



# James Hardie Investor Day 2024

DAY TWO | MONDAY, JUNE 24<sup>TH</sup> | NEW YORK





# Cautionary Note on Forward-Looking Statements

## Cautionary note on forward-looking statements

This Management Presentation contains forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. James Hardie Industries plc (the “Company”) may from time to time make forward-looking statements in its periodic reports filed with or furnished to the Securities and Exchange Commission on Forms 20-F and 6-K, in its annual reports to shareholders, in media releases and other written materials and in oral statements made by the Company’s officers, directors or employees to analysts, institutional investors, representatives of the media and others. Words such as “believe,” “anticipate,” “plan,” “expect,” “intend,” “target,” “estimate,” “project,” “predict,” “forecast,” “guideline,” “aim,” “will,” “should,” “likely,” “continue,” “may,” “objective,” “outlook” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. These forward-looking statements are based upon management’s current expectations, estimates, assumptions, beliefs and general good faith evaluation of information available at the time the forward-looking statements were made concerning future events and conditions. Readers are cautioned not to place undue reliance on any forward-looking statements or rely upon them as a guarantee of future performance or results or as an accurate indication of the times at or by which any such performance or results will be achieved.

Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are unforeseeable and beyond the Company’s control. Many factors could cause actual results, performance or achievements to be materially different from those expressed or implied in this Management Presentation, including, among others, the risks and uncertainties set forth in Section 3 “Risk Factors” in James Hardie’s Annual Report on Form 20-F for the year ended 31 March 2024, which include, but are not necessarily limited to risks such as changes in general economic, political, governmental and business conditions globally and in the countries in which the Company does business, including; changes in interest rates; changes in inflation rates; changes in exchange rates; the level of construction generally; changes in cement demand and prices; changes in raw material and energy prices; changes in business strategy and various other factors. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein. James Hardie assumes no obligation to update or correct the information contained in this Management Presentation except as required by law.

All amounts are in US Dollars, unless otherwise noted

## Use of non-GAAP financial information; Australian equivalent terminology

This Management Presentation includes financial measures that are not considered a measure of financial performance under generally accepted accounting principles in the United States (GAAP). These financial measures are designed to provide investors with an alternative method for assessing our performance from on-going operations, capital efficiency and profit generation. Management uses these financial measures for the same purposes.

These financial measures are or may be non-GAAP financial measures as defined in the rules of the U.S. Securities and Exchange Commission and may exclude or include amounts that are included or excluded, as applicable, in the calculation of the most directly comparable financial measures calculated in accordance with GAAP. These non-GAAP financial measures should not be considered to be more meaningful than the equivalent GAAP measure. Management has included such measures to provide investors with an alternative method for assessing its operating results in a manner that is focused on the performance of its ongoing operations and excludes the impact of certain legacy items, such as asbestos adjustments. Additionally, management uses such non-GAAP financial measures for the same purposes. However, these non-GAAP financial measures are not prepared in accordance with GAAP, may not be reported by all of the Company’s competitors and may not be directly comparable to similarly titled measures of the Company’s competitors due to potential differences in the exact method of calculation. For additional information regarding the non-GAAP financial measures presented in this Management Presentation, including a reconciliation of each non-GAAP financial measure to the equivalent GAAP measure, see slides titled “Non-GAAP Financial Measures” included in this Management Presentation.

In addition, this Management Presentation includes financial measures and descriptions that are considered to not be in accordance with GAAP, but which are consistent with financial measures reported by Australian companies, such as operating profit, EBIT and EBIT margin. Since the Company prepares its Consolidated Financial Statements in accordance with GAAP, the Company provides investors with definitions and a cross-reference from the non-GAAP financial measure used in this Management Presentation to the equivalent GAAP financial measure used in the Company’s Consolidated Financial Statements. See slides titled “Non-GAAP Financial Measures” included in this Management Presentation.

# Formalities

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Attendance

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Charging Your Items

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Presentations

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Badges & Groups

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Welcome Bags

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Agenda





# Agenda: Day Two

DAY TWO | MONDAY, JUNE 24<sup>TH</sup> | NEW YORK

Registration/Breakfast at Pendry Hotel	All
Logistics Overview	Joe Ahlersmeyer
Welcome	Aaron Erter, CEO
Finance Strategic Priorities	Rachel Wilson, CFO
Global Operations Strategic Priorities	Ryan Kilcullen
<i>9:00am Break for 5min</i>	
ESG Roadmap	Jill Kolling
Innovation Strategic Priorities	Joe Liu
Long-Term North America Aspirations	Aaron Erter, CEO
Q&A	All
<i>~10:15am Travel to Field Visit #1</i>	
Field Visit #1	All
<i>Travel to Lunch</i>	
Lunch	All
Repair & Remodel Panel	John Madson
<i>~3:30pm Travel to Field Visit #2</i>	
Field Visit #2	All
<i>Travel</i>	
Dinner at Yankee Stadium	All
<i>Travel to Pendry Hotel</i>	

# Zero Harm



Stay Together as a Group



Utilize Safety Equipment When Provided  
(E.g., Hard Hats, etc.)



Stay Hydrated and Leverage Facilities  
as Needed



Please be Aware of Your Surroundings and  
Identify the Nearest Emergency Exit



# What The Best Are Made Of

# Aaron Erter

CHIEF EXECUTIVE OFFICER



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# Our Continuing Evolution

This evolution is designed to build an even greater future for James Hardie and its people

FROM

A focus on what we do

Growth above all else

A top-down approach

Behaviors that only reflect what we are



TO

A focus on **why** we do what we do

Defining the **kind of company** we want to be

A **collaborative and inclusive** environment

Values that guide **who we are and how we act**





# Embracing Our Future Remains Rooted In Our Purpose



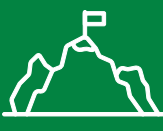
## PURPOSE

Building a Better Future for All™



## VISION

To inspire how communities design, build, and grow today and tomorrow.



## MISSION

Be the most respected and sought after building materials brand in the world.

**VALUES**

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**SUPPORTED BY OUR FOUNDATIONAL IMPERATIVES**



Honor Our Commitments



Collaborate for Greatness



Do the Right Thing



Be Bold and Progressive



Embrace Our Diversity



# The James Hardie Strategy

## Homeowner Focused, Customer and Contractor Driven™

### Strategic Initiatives

- 1 Profitably grow and take share where we have the right to win
- 2 Bring our customers high valued, differentiated solutions
- 3 Connect and influence all the participants in the customer value chain

### Supported by Our Foundational Imperatives

The four foundational imperatives are represented by circular icons with the following text:

- Zero Harm:** A circular icon with 'SAFE PEOPLE SECURE' at the top, 'ZERO HARM' in the center, and 'SAFETY SYSTEMS SAFE PLACES' at the bottom.
- Hardie Operating System:** A circular icon with 'STRATEGY' at the top, 'HARDIE OPERATING SYSTEM' in the center, and 'PRIORITY EXECUTION' at the bottom.
- ESG:** A circular icon with 'ENVIRONMENTAL' at the top, 'ESG' in the center, and 'SOCIAL GOVERNANCE' at the bottom.
- Our People:** A circular icon with 'TALENT' at the top, 'OUR PEOPLE' in the center, and 'CULTURE INCLUSION' at the bottom.

### Enabled by

- ✓ Customer Integration
- ✓ Innovative Solutions
- ✓ Brand of Choice
- ✓ Global Capacity Expansion

# Executive Leadership Team (ELT)



CEO  
**Aaron Erter**  
Chicago



CFO  
**Rachel Wilson**  
Chicago



Chief HR  
Officer (CHRO)  
**Farhaj Majeed**  
Chicago



President  
North America  
**Sean Gadd**  
Chicago



President  
APAC  
**John Arneil**  
Sydney



President  
Europe  
**Christian Claus**  
Düsseldorf



EVP Global  
Operations  
**Ryan Kilcullen**  
Chicago



Chief Information  
Officer (CIO)  
**James Johnson**  
Chicago



VP ESG/ Chief  
Sustainability Officer  
**Jill Kolling**  
Chicago



VP Head of  
Transformation  
**Stephen Balsavich**  
Chicago



Chief Technology  
Officer (CTO)  
**Joe Liu**  
Chicago



VP Corporate  
Communications  
**Joel Wasserman**  
Chicago



Chief Legal Counsel  
**Tim Beastron**  
Chicago

# Finance Strategic Priorities

**RACHEL WILSON**  
CHIEF FINANCIAL OFFICER



# Finance Strategic Priorities

*Building a Better Future for All™ by focusing on what we can control supported by our strategic foundations.*

**Effective Strategic Partnership:** Solution seeker to support our regional businesses to successfully execute our Global Strategy and meet our regional goals

**Target Delivery:** Results and growth minded organization that consistently delivers on short and long-term financial and KPI commitments

**Capital Stewardship:** Disciplined management of Capital Deployment to efficiently and effectively return value to shareholders

**No Space Between Say and Do**



# Controlling the Controllable

## Non-Controllables

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**Repair & Remodel  
Market Growth**



**New Construction  
Market Growth**



**Raw Material Costs**

## Controllables

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**Primary Demand Growth (PDG)**



**Value-Based Pricing**



**SG&A + CapEx**



**HOS Savings**

# How We Control the Controllables

## Controllables



**Primary Demand Growth (PDG)**



**Value-Based Pricing**

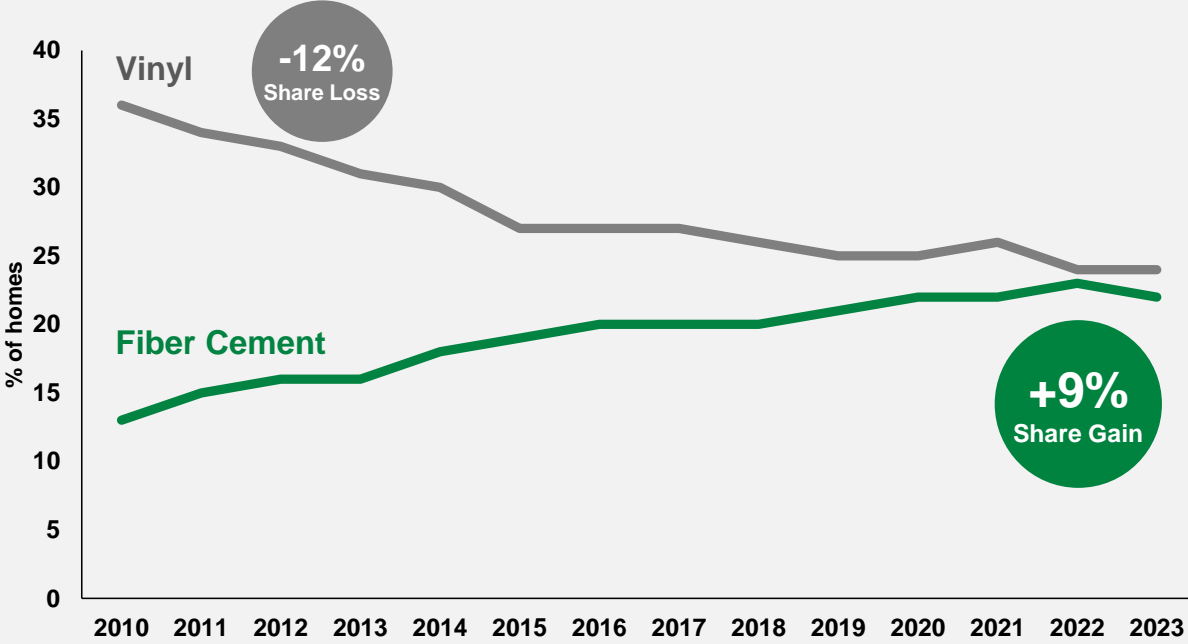


**SG&A + CapEx**



**HOS Savings**

**Material Share of Primary Cladding<sup>1</sup>**



1. US Census Bureau (Characteristics of New Housing, 2023; Single-Family Completions)

1. Proven Track Record of Long-Term Profitable Share Gain
2. Target 4% PDG in NA & APAC and Growth of High Value Products in Europe
3. Outperform the Market Through Cycles

# How We Control the Controllables

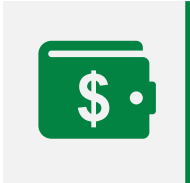
## Controllables



Primary Demand Growth (PDG)



