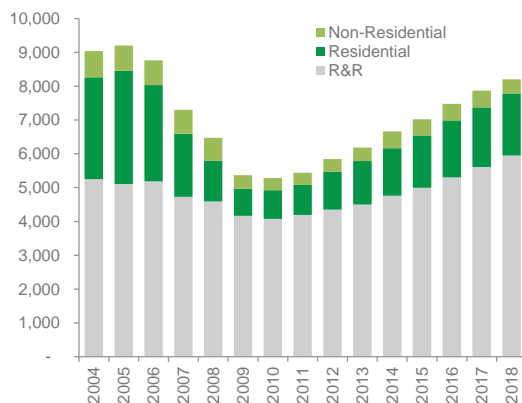
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Light building products industry: market segments

The siding & trim industry is currently ~8 billion square feet



Industry size^{1,2}
(millions of square feet)



Overview

- Large industry, ~8 billion square feet
- Three primary trim and siding segments – repair and remodel, new residential, and non-residential
- Industry supported (~68% in FY17) by large repair and remodel demand from +80 million aging, single-family detached homes in the USA
- Estimated at ~US\$7.9 billion³ annual spend
- All three segments expected to continue growth trends over next 12 to 24 months⁴




1. Market analysis, NAHB for square feet, Principia for value, and management estimates
 2. Excludes shutters, accessories, and tools
 3. Market analysis, NAHB, Principia, and management estimates; represents industry at underlying demand
 4. Based on key external market forecasters

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Light building products industry: market segments



Repair & remodel drives construction, creating stable demand through the cycle

New Residential ~24% ¹	Repair & Remodel ~69% ¹	Non-residential ~7% ¹
<ul style="list-style-type: none"> ~1.3 million starts in FY18 Cyclically driven Custom, production & regional builder 2-step, 1-step 	<ul style="list-style-type: none"> Stable and growing due to aging homes and harsh weather Siding installer, contractor 2-step, 1-step, retail Fragmented end user 	<ul style="list-style-type: none"> Specification driven Longer sales cycle 2-step, 1-step
		

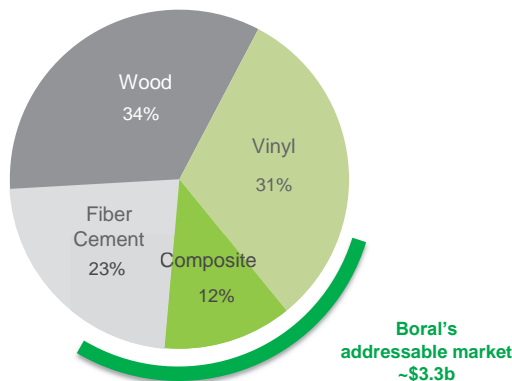
1. Market analysis, NAHB for square feet, Principia for value, and management estimates; represents industry at underlying demand

Light building products industry: product categories



The total industry is ~US\$7.9b¹, Boral's addressable market is ~US\$3.3b

Wood and wood like replacement^{1,2} (US\$ million)



Total industry size: US\$7.9b¹

Product overview

- Wood is leader but comparative growth less than emerging composite and higher grade vinyl and fiber cement products
- Vinyl continues to gain against wood due to low cost installation and low maintenance
- Fiber cement continues to maintain share in cladding and trim markets
- Composite materials show the highest potential with low cost / low risk solutions

1. Market analysis, NAHB, Principia, and management estimates; represents industry at underlying demand
2. Excludes shutters, accessories, and tools industry

