UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer Pursuant to Rule 13a-16 or 15d-16
under the Securities Exchange Act of 1934

For the Month of May 2021

1-15240
(Commission File Number)

JAMES HARDIE INDUSTRIES plc
(Translation of registrant's name into English)

Europa House, Second Floor
Harcourt Centre
Harcourt Street, Dublin 2, D02, WR20, Ireland
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F..X.... Form 40-F.........

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): Not Applicable

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): Not Applicable

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Forward-Looking Statements

This Form 6-K contains forward-looking statements. 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 offering circulars, invitation memoranda and prospectuses, in media releases and other written materials and in oral statements made by the company’s officers, directors or employees to analysts, institutional investors, existing and potential lenders, representatives of the media and others. Statements that are not historical facts are forward-looking statements and such forward-looking statements are statements made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995.

Examples of forward-looking statements include:

- statements about the company’s future performance;
- projections of the company’s results of operations or financial condition;
- statements regarding the company’s plans, objectives or goals, including those relating to strategies, initiatives, competition, acquisitions, dispositions and/or its products;
- expectations concerning the costs associated with the suspension or closure of operations at any of the company’s plants and future plans with respect to any such plants;
- expectations concerning the costs associated with the significant capital expenditure projects at any of the company’s plants and future plans with respect to any such projects;
- expectations regarding the extension or renewal of the company’s credit facilities including changes to terms, covenants or ratios;
- expectations concerning dividend payments and share buy-backs;
- statements concerning the company’s corporate and tax domiciles and structures and potential changes to them, including potential tax charges;
- uncertainty from the expected discontinuance of LIBOR and transition to any other interest rate benchmark;
- statements regarding the effect and consequences of the novel coronavirus ("COVID-19") public health crisis;
- statements regarding tax liabilities and related audits, reviews and proceedings;
- statements regarding the possible consequences and/or potential outcome of legal proceedings brought against us and the potential liabilities, if any, associated with such proceedings;
- expectations about the timing and amount of contributions to AICF, a special purpose fund for the compensation of proven Australian asbestos-related personal injury and death claims;
- expectations concerning the adequacy of the company’s warranty provisions and estimates for future warranty-related costs;
- statements regarding the company’s ability to manage legal and regulatory matters (including but not limited to product liability, environmental, intellectual property and competition law matters) and to resolve any such pending legal and regulatory matters within current estimates and in anticipation of certain third-party recoveries; and
- statements about economic or housing market conditions in the regions in which we operate, including but not limited to, the levels of new home construction and home renovations, unemployment levels, changes in consumer income, changes or stability in housing values, the availability of mortgages and other financing, mortgage and other interest rates, housing affordability and supply, the levels of foreclosures and home resales, currency exchange rates, and builder and consumer confidence.

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. Readers are cautioned not to place undue reliance on these forward-looking statements and all such forward-looking statements are qualified in their entirety by reference to the following cautionary statements.

Forward-looking statements are based on the Company's current expectations, estimates and assumptions and because forward-looking statements address future results, events and conditions, they, by their very nature, involve inherent risks and uncertainties, many of which are unforeseeable and beyond the Company's control. Such known and unknown risks, uncertainties and other factors may cause actual results, performance or other achievements to differ materially from the anticipated results, performance or achievements expressed, projected or implied by these forward-looking statements. These factors, some of which are discussed under "Risk Factors" in Section 3 of the Form 20-F filed with the Securities and Exchange Commission on 18 May 2021, include, but are not limited to: all matters relating to or arising out of the prior manufacture of products that contained asbestos by current and former Company subsidiaries; required contributions to AICF, any shortfall in AICF funding and the effect of currency exchange rate movements on the amount recorded in the Company's financial statements as an asbestos liability; compliance with and changes in tax laws and treatments; competition and product pricing in the markets in which the Company operates; the consequences of product failures or defects; exposure to environmental, asbestos, putative consumer class action or other legal proceedings; general economic and market conditions; the supply and cost of raw materials; possible increases in competition and the potential that competitors could copy the Company's products; compliance with and changes in environmental and health and safety laws; risks of conducting business internationally; compliance with and changes in laws and regulations; currency exchange risks; dependence on customer preference and the concentration of the Company's customer base; dependence on residential and commercial construction markets; the effect of adverse changes in climate or weather patterns; use of accounting estimates; risk and uncertainties arising out of the COVID-19 public health crisis, including the impact of COVID-19 on our business, sales, results of operations and financial condition and all other risks identified in the Company's reports filed with Australian, Irish and US securities regulatory agencies and exchanges (as appropriate). The Company cautions you that the foregoing list of factors is not exhaustive and that other risks and uncertainties may cause actual results to differ materially from those referenced in the Company's forward-looking statements. Forward-looking statements speak only as of the date they are made and are statements of the Company's current expectations concerning future results, events and conditions. The Company assumes no obligation to update any forward-looking statements or information except as required by law.

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99.9	2021 Annual Report to Shareholders

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	James Hardie Industries plc
Date: 18 May 2021	By: /s/ Joseph C. Blasko
	Joseph C. Blasko General Counsel, Chief Compliance Officer and Company Secretary

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Exhibit 99.1

James Hardie Industries plc
Europa House 2nd Floor,
Harcourt Centre
Harcourt Street, Dublin 2,
D02 WR20, Ireland

T: +353 (0) 1 411 6924
F: +353 (0) 1 479 1128

18 May 2021

The Manager
Company Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Results for Announcement to the Market

James Hardie announced today its results for the 4th quarter and year ended 31 March 2021 and has filed the following documents with the ASX:

- Appendix 4E: Preliminary Final Report for the year ended 31 March 2021
- Media Release
- Management's Analysis of Results for the year ended 31 March 2021
- Management Presentation
- Consolidated Financial Statements for the year ended 31 March 2021
- KPMG Actuarial Report for the year ended 31 March 2021

Copies of these documents are available on James Hardie's investor relations website at www.ir.jameshardie.com.au.

Yours faithfully

Jason Miele

Chief Financial Officer

This announcement has been authorised for release by the Chief Financial Officer, Mr Jason Miele.

Exhibit 99.2

Results for Announcement to the Market

James Hardie Industries plc

ARBN 097 829 895

Appendix 4E - Preliminary Final Report Year Ended 31 March 2021				
Key Information	**Year Ended 31 March**			
	FY 2021 US$M	FY 2020 US$M	Movement	
Net Sales From Ordinary Activities	2,908.7	2,606.8	Up	12%
Profit From Ordinary Activities After Tax Attributable to Shareholders	262.8	241.5	Up	9%
Net Profit Attributable to Shareholders	262.8	241.5	Up	9%
Net Tangible Assets per Ordinary Share	US$1.52	US$1.52	Flat	0%

Dividend Information

- On 9 February 2021, the Company announced its intention to reinstate ordinary dividends in fiscal year 2022, beginning with a first half fiscal year 2022 dividend to be declared in November 2021.
- The FY2021 special dividend (**"FY2021 special dividend"**) of US0.70 cents per security was paid to CUFS holders on 30 April 2021.
- The FY2021 special dividend and future dividends will be unfranked for Australian taxation purposes.
- The Company was required to deduct Irish DWT of 25% of the gross dividend amount from this dividend and will be required to for future dividends, unless the beneficial owner has completed and returned a non-resident declaration form (DWT Form).
- The Australian currency equivalent amount of the FY2021 special dividend paid to CUFS holders was 89.94 Australian cents.
- No dividend reinvestment plan is currently in operation for the FY2021 special dividend.

Movements in Controlled Entities during the full year Ended 31 March 2021

The following entities were dissolved: CGC Products LLC (30 March 2021); Roan Tools LLC (30 March 2021); and Razor Composites LLC (30 March 2021).

Associates and Joint Venture Entities

FELS Recycling GmbH (51%); Aplicaciones Minerales S.A. (28%)

Audit

The results and information included within this Preliminary Final Report have been prepared using US GAAP and have been subject to an independent audit by external auditors.

Results for the 4th Quarter and Year Ended 31 March 2021

Contents

James Hardie Industries plc is incorporated under the laws of Ireland with its corporate seat in Dublin, Ireland. The liability of members is limited. The information contained in the above documents should be read in conjunction with the James Hardie 2021 Annual Report which can be found on the company website at www.ir.jameshardie.com.au.

Exhibit 99.3

James Hardie Industries Announces Record Fourth Quarter And Fiscal Year 2021 Results

Global Net Sales +20% to US$807.0 Million for the Fourth Quarter

Global Adjusted EBIT +43% to US$173.1 Million for the Fourth Quarter

Adjusted Net Income (NOPAT) +44% to US$124.9 Million for the Fourth Quarter

Every Operating Region Delivered Double-Digit Net Sales and Double-Digit EBIT Growth for the Fourth Quarter

Global Net Sales +12% to US$2.9 Billion for the Fiscal Year

Global Adjusted EBIT +29% to US$629.0 Million for the Fiscal Year

Adjusted Net Income (NOPAT) +30% to US$458.0 Million for the Fiscal Year

Operating Cash Flow +74% to US$786.9 Million for the Fiscal Year

Fiscal Year 2022 Adjusted Net Income Guidance Range of US$520 Million to US$570 Million

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James Hardie Industries plc (ASX: JHX; NYSE: JHX), the world's #1 producer and marketer of high-performance fiber cement and fiber gypsum building solutions, announced record results for its fourth quarter and fiscal year ending 31 March 2021.

Fourth Quarter Fiscal Year 2021 Highlights, Compared to Fourth Quarter Fiscal Year 2020, as Applicable:

- North America Fiber Cement Segment Net Sales increased +17% to US$555.3 Million and Adjusted EBIT increased +27% to US$152.9 Million in US Dollars, with Adjusted EBIT margin expansion of 220 basis points to 27.5%
- Europe Building Products Segment Net Sales increased +12% to €104.6 Million and EBIT increased to €15.7 Million in Euros, with record EBIT margin of 15.0%
- Asia Pacific Fiber Cement Segment Net Sales increased +11% to A$162.6 Million and Adjusted EBIT increased +46% to A$43.7 Million in Australian Dollars, with EBIT margin expansion of 630 basis points to 26.8%
- Group Adjusted EBIT margin of 21.4%, an expansion of 340 bps

James Hardie CEO, Dr. Jack Truong, said, "I am proud of our globally integrated team's ability to close out the fiscal year with a fourth quarter of exceptionally strong results. We have now delivered eight consecutive quarters of consistent profitable growth, including record financial results each of the past three quarters. Our performance in fiscal year 2021 marked a significant step change across multiple facets of our Global Company that allowed us to deliver this consistent profitable growth on an expanding global scale. Over the past twelve months, we were able to accelerate our strategy: (i) to unlock capacity and increase efficiency in our global manufacturing network through LEAN initiatives, and (ii) to better integrate our supply chain with our customers, which collectively drove consistent market share gains in all three regions."

"Partnering more closely with our customers has resulted in eight straight quarters of above market growth with strong returns. LEAN initiatives are improving the quality and efficiency of our world-class manufacturing capabilities, which contributed a meaningful portion of the 340 basis point Adjusted EBIT margin expansion in fiscal year 2021. Our integrated approach connecting our supply chain with market demand through our customers and to our LEAN network of plants led to increased sales with more efficient working capital which resulted in a 74% increase in our operating cash flow to US$786.9 million. We have met and surpassed all of the goals that we set for our Company in February 2019," added Dr. Truong.

Dr. Truong continued, "Our expanded focus for fiscal year 2022 and beyond is to execute on the three strategic initiatives that we introduced in February 2021. This includes commercializing global product innovation, further penetrating into existing and new market opportunities, and extending the James Hardie brand from a premium professional brand into a market-leading consumer brand. We are on or ahead of plan for each of these initiatives. This month, we are launching our first phase of innovation. This market-driven innovation represents a cornerstone of our organic growth potential in the coming years. In April, we began to roll out a global marketing campaign to create demand directly with homeowners to position James Hardie as the trusted brand of premium quality products that provide endless design possibilities. We continue to execute LEAN through our growing, global network of plants to continue to reduce variation, increase efficiency and improve quality to serve our customers better every day. We could not be more excited for our future and the opportunity to further convert our strategic vision into tangible benefits for homeowners, our customers, our employees, and shareholders."

Fourth Quarter Fiscal Year 2021 Results Compared to Fourth Quarter Fiscal Year 2020 Results

Global Net Sales of US$807.0 million increased 20% while Global Adjusted EBIT increased 43% to US$173.1 million. Global Adjusted Net Income, formerly referred to as NOPAT, increased 44% to US$124.9 million, compared to US$86.6 million. Global Adjusted EBIT margin expanded 340 basis points to 21.4%, with continued operational improvement across all three regions: North America, Europe and Asia Pacific.

North America Fiber Cement Segment: Net sales increased 17% on continued strength in exterior volume growth of 12%, combined with improved price mix. LEAN manufacturing initiatives continued to generate improved performance across our North American manufacturing network, which helped to drive 27% Adjusted EBIT growth at a 27.5% margin. Dr. Truong remarked "The 17% Net Sales growth and 27% Adjusted EBIT growth in Q4 FY21 is truly an exceptional result, as it represents significant profitable growth on top of significant profitable growth. For reference, in Q4FY20, net sales increased 12% and Adjusted EBIT increased 26% vs Q4FY19."

Europe Building Products Segment: Adjusted EBIT increased to €15.7 million in Euros, compared to €0.4 million, resulting in a significant expansion in Adjusted EBIT margin to 15.0%. The dramatic improvement was attributable to a net sales increase of 12% in Euros, a focus on gaining end user demand of our high value and high margin products, a decrease in production and distribution costs driven by LEAN manufacturing savings, and the improved supply chain integration with customers.

Asia Pacific Fiber Cement Segment: Adjusted EBIT grew 46% in Australian Dollars, generating an Adjusted EBIT margin of 26.8%, driven by a net sales increase of 11% combined with reduced production and distribution costs. The decision to consolidate Australia and New Zealand regional production volume into our two more efficient Australian plants has proven to be a key driver of margin expansion.

Capital Resources

We generated record operating cash flow of US$786.9 million in fiscal year 2021, up 74% compared to US$451.2 million in the prior fiscal year. The increase was a direct result of continuous improvement in our LEAN manufacturing performance, the integration of our supply chain with our customers, and strong profitable organic sales growth. Working capital improved by US$105.3 million during fiscal year 2021. We achieved global LEAN savings of US$107.4 million over the 24-month period since inception of LEAN, including US$78.1 million LEAN savings in North America.

In January 2021, we used our strong cash position to voluntarily redeem our 4.75% senior unsecured notes due 2025 with a payment of US$409.5 million in principal and call premium, resulting in anticipated interest savings of approximately US$20 million per annum. Primarily due to the redemption, our gross debt balance decreased to US$868.3 million as of 31 March 2021, compared to US$1,370.7 million at 31 March 2020. We entered fiscal 2022 with a solid liquidity position of US$703.8 million, including cash on hand of US$208.5 million and a leverage ratio of 0.85x, as of 31 March 2021.

Capital Management

In April 2021, we paid a special dividend of US$0.70 cents per share to shareholders of record as of 19 February 2021. We intend to resume our ordinary dividend policy in fiscal year 2022, beginning with a first half fiscal year 2022 dividend to be declared in November 2021.

James Hardie CFO, Jason Miele, stated, “The fiscal year 2021 step-change in cash flow generation was an impressive testament to our ongoing efforts to transform James Hardie into a high-performing, world-class organization. Our ability to resume issuance of dividends earlier than expected, and our recent pay down of debt, affirm our confidence in continued strong cash generation moving forward. We believe our ability to drive profitable growth will expand as we commercialize global innovations into new markets and further penetrate the repair and remodel market. Our strong balance sheet and cash flows put us in an advantageous position to internally fund investments that extend our brand with consumers, expand our global capacity, and commercialize market-driven product innovations. We look forward to executing on all our capital allocation objectives to fuel the next chapter of our organic growth strategy in fiscal year 2022 and beyond.”

Outlook and Earnings Guidance

The Company is experiencing strong growth momentum in its businesses across all three regions. Residential and market growth in the USA is expected to continue. The Company is introducing its outlook for fiscal year 2022, ending 31 March 2022. Management expects fiscal year 2022 Adjusted Net Income to be between US$520 million and US$570 million. The comparable prior year Adjusted Net Income for fiscal year 2021 was US$458.0 million.