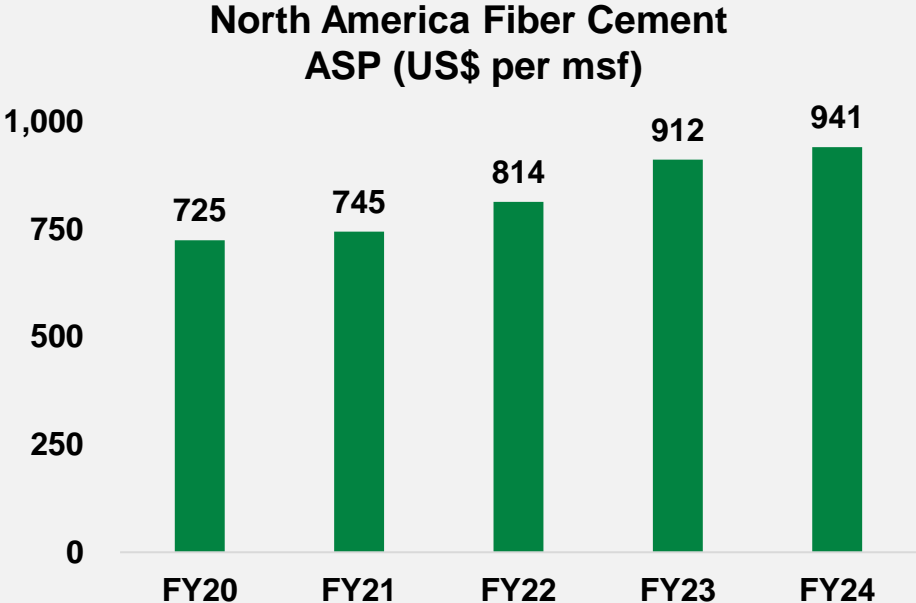
Value-Based Pricing



SG&A + CapEx



HOS Savings



### 1. Superior Value Proposition Enables

- Consistent Annual Price Increases
- Channel Support from Homeowner to Customer & Contractor

### 2. Factors That Influence Average Selling Price

- Geographic & End-Market Performance
- Product Mix



# How We Control the Controllables

## Controllables



**Primary Demand Growth (PDG)**



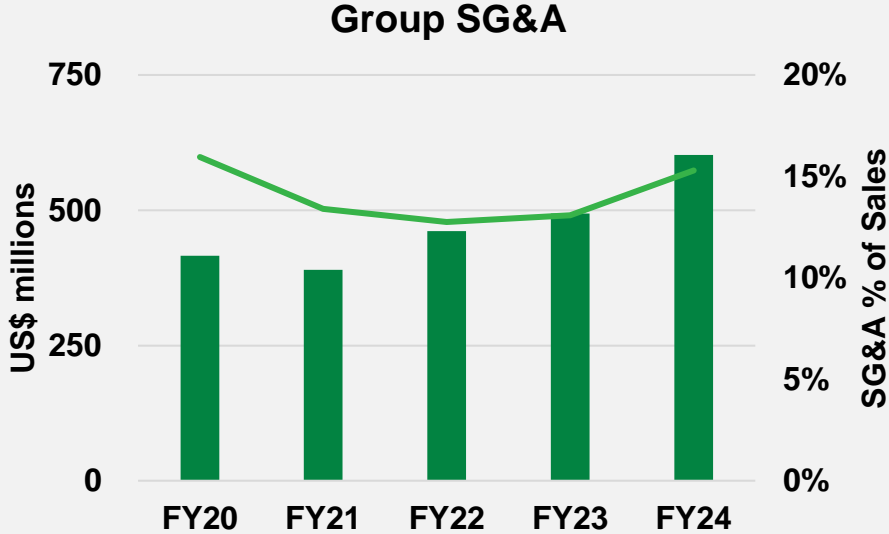
**Value-Based Pricing**



**SG&A + CapEx**



**HOS Savings**



### 1. Driving Profitable Growth

- Demand Creation
- Contractor Alliance Program
- Customer Integration

### Leading Indicators

- Brand Awareness
- New Contractors
- Lead Generation

### 2. Scaling for Growth

- People
- HOS Initiatives
- Capacity Investment

### Tangible Progress

- Talent Development
- HOS Savings Progress
- ROCE

# How We Control the Controllables

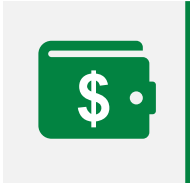
## Controllables



Primary Demand Growth (PDG)



Value-Based Pricing



SG&A + CapEx



HOS Savings



## HOS Progress in FY24

✓ Cumulative HMOS Savings



✓ Cumulative Procurement Savings and R&D Value Improvement

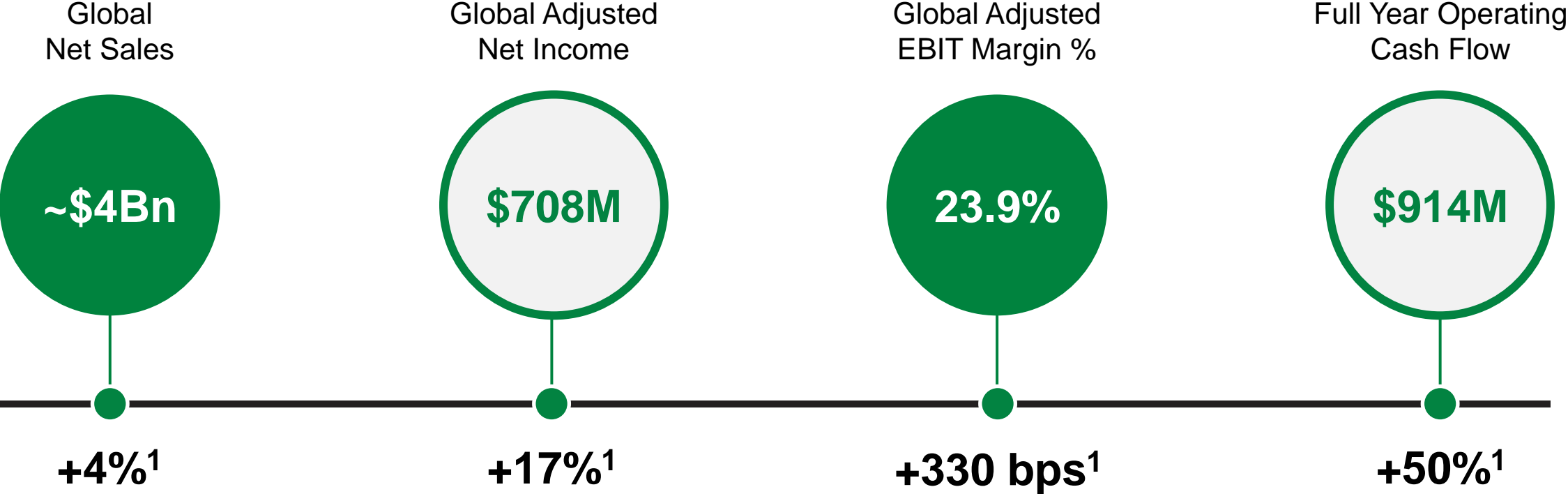


✓ Cumulative Working Capital Improvement



Investing in HOS to Generate Current and Future Savings

# Strong Financial Performance in FY24



**Record Full Year Global Net Sales, Adjusted Net Income, Adjusted EBIT Margin, and Operating Cash Flow**

1. All changes presented are versus the prior Fiscal Year

# 2025 Guidance

	Q1 FY25	Full-Year FY25
North America Volume	745 – 775 mmsf	2,950 – 3,150 mmsf
North America EBIT Margin	30% – 32%	29% – 31%
Adjusted Net Income	US\$ 155 – 175m	US\$ 630 – 700m

**Reiterating Q1 and Full-Year FY25 Guidance**



# Capital Allocation Framework

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## Invest in Organic Growth

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## Maintain Flexible Balance Sheet

- \$958.2 million of liquidity at 31 March 2024
  - 0.67x leverage ratio at 31 March 2024
  - Strong liquidity position to navigate all market conditions
- 



## Deploy Excess Capital to Shareholders

- Increase share buyback program to \$300 million
- 



## Positioned for M&A to:

- Accelerate our Strategy
- Increase our Value Proposition
- Create Long-Term Financial Value

# Incentives Are Aligned to Our Purpose, Mission, Vision, and Values

		APAC	EUROPE	NORTH AMERICA	
		FY25-27	FY25-27	FY25-27	
<b>Zero Harm</b>	DART	≤0.07	≤0.43	≤0.70	
<b>Profitable Growth</b>	Profitable Share Gain	PDG: 4%	HVP: 15%	PDG: >4%	
	EBIT Margin %	>29%	>14%	>30%	
<b>Hardie Operating System</b>		By FY27 vs FY23 Baseline			
	HOS Savings <sup>1</sup>	\$160M			
	Working Capital Improvement	\$100M			
<b>Innovation</b>	Commercial-in-confidence metrics for products and process efficiencies				
<b>People &amp; Culture</b>	Embed Purpose, Vision, Mission, and Values	Employee Engagement: Survey, People Leadership Score, Succession Planning with IDPs, James Hardie University, and Recognition Platform	Align Org. design with company strategy	Drive improvement in Inclusion & Diversity	HR Technology Roadmap
<b>ESG</b>	ESG Goals				
	By FY26	By 2030		By 2035	
	30% gender diversity (senior leadership) 25% gender diversity in mgmt 30% underrepresented minorities in mgmt (U.S. Only)	42% absolute reduction in Scope 1+2 Greenhouse Gas Emissions compared to CY21 baseline	Recycle an additional 20M cubic feet of water per year compared to CY19 baseline	Zero manufacturing waste to landfill	

# A Growth Company



Responsible Corporate  
Citizenship



Innovative Solutions



Strong Cash Generation  
& Balance Sheet



Demand Creation



Localized Manufacturing



Attractive Returns



Brand of Choice



Experienced Management Team



Premium Products and Services



Hardie Operating System "HOS"