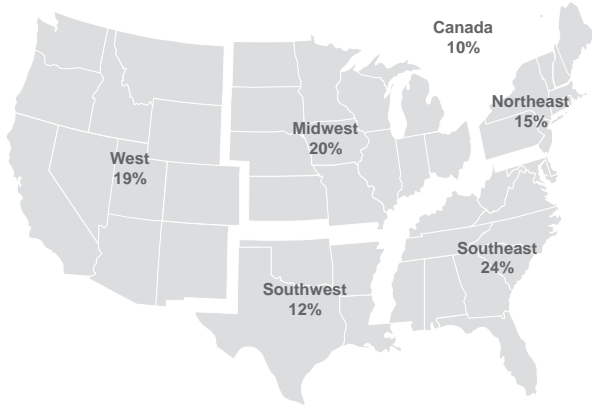
North American windows & patio door industry

A large national industry which has changed over time



Windows and patio doors by geography¹

percentages based on market size by \$ value



1. Principia and management estimates, range represents industry size at underlying demand

North America overview

- Industry estimated at ~US\$8-10 billion¹
- 85% to 90% windows; 10% to 15% doors
- Large national players compete with regional and local businesses
- Industry consolidation continues to occur

Examples of competitors



Windows & patio door industry market segments

Industry driven by new residential, single-family construction



Single-Family	~71% ¹	Multi-Family	~23% ¹	Light Commercial	~6% ¹
<ul style="list-style-type: none"> ▪ 1.3 million starts in FY18 ▪ New construction with various quality preferences ▪ Repair and Replacement drives majority of volume ▪ Specialty products 		<ul style="list-style-type: none"> ▪ Longer sell cycle ▪ Standard products ▪ Low cost / competitive 		<ul style="list-style-type: none"> ▪ Specification driven ▪ Longer sales cycle ▪ Custom orders 	



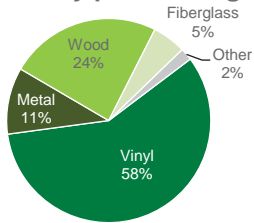
1. Principia and management estimates; represents industry at underlying demand

Windows & patio door industry product segments

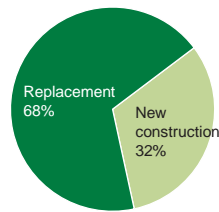
Vinyl and replacement windows are largest segments



Demand by product segment¹



Demand by end use¹



Product segmentation

- Industry has shifted over time from wood to Vinyl
- As housing stock ages (+80m aging single-family homes), replacement window demand to remain strong
- Single-family homes (new and R&R) drives demand



Repair & Remodel



New Construction

1. North American totals; source: Principia and management estimates; represents industry at underlying demand



3.0

Headwaters synergies overview

Headwaters acquisition synergies

Significant synergies as a result of highly complementary businesses



Synergy drivers by business, US\$m	Delivered in FY18	Targeted Year 1 run rate, pa	Updated target within 4 years, pa
Corporate – incl. executive headcount, public company costs, procurement	\$9.5m	~\$17m	~\$19m
Fly Ash	Sub-total	~\$12m	~\$20m
■ Ash supply / network optimization / logistics			
■ Procurement			
■ Sales coverage expansion & high value product growth			
■ Organizational efficiencies			
■ Other			
Stone¹	Sub-total	~\$6m	~\$29m
■ Plant network optimization			
■ Sales coverage			
■ Procurement			
■ Manufacturing equipment			
■ Other including organizational efficiencies			

1. Recognises the impact of share loss as a result of the acquisition

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Headwaters acquisition synergies

Significant synergies as a result of highly complementary businesses



Synergy drivers by business, US\$m	Delivered in FY18	Targeted Year 1 run rate, pa	Updated target within 4 years, pa
Roofing	Sub-total	~\$11m	~\$27m
■ Procurement			
■ Cross-selling portfolio			
■ Manufacturing & network optimization			
■ Manufacturing efficiencies			
■ Other including organizational efficiencies			
Light Building Products	Sub-total	~\$6m	~\$15m
■ Procurement			
■ Sales coverage, cross-selling, retail presence			
■ Organizational efficiencies			
■ Other			
Other: including Block & Windows	Sub-total	-	~\$5m
	Total	\$50-55m delivered \$51m	\$115m

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