In addition to fiscal year 2022 Adjusted Net Income guidance, management has provided long-term targets (FY2022-FY2024) for annual Adjusted EBIT margin in each operating segment as follows:

- North America 25% - 30%
- Asia Pacific 25% - 30%
- Europe 11% - 16%

James Hardie’s guidance is based on current estimates and assumptions and is subject to several known and unknown uncertainties and risks, including those related to the COVID-19 pandemic. James Hardie continues to assess the impacts and the uncertainties of the COVID-19 pandemic on the geographic locations in which it operates, and the continuing impact of the pandemic on the Company’s business and future financial performance remains uncertain.

Key Financial Information

		Q4 FY21		Q4 FY20	Change		Full Year FY21		Full Year FY20	Change
Group (US$ millions)										
Net Sales	$	807.0	$	673.2	20%	$	2,908.7	$	2,606.8	12%
Adjusted EBIT		173.1		121.0	43%		629.0		486.8	29%
Adjusted EBIT Margin		21.4%		18.0%	3.4 pts		21.6%		18.7%	2.9 pts
Adjusted Net Income		124.9		86.6	44%		458.0		352.8	30%
Operating Cash Flow							786.9		451.2	74%
North America Fiber Cement (US$ millions)										
Net Sales	$	555.3	$	474.5	17%	$	2,040.2	$	1,816.4	12%
Adjusted EBIT		152.9		120.0	27%		588.0		470.5	25%
Adjusted EBIT Margin		27.5%		25.3%	2.2 pts		28.8%		25.9%	2.9 pts
Asia Pacific Fiber Cement (A$ millions)										
Net Sales	A$	162.6	A$	146.1	11%	A$	635.2	A$	614.1	3%
Adjusted EBIT		43.7		29.9	46%		177.3		139.1	27%
Adjusted EBIT Margin		26.9%		20.5%	6.4 pts		28.0%		22.7%	5.3 pts
Europe Building Products (€ millions)										
Net Sales	€	104.6	€	93.3	12%	€	350.6	€	334.2	5%
Adjusted EBIT		15.7		0.4	3,825%		35.9		14.9	141%
Adjusted EBIT Margin		15.0%		0.6%	14.4 pts		10.4%		4.5%	5.9 pts

Further Information

Readers are referred to the Company's Consolidated Financial Statements and Management's Analysis of Results for the full year ended 31 March 2021 for additional information regarding the Company's results, including information regarding income taxes, the asbestos liability and contingent liabilities.

Management Briefing for Analysts, Investors and Media

James Hardie will conduct a teleconference and audio webcast for analysts, investors and media on Tuesday 18 May 2021, 9:00am Sydney, Australia time (Monday 17 May 2021, 7:00pm New York City, USA time). Analysts, investors and media can access the management briefing via the following:

- Live Webcast: https://edge.media-server.com/mmc/p/aeqt82mb
- Live Teleconference Registration: https://s1.c-conf.com/diamondpass/10013759-prn8qg.html
  All participants wishing to join the teleconference will need to pre-register by navigating to https://s1.c-conf.com/diamondpass/10013759-prn8qg.html Once registered, you will receive a calendar invite with dial-in numbers and a unique PIN which will be required to join the call.
- Webcast Replay: Will be available two hours after the Live Webcast concludes at https://edge.media-server.com/mmc/p/aeqt82mb

Use of Non-GAAP Financial Information; Australian Equivalent Terminology

This Media Release includes financial measures that are not considered a measure of financial performance under generally accepted accounting principles in the United States (GAAP), such as Adjusted net operating profit and Adjusted EBIT. 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. The Company is unable to forecast the comparable US GAAP financial measure for future periods due to, amongst other factors, uncertainty regarding the impact of actuarial estimates on asbestos-related assets and liabilities in future periods. For additional information regarding the non-GAAP financial measures presented in this Media Release, including a reconciliation of each non-GAAP financial measure to the equivalent GAAP measure, see the section titled "Non-GAAP Financial Measures" included in the Company's Management's Analysis of Results for the full year ended 31 March 2021.

In addition, this Media Release 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 a table and definitions presenting cross-references between each GAAP financial measure used in the Company's Consolidated Financial Statements to the equivalent non-GAAP financial measure used in this Media Release. See the sections titled "Non-GAAP Financial Measures" included in the Company's Management's Analysis of Results for the full year ended 31 March 2021.

JamesHardie™

Forward-Looking Statements

This Media Release contains forward-looking statements and information that are necessarily subject to risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of James Hardie to be materially different from those expressed or implied in this release, 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 2021; changes in general economic, political, governmental and business conditions globally and in the countries in which James Hardie does business; 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 Media Release except as required by law.

This media release has been authorized by the James Hardie Board of Directors.

END

Investor/Media/Analyst Enquiries:
James Brennan-Chong
Director of Investor Relations and Market Intelligence

Telephone:	+61 2 9638 9205
Email:	media@jameshardie.com.au

James Hardie Industries plc is a limited liability company incorporated in Ireland with its registered office at Europa House, 2nd Floor, Harcourt Centre, Harcourt Street, Dublin 2, D02 WR20, Ireland

Exhibit 99.4

Management's Analysis of Results

This Management's Analysis of Results forms part of a package of information about James Hardie Industries plc's results. It should be read in conjunction with the other parts of this package, including the Media Release, the Management Presentation and the Consolidated Financial Statements. Except as otherwise indicated in this Management's Analysis of Results, James Hardie Industries plc is referred to as "JHI plc." JHI plc, together with its direct and indirect wholly-owned subsidiaries, are collectively referred to as "James Hardie," the "Company," "we," "our," or "us." Definitions for certain capitalized terms used in this Management's Analysis of Results can be found in the section titled "Non-GAAP Financial Measures."

This Management's Analysis of Results includes financial measures that are not considered a measure of financial performance under generally accepted accounting principles in the United States ("GAAP"). These non-GAAP financial measures should not be considered to be more meaningful than the equivalent GAAP measures. Management has included such measures to provide investors with an alternative method for assessing its financial condition and operating results in a manner that is focused on the performance of its ongoing operations. These measures exclude the impact of certain legacy items, such as asbestos adjustments, or significant non-recurring items, such as acquisition costs, asset impairments, as well as adjustments to tax expense. In addition, management provides an adjusted effective tax rate, which excludes the tax impact of the pre-tax special items (items listed above) and tax special items. Management believes that this non-GAAP tax measure provides an ongoing effective rate which investors may find useful for historical comparisons and for forecasting and is an alternative method of assessing the economic impact of taxes on the Company, as it more closely approximates payments to taxing authorities. Management uses such non-GAAP financial measures for the same purposes. These non-GAAP measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. 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's Analysis of Results, including a reconciliation of each non-GAAP financial measure to the equivalent GAAP measure, see the section titled "Non-GAAP Financial Measures." In addition, this Management's Analysis of Results 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. Since James Hardie prepares its consolidated financial statements in accordance with GAAP, the Company provides investors with a table and definitions presenting cross-references between each GAAP financial measure used in the Company's consolidated financial statements to the equivalent non-GAAP financial measure used in this Management's Analysis of Results. See the section titled "Non-GAAP Financial Measures."

Net Income as discussed throughout this document was formerly referred to as net operating profit (loss) or NOPAT.

These documents, along with an audio webcast of the Management Presentation on 18 May 2021, are available from the Investor Relations area of our website at *http://www.ir.jameshardie.com.au*

Media/Analyst Enquiries:
Anna Collins

Telephone: +61 2 8845 3356

Email: media@jameshardie.com.au

James Hardie Industries plc
Results for the Full Year Ended 31 March

US$ Millions	Full Year Ended 31 March		
	FY21	FY20	Change %
Volume (mmsf)	4,131.4	3,841.7	8
Net sales	**$ 2,908.7**	**$ 2,606.8**	**12**
Cost of goods sold	(1,857.0)	(1,673.1)	(11)
Gross profit	**1,051.7**	**933.7**	**13**
Selling, general and administrative expenses	(389.6)	(415.8)	6
Research and development expenses	(34.3)	(32.8)	(5)
Restructuring expenses	(11.1)	(84.4)	87
Asbestos adjustments	(143.9)	(58.2)	
EBIT	**472.8**	**342.5**	**38**
Interest, net	(47.8)	(54.4)	12
Loss on early debt extinguishment	(13.1)	—	
Other income (expense)	0.1	(0.1)	
Operating profit before income taxes	412.0	288.0	43
Income tax expense	(149.2)	(46.5)	
Net income	**$ 262.8**	**$ 241.5**	**9**
Earnings per share - basic (US cents)	59	55	
Earnings per share - diluted (US cents)	59	54	

Net sales increased 12% to US$2,908.7 million, driven by higher volumes and average net sales price in all of our operating segments.

Gross profit of US$1,051.7 million increased 13%, in line with the 12% increase in our consolidated net sales.

Selling, general and administrative ("SG&A") expenses decreased 6% primarily driven by global cost containment actions, partially offset by higher legal fees and stock compensation expenses.

Research and development ("R&D") expenses increased 5%, due to our continued strategic focus on innovation.

Restructuring expenses for fiscal year 2021 consist solely of severance costs incurred in the first quarter related to a reduction in headcount across all regions. Fiscal year 2020 costs primarily relate to impairments of our Penrose, New Zealand and Summerville, USA plants, as well as impairment expenses for other non-core assets.

Asbestos adjustments primarily reflect the unfavorable effect of foreign exchange on Asbestos net liabilities of US$123.0 million, and the unfavorable movement in the actuarial adjustment.

Interest, net decreased due to the repayment of our revolving credit facility in the first quarter, as well as the voluntary redemption of our 2025 senior unsecured notes in January 2021.

Loss on early debt extinguishment consists solely of costs associated with the voluntary redemption of our 2025 senior unsecured notes, specifically US$9.5 million of call redemption premiums and US$3.6 million related to the acceleration of unamortized financing costs.

North America Fiber Cement Segment

Operating results for the North America Fiber Cement segment were as follows:

US$ Millions	Full Year Ended 31 March		
	FY21	FY20	Change
Volume (mmsf)	2,713.4	2,481.6	9%
Average net sales price per unit (per msf)	US$745	US$725	3%
Fiber cement net sales	2,040.2	1,816.4	12%
Gross profit			12%
Gross margin (%)			(0.1 pts)
EBIT	585.5	429.3	36%
EBIT margin (%)	28.7	23.6	5.1 pts
Restructuring expenses	2.5	41.2	94%
Adjusted EBIT	588.0	470.5	25%
Adjusted EBIT margin (%)	28.8	25.9	2.9 pts

FY21 vs FY20

Net sales increased 12%, primarily driven by strong exteriors volume growth of 11%. The 3% increase in average net sales price was primarily driven by favorable product mix and strategic pricing increases during the year.

The slight decrease in gross margin is comprised of the following components:

Higher production and distribution costs	(1.9 pts)
Higher average net sales price	1.8 pts
Total percentage point change in gross margin	(0.1 pts)

Higher production and distribution costs primarily resulted from unfavorable freight costs and start-up costs related to the greenfield expansion in Prattville, Alabama, partially offset by lower pulp costs and lean manufacturing savings.

SG&A expenses decreased, driven by cost containment actions, including lower headcount and reduced travel and marketing spend. As a percentage of sales, SG&A expenses decreased 3.0 percentage points.

Restructuring expenses of US$2.5 million consist solely of severance costs recorded in the first quarter related to a reduction in headcount across the region in order to strategically realign our resources. In the prior year, restructuring expenses of US$41.2 million includes an impairment of US$12.0 million associated with our Summerville plant, as well as US$29.2 million related to a variety of non-core assets.

EBIT margin increased 5.1 percentage points to 28.7%, driven by lower SG&A expenses as a percentage of sales and lower restructuring expenses.

Asia Pacific Fiber Cement Segment

The Asia Pacific Fiber Cement segment is comprised of the following regions: (i) Australia; (ii) New Zealand; and (iii) the Philippines.

Operating results for the Asia Pacific Fiber Cement segment in US dollars were as follows:

US$ Millions	**Full Year Ended 31 March**		
	FY21	**FY20**	**Change**
Volume (mmsf)	542.0	532.6	2%
Average net sales price per unit (per msf)	US$762	US$700	9%
Fiber cement net sales	458.2	418.4	10%
Gross profit			18%
Gross margin (%)			2.7 pts
EBIT	124.8	58.5	
EBIT margin (%)	27.2	14.0	13.2 pts
Restructuring expenses	3.4	36.3	91%
Adjusted EBIT	128.2	94.8	35%
Adjusted EBIT margin (%)	28.0	22.7	5.3 pts

Operating results for the Asia Pacific Fiber Cement segment in Australian dollars were as follows:

A$ Millions	**Full Year Ended 31 March**		
	FY21	**FY20**	**Change**
Volume (mmsf)	542.0	532.6	2%
Average net sales price per unit (per msf)	A$1,056	A$1,027	3%
Fiber cement net sales	635.2	614.1	3%
Gross profit			11%
Gross margin (%)			2.7 pts
EBIT	172.4	80.8	
EBIT margin (%)	27.2	14.0	13.2 pts
Restructuring expenses	4.9	58.3	92%
Adjusted EBIT	177.3	139.1	27%
Adjusted EBIT margin (%)	28.0	22.7	5.3 pts

FY21 vs FY20 (A$)

Net sales increased 3%, as strong results in the last nine months of the fiscal year more than offset the lower volumes in the first quarter due to the COVID-19 government enforced lockdowns in the Philippines and New Zealand. The 3% increase in the average net sales price was driven by product and geographic mix, as well as our strategic price increases in Australia and New Zealand during the first quarter.

The increase in gross margin can be attributed to the following components:

Higher average net sales price	1.6 pts
Lower production and distribution costs	1.1 pts
Total percentage point change in gross margin	2.7 pts

Lower production and distribution costs were driven by favorable plant performance, partially offset by the unfavorable absorption of manufacturing costs on lower production volumes due to the idled facilities in the Philippines and New Zealand in the first quarter.

SG&A expenses decreased, primarily driven by cost containment actions, including lower headcount and reduced travel and marketing spend. As a percentage of sales, SG&A expenses decreased 2.5 percentage points.

Restructuring expenses of A$4.9 million consist solely of severance costs, primarily associated with our strategic decision to consolidate Australia and New Zealand regional production to our two Australia based plants, and a reduction in headcount across the region to realign our resources. In the prior year, restructuring expenses of A$58.3 million primarily relates to our decision to close our Penrose, New Zealand plant, as well as our James Hardie Systems business.

EBIT margin of 27.2% represents an increase of 13.2 percentage points, primarily driven by lower restructuring expenses, as well as a higher gross margin and lower SG&A expenses as a percentage of sales.

Europe Building Products Segment

The Europe Building Products segment is comprised of: (i) Europe Fiber Cement; and (ii) Europe Fiber Gypsum.

Operating results for the Europe Building Products segment in US dollars were as follows:

US$ Millions	Full Year Ended 31 March		
	FY21	FY20	Change
Volume (mmsf)	876.0	827.5	6%
Average net sales price per unit (per msf)	US$365	US$345	6%
Fiber cement net sales	55.3	48.0	15%
Fiber gypsum net sales[1]	355.0	323.4	10%
Net sales	410.3	371.4	10%
Gross profit			9%
Gross margin (%)			(0.3 pts)
EBIT	37.6	11.2	
EBIT margin (%)	9.2	3.0	6.2 pts
Restructuring expenses	5.1	5.5	7%
Adjusted EBIT	42.7	16.7	
Adjusted EBIT margin (%)	10.4	4.5	5.9 pts

[1] Also includes cement bonded board net sales

Operating results for the Europe Building Products segment in Euros were as follows:

€ Millions	Full Year Ended 31 March		
	FY21	FY20	Change
Volume (mmsf)	876.0	827.5	6%
Average net sales price per unit (per msf)	€312	€311	—%
Fiber cement net sales	47.2	43.3	9%
Fiber gypsum net sales[1]	303.4	290.9	4%
Net sales	350.6	334.2	5%
Gross profit			3%
Gross margin (%)			(0.3 pts)
EBIT	31.4	10.0	
EBIT margin (%)	9.2	3.0	6.2 pts
Restructuring expenses	4.5	4.9	8%
Adjusted EBIT	35.9	14.9	
Adjusted EBIT margin (%)	10.4	4.5	5.9 pts

[1] Also includes cement bonded board net sales

FY21 vs FY20 (€)

Net sales increased 5%, driven by increases in fiber cement and fiber gypsum net sales of 9% and 4%, respectively. These increases were primarily driven by our continued execution of our shift to a customer integrated approach in the last nine months, partially offset by the 12% decrease in the first quarter resulting from the COVID-19 government enforced lockdowns.