**Global  
Net Sales**  
10 Year CAGR<sup>1</sup>



**Global Operating  
Cash Flow**  
3 Year Avg FY24 vs FY14<sup>2</sup>



**Global  
Adj. ROCE**  
Avg. FY20-FY24



**Global Adj.  
Net Income**  
10 Year CAGR<sup>1</sup>

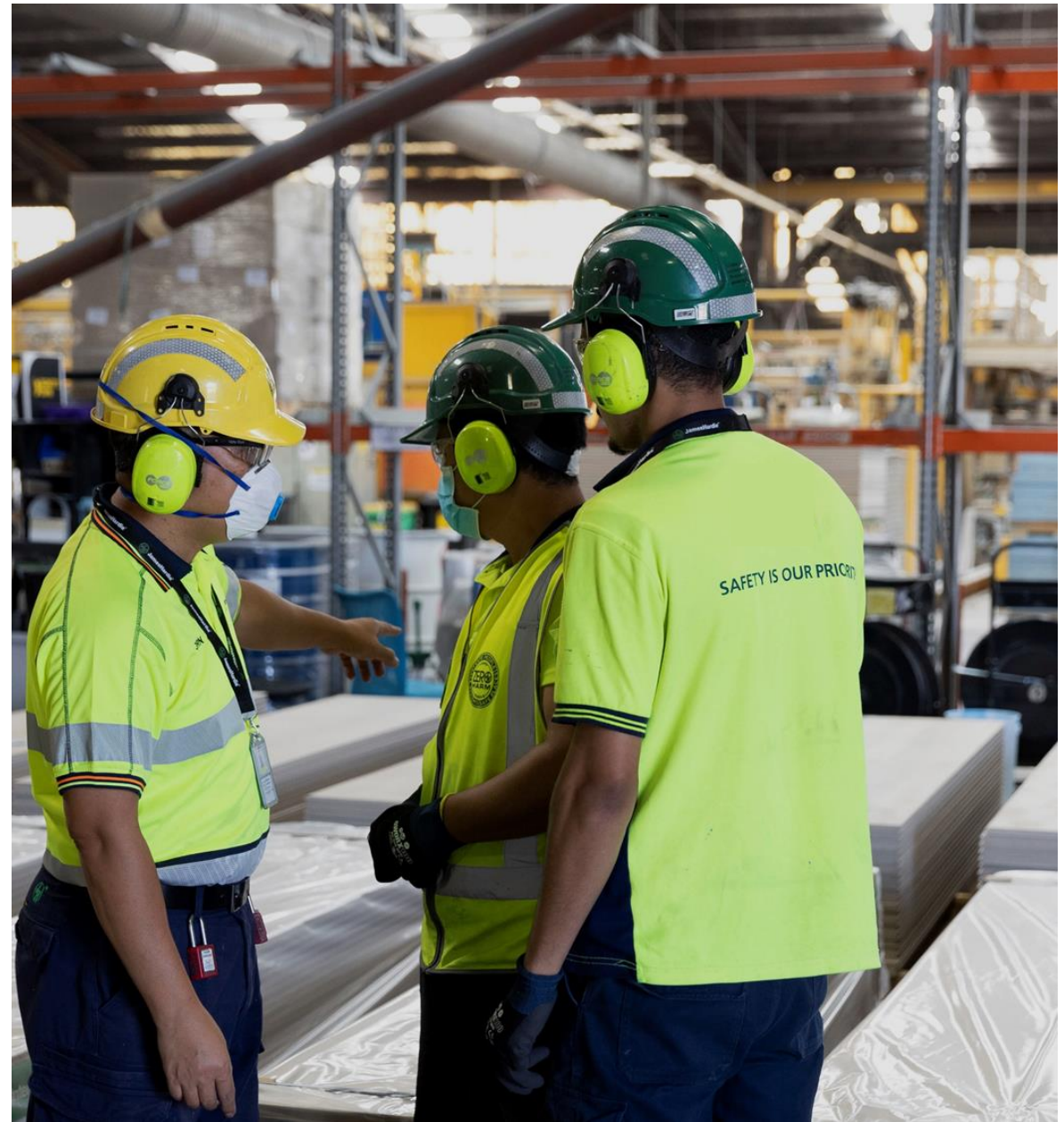


**Homeowner Focused, Customer and Contractor Driven™**

1. CAGR for the time period FY14 to FY24  
2. Comparison of average Global Operating Cash Flow FY22-FY24 and FY12-FY14

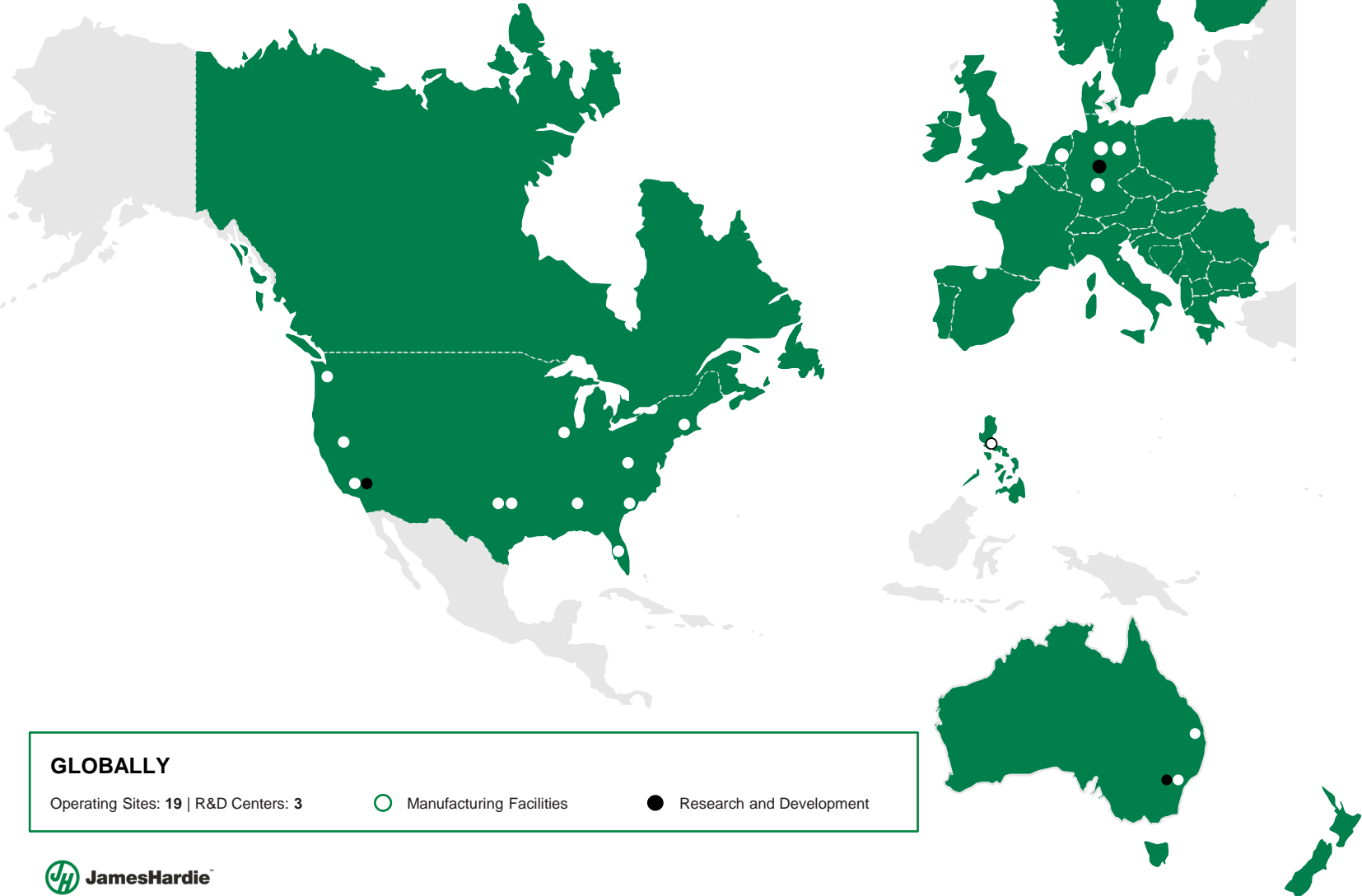
# Global Operations Strategic Priorities

**RYAN KILCULLEN**  
EXECUTIVE VICE PRESIDENT,  
GLOBAL OPERATIONS





# Global Capacity Footprint



**GLOBALLY**  
 Operating Sites: 19 | R&D Centers: 3

○ Manufacturing Facilities      ● Research and Development



**Ryan Kilcullen**  
 EVP, Global Operations

**19** PLANTS

**4,679** MMSF OF NORTH AMERICA  
 NAMEPLATE CAPACITY<sup>1</sup>

**669** MMSF OF APAC  
 NAMEPLATE CAPACITY<sup>1</sup>

**1,184** MMSF OF EUROPE  
 NAMEPLATE CAPACITY<sup>1</sup>

1. Capacity as of March 31<sup>st</sup>, 2024

# Global Operations Strategic Priorities

*Building a Better Future for All™ by focusing on what we can control supported by our strategic foundations.*

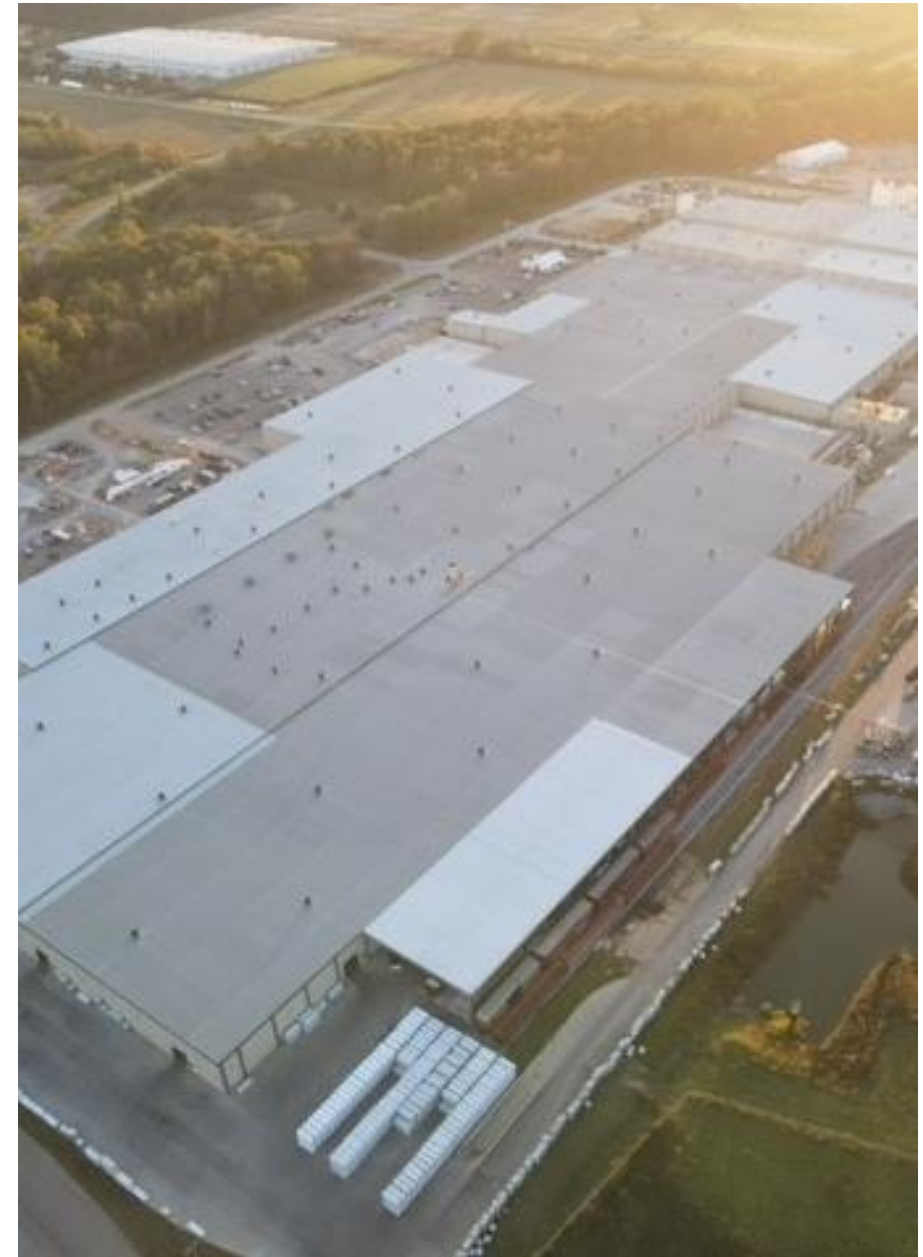
**Zero Harm:** Continuing to drive world class performance by creating a culture with a conviction that every incident is preventable

**HMOS Continuous Improvement:** Engaging our people & leveraging our global scale to deliver consistent value improvement

**Advanced Manufacturing Strategy:** Building capabilities to create step-change improvements in our manufacturing process utilizing best-in-class methodologies

**Global Capacity Expansion:** Enabling profitable growth by efficiently adding capacity to our global network & building on our local supply chain advantage

**Homeowner Focused, Customer and Contractor Driven™**



# Continuing our Journey to World Class Manufacturing via Lean

*HMOS provides a framework to support our journey from the world's best fiber cement manufacturer to a **world class manufacturer***

## LEAN Journey

**Purpose & Strategy**

*World Class Manufacturing Organization*

2019

**Principles & Behaviors**

*Standardization & Best Practices*

2019+

**Management Systems**

*Tiered DMS & Continuous Improvement*

2020+

**Advanced Manufacturing**

*Process Engineering & Technology*

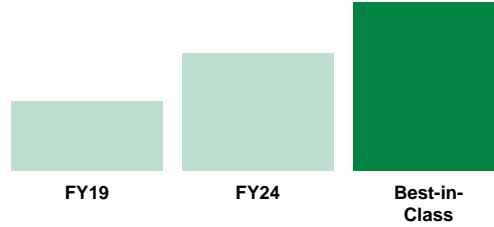
2024+



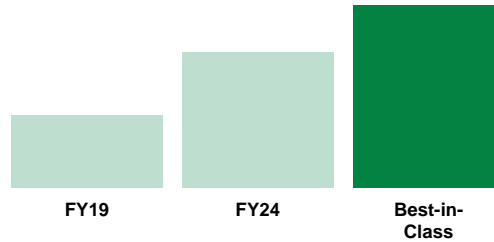


# Opportunity for Continued Operational Gains via HMOS in North America

Net Hours Progression



RTY Progression



Rate Progression (% Design Rate)



- Demonstrated track record of continuous improvement via HMOS
  - ✓ Net Hours
  - ✓ RTY
  - ✓ Rate (**New focus in FY25**)