The decrease in gross margin is attributed to the following components:

Higher production and distribution costs	(0.6 pts)
Higher average net sales price	0.3 pts
Total percentage point change in gross margin	(0.3 pts)

Higher production and distribution costs resulted primarily from the unfavorable absorption of manufacturing costs on lower production volumes in the first quarter, including the impact of the COVID-19 related closures of our manufacturing plants in Orejo, Spain and Siglingen, Germany, partially offset by lean manufacturing savings.

SG&A expenses decreased due to lower headcount and reduced travel and marketing spend. As a percentage of sales, SG&A expenses decreased 6.3 percentage points.

Restructuring expenses of €4.5 million consist solely of severance costs, primarily associated with the reduction of headcount across the region to strategically realign our resources. In the prior year, restructuring expenses primarily relate to the impairment of non-core assets.

EBIT margin of 9.2% increased 6.2 percentage points, driven by lower SG&A expenses as a percentage of sales.

General Corporate

Results for General Corporate were as follows:

US$ Millions	Full Year Ended 31 March		
	FY21	FY20	Change %
General Corporate SG&A expenses	$ (101.1)	$ (68.2)	(48)
Asbestos:			
Asbestos adjustments	(143.9)	(58.2)	
AICF SG&A expenses	(1.2)	(1.7)	29
Restructuring expenses	—	(1.4)	
General Corporate EBIT	$ (246.2)	$ (129.5)	(90)

General Corporate SG&A expenses increased US$32.9 million, driven by higher stock compensation expenses due to the increase in our stock price, as well as higher legal fees.

Asbestos adjustments primarily reflect the non-cash foreign exchange re-measurement impact on asbestos related balance sheet items, driven by the change in the AUD/USD spot exchange rate from the beginning balance sheet date to the ending balance sheet date, as well as the annual actuarial adjustment recorded in line with KPMGA's actuarial report.

The AUD/USD spot exchange rates are shown in the table below:

FY21		FY20	
31 March 2020	0.6177	31 March 2019	0.7096
31 March 2021	0.7601	31 March 2020	0.6177
Change ($)	0.1424	Change ($)	(0.0919)
Change (%)	23	Change (%)	(13)

Asbestos adjustments recorded by the Company were made up of the following components:

	Full Year ended 31 March	
US$ Millions	**FY21**	**FY20**
Increase in actuarial estimate	$ (32.5)	$ (128.0)
Effect of foreign exchange rate movements	(123.0)	69.0
Gain on foreign currency forward contracts	11.7	0.8
Other	(0.1)	—
Asbestos adjustments	**$ (143.9)**	**$ (58.2)**

The increase in the actuarial adjustment for fiscal year 2021 is due to the annual inflation adjustment, partially offset by favorable claims reporting and lower claims sizes.

Mesothelioma claims reporting activity was favorable compared to actuarial expectations and the prior year, primarily driven by lower direct claims which typically cost significantly more than cross claims. In addition, as claimants' ages continue to increase, this has had a favorable effect on average claim size. As a result of these lower mesothelioma claims and lower average claims size, Asbestos gross cash outflows of A$153.7 million for fiscal year 2021 were 10% below the actuarial expectation. Changes to the assumptions may be necessary in future periods should mesothelioma claims reporting escalate or decline.

Potential variation in the estimated peak period of claims has an impact much greater than the other assumptions used to derive the discounted central estimate. In performing the sensitivity assessment of the estimated incidence pattern reporting for mesothelioma, if the pattern of incidence was shifted by two years, the central estimate could increase by approximately 21% on a discounted basis.

Readers are referred to Note 12 of o ur 31 March 2021 consolidated financial statements for further information on asbestos.

Interest, net

US$ Millions	Full Year Ended 31 March		
	FY21	**FY20**	**Change %**
Gross interest expense	$ (58.0)	$ (66.9)	13
Capitalized interest	9.5	9.5	—
Interest income	0.2	1.6	(88)
Net AICF interest income	0.5	1.4	(64)
Interest, net	**$ (47.8)**	**$ (54.4)**	**12**

Gross interest expense decreased US$8.9 million, primarily due to the repayment of our revolving credit facility in the first quarter and the redemption of our 2025 senior unsecured notes in the fourth quarter.

Income Tax

	Full Year Ended 31 March	
	FY21	FY20
Income tax expense (US$ Millions)	(149.2)	(46.5)
Effective tax rate (%)	36.2	16.1
Adjusted income tax expense[1] (US$ Millions)	(109.7)	(78.1)
Adjusted effective tax rate[1] (%)	19.3	18.1

[1] Includes tax adjustments related to the amortization benefit of certain US intangible assets, asbestos, and other tax adjustments

The effective tax rate increased 20.1 percentage points, primarily due to Asbestos and tax adjustments and a change in geographic mix.

The Adjusted effective tax rate increased 1.2 percentage points, primarily due to a change in geographic mix.

Net Income

US$ Millions	Full Year Ended 31 March		
	FY21	FY20	Change %
EBIT			
North America Fiber Cement[1]	$ 588.0	$ 470.5	25
Asia Pacific Fiber Cement[1]	128.2	94.8	35
Europe Building Products[1]	42.7	16.7	
Research and Development	(28.8)	(27.0)	(7)
General Corporate[2]	(101.1)	(68.2)	(48)
Adjusted EBIT	**629.0**	**486.8**	**29**
Net income			
Adjusted interest, net[2]	(48.3)	(55.8)	13
Other income (expense)	0.1	(0.1)	
Loss on early extinguishment of debt	(13.1)	—	
Adjusted income tax expense[3]	(109.7)	(78.1)	(40)
Adjusted net income	**$ 458.0**	**$ 352.8**	**30**

[1] Excludes restructuring expenses

[2] Excludes Asbestos-related expenses and adjustments

[3] Includes tax adjustments related to the amortization benefit of certain US intangible assets, asbestos and other tax adjustments

Adjusted net income of US$458.0 million increased 30%, driven by strong performance in all operating segments, partially offset by higher adjusted income tax expense and an increase in General Corporate SG&A expenses of US$32.9 million.

COVID-19

James Hardie continues to assess the impacts and the uncertainties of the COVID-19 pandemic on the geographic locations in which we operate, and the continuing impact of the pandemic on James Hardie's business and future financial performance still remains uncertain.

Cash Flow

US$ Millions	Full Year Ended 31 March			
	FY21	FY20	Change	Change %
Net cash provided by operating activities	$ 786.9	$ 451.2	$ 335.7	74 %
Net cash used in investing activities	(120.4)	(203.8)	83.4	41 %
Net cash used in financing activities	(540.2)	(179.0)	(361.2)	

Significant sources and uses of cash during fiscal year 2021 included:

- Cash provided by operating activities:
  - Higher net sales and profitability in each of our regions led to net income, adjusted for non-cash items, of US$692.4 million;
  - Working capital improvements: US$98.7 million related to a reduction in inventory as we continue to execute our strategy to integrate our supply chain with our customers, and US$6.6 million due to improvements in accounts receivable and accounts payable balances;
  - CARES Act tax refund of US$64.8 million; and
  - Asbestos claims paid of US$105.3 million.
- Cash used in investing activities:
  - Capital expenditures of US$110.7 million, primarily related to capacity expansion in Prattville, Alabama and Carole Park, Australia, as well as other maintenance projects.
- Cash used in financing activities:
  - Repayment of entire US$130.0 million balance on our revolving credit facility;
  - Redemption of US$400.0 million 2025 senior unsecured notes; and
  - Payment of US$9.5 million call premium to note holders.

Capacity Expansion

We expect our capital expenditures to be approximately US$250.0 million annually for the next three fiscal years. The Carole Park, Australia brownfield expansion was commissioned in the third quarter of fiscal year 2021, and our Prattville, Alabama greenfield site commissioned its first sheet machine in March 2021, and the second sheet machine is expected to be commissioned in July 2021.

Liquidity and Capital Allocation

Our cash position increased by US$64.1 million, from US$144.4 million at 31 March 2020 to US$208.5 million at 31 March 2021.

Our gross debt balance reduced from US$1,370.7 million at 31 March 2020, to US$868.3 million as of 31 March 2021, primarily a result of our voluntary redemption of our US$400.0 million 2025 senior unsecured notes. In addition, at 31 March 2021, we had no amounts drawn from our US$500.0 million unsecured revolving facility, compared to US$130.0 million at 31 March 2020. Subsequent to 31 March 2021, we drew US$110.0 million under our revolving credit facility to partially fund the payment of the fiscal year 2021 special dividend.

Based on our existing cash balances, together with anticipated operating cash flows and unutilized credit facilities, we anticipate we will have sufficient funds to meet our planned working capital and other expected cash requirements for the next twelve months.

Capital Management

We periodically review our capital structure and capital allocation objectives and expect the following capital management focus in the short term:

- Preserve strong liquidity position and financial flexibility;
- Invest in capacity expansion and market led innovation to support organic growth;
- Maintain leverage ratio of 1-2x; and
- Return capital to shareholders
    - Returned over US$300 million through special dividend in April 2021
    - Reinstating ordinary dividends in FY22, beginning with a half-year dividend to be declared in November 2021

Other Asbestos Information

Claims Data

	Full Year Ended 31 March		
	FY21	**FY20**	**Change %**
Claims received	545	657	17
Direct claims	392	449	13
Cross claims	153	208	26
Actuarial estimate for the period	624	564	(11)
Difference in claims received to actuarial estimate	79	(93)	
Average claim settlement (A$)	248,000	277,000	10
Actuarial estimate for the period (A$)	296,000	306,000	3
Difference in claims paid to actuarial estimate	48,000	29,000	

For the full year ended 31 March 2021, we noted the following related to asbestos-related claims:

- Net cash outflow was 13% below actuarial expectations;
- Gross cash outflow was 10% below actuarial expectations;
- Total claims received were 13% below actuarial expectations and 17% below fiscal year 2020;

- Mesothelioma claims reported were 9% below actuarial expectations and 13% below fiscal year 2020;
- Number of claims settled were 8% below actuarial expectations and 3% below fiscal year 2020;
- Average claim settlement was 16% below actuarial expectations and 10% below fiscal year 2020; and
- Average claim settlement sizes were lower than actuarial expectations for all mesothelioma age groups.

AICF Funding

We funded US$153.3 million to AICF during fiscal year 2021, as provided under the AFFA. From the time AICF was established in February 2007 through the date of this Report, we have contributed approximately A$1,571.0 million to the fund.

We anticipate that we will make contributions totaling approximately US$252.6 million to AICF during fiscal year 2022. This amount represents 35% of our free cash flow of US$721.6 million. Our free cash flow, as defined by the AFFA, is our operating cash flow per US GAAP in effect in December 2004. To reconcile our current year operating cash flow of US$786.9 million to 2004 US GAAP, a US$65.3 million adjustment is required.

Readers are referred to Notes 1 and 12 of our 31 March 2021 consolidated financial statements for further information on asbestos.

Financial Measures - GAAP equivalents

This document contains financial statement line item descriptions that are considered to be non-GAAP, but are consistent with those used by Australian companies. Because we prepare our consolidated financial statements under GAAP, the following table cross-references each non-GAAP line item description, as used in Management's Analysis of Results and Media Release, to the equivalent GAAP financial statement line item description used in our consolidated financial statements:

Management's Analysis of Results and Media Release	**Consolidated Statements of Operations and Other Comprehensive Income (Loss) (US GAAP)**
EBIT	Operating income (loss)
Operating profit (loss) before income taxes	Income (loss) before income taxes

EBIT – Earnings before interest and tax.

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

EBITDA – Earnings before interest, tax, depreciation and amortization.

EBITDA margin – EBITDA as a percentage of net sales.

Sales Volume

mmsf – million square feet, where a square foot is defined as a standard square foot of 5/16" thickness.

msf – thousand square feet, where a square foot is defined as a standard square foot of 5/16" thickness.

This Management's Analysis of Results includes certain financial information to supplement the Company's consolidated financial statements which are prepared in accordance with accounting principles generally accepted 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 include:

- Adjusted EBIT;
- North America Fiber Cement Segment Adjusted EBIT;
- Asia Pacific Fiber Cement Segment Adjusted EBIT;
- Europe Building Products Segment Adjusted EBIT;
- Adjusted EBIT margin;
- North America Fiber Cement Segment Adjusted EBIT margin;
- Asia Pacific Fiber Cement Segment Adjusted EBIT margin;
- Europe Building Products Segment Adjusted EBIT margin;
- Adjusted interest, net;
- Adjusted net income;
- Adjusted operating profit before income taxes;
- Adjusted income tax expense;
- Adjusted effective tax rate;
- Adjusted EBITDA;
- Adjusted EBITDA excluding Asbestos; and
- Adjusted return on capital employed (Adjusted "ROCE").

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 financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP financial measures and should be read only in conjunction with the Company's consolidated financial statements prepared in accordance with GAAP. In evaluating these financial measures, investors should note that other companies reporting or describing similarly titled financial measures may calculate them differently and investors should exercise caution in comparing the Company's financial measures to similar titled measures by other companies.

Non-financial Terms

AFFA – Amended and Restated Final Funding Agreement

AICF – Asbestos Injuries Compensation Fund Ltd

Financial Measures - GAAP equivalents

Adjusted EBIT

US$ Millions	Full Year Ended 31 March	
	FY21	FY20
EBIT	**$ 472.8**	**$ 342.5**
Asbestos:		
Asbestos adjustments	143.9	58.2
AICF SG&A expenses	1.2	1.7
Restructuring expenses	11.1	84.4
Adjusted EBIT	**$ 629.0**	**$ 486.8**
Net sales	2,908.7	2,606.8
Adjusted EBIT margin	**21.6%**	**18.7%**

North America Fiber Cement Segment Adjusted EBIT

US$ Millions	Full Year Ended 31 March	
	FY21	FY20
North America Fiber Cement Segment EBIT	**$ 585.5**	**$ 429.3**
Restructuring expenses	2.5	41.2
North America Fiber Cement Segment Adjusted EBIT	**$ 588.0**	**$ 470.5**
North America Fiber Cement segment net sales	2,040.2	1,816.4
North America Fiber Cement Segment Adjusted EBIT margin	**28.8%**	**25.9%**

Asia Pacific Fiber Cement Segment Adjusted EBIT

US$ Millions	Full Year Ended 31 March	
	FY21	FY20
Asia Pacific Fiber Cement Segment EBIT	**$ 124.8**	**$ 58.5**
Restructuring expenses	3.4	36.3
Asia Pacific Fiber Cement Segment Adjusted EBIT	**$ 128.2**	**$ 94.8**
Asia Pacific Fiber Cement segment net sales	458.2	418.4
Asia Pacific Fiber Cement Segment Adjusted EBIT margin	**28.0%**	**22.7%**

Europe Building Products Segment Adjusted EBIT

US$ Millions	Full Year Ended 31 March	
	FY21	FY20
Europe Building Products Segment EBIT	**$ 37.6**	**$ 11.2**
Restructuring expenses	5.1	5.5
Europe Building Products Segment Adjusted EBIT	**42.7**	**16.7**
Europe Building Products segment net sales	410.3	371.4
Europe Building Products Segment Adjusted EBIT margin	**10.4%**	**4.5%**

Adjusted interest, net

US$ Millions	Full Year Ended 31 March	
	FY21	FY20
Interest, net	**$ (47.8)**	**$ (54.4)**
AICF interest income, net	0.5	1.4
Adjusted interest, net	**$ (48.3)**	**$ (55.8)**

Adjusted net income

US$ Millions	Full Year Ended 31 March	
	FY21	FY20
Net income	**$ 262.8**	**$ 241.5**
Asbestos:		
Asbestos adjustments	143.9	58.2
AICF SG&A expenses	1.2	1.7
AICF interest income, net	(0.5)	(1.4)
Restructuring expenses	11.1	84.4
Tax adjustments[1]	39.5	(31.6)
Adjusted net income	**$ 458.0**	**$ 352.8**