- 
- Opportunity for continued gains in OEE to industry best-in-class

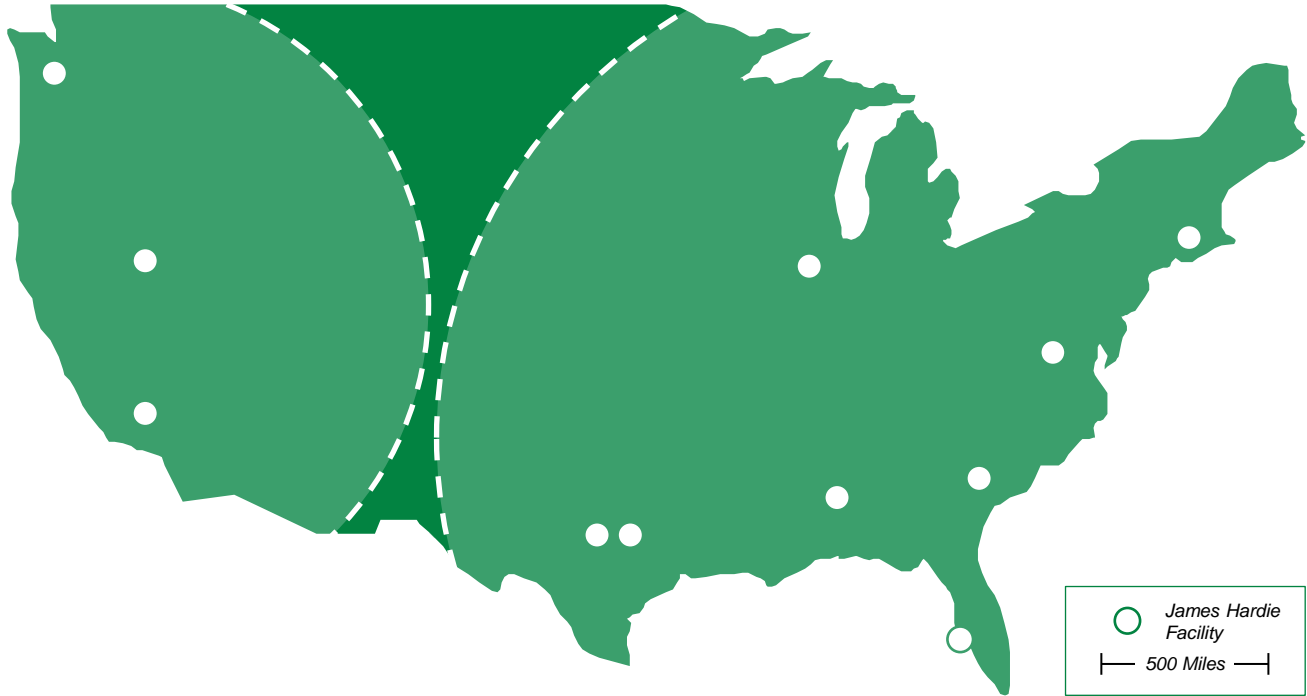
- 
- Investing in internal capabilities & external experts to initiate our Advanced Manufacturing strategy

# Our Localized Manufacturing Enables Efficiency Throughout Our Supply Chain



Localized Manufacturing

## NA Manufacturing Footprint



### Close Proximity to Our Customers

- 67% of Product Deliveries Are Within 500 miles of our Plants<sup>1</sup>

### Efficient Supply Chains

- 81% of Raw Materials Sourced Within 150 Miles of our Plants<sup>1</sup>

### Investing in, and Supporting Our Communities

- Contributed \$1.85bn In Economic Value in Communities Where we Operate<sup>1</sup>

1. James Hardie FY23 Sustainability Report

# Prattville Mega Site

*Sheet Machine 3 & 4 Expansion  
Key Strategic Enabler of Profitable Growth*



Commissioning execution for FY25 Delivery



Integrated Safety Plan & Execution Team



Focused manufacturing lines & high scale approach

PRATTVILLE – JUNE 2018



PRATTVILLE – FEBRUARY 2024



<b>4</b> Sheet machines	<b>1.2B</b> Standard Feet of Capacity	Approx. <b>600</b> Employees
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# North American Capacity: Mega Sites



Location	PRATTVILLE, AL	CLEBURNE, TX	CRYSTAL CITY, MO	<b>Future Development (Brown or Greenfield)</b>
Development	Brownfield	Brownfield	Greenfield	
Status <sup>1</sup>				
Sheet Machines	2 → 4	3 → 5	Up to 4	
Nameplate Capacity <sup>2</sup>	1.2 Bnsf	1.2 Bnsf	Up to 1.2 Bnsf	
Strategic Link	Focused Manufacturing	New Construction Opportunity	Centrally Located	

**Long-Term Capacity to Support Material Conversion and Profitable Share Gain**

1. "Status" diagram refers to progress in completion of number of Sheet Machines at each location  
 2. 1 Sheet Machine ==300 mmsf in nameplate capacity

# Aligning Capacity to Support Material Conversion and Profitable Share Gain



Foundational Culture of Zero Harm



HMOS Continuous Improvement Through HOS



Advanced Manufacturing Focus



Aligned Global Capacity Expansion

**Building a Better Future For All™**





# ESG Roadmap

**JILL KOLLING**  
CHIEF SUSTAINABILITY OFFICER



# ESG: A Finish Without End



**JILL KOLLING**  
Chief Sustainability Officer



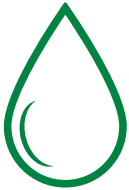
# Our Commitments



## Reducing Emissions

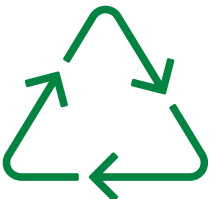
**42% absolute reduction in Scope 1+2 greenhouse gas emissions** by 2030, compared to CY21 baseline, and work towards net zero by 2050

Reduce the CO<sub>2</sub> impact of our products through implementation of our Low Carbon Cement Technology Roadmap



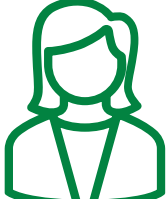
## Saving Water

Recycle an additional 20M cubic feet of water per year by 2030, compared to CY19 baseline



## Minimizing Waste

**Zero manufacturing waste to landfill** by 2035

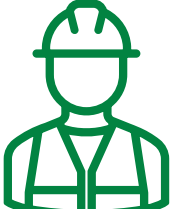


## Increasing Diversity

**30% gender diversity in senior leadership** by FY26

**25% gender diversity in management** by FY26

**30% underrepresented minorities in management** by FY26 (U.S. only)



## Prioritizing Safety

Continuously improve our Zero Harm culture, processes and systems

# Building a Culture of Sustainability



## EMISSIONS

42% absolute reduction in Scope 1+2 greenhouse gas emissions by 2030



## WASTE

Zero manufacturing waste to landfill by 2035



## WATER

Recycle an additional 20M cubic feet of water per year by 2030, compared to CY19 baseline



## Sustainability in Action at James Hardie



Europe



North America



APAC

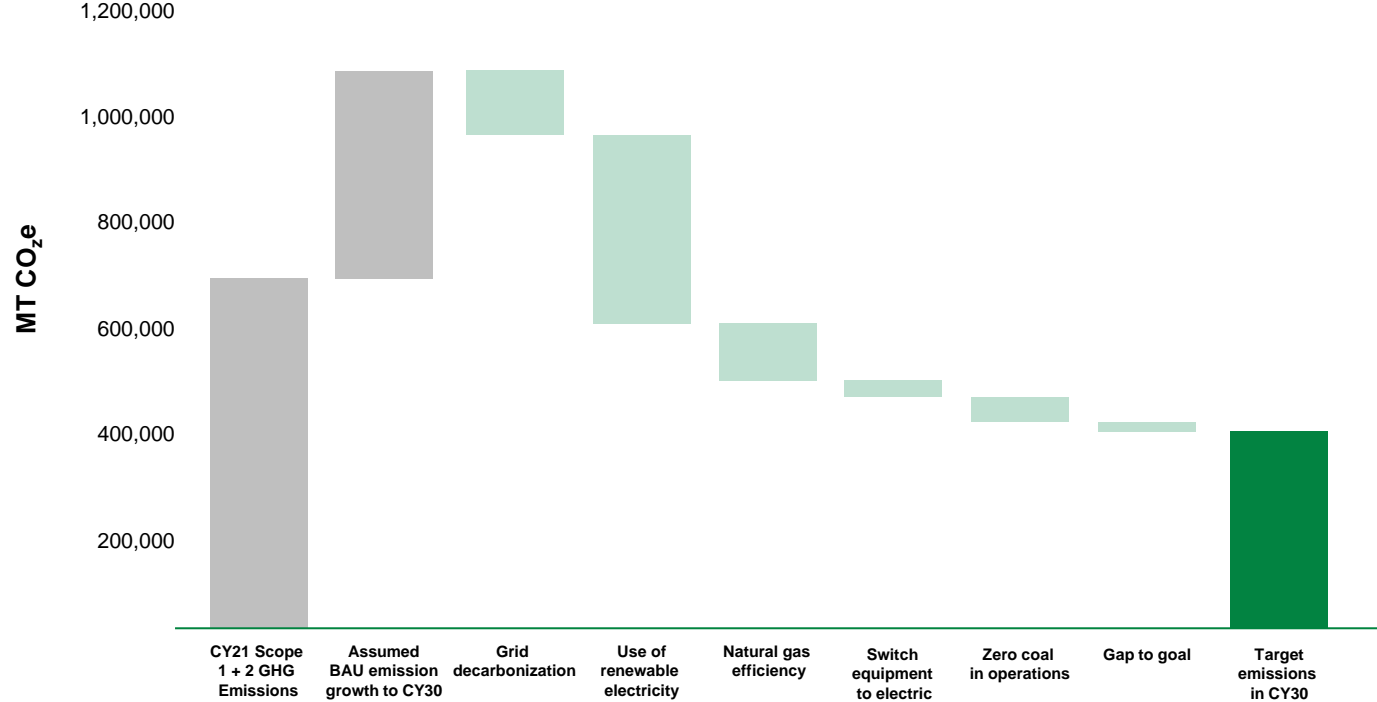
We frequently recognize individual and group contributions to make James Hardie a more sustainable organization

- Integrating into HMOS
- Driving accountability with internal goals and metrics
- Incorporating in key decision-making processes
- Building internal awareness through Sustainability in Action



# Pathway to Achieving our Emission Goals in 2030 In Support of Net Zero by 2050

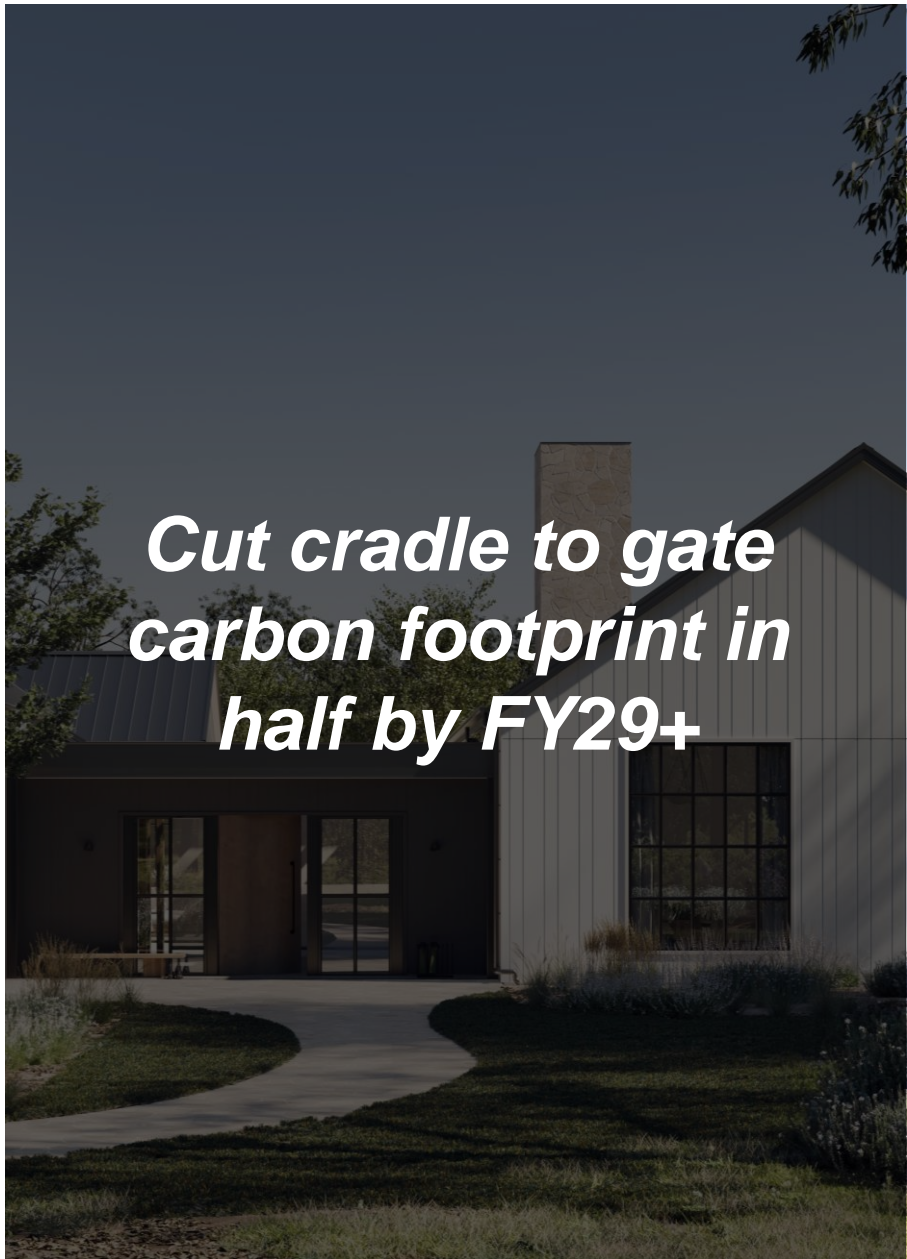
## Greenhouse Gas Emissions – Levers to Target in 2030



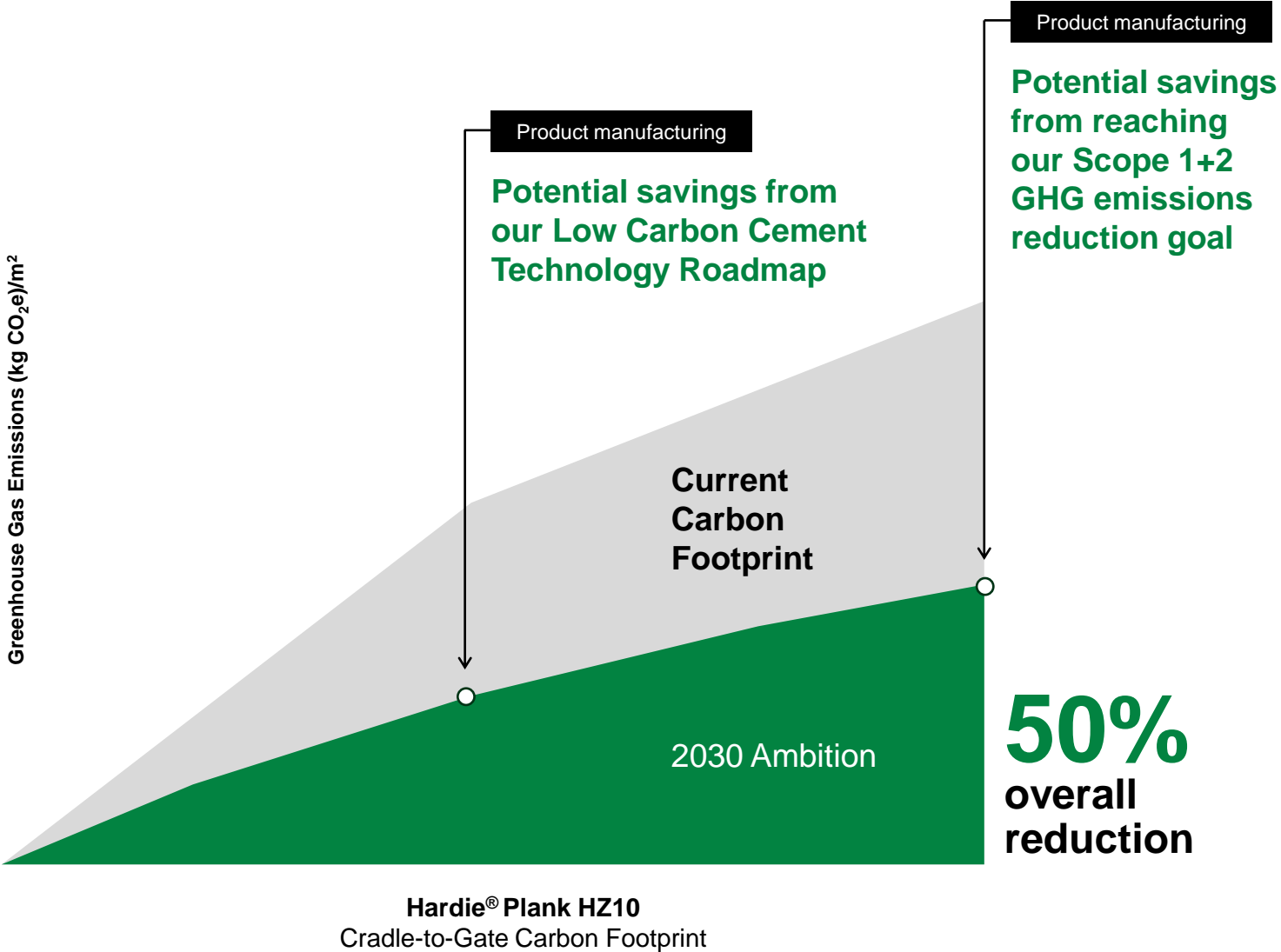
### Assumed Business-as-Usual Emission Growth to 2030 Offset by:

- Grid decarbonization
- Use of renewable electricity
- Natural Gas efficiency
- Zero Coal





# Reducing Product Carbon Footprint



# Building a Better Future For All™

**James Hardie Products Meet the Challenges of a Changing World...**

**Our Products are:**

**Resilient**



Hardie® fiber cement products are built to withstand the harshest weather conditions and resist fires<sup>1</sup>, floods and other natural disasters

**Engineered for Climate®**



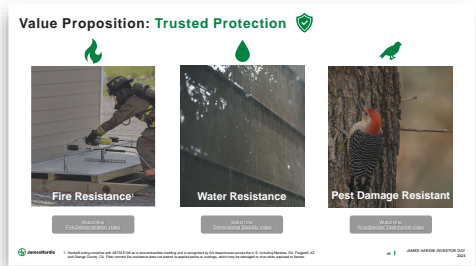
The Hardie™ Zone System provides siding with specific performance for the climate where the product is being used

**Low Maintenance**



Hardie® siding and trim products are low maintenance so homeowners can spend more time enjoying their home

**Supported by our Value Proposition of Trusted Protection**



**...And we are Being Recognized for our Continued Efforts in Sustainability**

**2023 – Named ECO Actions Partner by the Home Depot**



The Home Depot selected James Hardie as one of its first partners in its Eco Actions Partner Program. This distinction is a recognition of our efforts to enhance our sustainability practices and our active ongoing work to make cleaner, safer and more sustainable products and manufacturing processes.

**2024 – Selected as 2024 Eco Leader by Green Builder**



Selected by Green Builder Media’s team as a 2024 Eco Leader. This accolade demonstrates, that James Hardie, in the opinion of Green Builder Media, is one of the industry’s leading-edge sustainability companies.

**Eco-Leaders**



1. Hardie® siding complies with ASTM E136 as a noncombustible cladding and is recognized by fire departments across the U.S. including Marietta, GA, Flagstaff, AZ and Orange County, CA. Fiber cement fire resistance does not extend to applied paints or coatings, which may be damaged or char when exposed to flames.

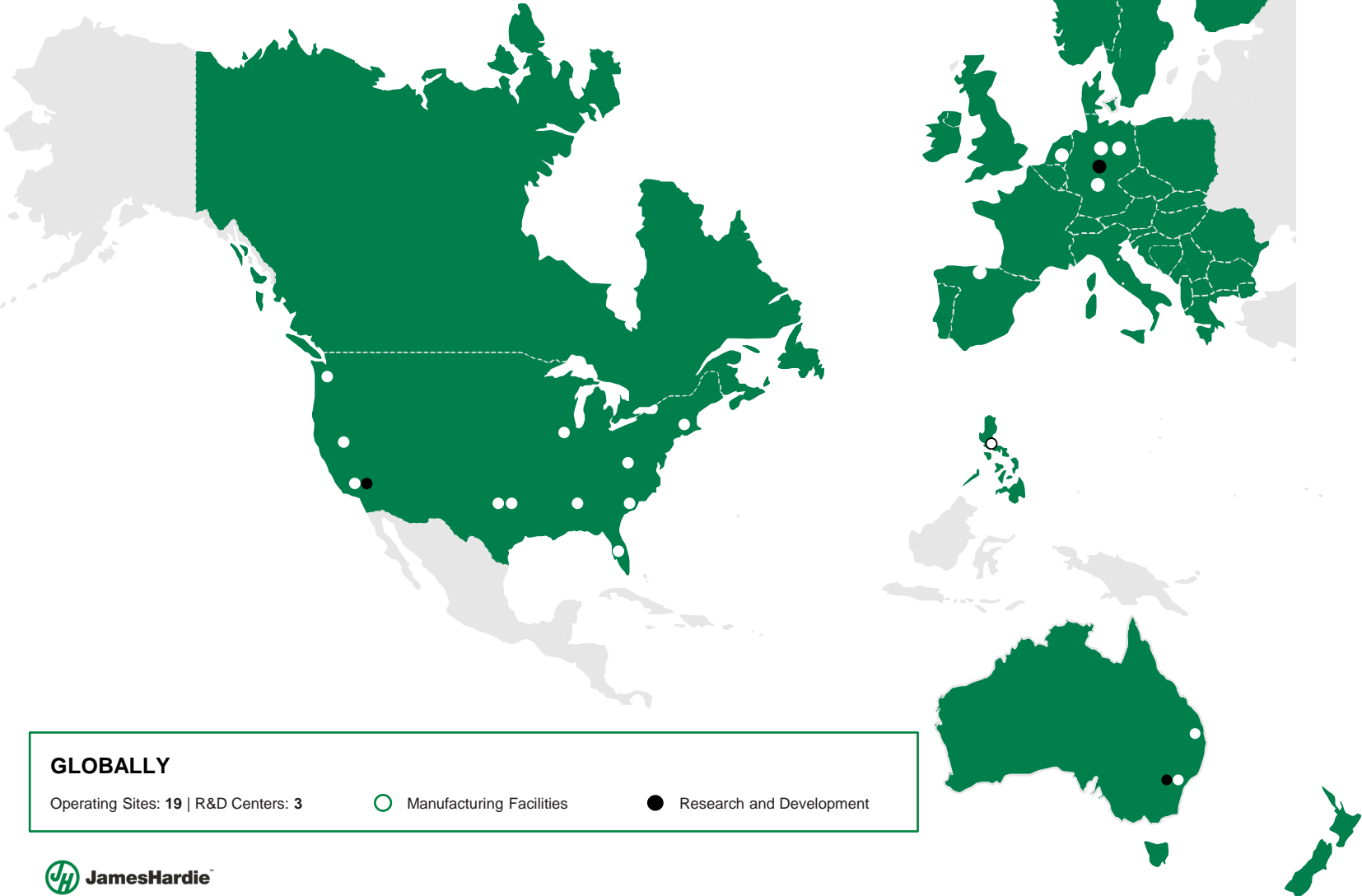
# Innovation Strategic Priorities

**JOE LIU**  
CHIEF TECHNOLOGY OFFICER





# R&D Footprint



**GLOBALLY**  
 Operating Sites: 19 | R&D Centers: 3  
 ○ Manufacturing Facilities      ● Research and Development



**Joe Liu**  
 Chief Technology Officer

**167** EMPLOYEES<sup>1</sup>  
**3** GLOBAL R&D CENTERS



1. Average number of employees for Fiscal Year 2024

# Global Innovation Strategic Priorities

*Building a Better Future for All™ by focusing on what we can control supported by our strategic foundations.*

**Accelerate Material Conversion:** Prioritized growth programs aligned to the regional focuses on material conversion and profitable share gain

**Strengthen Our Core:** Robust pipeline of programs to support and enhance the core businesses, from value improvement to sustainable raw materials

**Develop New Platforms:** Address mega-trends and increase design flexibility for homeowners, architects and builders in terms of look and use