[1] Includes tax adjustments related to the amortization benefit of certain US intangible assets, asbestos, and other tax adjustments

Adjusted effective tax rate

US$ Millions	Full Year Ended 31 March	
	FY21	FY20
Operating profit before income taxes	**$ 412.0**	**$ 288.0**
Asbestos:		
Asbestos adjustments	143.9	58.2
AICF SG&A expenses	1.2	1.7
AICF interest income, net	(0.5)	(1.4)
Restructuring expenses	11.1	84.4
Adjusted operating profit before income taxes	**$ 567.7**	**$ 430.9**
Income tax expense	(149.2)	(46.5)
Tax adjustments[1]	39.5	(31.6)
Adjusted income tax expense	**$ (109.7)**	**$ (78.1)**
Effective tax rate	36.2%	16.1%
Adjusted effective tax rate	**19.3%**	**18.1%**

[1] Includes tax adjustments related to the amortization benefit of certain US intangible assets, asbestos, and other tax adjustments

Adjusted EBITDA excluding Asbestos

US$ Millions	Full Year Ended 31 March	
	FY21	FY20
EBIT	**$ 472.8**	**$ 342.5**
Depreciation and amortization	135.0	131.5
Adjusted EBITDA	**607.8**	**474.0**
Asbestos:		
Asbestos adjustments	143.9	58.2
AICF SG&A expenses	1.2	1.7
Adjusted EBITDA excluding Asbestos	**$ 752.9**	**$ 533.9**

Adjusted Return on Capital Employed ("Adjusted ROCE")

US$ Millions	Full Year Ended 31 March	
	FY21	FY20
Numerator		
Adjusted EBIT for ROCE[1]	**$ 629.0**	**$ 486.8**
Denominator		
Gross capital employed (GCE)	1,780.8	1,753.7
Adjustments to GCE[2]	(193.6)	(195.5)
Adjusted gross capital employed	**$ 1,587.2**	**$ 1,558.2**
Adjusted ROCE	**39.6%**	**31.2%**

1 There were no adjustments as calculated according to ROCE stock compensation plan documents

2 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 payables and deferred taxes; (ii) adding back asset impairment charges in the relevant period, unless otherwise determined by the renumeration committee; and (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

FORWARD-LOOKING STATEMENTS

This Management's Analysis of Results contains forward-looking statements. 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 offering circulars, invitation memoranda and prospectuses, in media releases and other written materials and in oral statements made by the Company's officers, directors or employees to analysts, institutional investors, existing and potential lenders, representatives of the media and others. Statements that are not historical facts are forward-looking statements and such forward-looking statements are statements made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995.

Examples of forward-looking statements include:

- statements about the Company's future performance;
- projections of the Company's results of operations or financial condition;
- statements regarding the Company's plans, objectives or goals, including those relating to strategies, initiatives, competition, acquisitions, dispositions and/or its products;
- expectations concerning the costs associated with the suspension or closure of operations at any of the Company's plants and future plans with respect to any such plants;
- expectations concerning the costs associated with the significant capital expenditure projects at any of the Company's plants and future plans with respect to any such projects;
- expectations regarding the extension or renewal of the Company's credit facilities including changes to terms, covenants or ratios;
- expectations concerning dividend payments and share buy-backs;
- statements concerning the Company's corporate and tax domiciles and structures and potential changes to them, including potential tax charges;
- uncertainty from the expected discontinuance of LIBOR and transition to any other interest rate benchmark;
- statements regarding the effect and consequences of the COVID-19 public health crisis;
- statements regarding tax liabilities and related audits, reviews and proceedings;
- statements regarding the possible consequences and/or potential outcome of legal proceedings brought against us and the potential liabilities, if any, associated with such proceedings;
- expectations about the timing and amount of contributions to AICF, a special purpose fund for the compensation of proven Australian asbestos-related personal injury and death claims;
- expectations concerning the adequacy of the Company's warranty provisions and estimates for future warranty-related costs;
- statements regarding the Company's ability to manage legal and regulatory matters (including but not limited to product liability, environmental, intellectual property and competition law matters) and to resolve any such pending legal and regulatory matters within current estimates and in anticipation of certain third-party recoveries; and
- statements about economic or housing market conditions in the regions in which we operate, including but not limited to, the levels of new home construction and home renovations, unemployment levels, changes in consumer income, changes or stability in housing values, the availability of mortgages and other financing, mortgage and other interest rates, housing affordability and supply, the levels of foreclosures and home resales, currency exchange rates, and builder and consumer confidence.

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. Readers are cautioned not to place undue reliance on these forward-looking statements and all such forward-looking statements are qualified in their entirety by reference to the following cautionary statements.

Forward-looking statements are based on the Company's current expectations, estimates and assumptions and because forward-looking statements address future results, events and conditions, they, by their very nature, involve inherent risks and uncertainties, many of which are unforeseeable and beyond the Company's control. Such known and unknown risks, uncertainties and other factors may cause actual results, performance or other achievements to differ materially from the anticipated results, performance or achievements expressed, projected or implied by these forward-looking statements. These factors, some of which are discussed under "Risk Factors" in Section 3 of the Form 20-F filed with the Securities and Exchange Commission on 18 May 2021, include, but are not limited to: all matters relating to or arising out of the prior manufacture of products that contained asbestos by current and former Company subsidiaries; required contributions to AICF, any shortfall in AICF funding and the effect of currency exchange rate movements on the amount recorded in the Company's financial statements as an asbestos liability; compliance with and changes in tax laws and treatments; competition and product pricing in the markets in which the Company operates; the consequences of product failures or defects; exposure to environmental, asbestos, putative consumer class action or other legal proceedings; general economic and market conditions; the supply and cost of raw materials; possible increases in competition and the potential that competitors could copy the Company's products; compliance with and changes in environmental and health and safety laws; risks of conducting business internationally; compliance with and changes in laws and regulations; currency exchange risks; dependence on customer preference and the concentration of the Company's customer base; dependence on residential and commercial construction markets; the effect of adverse changes in climate or weather patterns; use of accounting estimates; risk and uncertainties arising out of the COVID-19 public health crisis, including the impact of COVID-19 on our business, sales, results of operations and financial condition and all other risks identified in the Company's reports filed with Australian, Irish and US securities regulatory agencies and exchanges (as appropriate). The Company cautions you that the foregoing list of factors is not exhaustive and that other risks and uncertainties may cause actual results to differ materially from those referenced in the Company's forward-looking statements. Forward-looking statements speak only as of the date they are made and are statements of the Company's current expectations concerning future results, events and conditions. The Company assumes no obligation to update any forward-looking statements or information except as required by law.

Exhibit 99.5

Q4 FY21 MANAGEMENT PRESENTATION

18 May 2021

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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 and beliefs concerning future events and conditions. Readers are cautioned not to place undue reliance on any forward-looking statements.

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 2021; changes in general economic, political, governmental and business conditions globally and in the countries in which the Company does business, including the impact of COVID-19; 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.

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 the slide titled "Non-GAAP Financial Measures" included in the Appendix to 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 a table and definitions presenting cross-references between each GAAP financial measure used in the Company's Consolidated Financial Statements to the equivalent non-GAAP financial measure used in this Management Presentation. See the section titled "Non-GAAP Financial Measures" included in the Appendix to this Management Presentation.

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AGENDA

- **Business Highlights**
- **Q4 and Full Year FY21 Financial Results**
- **Investor Day Preview**
- **Questions and Answers**

Dr. Jack Truong
Chief Executive Officer

Jason Miele
Chief Financial Officer

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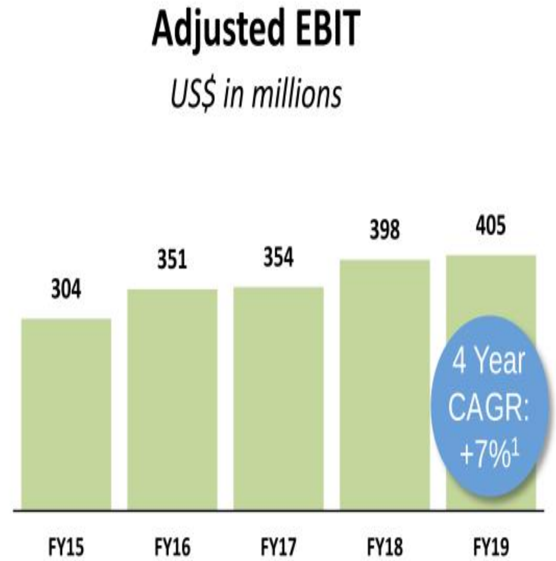
BUSINESS HIGHLIGHTS

FY15-FY19 FINANCIAL RESULTS…PROFITABLE GROWTH STALLED

1. CAGR calculation excludes FY19 Fermacell Net Sales (Integrated Fermacell acquisition into JHX in April 2018, beginning of FY19)



1. CAGR calculation excludes FY19 Fermacell Adjusted EBIT (Integrated Fermacell acquisition into JHX in April 2018, beginning of FY19)

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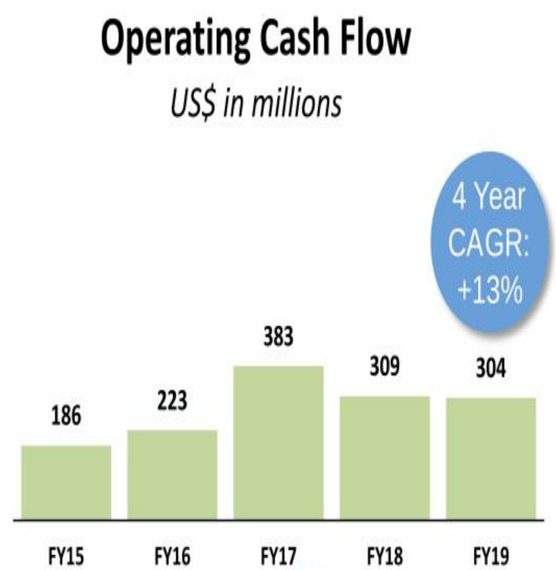

A NEW JAMES HARDIE: EXECUTING GLOBAL GROWTH STRATEGY

FY20-FY21: Transform to Enable Consistent, Profitable Growth Globally

- World class manufacturing via **LEAN** to expand margins
- Closely **partner with customers** via **Push/Pull** strategy to drive above market growth
- **Integrate supply chain** with our customers to **serve the market seamlessly** with optimal working capital
- Implement and embed a **globally integrated management system**
- Deliver **consistent financial results**, every quarter

Measureable Accomplishments and Record Performance

- ✓ **US$107.4 million** in cumulative global **LEAN savings**
- ✓ Drove profitable growth on profitable growth in North America:
  - Net Sales growth of **+8% (FY20); +12% (FY21)** vs +8% (FY15-FY19)
  - Expanded Adjusted EBIT margin to **29% (FY21)** from 24% (FY15-FY19)
- ✓ Significantly expanded Europe business:
  - Increased Net Sales to **€351m in FY21** from €318m in FY19
  - Increased Adjusted EBIT **4X** to **€36m in FY21** from €9m in FY19
- ✓ Expanded APAC Adjusted EBIT Margin to **28% (FY21)** from 24% (FY15-FY19)
- ✓ Delivered **record operating cash flow** of **US$787 million** in **FY21**, a **2.6X** increase from FY19 of US$304 million

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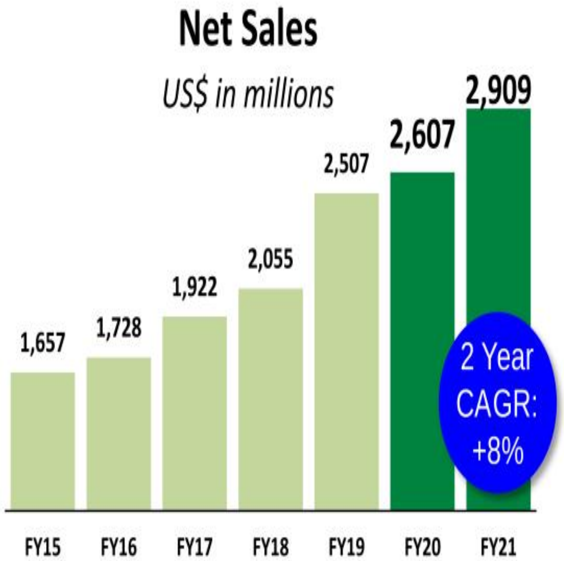
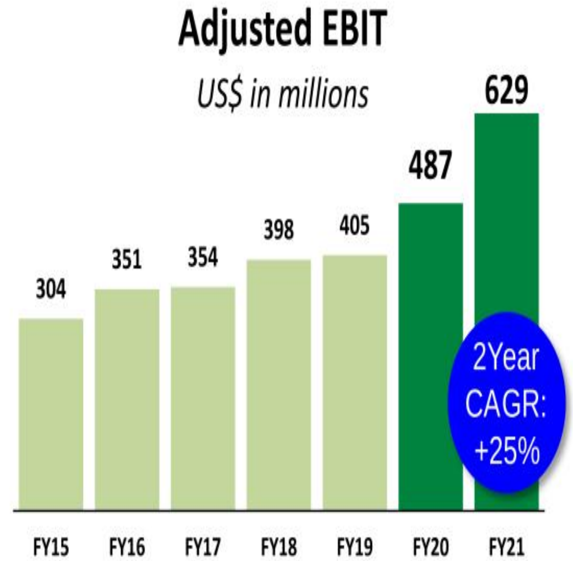
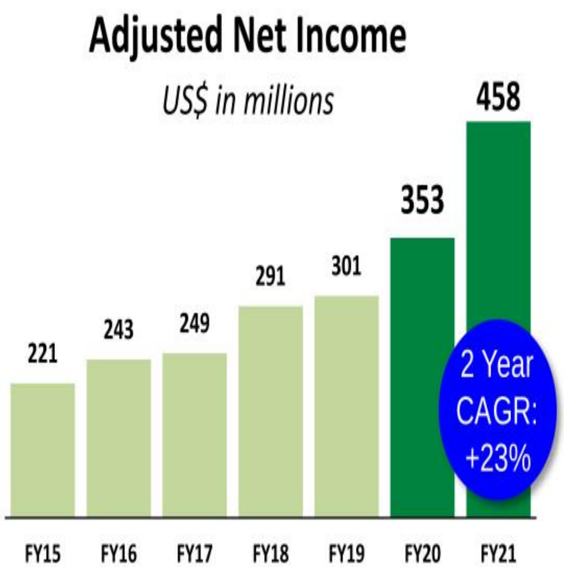
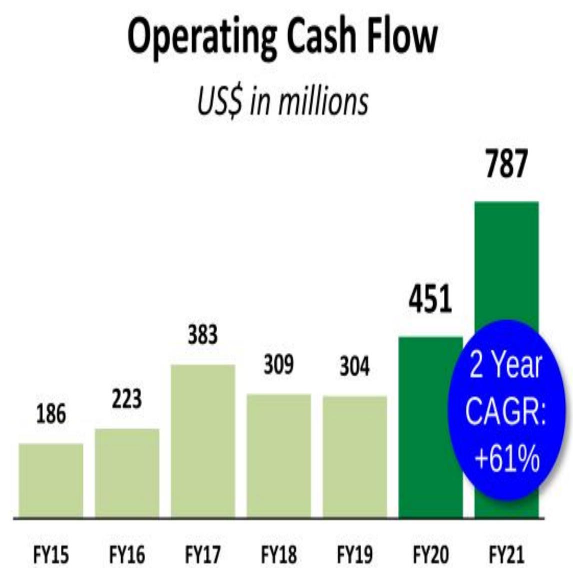
A NEW JAMES HARDIE: STEP CHANGE IN DELIVERING CONSISTENT FINANCIAL RESULTS, GLOBALLY









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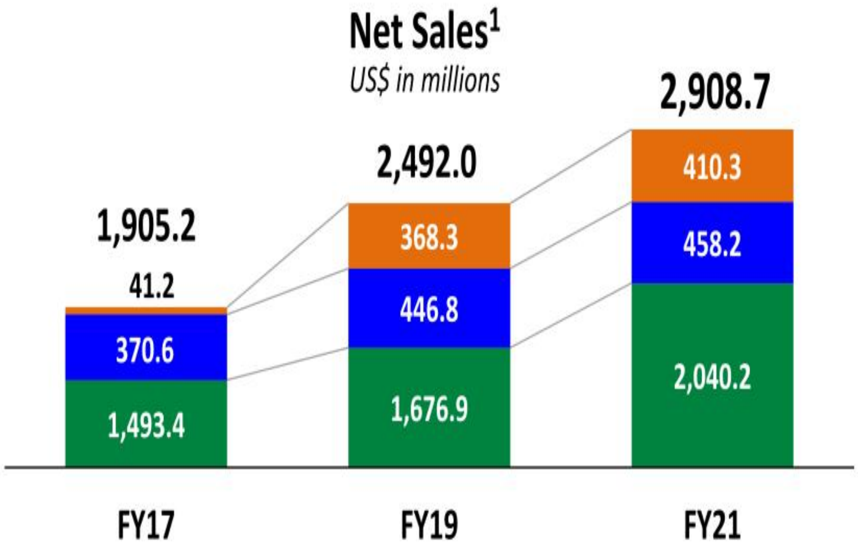
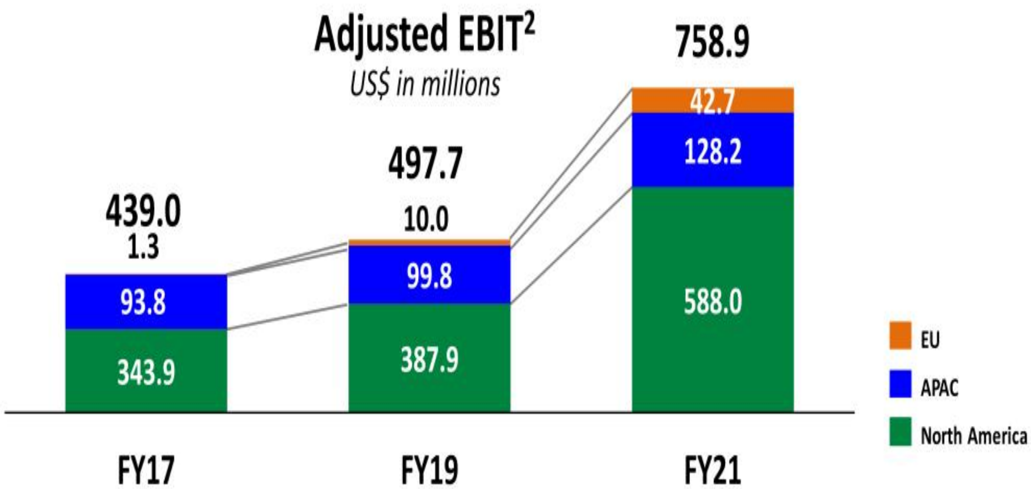
A NEW JAMES HARDIE: PROFITABLE GROWTH IN AN EXPANDING GLOBAL FOOTPRINT





1. *Net Sales for each region as previously reported. The total Net Sales amount shown is the sum of the three regions.*
2. *Adjusted EBIT for each region as previously reported. The total Adjusted EBIT amount shown is the sum of the three regions.*

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A NEW JAMES HARDIE: FY2022 - FY2024 TARGETS

	Prior Targets	FY 2022-24[3] Targets
NA Adjusted EBIT Margin	20 to 25%[1]	**25 to 30%**
APAC Adjusted EBIT Margin	20 to 25%[1]	**25 to 30%**
Europe Adjusted EBIT Margin	10%[2]	**11 to 16%**

[1] Historical long-term Adjusted EBIT Margin target ranges communicated by management for NA and APAC

[2] Average Annual Adjusted EBIT Margin excluding integration costs for Fiscal Years FY19-FY21

[3] Annual Adjusted EBIT Margin targets for each fiscal year in the period of fiscal years 2022, 2023 and 2024

A NEW JAMES HARDIE: 8th STRAIGHT QUARTER OF DELIVERING ON RESULTS...

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Q4 AND FULL YEAR FY21 FINANCIAL RESULTS

GLOBAL RESULTS

	Q4 FY21	FY21
Sales Volume	1,120.8 mmsf ↑ 11%	4,131.4 mmsf ↑ 8%
Net Sales	US$807.0 M ↑ 20%	US$2,908.7 M ↑ 12%
Adjusted EBIT[1]	US$173.1 M ↑ 43%	US$629.0 M ↑ 29%
Adjusted Net Income[2]	US$124.9 M ↑ 44%	US$458.0 M ↑ 30%
Operating Cash Flow		US$786.9 M ↑ 74%

1 Excludes asbestos related expenses and adjustments and restructuring expenses

2 Excludes asbestos related expenses and adjustments, tax adjustments and restructuring expenses

- All 3 regions delivered strong profitable growth
- Adjusted EBIT increased 43% for the quarter, driven by:
  - North America increased US$32.9 million (+27%)
  - Europe increased €15.3 million (+3,825%)
  - APAC increased A$13.8 million (+46%)
- Adjusted EBIT increased 29% for the full year, driven by:
  - North America increased US$117.5 million (+25%)
  - Europe increased €21.0 million (+141%)
  - APAC increased A$38.2 million (+27%)
  - General Corporate Cost expense increased US$32.9 million
- Adjusted Net Income increased 44% for the quarter and 30% for the full year
- Operating cash flow increased US$335.7 million (+74%) driving improved liquidity and financial flexibility

All Three Regions Deliver Double-Digit Net Sales Growth, and Double-Digit EBIT Growth

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NORTH AMERICA SUMMARY

	Q4 FY21	FY21
Sales Volume	723.2 mmsf ↑ 10%	2,713.4 mmsf ↑ 9%
Net Sales	US$555.3 M ↑ 17%	US$2,040.2 M ↑ 12%
Adjusted EBIT[1]	US$152.9 M ↑ 27%	US$588.0 M ↑ 25%
Adjusted EBIT Margin[1]	27.5 % ↑ 2.2 pts	28.8 % ↑ 2.9 pts

[1] *Excludes restructuring expenses*

- Exteriors volume increased +12% for the quarter and +11% for the full year
  - Accelerated share gain through customer engagement and integration
  - Growth in FY20 was +9%
- Interiors volume increased +1% for the quarter and was flat for the year
- Adjusted EBIT growth of +27% for the quarter and +25% for the year driven by:
  - Price/Mix
  - Strong organic volume growth
  - LEAN manufacturing savings
  - Lower SG&A
  - Partially offset by higher freight costs
- Full year Adjusted EBIT margin increased from 25.9% to 28.8%

Consistent, Double-Digit Net Sales Growth at a Step-Change EBIT Margin Level

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EUROPE SUMMARY

	Q4 FY21	FY21
Sales Volume	252.6 mmsf ↑ 9%	876.0 mmsf ↑ 6%
Net Sales	€104.6 M ↑ 12%	€350.6 M ↑ 5%
Adjusted EBIT[1]	€15.7 M ↑ 3825%	€35.9 M ↑ 141%
Adjusted EBIT Margin[1]	15.0 % ↑ 14.4 pts	10.4 % ↑ 5.9 pts
EBIT Margin excluding[2]	15.0 % ↑ 10.4 pts	10.4 % ↑ 2.2 pts

1 Excludes restructuring expenses

2 Excludes restructuring expenses in FY21 and costs associated with the Fermacell acquisition in FY20

- Record Net Sales of €104.6M, increased 12% for the quarter:
  - Fiber Cement Net Sales €: +24% for the quarter
  - Fiber Gypsum Net Sales €: +11% for the quarter
  - Driven by double digit Net Sales growth in UK, France, Scandinavia, and Benelux
- Net Sales increased 5% for the year
  - Strong organic net sales growth in Q2 (+8%), Q3 (+12%), and Q4 (+12%), partially offset by impact of COVID-19 pandemic in Q1
  - Fiber Cement Net Sales €: +9% for the year
  - Fiber Gypsum Net Sales €: +4% for the year
- Q4 Adjusted EBIT Margin of 15.0%

Record EBIT Margin of 15.0% in Q4

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APAC SUMMARY

	Q4 FY21	FY21
Sales Volume	145.0 mmsf ↑ 16%	542.0 mmsf ↑ 2%
Net Sales	A$162.6 M ↑ 11%	A$635.2 M ↑ 3%
Adjusted EBIT[1]	A$43.7 M ↑ 46%	A$177.3 M ↑ 27%
Adjusted EBIT Margin[1]	26.9 % ↑ 6.4 pts	28.0 % ↑ 5.3 pts

[1] *Excludes restructuring expenses*

- Continued market share gain in Australia and New Zealand
  - Price Mix increased in Australia and New Zealand
- Q4 adjusted EBIT +46% at 26.9% EBIT Margin driven by strong +16% volume growth
- Adjusted EBIT growth of 27% at 28.0% margin for the full year driven by:
  - Consolidating Australia and New Zealand regional production to our two Australia plants,
  - Strong profitable growth in New Zealand, and
  - Exiting non-profitable JH Systems business.

Record EBIT Margin of 28.0% for Full Year FY21

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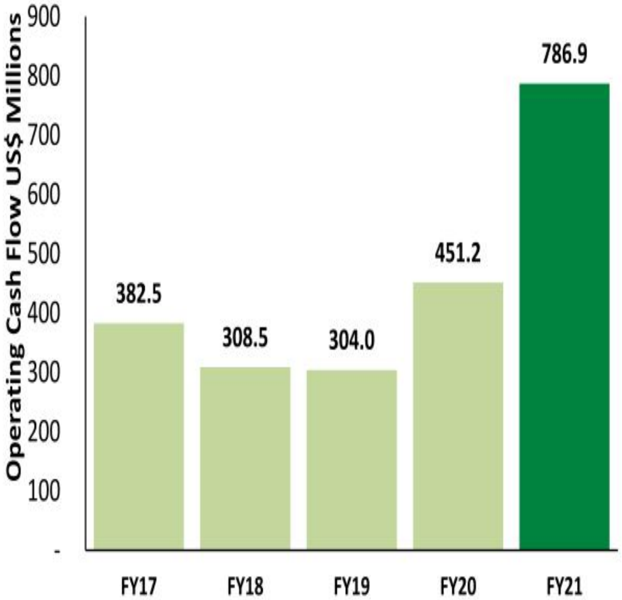
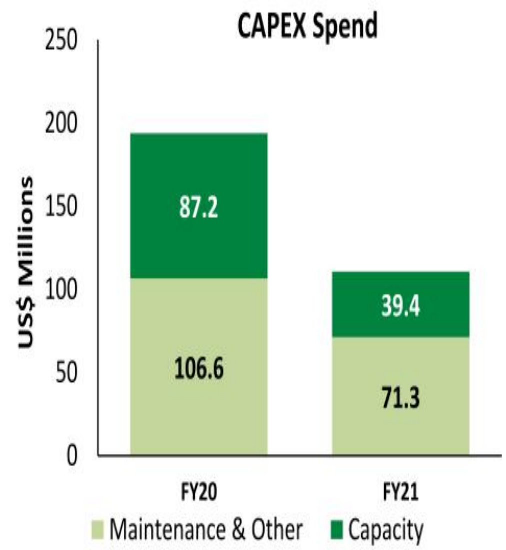
OPERATING CASH FLOW UP



FY21 Operating cash flows, up 74%

- Increased profitable sales
- Integrated with customers to reduce working capital for both customers and James Hardie

CAPITAL EXPENDITURES DOWN



CAPEX spend for the full year of US$110.7 million

- Carole Park, Australia brownfield expansion commissioned in the third quarter of FY21
- Prattville, AL, USA greenfield expansion on-track
  - Sheet Machine #1: March 2021
  - Sheet Machine #2: July 2021

Total capital expenditures estimated to be approximately US$250 million per year for the period FY22-FY24

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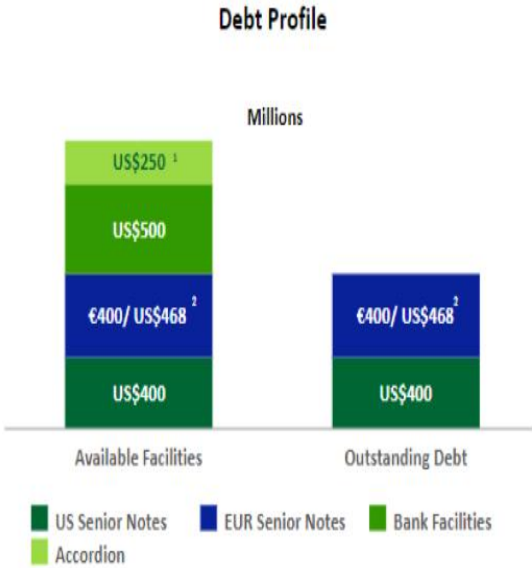
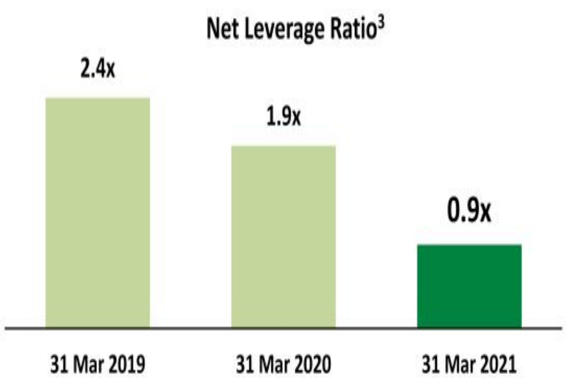
LIQUIDITY PROFILE





Corporate debt structure

- **On 15 January 2021 redeemed US$400 million** 4.75% senior unsecured notes maturing 2025
  - US$9.5 million call premium and US$3.6 million in unamortized financing costs were recorded in Q4 FY21
- €400 million (US$468 million)[2] 3.625% senior unsecured notes, maturing 2026 (callable in October 2021)
- US$400 million 5.00% senior unsecured notes maturing 2028 (callable in January 2023)
- US$500 million unsecured RCF, maturing December 2022

Net leverage and liquidity

- 0.9x leverage ratio[3] at 31 March 2021, improved from 1.9x at 31 March 2020
- US$703.8 million of liquidity on 31 March 2021

[1] Incremental liquidity of up to US$250 million may be accessed via an accordion feature, which is provided for under the terms of the syndicated RCF agreement, but not credit approved. Do no anticipate accessing accordion feature.