**Homeowner Focused, Customer and Contractor Driven™**



# Accelerate Material Conversion



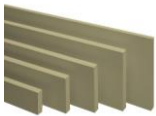
## Optimize Installation

- Product and Accessories
- Install Tools and Processes



## Innovate With ColorPlus®

- Enhanced aesthetics
- Next Generation Performance



## Increase Trim Attachment

- Enhanced Aesthetics & Performance

**Prioritized Growth Programs Aligned to The Regional Focus  
On Material Conversion and Profitable Share Gain**





# Strengthen Our Core

## Value Improvement Through HOS



- Re-formulation
- Process Optimization



## Enable ESG

- Sustainable Raw Materials
- Recycled Material Usage

## Low Carbon Cement Innovation

- Phased Roadmap Execution
- Leveraging Partnerships

**Robust Pipeline of Programs To Support and Enhance The Core Businesses**

# Develop New Platforms That Address Mega-Trends

## Megatrends



Mixed Materials & Design



Labor Shortages



Affordable Housing

- Product and Technology Road Mapping
- System/Solution Approach

## Aesthetics



- Textures and Profiles
- Coatings

## Optimize Installation

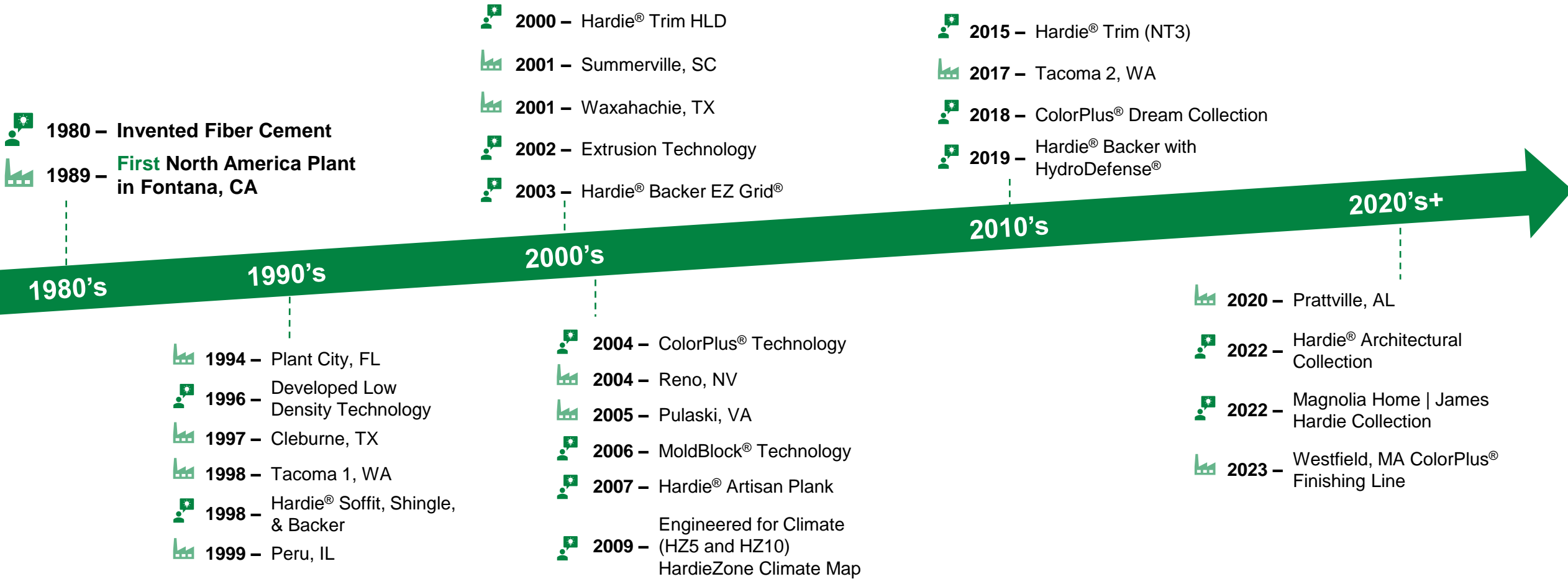


- Joining Systems and Accessories
- Holistic Designs



# A Culture of Innovation That Supports Global Strategy

## 40+ Years Of Innovation And Capacity Growth In North America

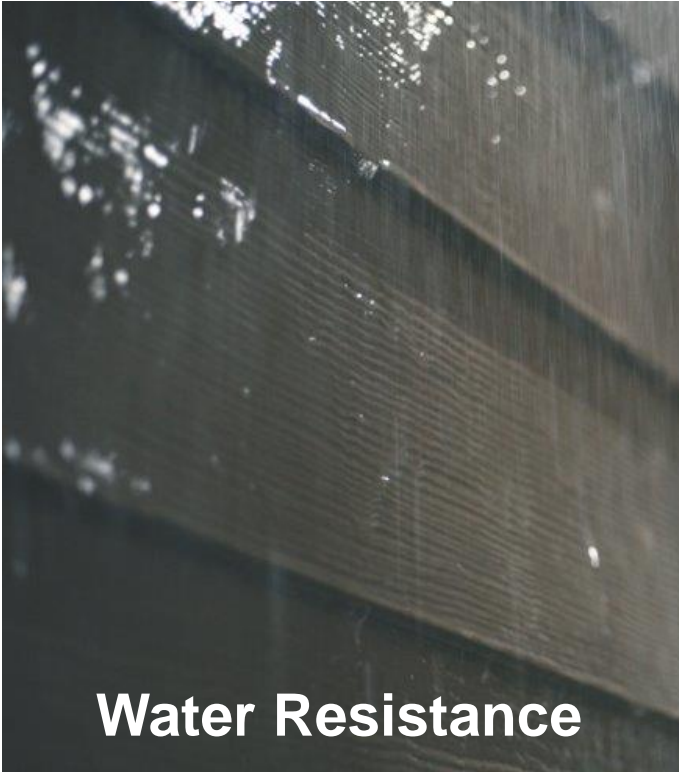


# Value Proposition: Trusted Protection



**Fire Resistance<sup>1</sup>**

Watch the [Fire Demonstration video](#)



**Water Resistance**

Watch the [Dimensional Stability video](#)



**Pest Damage Resistant**

Watch the [Woodpecker Testimonial video](#)

1. Hardie® siding complies with ASTM E136 as a noncombustible cladding and is recognized by fire departments across the U.S. including Marietta, GA, Flagstaff, AZ and Orange County, CA. Fiber cement fire resistance does not extend to applied paints or coatings, which may be damaged or char when exposed to flames.



# Fire Resistance Video<sup>1</sup>



# North America Long-Term Aspirations

**AARON ERTER**  
CHIEF EXECUTIVE OFFICER



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# The James Hardie Strategy

## Homeowner Focused, Customer and Contractor Driven™

### Strategic Initiatives

- 1 Profitably grow and take share where we have the right to win
- 2 Bring our customers high valued, differentiated solutions
- 3 Connect and influence all the participants in the customer value chain

### Supported by Our Foundational Imperatives

The four foundational imperatives are represented by circular icons with the following text:

- Zero Harm:** A circular icon with 'SAFE PEOPLE SECURE' at the top, 'ZERO HARM' in the center, and 'SAFETY SYSTEMS SAFE PLACES' at the bottom.
- Hardie Operating System:** A circular icon with 'STRATEGY' at the top, 'HARDIE OPERATING SYSTEM' in the center, and 'PRIORITY EXECUTION' at the bottom.
- ESG:** A circular icon with 'ENVIRONMENTAL' at the top, 'ESG' in the center, and 'SOCIAL GOVERNANCE' at the bottom.
- Our People:** A circular icon with 'TALENT' at the top, 'OUR PEOPLE' in the center, and 'CULTURE INCLUSION' at the bottom.

### Enabled by

- ✓ Customer Integration
- ✓ Innovative Solutions
- ✓ Brand of Choice
- ✓ Global Capacity Expansion

# US Housing Fundamentals Support Long-Term Growth

## Repair & Remodel

Housing Stock Aging Into Prime Remodeling Years



**~35 Million Homes Aged 20 to 40 Years Old<sup>1</sup>**  
(Single-Family Portion +23% vs. '19)

## New Construction

Cumulative Undersupply of US Housing



**U.S. Housing is Currently Undersupplied by ~2.1M Units<sup>2</sup>**

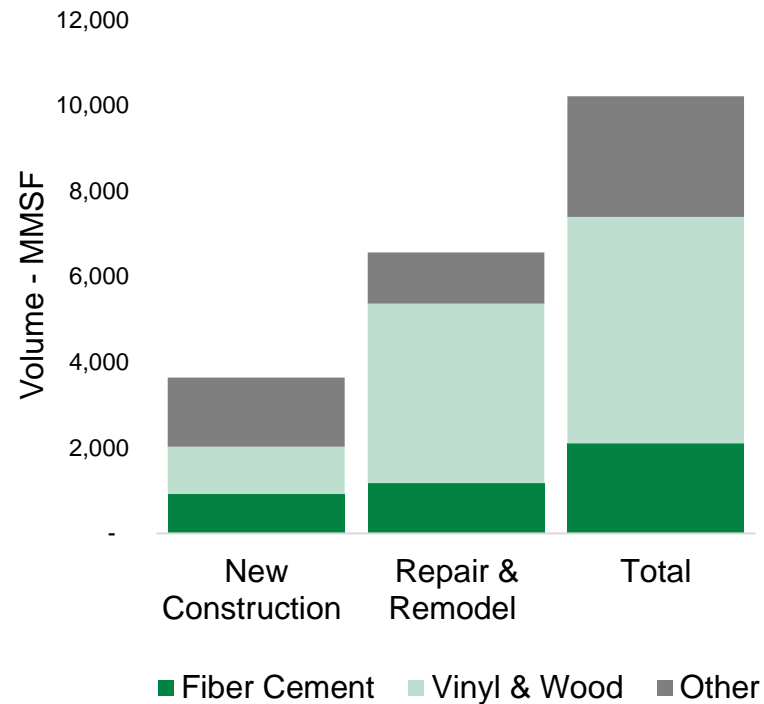
**Opportunity for Material Conversion and Long-Term Profitable Share Gain**



# US Siding Opportunity

Accelerate growth in key end markets by driving *material conversion*.

US Siding Opportunity<sup>1</sup>

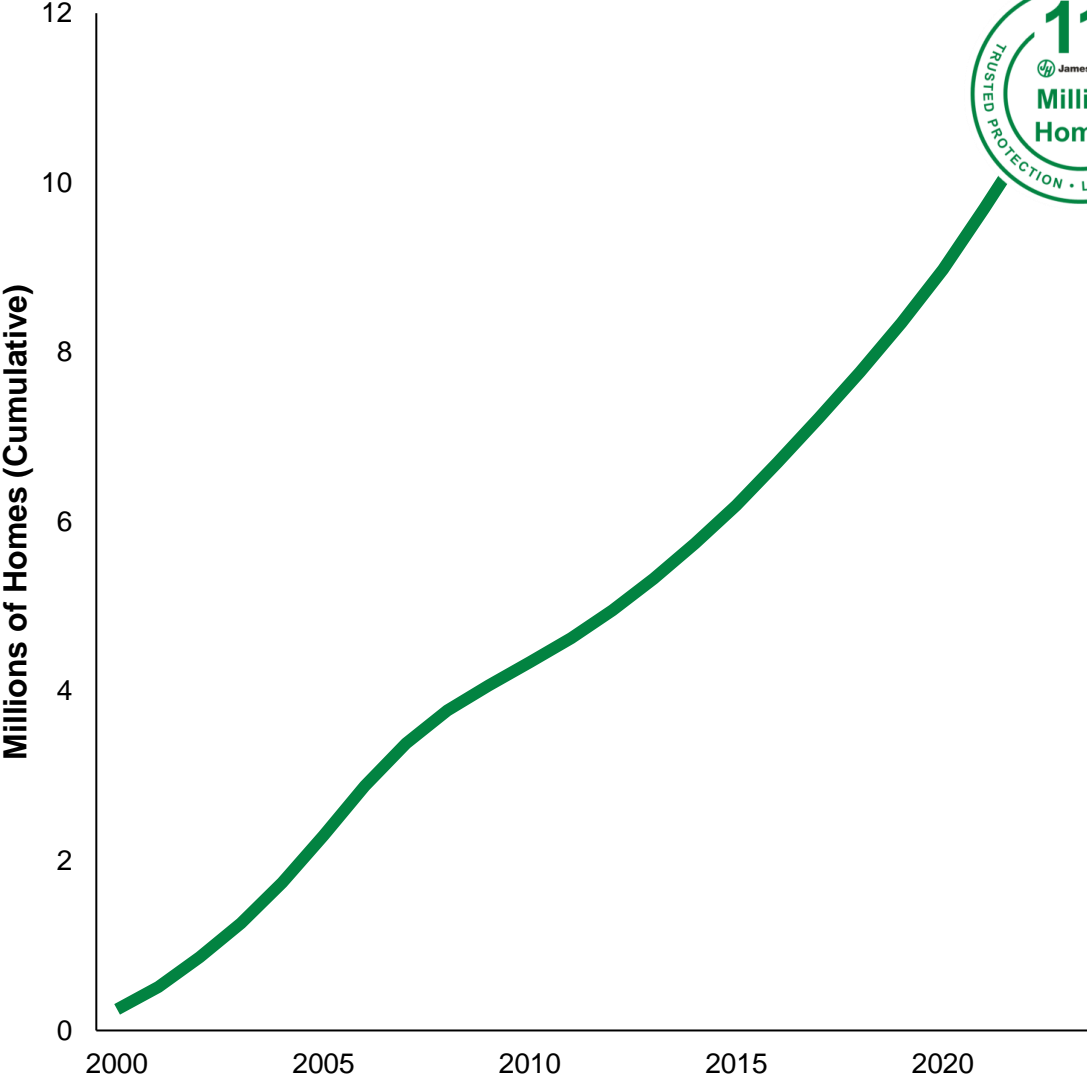


**~\$10Bn** US Siding Opportunity  
~10Bnsf

- Opportunity in R&R to win against vinyl and other wood-look substrates
- New Construction remains a significant opportunity for material conversion