[2] Based on exchange rate as of 31 March 2021

[3] Leverage ratio is based on bank covenant definition

Strong Cash and Liquidity Position

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CAPITAL ALLOCATION ALIGNED TO STRATEGY

Past 3 Year Capital Allocation

Cumulative FY2019-FY2021*

Going Forward

- **Preserve strong liquidity and flexibility**
- **Invest in organic growth: capacity expansion & market driven innovation**
- **Maintain net leverage ratio of 1-2x**
  - 0.9x leverage ratio[2] as of 31 Mar 2021
  - Gross debt reduced by US$400 million in January 2021 in accordance with plan
- **Return capital to shareholders:**
  - Returned over US$300 million through special dividend in April 2021
  - Reinstating ordinary dividends in November 2021

** Figures exclude Fermacell acquisition ~$559m and associated financing $492m*

Balance Sheet Strength, Invest in Growth, and Return Capital to Shareholders

[1] Cash Flow is calculated as Operating Cash Flow plus Cash Paid to AICF per the Consolidated Statement of Cash Flows

[2] Leverage ratio is based on bank covenant definition, as of 31 March 2021

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FULL YEAR FISCAL YEAR 2022 GUIDANCE

	FY 2021	FY 2022
Adjusted Net Income[1,2]	$458 million	**$520 to $570 million** +14% to +24% vs pcp

[1] *Fiscal Year 2021 Adjusted Net Income excludes asbestos related expenses and adjustments, and restructuring expenses*
[2] *Adjusted Net Income formerly referred to as Adjusted NOPAT*

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ANNUAL INVESTOR DAY PREVIEW

A NEW JAMES HARDIE

FY20-FY21: TRANSFORM TO <u>ENABLE</u> CONSISTENT PROFITABLE GROWTH GLOBALLY
World-class Manufacturing via LEAN Resulting in Margin Expansion
Leveraging Consumer Insights to Keep Product Portfolio Ahead of Market
Integrating Supply Chain with Customers to Optimize Working Capital
Implementing Globally Integrated Management System
Delivering Consistent Financial Results and Strong Returns

FY22 AND BEYOND: <u>DRIVE</u> PROFITABLE GROWTH GLOBALLY
Market to Homeowners to Create Demand
Penetrate and Drive Profitable Growth in Existing and New Segments
Commercialize Global Innovations to Expand Into Other Looks

PROFITABLE ORGANIC GROWTH THROUGH MARKETING TO HOMEOWNERS

Campaign Started on May 3rd, 2021

Create Demand with Homeowners

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PROFITABLE ORGANIC GROWTH THROUGH GLOBAL INNOVATION

Market Driven Innovation Expands Opportunities for Future Organic Growth

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JAMES HARDIE TO HOST VIRTUAL INVESTOR DAY

- ✓ Single session:
  - ✓ Tuesday May 25th, 7:00AM-9:15AM (Sydney, Australia Time)
  - ✓ Monday May 24th, 5:00PM-7:15PM (New York City, USA Time)
- ✓ The session will be recorded and available on our Investor Relations website
- ✓ Registration Link: https://JHXInvestorDay.joinceo.com

Agenda

- ✓ Strategy
- ✓ Growth Through Marketing to Homeowners
- ✓ Growth Through Global Innovation

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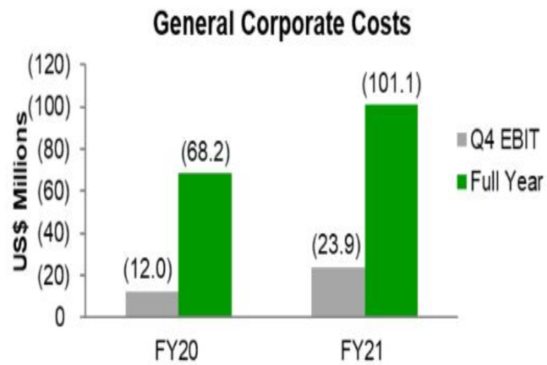
QUESTIONS

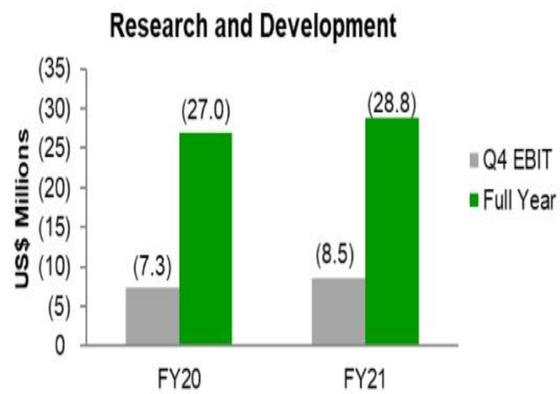
APPENDIX

GENERAL CORPORATE COSTS



- Stock compensation expense increased US$15.0 million in Q4 and US$26.6 million for the full year
- Increase in stock compensation expense for the full year was driven by share price accretion
- Legal expenses decreased US$0.3 million for the quarter and increased US$12.7 million for the full year

RESEARCH & DEVELOPMENT



- Customer Driven Innovation remains core strategic pillar
- R&D up 7% for the full year
- Product development R&D expenses of US$1.4 million for the quarter and US$8.3 million for the full year, included within the NA, APAC and EU segments, decreased 42% for the quarter and 6% for the full year

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DEPRECIATION AND AMORTIZATION

US$ Millions	Three Months and Full Year Ended 31 March			
	Q4 FY21	Q4 FY20	FY21	FY20
Depreciation and amortization				
North America Fiber Cement	$ 24.4	$ 22.7	$ 89.1	$ 88.7
Asia Pacific Fiber Cement	4.9	3.3	13.9	12.7
Europe Building Products	7.9	10.6	28.0	25.6
Other Businesses	-	-	-	0.2
Research and Development	0.3	0.3	1.2	1.1
General Corporate	0.4	0.8	2.8	3.2
Total Depreciation and amortization	$ 37.9	$ 37.7	$ 135.0	$ 131.5

ASBESTOS COMPENSATION

KEY POINTS

- Updated actuarial report completed as at 31 March 2021
  - Undiscounted and uninflated estimate decreased to A$1,352 million from A$1,452 million

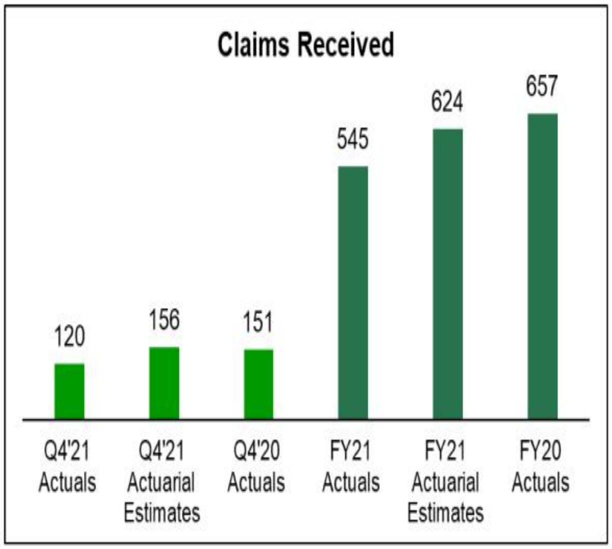
- For fiscal year 2021, we noted the following related to asbestos-related claims experience:
  - Net cash outflow was 13% below actuarial expectations
  - Claims received were 13% below actuarial expectations
  - Average claim settlement was 16% below actuarial expectations

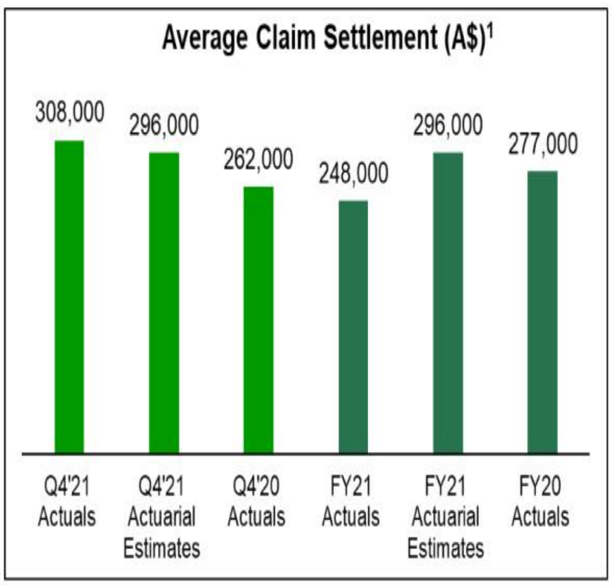
- Total contributions of US$153.3 million were made by James Hardie to AICF during FY2021

- AICF has A$173.1 million in cash and investments as at 31 March 2021

- We anticipate that we will make further contributions totaling approximately US$252.6 million to AICF during FY2022
  - Quarterly payments will be made in July 2021, October 2021, January 2022 and March 2022

ASBESTOS CLAIMS DATA





Full Year ended 31 March 2021:

- Net cash outflow was 13% below actuarial expectations
- Gross cash outflow was 10% below actuarial expectations
- Claims received were 13% below actuarial estimates and 17% below pcp
- Number of claims settled were 8% below actuarial estimates and 3% below pcp
- Average claim settlement was 16% below actuarial estimates and 10% below pcp

[1] *Average claim settlement is derived as the total amount paid divided by the number of non-nil claims*

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NET POST-TAX UNFUNDED ASBESTOS LIABILITY

A$ millions (except where stated)	FY21	FY20
Central Estimate - Undiscounted and Uninflated	$ 1,351.9	$ 1,452.4
Provision for claims handling costs of AICF	27.2	26.8
Cross claims and other	50.0	47.5
Net assets of AICF	(170.3)	(90.7)
Effect of tax	(529.8)	(554.6)
Net post-tax unfunded liability in A$ millions	$ 729.0	$ 881.4
Exchange rate A$ to US$	0.7601	0.6177
Net post-tax unfunded liability in US$ millions	$ 554.1	$ 544.4

ASBESTOS CASH MOVEMENTS FOR FULL YEAR

A$ millions		
AICF cash and investments - 31 March 2020	$	93.9
Contributions to AFFA by James Hardie		220.9
Insurance recoveries		7.9
Interest income, net		0.1
Claims paid		(146.5)
Operating costs		(3.2)
AICF cash and investments - 31 March 2021	$	173.1

NON-GAAP FINANCIAL MEASURES AND TERMS

This Management Presentation forms part of a package of information about the company's results. It should be read in conjunction with the other parts of this package, including the Management's Analysis of Results, Media Release and Condensed Consolidated Financial Statements

Definitions

EBIT – Earnings before interest and tax

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

EBITDA – Earnings before interest, tax, depreciation and amortization

EBITDA margin – EBITDA margin is defined as EBITDA as a percentage of net sales

Sales Volume

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

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

Non-financial Terms

AFFA – Amended and Restated Final Funding Agreement

AICF – Asbestos Injuries Compensation Fund Ltd

Legacy New Zealand weathertightness claims ("New Zealand weathertightness") – Expenses arising from defending and resolving claims in New Zealand that allege generic defects in certain fiber cement products and systems, breach of duties including the failure to conduct appropriate testing of these products and systems, failure to warn and misleading and deceptive conduct in relation to the marketing and sale of the products and systems

New South Wales loan facility ("NSW Loan") – AICF has access to a secured loan facility made available by the New South Wales Government, which can be used by AICF to fund the payment of asbestos claims and certain operating and legal costs

NON-GAAP FINANCIAL MEASURES

Financial Measures – GAAP equivalents

This document contains financial statement line item descriptions that are considered to be non-GAAP, but are consistent with those used by Australian companies. Because the company prepares its Consolidated Financial Statements under GAAP, the following table cross-references each non-GAAP line item description, as used in Management's Analysis of Results and Media Release, to the equivalent GAAP financial statement line item description used in the company's Consolidated Financial Statements:

Management's Analysis of Results and Media Release	Consolidated Statements of Operations and Other Comprehensive Income (Loss) (US GAAP)
EBIT	Operating income (loss)
Operating profit (loss) before income taxes	Income (loss) before income taxes

NON-GAAP FINANCIAL MEASURES

Financial Measures – GAAP equivalents

Adjusted EBIT

US$ Millions	Three Months and Full Year Ended 31 March			
	Q4'21	Q4'20	FY21	FY20
EBIT	$ 144.7	$ (30.8)	$ 472.8	$ 342.5
Asbestos:				
Asbestos adjustments	28.1	67.0	143.9	58.2
AICF SG&A expenses	0.3	0.4	1.2	1.7
Restructuring expenses	-	84.4	11.1	84.4
Adjusted EBIT	$ 173.1	$ 121.0	$ 629.0	$ 486.8
Net sales	807.0	673.2	2,908.7	2,606.8
Adjusted EBIT margin	21.4%	18.0%	21.6%	18.7%

North America Fiber Cement Segment Adjusted EBIT

US$ Millions	Three Months and Full Year Ended 31 March			
	Q4'21	Q4'20	FY21	FY20
North America Fiber Cement Segment EBIT	$ 152.9	$ 78.8	$ 585.5	$ 429.3
Restructuring expenses	-	41.2	2.5	41.2
North America Fiber Cement Segment Adjusted EBIT	$ 152.9	$ 120.0	$ 588.0	$ 470.5
North America Fiber Cement Segment net sales	555.3	474.5	2,040.2	1,816.4
North America Fiber Cement Segment Adjusted EBIT margin	27.5%	25.3%	28.8%	25.9%

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NON-GAAP FINANCIAL MEASURES

Asia Pacific Fiber Cement Segment Adjusted EBIT

US$ Millions	Three Months and Full Year Ended 31 March			
	Q4'21	Q4'20	FY21	FY20
Asia Pacific Fiber Cement Segment EBIT	$ 33.7	$ (16.7)	$ 124.8	$ 58.5
Restructuring expenses	-	36.3	3.4	36.3
Asia Pacific Fiber Cement Segment Adjusted EBIT	$ 33.7	$ 19.6	$ 128.2	$ 94.8
Asia Pacific Fiber Cement Segment net sales	125.7	95.8	458.2	418.4
Asia Pacific Fiber Cement Segment Adjusted EBIT margin	26.9%	20.5%	28.0%	22.7%

Europe Building Products Segment Adjusted EBIT excluding restructuring expenses and costs associated with the acquisition

US$ Millions	Three Months and Full Year Ended 31 March			
	Q4'21	Q4'20	FY21	FY20
Europe Building Products Segment EBIT	**$ 18.9**	**$ (4.9)**	**$ 37.6**	**$ 11.2**
Restructuring expenses	-	5.5	5.1	5.5
Europe Building Products Segment Adjusted EBIT excluding restructuring expenses	**$ 18.9**	**$ 0.6**	**$ 42.7**	**$ 16.7**
Costs associated with the acquisition	-	4.1	-	13.7
Europe Building Products Segment Adjusted EBIT excluding restructuring expenses and costs associated with the acquisition	**$ 18.9**	**$ 4.7**	**$ 42.7**	**$ 30.4**
Europe Building Products Segment net sales	126.0	102.9	410.3	371.4
Europe Building Products Segment Adjusted EBIT margin excluding restructuring expenses	**15.0%**	**0.6%**	**10.4%**	**4.5%**
Europe Building Products Segment Adjusted EBIT margin excluding restructuring expenses and costs associated with the acquisition	**15.0%**	**4.6%**	**10.4%**	**8.2%**

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NON-GAAP FINANCIAL MEASURES

Adjusted interest, net

US$ Millions	Three Months and Full Year Ended 31 March			
	Q4'21	Q4'20	FY21	FY20
Interest, net	$ (8.9)	$ (13.3)	$ (47.8)	$ (54.4)
AICF interest income, net	0.2	0.5	0.5	1.4
Adjusted interest, net	$ (9.1)	$ (13.8)	$ (48.3)	$ (55.8)

Adjusted net income

US$ Millions	Three Months and Full Year Ended 31 March			
	Q4'21	Q4'20	FY21	FY20
Net income	$ 98.0	$ 6.3	$ 262.8	$ 241.5
Asbestos:				
Asbestos adjustments	28.1	67.0	143.9	58.2
AICF SG&A expenses	0.3	0.4	1.2	1.7
AICF interest income, net	(0.2)	(0.5)	(0.5)	(1.4)
Restructuring expenses	-	84.4	11.1	84.4
Tax adjustments[1]	(1.3)	(71.0)	39.5	(31.6)
Adjusted net income	$ 124.9	$ 86.6	$ 458.0	$ 352.8

[1] Includes tax adjustments related to the amortization benefit of certain US intangible assets, asbestos, and other tax adjustments

NON-GAAP FINANCIAL MEASURES

Adjusted effective tax rate

US$ Millions	Three Months and Full Year Ended 31 March			
	Q4 FY21	Q4 FY20	FY21	FY20
Operating profit before income taxes	$ 122.8	$ (44.1)	$ 412.0	$ 288.0
Asbestos:				
Asbestos adjustments	28.1	67.0	143.9	58.2
AICF SG&A expenses	0.3	0.4	1.2	1.7
AICF interest income, net	(0.2)	(0.5)	(0.5)	(1.4)
Restructuring expenses	-	84.4	11.1	84.4
Adjusted operating profit before income taxes	$ 151.0	$ 107.2	$ 567.7	$ 430.9
Income tax expense	(24.8)	50.4	(149.2)	(46.5)
Tax adjustments[1]	(1.3)	(71.0)	39.5	(31.6)
Adjusted income tax expense	$ (26.1)	$ (20.6)	$ (109.7)	$ (78.1)
Effective tax rate	20.2%	114.3%	36.2%	16.1%
Adjusted effective tax rate	17.3%	19.2%	19.3%	18.1%

Adjusted EBITDA excluding Asbestos

US$ Millions	Three Months and Full Year Ended 31 March			
	Q4'21	Q4'20	FY21	FY20
EBIT	$ 144.7	$ (30.8)	$ 472.8	$ 342.5
Depreciation and amortization	37.9	37.7	135.0	131.5
Adjusted EBITDA	$ 182.6	$ 6.9	$ 607.8	$ 474.0
Asbestos:				
Asbestos adjustments	28.1	67.0	143.9	58.2
AICF SG&A expenses	0.3	0.4	1.2	1.7
Adjusted EBITDA excluding Asbestos	$ 211.0	$ 74.3	$ 752.9	$ 533.9

[1] *Includes tax adjustments related to the amortization benefit of certain US intangible assets, asbestos, and other tax adjustments*