**Long Runway for Growth Through Material Conversion**

# A Track Record of Material Conversion: 11+ Million Homes and Counting



**A History of Profitable Share Gain Driven by our Value Proposition and Superior Product Solutions**

**45** Billion Standard Feet of Total Volume Sold Since 2000

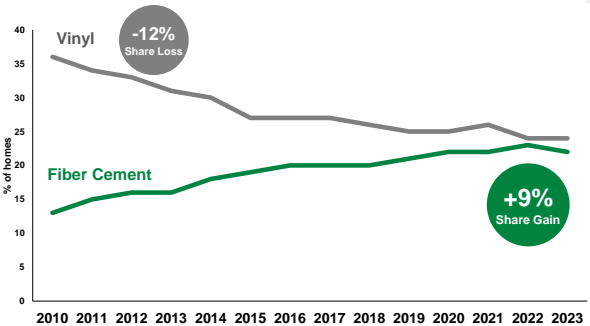
**28** Billion Standard Feet<sup>1</sup> of Siding



1. 28 billion standard feet of exterior siding sold between CY00 and CY23. Average siding intensity for a full wrap home 2,500sqft. Conceptual coverage of 11+ million homes.

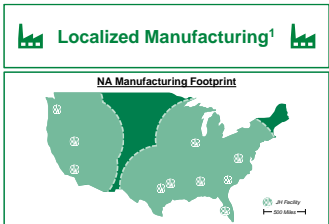
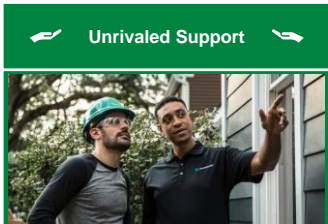
# Hardie: A Virtuous Cycle to Deliver Long-Term Value Creation

Profitable Share Gain Over The Long-Term



Source: US Census Bureau (Characteristics of New Housing, 2023; Single-Family Completions)

Supporting the Growth of Our Partners



Create Demand Across The Customer Value Chain

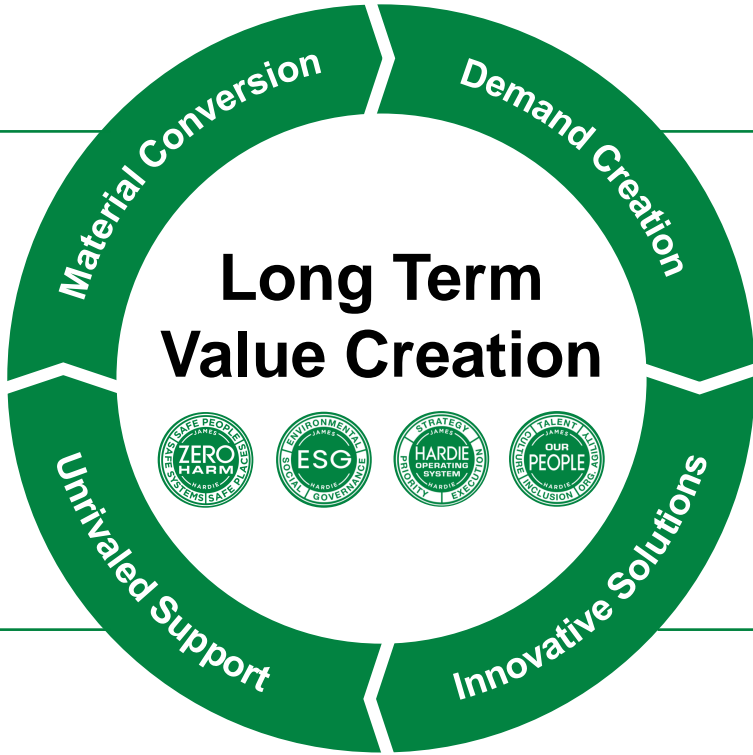


Provide Customers With Innovative Product Solutions That They Want

Product Solutions		
Magnolia Home by James Hardie	Hardie™ Architectural Collection	Hardie® Plank Lap Siding
Hardie® Shingle Siding	Hardie® Panel Vertical Siding	Hardie® Trim Boards
Hardie® Soffit Panels	Aspyre® by James Hardie	Cemplank® Lap Siding

Value Proposition	
Exterior Design	Trusted Brand
Superior Durability	Unrivaled Business Support
Low-Maintenance	Localized Manufacturing



# James Hardie North America Aspirations

Accelerate Material Conversion



Support Growth With High-Return Capacity

~8Bnsf

Total Future Nameplate Capacity

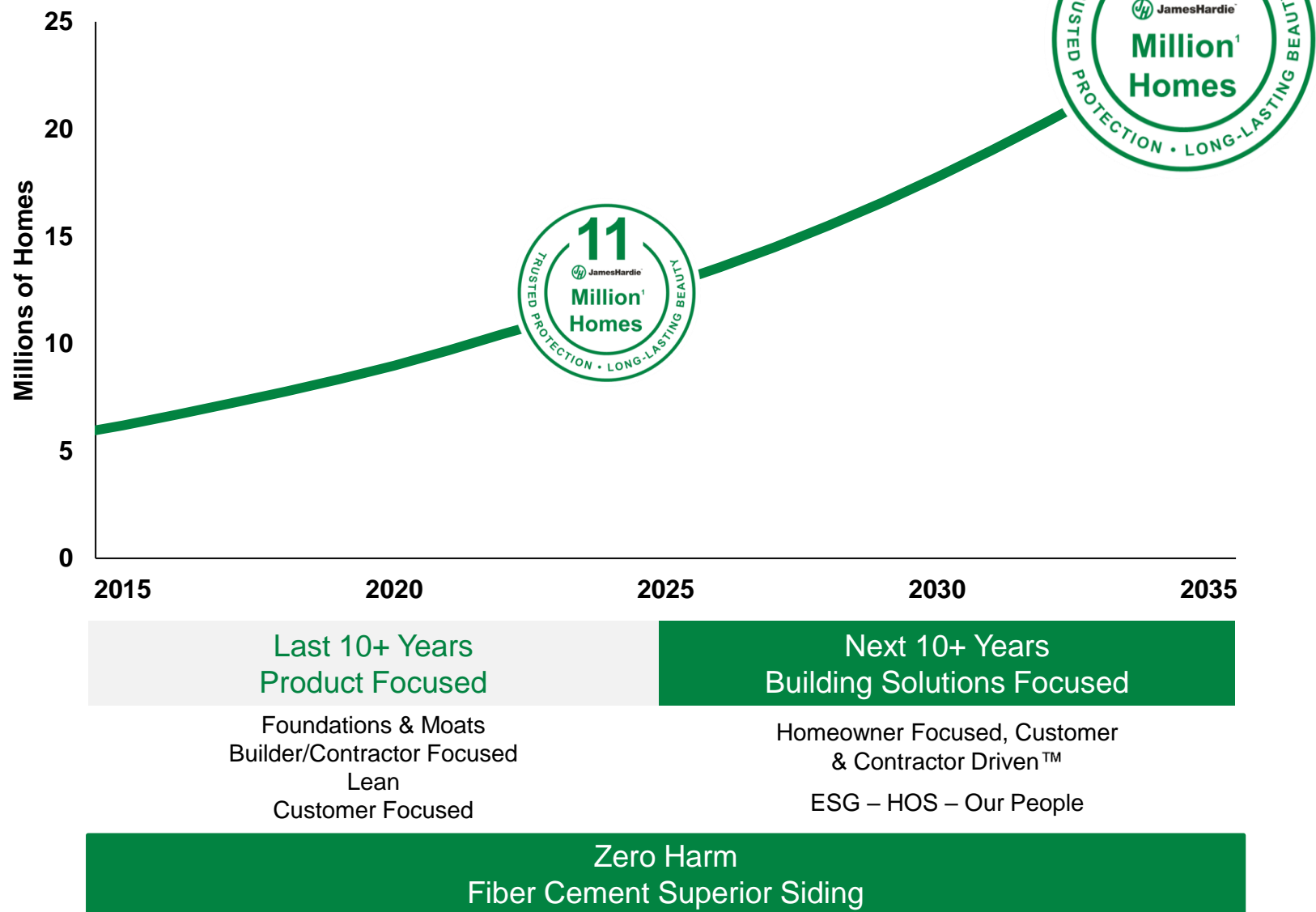
Create Long-Term Financial Value

3x  
Adjusted EBITDA

1. Conceptual number of cumulative homes with Hardie® siding in North America based on total sales volumes and housing intensity of 2,600 sqft of siding per home

# Accelerating Material Conversion

Cumulative Number of Homes with James Hardie Siding



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# Support Growth With High-Return Capacity

To Meet  
**25 Million Homes**  
by 2035

**~8Bnsf**

Total  
Nameplate Capacity  
Needed

Implies Approx.  
**+10 Sheet Machines**  
*(inclusive of ~6 sheet machines already  
approved to proceed by the  
Board of Directors<sup>1</sup>)*

## Conceptual Investment

- Cost of One Sheet Machine: ~\$250M
- Cost of Ten Sheet Machines: ~\$2.5Bn<sup>2</sup>
- Capacity Adds are Consistent With Achieving LTI Targets for Return on Capital Employed

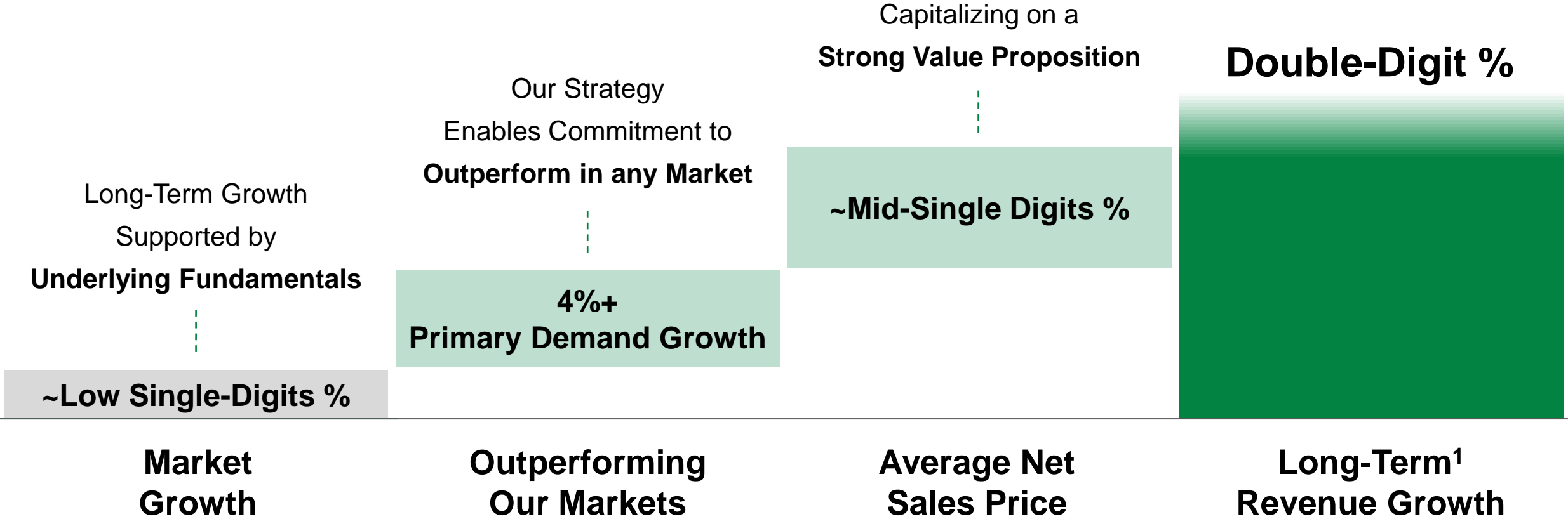
## Driven by:

- Brown and Greenfield capacity additions
  - Scale creates capital & resource efficiency
- HOS improvements
  - Increased capacity through network wide gains in Overall Equipment Efficiency (RTY, Hours, Rate)

1. See slide 31 for details on recently approved capacity additions. Management estimates the average nameplate capacity of a sheet machine to be ~300 mmsf. The calculated annual nameplate capacity is based on management's historical experience with our production process and is calculated assuming continuous operation, 24 hours per day, seven days per week, producing 5/16" medium density product at a targeted operating speed. No accepted industry standard exists for the calculation of our fiber cement, manufacturing facility nameplate, design and utilization capacities.

2. In 2024 US\$

# North America Top Line Growth Framework



**Accelerating the Top Line to Deliver on our Financial Growth Aspirations**

1. Over time, we aim to deliver double-digit revenue growth during periods of underlying market growth.

# North America Margin Expansion

## Delivering Strong Margins in Our FY25 Outlook:

- Raw Material Pressure
- Scaling for Growth

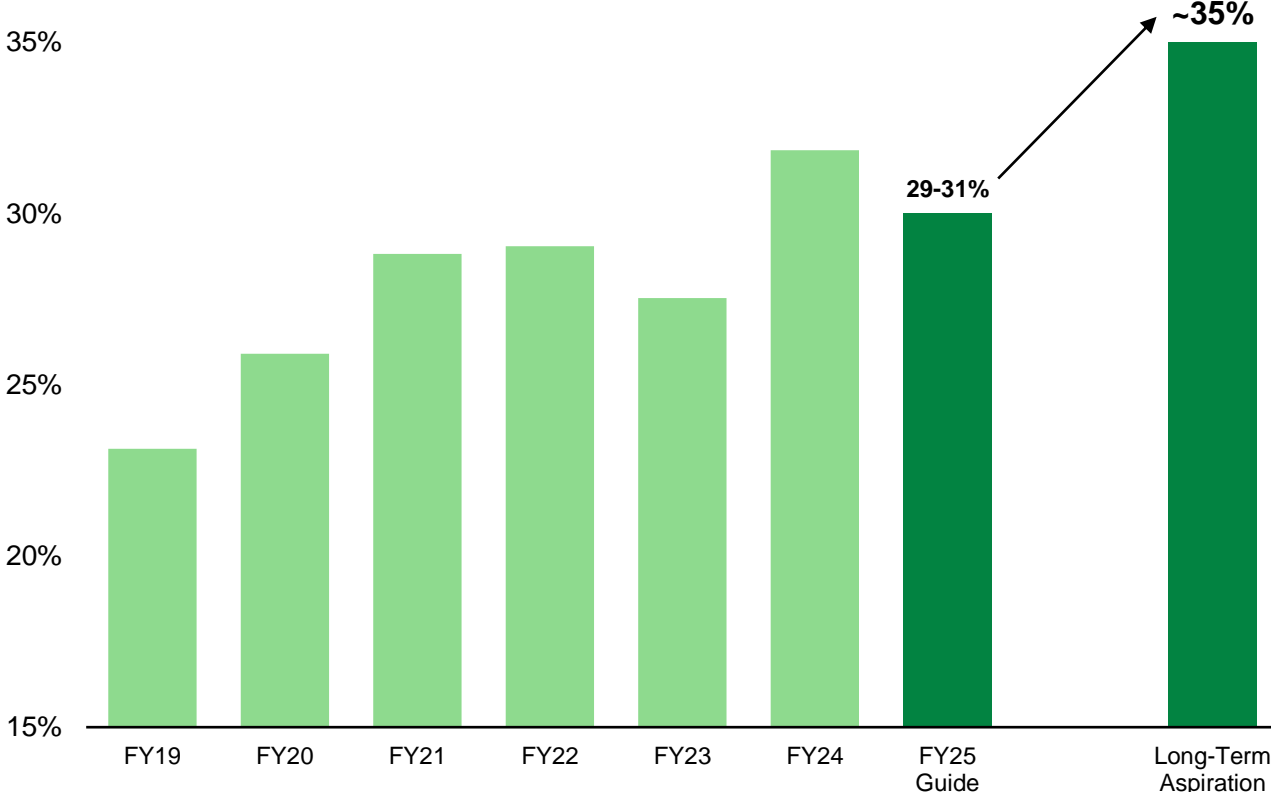
## Expanding Margins over the Long-Term

- Unique Value Proposition
- Innovative Product Solutions
- Operating Leverage
- HOS Savings

## Managing the Risks to Profitability

- Inflation Beyond our Assumptions
- Market Volatility

North American Adjusted EBIT Margins



# North America Financial Aspirations



**Accelerate the Top-Line To Deliver on our Financial Aspirations**  
Double-Digit Long-Term Revenue Growth



**Significant Underlying Margin Expansion**  
500bps+ of EBITDA Margin Expansion



**High Incremental Returns on Capacity Additions**  
Enhance our Adjusted ROCE<sup>1</sup>



**Deliver Long-Term Profitable Growth**  
Triple North America Adjusted EBITDA<sup>2</sup>

1. Adjusted ROCE = Adjusted Operating Income / Gross Capital Employed less Adjusting Items  
2. Incorporates management estimates for double-digit sales growth supported by capacity additions and underlying profitability improvements leading to ~40% EBITDA margins. Net of current and incremental depreciation, this also results in ~35% EBIT margins.

# North America Aspiration: “25 by 35”



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1. Conceptual number of cumulative homes with Hardie® siding in North America based on total sales volumes and housing intensity of 2,600 sqft of siding per home

# Q&A

**AARON ERTER**  
CHIEF EXECUTIVE OFFICER





**Thank You!**

# Non-GAAP Financial Measures

## Financial Measures – GAAP Equivalents

This document contains the financial statement line item EBIT, which is considered to be non-GAAP, but is consistent with the term used by Australian companies. Because we prepare our consolidated financial statements under GAAP, the equivalent GAAP financial Statement line item description used in our consolidated financial statements is Operating income (loss).

**EBIT** – Earnings before interest and tax

**EBIT margin** – EBIT margin is defined as EBIT as a percentage of net sales

## Definitions

**ASP** – Average net sales price per msf ("ASP") – Total net sales of fiber cement and fiber gypsum products, excluding accessory sales, divided by the total volume of products sold

**Working Capital** – The working capital calculation used in our cash provided by operating analysis includes the change in: (1) Accounts and other receivables, net; (2) Inventories; and (3) Accounts payable and accrued liabilities.

**ROCE** - Return on Capital Employed; calculated as Adjusted EBIT / Adjusted Gross Capital Employed

**mmsf** – sales volume in million square feet, where a square foot is defined as a standard square foot of 5/16" thickness

**msf** – sales volume in thousand square feet, where a square foot is defined as a standard square foot of 5/16" thickness



# Non-GAAP Financial Measures

## Non-GAAP Financial Information Derived from GAAP Measures

### Adjusted EBIT

US\$ Millions	FY24	FY23	FY22	FY21	FY20
<b>EBIT</b>	\$ 767.4	\$ 741.4	\$ 682.6	\$ 472.8	\$ 342.5
Asbestos:					
Asbestos adjustments loss	151.7	37.0	131.7	143.9	58.2
AICF SG&A expenses	1.6	1.4	1.3	1.2	1.7
Asset Impairment - greenfield site	20.1	-	-	-	-
Restructuring expenses	-	-	-	11.1	84.4
<b>Adjusted EBIT</b>	\$ 940.8	\$ 779.8	\$ 815.6	\$ 629.0	\$ 486.8

### Adjusted EBIT margin

US\$ Millions	FY24	FY23
<b>Adjusted EBIT</b>	\$ 940.8	\$ 779.8
Net sales	3,936.3	3,777.1
<b>Adjusted EBIT margin</b>	23.9%	20.6%

### Adjusted net income

US\$ Millions	FY24	FY23
<b>Net income</b>	\$ 510.2	\$ 512.0
Asbestos:		
Asbestos adjustments loss	151.7	37.0
AICF SG&A expenses	1.6	1.4
AICF interest income, net	(9.0)	(4.2)
Asset Impairment - greenfield site	20.1	-
Tax adjustments <sup>1</sup>	32.9	59.3
<b>Adjusted net income</b>	\$ 707.5	\$ 605.5

<sup>1</sup>Includes tax adjustments related to the amortization benefit of certain US intangible assets, asbestos, and other tax adjustments

# Non-GAAP Financial Measures

## Non-GAAP Financial Information Derived from GAAP Measures

### Adjusted Return on Capital Employed ("Adjusted ROCE")

US\$ Millions	FY24	FY23	FY22	FY21	FY20
<b>Numerator</b>					
Adjusted EBIT	\$ 940.8	\$ 779.8	\$ 815.6	\$ 629.0	\$ 486.8
<b>Denominator</b>					
Gross capital employed (GCE)	2,382.8	1,816.5	1,653.9	1,780.8	1,753.7
Adjustment to GCE <sup>1</sup>	(673.9)	(184.8)	(56.4)	(193.6)	(195.5)
<b>Adjusted gross capital employed</b>	<b>\$ 1,708.9</b>	<b>\$ 1,631.7</b>	<b>\$ 1,597.5</b>	<b>\$ 1,587.2</b>	<b>\$ 1,558.2</b>
<b>Adjusted Return on Capital Employed</b>	<b>55%</b>	<b>48%</b>	<b>51%</b>	<b>40%</b>	<b>31%</b>

<sup>1</sup> Calculated as Total Assets minus Current Liabilities as reported in our financial results; adjusted by: (i) excluding balance sheet items related to legacy issues (such as asbestos adjustments), dividends payable and deferred taxes; (ii) adding back asset impairment charges in the relevant period, unless otherwise determined by the remuneration committee; (iii) deducting all greenfield construction-in-progress, and any brownfield construction-in-progress projects involving capacity expansion that are individually greater than US\$20 million, until such assets reach commercial production and are transferred to the fixed asset register and assets held for sale; and (iv) proceeds from the Term Loan A not currently employed (FY24).

### North America Fiber Cement Segment Adjusted EBIT and EBIT Margin

US\$ Millions	FY24	FY23	FY22	FY21	FY20	FY19	FY18	FY17	FY16	FY15	FY14
<b>North America Fiber Cement Segment EBIT</b>	<b>\$ 921.1</b>	<b>\$ 767.5</b>	<b>\$ 741.2</b>	<b>\$ 585.5</b>	<b>\$ 429.3</b>	<b>\$ 382.5</b>	<b>\$ 381.9</b>	<b>\$ 343.9</b>	<b>\$ 352.2</b>	<b>\$ 290.0</b>	<b>\$ 235.1</b>
Restructuring and product line discontinuation expenses	-	-	-	2.5	41.2	5.4	-	-	-	-	-
<b>North America Fiber Cement Segment Adjusted EBIT</b>	<b>\$ 921.1</b>	<b>\$ 767.5</b>	<b>\$ 741.2</b>	<b>\$ 588.0</b>	<b>\$ 470.5</b>	<b>\$ 387.9</b>	<b>\$ 381.9</b>	<b>\$ 343.9</b>	<b>\$ 352.2</b>	<b>\$ 290.0</b>	<b>\$ 235.1</b>
North America Fiber Cement Segment net sales	2,891.4	2,787.6	2,551.3	2,040.2	1,816.4	1,676.9	1,578.1	1,493.4	1,335.0	1,224.7	1,083.6
<b>North America Fiber Cement Segment Adjusted EBIT margin</b>	<b>31.9%</b>	<b>27.5%</b>	<b>29.1%</b>	<b>28.8%</b>	<b>25.9%</b>	<b>23.1%</b>	<b>24.2%</b>	<b>23.0%</b>	<b>26.4%</b>	<b>23.7%</b>	<b>21.7%</b>