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NON-GAAP FINANCIAL MEASURES

US$ Millions	Full Year Ended 31 March						
	FY21	FY20	FY19	FY18	FY17	FY16	FY15
EBIT	$ 472.8	$ 342.5	$ 351.6	$ 229.2	$ 393.2	$ 354.0	$ 335.0
Asbestos:							
Asbestos adjustments	143.9	58.2	22.0	156.4	(40.4)	(5.5)	(33.4)
AICF SG&A expenses	1.2	1.7	1.5	1.9	1.5	1.7	2.5
Restructuring and product line discontinuation expenses	11.1	84.4	29.5	-	-	-	-
Fermacell acquisition costs	-	-	-	10.0	-	-	-
New Zealand weathertightness claims	-	-	-	-	-	0.5	(4.3)
Non-recurring stamp duty	-	-	-	-	-	-	4.2
Adjusted EBIT	$ 629.0	$ 486.8	$ 404.6	$ 397.5	$ 354.3	$ 350.7	$ 304.0

North America Fiber Cement Segment Adjusted EBIT

US$ Millions	Full Year Ended 31 March		
	FY21	FY19	FY17
North America Fiber Cement Segment EBIT	$ 585.5	$ 382.5	$ 343.9
Restructuring and product line discontinuation expenses	2.5	5.4	-
North America Fiber Cement Segment Adjusted EBIT	$ 588.0	$ 387.9	$ 343.9

NON-GAAP FINANCIAL MEASURES

Asia Pacific Fiber Cement Segment Adjusted EBIT

US$ Millions	Full Year Ended 31 March		
	FY21	FY19	FY17
Asia Pacific Fiber Cement Segment EBIT	$ 124.8	$ 99.8	$ 93.8
Restructuring expenses	3.4	-	-
Asia Pacific Fiber Cement Segment Adjusted EBIT	$ 128.2	$ 99.8	$ 93.8

Europe Building Products Segment Adjusted EBIT

US$ Millions	Full Year Ended 31 March		
	FY21	FY19	FY17
Europe Building Products Segment EBIT	$ 37.6	$ 10.0	$ 1.3
Restructuring expenses	5.1	-	-
Europe Building Products Segment Adjusted EBIT	$ 42.7	$ 10.0	$ 1.3

NON-GAAP FINANCIAL MEASURES

Adjusted net income

US$ Millions	Full Year Ended 31 March						
	FY21	FY20	FY19	FY18	FY17	FY16	FY15
Net income	$ 262.8	$ 241.5	$ 228.8	$ 146.1	$ 276.5	$ 244.4	$ 291.3
Asbestos:							
Asbestos adjustments	143.9	58.2	22.0	156.4	(40.4)	(5.5)	(33.4)
AICF SG&A expenses	1.2	1.7	1.5	1.9	1.5	1.7	2.5
AICF interest income, net	(0.5)	(1.4)	(2.0)	(1.9)	1.1	0.3	(1.4)
Restructuring and product line discontinuation expenses	11.1	84.4	29.5	-	-	-	-
Fermacell acquisition costs	-	-	-	10.0	-	-	-
New Zealand weathertightness claims	-	-	-	-	-	0.5	(4.3)
Loss on early debt extinguishment	-	-	1.0	26.1	-	-	-
Non-recurring stamp duty	-	-	-	-	-	-	4.2
Tax adjustments[1]	39.5	(31.6)	19.7	(47.3)	9.9	1.5	(37.5)
Adjusted net income	$ 458.0	$ 352.8	$ 300.5	$ 291.3	$ 248.6	$ 242.9	$ 221.4

[1] *Includes tax adjustments related to the amortization benefit of certain US intangible assets, asbestos, and other tax adjustments*

Q4 FY21 MANAGEMENT PRESENTATION

18 May 2021

James Hardie Industries plc

Consolidated Financial Statements
as of and for the Year Ended 31 March 2021

James Hardie Industries plc
Index

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of James Hardie Industries plc

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of James Hardie Industries plc (the Company) as of 31 March 2021 and 2020, the related consolidated statements of operations and comprehensive income, changes in shareholders' equity (deficit), and cash flows for each of the three years in the period ended 31 March 2021, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at 31 March 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended 31 March 2021, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

	Asbestos Liability Valuation
Description of the Matter	At 31 March 2021, the aggregate asbestos liability was US$1,135.8 million. As disclosed in Note 12 to the consolidated financial statements, the liability relates to an agreement to provide long-term funding to the Asbestos Injuries Compensation Fund ("AICF"), a special purpose fund established to provide compensation of proven Australian-related personal injuries. Auditing management's estimate of the asbestos liability is challenging because the estimation process is based on actuarial estimates of projected future cash flows which are inherently uncertain. The projected cash flows are complex and use subjective assumptions including the projected number of claims, estimated cost of settlement per claim, inflation rates, legal costs, and timing of receipt of claims and settlements.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of the Company's internal controls over the identification of claims, review of calculations performed by the Company's third-party actuary and management's review of the use of historical claim data and actuarial assumptions mentioned above to project the future liability. To evaluate the estimate of the asbestos liability, our audit procedures included, among others, testing the underlying claims data used in the calculation to internal and external data on a sample basis. We involved our actuarial specialists to assist in evaluating the methodologies and key assumptions mentioned above to independently develop a range for the asbestos liability and compare that range to management's recorded liability. We also assessed the adequacy of the related disclosures in the Company's consolidated financial statements.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2008.
Irvine, California
18 May 2021

James Hardie Industries plc
Consolidated Balance Sheets

(Millions of US dollars)		**31 March 2021**		31 March 2020
Assets				
Current assets:				
Cash and cash equivalents	**$**	**208.5**	$	144.4
Restricted cash and cash equivalents		**5.0**		5.0
Restricted cash and cash equivalents - Asbestos		**104.9**		36.4
Restricted short-term investments - Asbestos		**26.6**		21.6
Accounts and other receivables, net		**333.2**		363.3
Inventories		**218.3**		305.1
Prepaid expenses and other current assets		**38.9**		26.1
Insurance receivable - Asbestos		**6.6**		5.0
Workers' compensation - Asbestos		**1.6**		1.5
Total current assets		**943.6**		908.4
Property, plant and equipment, net		**1,372.3**		1,341.7
Operating lease right-of-use-assets		**46.4**		40.5
Finance lease right-of-use-assets		**2.7**		1.7
Goodwill		**209.3**		196.9
Intangible assets, net		**173.9**		166.7
Insurance receivable - Asbestos		**42.9**		38.5
Workers' compensation - Asbestos		**20.3**		20.7
Deferred income taxes		**906.8**		989.4
Deferred income taxes - Asbestos		**367.4**		319.1
Other assets		**3.4**		4.7
Total assets	**$**	**4,089.0**	$	4,028.3
Liabilities and Shareholders' Equity				
Current liabilities:				
Accounts payable and accrued liabilities	**$**	**307.0**	$	274.7
Accrued payroll and employee benefits		**112.5**		87.1
Operating lease liabilities		**7.8**		14.3
Finance lease liabilities		**1.0**		0.5
Accrued product warranties		**6.0**		7.0
Income taxes payable		**6.6**		8.9
Asbestos liability		**122.2**		103.9
Workers' compensation - Asbestos		**1.6**		1.5
Dividends payable		**303.7**		—
Other liabilities		**32.7**		12.1
Total current liabilities		**901.1**		510.0
Long-term debt		**858.6**		1,354.6
Deferred income taxes		**86.3**		81.9
Operating lease liabilities		**53.3**		41.4
Finance lease liabilities		**1.9**		1.5
Accrued product warranties		**33.6**		35.4
Income taxes payable		**4.7**		21.3
Asbestos liability		**1,013.6**		882.5
Workers' compensation - Asbestos		**20.3**		20.7
Other liabilities		**54.8**		43.7
Total liabilities		**3,028.2**		2,993.0
Commitments and contingencies (Note 14)				
Shareholders' equity:				
Common stock, Euro 0.59 par value, 2.0 billion shares authorized; 444,288,874 shares issued and outstanding at 31 March 2021 and 443,144,740 shares issued and outstanding at 31 March 2020		**231.4**		230.6
Additional paid-in capital		**224.6**		207.3
Retained earnings		**611.4**		659.5
Accumulated other comprehensive loss		**(6.6)**		(62.1)
Total shareholders' equity		**1,060.8**		1,035.3
Total liabilities and shareholders' equity	**$**	**4,089.0**	$	4,028.3

The accompanying notes are an integral part of these consolidated financial statements.

James Hardie Industries plc
Consolidated Statements of Operations and Comprehensive Income

(Millions of US dollars, except per share data)	Years Ended 31 March 2021	2020	2019
Net sales	**$ 2,908.7**	$ 2,606.8	$ 2,506.6
Cost of goods sold	**(1,857.0)**	(1,673.1)	(1,675.6)
Gross profit	**1,051.7**	933.7	831.0
Selling, general and administrative expenses	**(389.6)**	(415.8)	(403.6)
Research and development expenses	**(34.3)**	(32.8)	(37.9)
Restructuring expenses	**(11.1)**	(84.4)	(15.9)
Asbestos adjustments	**(143.9)**	(58.2)	(22.0)
Operating income	**472.8**	342.5	351.6
Interest, net	**(47.8)**	(54.4)	(50.1)
Loss on early debt extinguishment	**(13.1)**	—	(1.0)
Other income (expense)	**0.1**	(0.1)	0.1
Income before income taxes	**412.0**	288.0	300.6
Income tax expense	**(149.2)**	(46.5)	(71.8)
Net income	**$ 262.8**	$ 241.5	$ 228.8
Income per share:			
Basic	**$ 0.59**	$ 0.55	$ 0.52
Diluted	**$ 0.59**	$ 0.54	$ 0.52
Weighted average common shares outstanding (Millions):			
Basic	**443.7**	442.6	441.9
Diluted	**445.4**	444.1	443.0
Comprehensive income, net of tax:			
Net income	**$ 262.8**	$ 241.5	$ 228.8
Cash flow hedges	**—**	—	(0.1)
Pension adjustments	**(0.4)**	0.8	—
Currency translation adjustments	**55.9**	(32.6)	(28.9)
Comprehensive income	**$ 318.3**	$ 209.7	$ 199.8

The accompanying notes are an integral part of these consolidated financial statements.

James Hardie Industries plc
Consolidated Statements of Cash Flows

(Millions of US dollars)	Years Ended 31 March 2021	2020	2019
Cash Flows From Operating Activities			
Net income	**$ 262.8**	$ 241.5	$ 228.8
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	**135.0**	131.5	119.4
Lease expense	**17.0**	18.1	—
Deferred income taxes	**85.8**	64.0	12.7
Stock-based compensation	**18.0**	10.3	12.5
Asbestos adjustments	**143.9**	58.2	22.0
Excess tax benefits from share-based awards	**(3.5)**	(0.4)	—
Restructuring expenses	**—**	77.4	15.9
Loss on early debt extinguishment	**13.1**	—	1.0
Other, net	**20.3**	17.2	16.3
Changes in operating assets and liabilities:			
Accounts and other receivables	**46.4**	(118.6)	(18.1)
Inventories	**98.7**	3.2	(28.6)
Lease assets and liabilities, net	**(19.1)**	(15.6)	—
Prepaid expenses and other assets	**(14.2)**	(2.6)	(1.7)
Insurance receivable - Asbestos	**5.8**	7.6	4.8
Accounts payable and accrued liabilities	**25.0**	45.1	3.5
Claims and handling costs paid - Asbestos	**(106.4)**	(105.6)	(108.8)
Income taxes payable	**(14.7)**	(11.0)	8.8
Other accrued liabilities	**73.0**	30.9	15.5
Net cash provided by operating activities	**$ 786.9**	$ 451.2	$ 304.0
Cash Flows From Investing Activities			
Purchases of property, plant and equipment	**$ (110.7)**	$ (193.8)	$ (317.5)
Proceeds from sale of property, plant and equipment	**1.6**	8.0	—
Capitalized interest	**(9.5)**	(9.5)	(5.4)
Acquisition of business, net of cash acquired	**—**	—	(558.7)
Purchase of restricted short-term investments - Asbestos	**(25.0)**	(75.5)	(89.1)
Proceeds from restricted short-term investments - Asbestos	**23.2**	67.0	106.3
Net cash used in investing activities	**$ (120.4)**	$ (203.8)	$ (864.4)
Cash Flows From Financing Activities			
Proceeds from credit facilities	**$ —**	$ 330.0	$ 230.0
Repayments of credit facilities	**(130.0)**	(350.0)	(180.0)
Proceeds from 364-day term loan facility	**—**	—	492.4
Repayments of 364-day term loan facility	**—**	—	(458.8)
Proceeds from senior unsecured notes	**—**	—	458.8
Debt issuance costs	**—**	—	(6.1)
Repayment of senior unsecured notes	**(400.0)**	—	—
Call redemption premium paid to note holders	**(9.5)**	—	—
Proceeds from issuance of shares	**0.1**	—	—
Repayment of finance lease obligations and borrowings	**(0.8)**	(0.4)	—
Dividends paid	**—**	(158.6)	(172.1)
Net cash (used in) provided by financing activities	**$ (540.2)**	$ (179.0)	$ 364.2
Effects of exchange rate changes on cash and cash equivalents, restricted cash and restricted cash - Asbestos	**$ 6.3**	$ (6.2)	$ 6.6
Net increase (decrease) in cash and cash equivalents, restricted cash and restricted cash - Asbestos	**132.6**	62.2	(189.6)
Cash and cash equivalents, restricted cash and restricted cash - Asbestos at beginning of period	**185.8**	123.6	313.2
Cash and cash equivalents, restricted cash and restricted cash - Asbestos at end of period	**$ 318.4**	$ 185.8	$ 123.6
Non-Cash Investing and Financing Activities			
Capital expenditures incurred but not yet paid	**$ 18.0**	$ 8.3	$ 25.9
Supplemental Disclosure of Cash Flow Activities			
Cash paid during the year for interest	**$ 56.4**	$ 61.5	$ 57.0
Cash (refund) payment during the year for income taxes, net	**$ (3.7)**	$ 52.5	$ 26.3
Cash paid to AICF	**$ 153.3**	$ 108.9	$ 103.0

The accompanying notes are an integral part of these consolidated financial statements.

James Hardie Industries plc
Consolidated Statements of Changes in Shareholders' Equity (Deficit)

(Millions of US dollars)	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Balances as of 31 March 2018	**$ 229.5**	**$ 185.6**	**$ (635.3)**	**$ (1.3)**	**$ (221.5)**
Net income	—	—	228.8	—	228.8
Other comprehensive loss	—	—	—	(29.0)	(29.0)
Stock-based compensation	0.5	12.0	—	—	12.5
Adoption of ASU 2016-16	—	—	1,160.3	—	1,160.3
Dividends declared	—	—	(176.7)	—	(176.7)
Balances as of 31 March 2019	**$ 230.0**	**$ 197.6**	**$ 577.1**	**$ (30.3)**	**$ 974.4**
Net income	—	—	241.5	—	241.5
Other comprehensive loss	—	—	—	(31.8)	(31.8)
Stock-based compensation	0.6	9.7	—	—	10.3
Adoption of ASU 2016-02	—	—	0.2	—	0.2
Dividends declared	—	—	(159.3)	—	(159.3)
Balances as of 31 March 2020	**$ 230.6**	**$ 207.3**	**$ 659.5**	**$ (62.1)**	**$ 1,035.3**
Net income	—	—	262.8	—	262.8
Other comprehensive gain	—	—	—	55.5	55.5
Stock-based compensation	0.8	17.2	—	—	18.0
Issuance of ordinary shares	—	0.1	—	—	0.1
Dividends declared	—	—	(310.9)	—	(310.9)
Balances as of 31 March 2021	**$ 231.4**	**$ 224.6**	**$ 611.4**	**$ (6.6)**	**$ 1,060.8**

The accompanying notes are an integral part of these consolidated financial statements.

1. Organization and Significant Accounting Policies

Nature of Operations

James Hardie Industries plc ("JHI plc") manufactures and sells fiber cement, fiber gypsum and cement-bonded building products for interior and exterior building construction applications, primarily in the United States, Australia, Europe, New Zealand, the Philippines and Canada.

Basis of Presentation

The consolidated financial statements represent the financial position, results of operations and cash flows of JHI plc and its wholly-owned subsidiaries and variable interest entity ("VIE"). Unless the context indicates otherwise, JHI plc and its direct and indirect wholly-owned subsidiaries and VIE (as of the time relevant to the applicable reference) are collectively referred to as "James Hardie", the "James Hardie Group" or the "Company". The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). All intercompany balances and transactions have been eliminated in consolidation.

Certain prior period amounts have been reclassified to conform to the current period presentation.

Summary of Significant Accounting Policies

Variable Interest Entities

A VIE is an entity that is evaluated for consolidation using more than a simple analysis of voting control. The analysis is based on: (i) what party has the power to direct the most significant activities of the VIE that impact its economic performance; and (ii) what party has rights to receive benefits or is obligated to absorb losses that are significant to the VIE. The analysis of the party that consolidates a VIE is a continual assessment.

In February 2007, the Company's shareholders approved the Amended and Restated Final Funding Agreement (the "AFFA"), an agreement pursuant to which the Company provides long-term funding to Asbestos Injuries Compensation Fund ("AICF"), a special purpose fund that provides compensation for the Australian-related personal injuries for which certain former subsidiary companies of James Hardie in Australia (being Amaca Pty Ltd ("Amaca"), Amaba Pty Ltd ("Amaba") and ABN 60 Pty Limited ("ABN 60") (collectively, the "Former James Hardie Companies")) are found liable. JHI plc owns 100% of James Hardie 117 Pty Ltd (the "Performing Subsidiary"), which, under the terms of the AFFA, has an obligation to make payments to AICF on an annual basis subject to the provisions of the AFFA. JHI plc guarantees the Performing Subsidiary's obligation. Additionally, the Company appoints three AICF directors and the New South Wales ("NSW") Government appoints two AICF directors.

Although the Company has no ownership interest in AICF, for financial reporting purposes, the Company consolidates AICF, which is a VIE as defined under US GAAP, due to its pecuniary and contractual interests in AICF as a result of the funding arrangements outlined in the AFFA. The Company's consolidation of AICF results in AICF's assets and liabilities being recorded on its consolidated balance sheets and AICF's income and expense transactions being recorded in the consolidated statements of operations and comprehensive income. These items are Australian dollar-denominated and are subject to remeasurement into US dollars at each reporting date.

For the fiscal years ended 31 March 2021, 2020 and 2019, the Company did not provide financial or other support to AICF that it was not previously contractually required to provide.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Foreign Currency Translation/Remeasurement

All assets and liabilities are translated or remeasured into US dollars at current exchange rates while revenues and expenses are translated or remeasured at average exchange rates in effect for the period. The effects of foreign currency translation adjustments are included directly in other comprehensive income in shareholders' equity (deficit). Gains and losses arising from foreign currency transactions are recognized in income.

The Company has recorded on its balance sheet certain foreign assets and liabilities, including asbestos-related assets and liabilities under the terms of the AFFA, that are denominated in foreign currencies and subject to translation (foreign entities) or remeasurement (AICF entity and Euro denominated debt) into US dollars at each reporting date. Unless otherwise noted, the Company converts foreign currency denominated assets and liabilities into US dollars at the spot rate at the end of the reporting period; while revenues and expenses are converted using an average exchange rate for the period. The Company records gains and losses on its Euro denominated debt which are economically offset by foreign exchange gains and losses on loans between subsidiaries, resulting in a net immaterial translation gain or loss which is recorded in the *Selling, general and administrative expenses* in the consolidated statements of operations and comprehensive income.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents, other than those amounts directly related to the AICF, generally relate to amounts subject to letters of credit with insurance companies, which restrict the cash from use for general corporate purposes.

Accounts Receivable

The Company evaluates the collectability of accounts receivable on an ongoing basis based on historical bad debts, customer credit-worthiness, current economic trends and changes in the Company's customer payment activity. An allowance for doubtful accounts is provided for known and estimated bad debts. Although credit losses have historically been within expectations, the Company cannot guarantee that it will continue to experience the same credit loss rates that it has had in the past.

Inventories

Inventories are valued at the lower of cost or net realizable value. Cost is generally determined under the first-in, first-out method, except that the cost of raw materials and supplies is determined using actual or average costs. Cost includes the costs of materials, labor and applied factory overhead. On a regular basis, the Company evaluates its inventory balances for excess quantities and obsolescence by analyzing demand, inventory on hand, sales levels and other information. Based on these evaluations, inventory costs are adjusted to net realizable value, if necessary.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Property, plant and equipment of businesses acquired are recorded at their estimated fair value at the date of acquisition. Depreciation of property, plant and equipment is computed using the straight-line method over the following estimated useful lives:

	Years
Buildings	5 to 50
Buildings Improvements	1 to 40
Leasehold Improvements	1 to 40
Machinery and Equipment	1 to 30

Leases

At lease commencement, which is generally when the Company takes possession of the asset, the Company records a lease liability and a corresponding right-of-use ("ROU") asset. Lease liabilities represent the present value of minimum lease payments over the expected lease term, which includes options to extend the lease when it is reasonably certain those options will be exercised. Determining the lease term and amount of lease payments to include in the calculation of the ROU asset and lease liability for leases containing options requires the use of judgment to determine whether the exercise of an option is reasonably certain, and if the option period and payments should be included in the calculation of the associated ROU asset and liability. In making this determination, the Company considers all relevant economic factors that would compel the Company to exercise an option. The Company's leases generally do not provide a readily determinable implicit borrowing rate. As such, the discount rate used to calculate present value is the lessee's incremental borrowing rate, which is primarily based upon the periodic risk-adjusted interest margin and the term of the lease.

Minimum lease payments include base rent as well as fixed escalation of rental payments. In determining minimum lease payments, the Company separates non-lease components such as common area maintenance or other miscellaneous expenses that are updated based on landlord estimates for real estate leases. Additionally, many of the Company's transportation and equipment leases require additional payments based on the underlying usage of the assets such as mileage and maintenance costs. Due to the variable nature of these costs, the cash flows associated with these costs are expensed as incurred and not included in the lease payments used to determine the ROU asset and associated lease liability.

ROU assets represent the right to control the use of the leased asset during the lease term and are initially recognized as an amount equal to the lease liability. In addition, prepaid rent, initial direct costs, and adjustments for lease incentives are components of the ROU asset. Over the lease term, the lease expense is amortized on a straight-line basis beginning on the lease commencement date. ROU assets are assessed for impairment as part of the impairment of long-lived assets, which is performed whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable.

A ROU asset and lease liability are not recognized for leases with an initial term of 12 months or less, and the lease expense is recognized on a straight-line basis over the lease term.

Depreciation and Amortization

The Company records depreciation and amortization under both *Cost of goods sold* and *Selling, general and administrative* expenses, depending on the asset's business use. All depreciation and amortization related to plant building, machinery and equipment is recorded in *Cost of goods sold.*

Goodwill and Other Intangible Assets

Goodwill is the excess of purchase price over the fair value of tangible and identifiable intangible net assets acquired in various business combinations. Goodwill is not amortized but is tested at the reporting unit level for impairment annually, or more often if indicators of impairment exist. Factors that could cause an impairment in the future could include, but are not limited to, adverse macroeconomic conditions, deterioration in industry or market conditions, decline in revenue and cash flows or increases in costs and capital expenditures compared to projected results. A goodwill impairment charge is recorded for the amount by which the carrying value of the reporting unit exceeds the fair value of the reporting unit.

Intangible assets from acquired businesses are recognized at their estimated fair values at the date of acquisition and consist of trademarks, customer relationships and other intangible assets. Finite-lived intangibles are amortized to expense over the applicable useful lives, ranging from 2 to 13 years, based on the nature of the asset and the underlying pattern of economic benefit as reflected by future net cash inflows. The Company performs an impairment test of intangibles annually, or whenever events or changes in circumstances indicate their carrying value may be impaired.

Impairment of Long-Lived Assets

Long-lived assets, such as property, plant and equipment, are evaluated each quarter for events or changes in circumstances that indicate that an asset might be impaired because the carrying amount of the asset may not be recoverable. These include, without limitation, a significant adverse change in the extent or manner in which a long-lived asset or asset group is being used, a current period operating or cash flow loss combined with a history of operating or cash flow losses, a projection or forecast that demonstrates continuing losses associated with the use of a long-lived asset or asset group and/or a current expectation that it is more likely than not that a long lived asset or asset group will be sold or otherwise disposed of significantly before the end of its previously estimated useful life.

When such indicators of potential impairment are identified, recoverability is tested by grouping long-lived assets that are used together and represent the lowest level for which cash flows are identifiable and distinct from the cash flows of other long-lived assets, which is typically at the production line or plant facility level, depending on the type of long-lived asset subject to an impairment review.

Recoverability is measured by a comparison of the carrying amount of the asset group to the estimated undiscounted future cash flows expected to be generated by the asset group. If the carrying amount exceeds the estimated undiscounted future cash flows, an impairment charge is recognized at the amount by which the carrying amount exceeds the estimated fair value of the asset group.

The methodology used to estimate the fair value of the asset group is based on a discounted cash flow analysis or a relative, market-based approach based on purchase offers or appraisals received from third parties, that considers the asset group's highest and best use that would maximize the value of the asset group. In addition, the estimated fair value of an asset group also considers, to the extent practicable, a market participant's expectations and assumptions in estimating the fair value of the asset group. If the estimated fair value of the asset group is less than the carrying value, an impairment loss is recognized at an amount equal to the excess of the carrying value over the estimated fair value of the asset group.

Accrued Product Warranties

An accrual for estimated future warranty costs is recorded based on an analysis by the Company, which includes the historical relationship of warranty costs to installed product at an estimated remediation cost per standard foot. Based on this analysis and other factors, the adequacy of the Company's warranty provision is adjusted as necessary.

Debt

The Company’s debt consists of an unsecured revolving credit facility and senior unsecured notes. Each of the Company's debt instruments is recorded at cost, net of any original issue discount or premium, where applicable. The related original issue discount, premium and debt issuance costs are amortized over the term of each respective borrowing using the effective interest method. Debt is presented as current if the liability is due to be settled within 12 months after the balance sheet date, unless the Company has the ability and intention to refinance on a long-term basis in accordance with US GAAP. See Fair Value Measurements below and Note 13 for the Company’s fair value considerations.

In addition, the Company consolidates AICF which has a loan facility, which is included in Asbestos-related Accounting Policies below.

Revenue Recognition

The Company recognizes revenues when the requisite performance obligation has been met, that is, when the Company transfers control of its products to customers, which depending on the terms of the underlying contract, is generally upon delivery. The Company records estimated reductions in sales for customer rebates and discounts including volume, promotional, cash and other discounts. Rebates and discounts are recorded based on management’s best estimate when products are sold. The estimates are based on historical experience for similar programs and products. Management reviews these rebates and discounts on an ongoing basis and the related accruals are adjusted, if necessary, as additional information becomes available.

A portion of the Company’s revenue is made through distributors under a vendor managed inventory agreement whereby revenue is recognized upon the transfer of title and risk of loss to the distributors.

Income Taxes

The Company accounts for income taxes under the asset and liability method. Under this method, deferred income taxes are recognized by applying enacted statutory rates applicable to future years to differences between the tax bases and financial reporting amounts of existing assets and liabilities. The effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date. The realization of the US deferred tax assets is affected primarily by the continued profitability of the US business. A valuation allowance is provided when it is more likely than not that all or some portion of deferred tax assets will not be realized.

Income taxes payable represents taxes currently payable which are computed at statutory income tax rates applicable to taxable income derived in each jurisdiction in which the Company conducts business. Interest and penalties related to uncertain tax positions are recognized in *Income tax expense* on the consolidated statements of operations and comprehensive income.

The Company accrues for tax contingencies based upon its best estimate of the taxes ultimately expected to be paid, which it updates over time as more information becomes available. Such amounts are included in taxes payable or other non-current liabilities, as appropriate. If the Company ultimately determines that payment of these amounts is unnecessary, the Company reverses the liability and recognizes a tax benefit during the period in which the Company determines that the liability is no longer necessary. The Company records additional tax expense in the period in which it determines that the recorded tax liability is less than the ultimate assessment it expects.

Taxing authorities from various jurisdictions in which the Company operates are in the process of reviewing and auditing the Company's respective jurisdictional tax returns for various ranges of years. The Company accrues tax liabilities in connection with ongoing audits and reviews based on knowledge of all relevant facts and circumstances, taking into account existing tax laws, its experience with previous audits and settlements, the status of current tax examinations and how the tax authorities view certain issues.

Financial Instruments

The Company calculates the fair value of financial instruments and includes this additional information in the notes to the consolidated financial statements. The estimated fair value amounts have been determined by the Company using available market information and appropriate valuation methodologies. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that the Company could realize in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

Periodically, interest rate swaps, commodity swaps and forward exchange contracts are used to manage market risks and reduce exposure resulting from fluctuations in interest rates, commodity prices and foreign currency exchange rates. Changes in the fair value of financial instruments that are not designated as hedges are recorded in earnings within *Asbestos adjustments, Other income (expense)* and *Selling, general and administrative expenses* at each measurement date. The Company does not use derivatives for trading purposes.

Fair Value Measurements

Assets and liabilities of the Company that are carried or disclosed at fair value are classified in one of the following three categories:

Level 1	Quoted market prices in active markets for identical assets and liabilities that the Company has the ability to access at the measurement date;
Level 2	Observable market-based inputs or unobservable inputs that are corroborated by market data for the asset or liability at the measurement date;
Level 3	Unobservable inputs that are not corroborated by market data used when there is minimal market activity for the asset or liability at the measurement date.

Fair value measurements of assets and liabilities are assigned a level within the fair value hierarchy based on the lowest level of any input that is significant to the fair value measurement in its entirety.

The carrying amounts of Cash and Cash Equivalents, Restricted cash and cash equivalents, Trade receivables, Trade payables and the Revolving Credit Facility approximates their respective fair values due to the short-term nature of these instruments.

Stock-based Compensation

Stock-based compensation expense represents the estimated fair value of equity-based and liability-classified awards granted to employees and is recognized as an expense over the vesting period. Forfeitures of stock-based awards are accounted for as they occur. Stock-based compensation expense is included in the line item *Selling, general and administrative* expenses on the consolidated statements of operations and comprehensive income.

Equity awards with vesting based solely on a service condition are typically subject to graded vesting, in that the awards outstanding generally vest as follows: 25% at the first anniversary date of the grant; 25% at the second anniversary date of the grant; and 50% at the third anniversary date of the grant. For equity awards subject to graded vesting, the Company has elected to use the accelerated recognition method. Accordingly, each vesting tranche is valued separately, and the recognition of stock-based compensation expense is more heavily weighted earlier in the vesting period. Stock-based compensation expense for equity awards that are subject to performance or market vesting conditions are based upon an estimate of the number of awards that are expected to vest and typically recognized ratably over the vesting period. The Company issues new shares to award recipients when the vesting condition for restricted stock units (“RSUs”) has been satisfied.

For RSUs subject to a service vesting condition, the fair value is equal to the market value of the Company’s common stock on the date of grant, adjusted for the fair value of estimated dividends as the restricted stock holder is not entitled to dividends over the vesting period.

For RSUs subject to a performance vesting condition, the vesting of these units is subject to a return on capital employed (“ROCE”) performance hurdle being met and is subject to negative discretion by the Board. The Board’s discretion will reflect the Board’s judgment of the quality of the returns balanced against management’s delivery of market share growth and a scorecard of key qualitative and quantitative performance objectives.

For RSUs subject to a market vesting condition, the vesting of these units is based on James Hardie’s performance against its Peer Group for the 20 trading days preceding the test date. The fair value of each of these units is estimated using a binomial lattice model that incorporates a Monte Carlo simulation (the “Monte Carlo” method).

For cash settled units ("CSUs"), compensation expense is recognized based upon an estimate of the number of awards that are expected to vest and the fair market value of JHI plc’s common stock on the date of the grant. The expense is recognized ratably over the vesting period and the liability is adjusted for subsequent changes in JHI plc’s common stock price at each balance sheet date adjusted for the fair value of estimated dividends as the restricted stock unit holder is not entitled to dividends over the vesting period.

Loss Contingencies

The Company recognizes a liability for asserted and unasserted claims in the period in which a loss becomes probable and estimable. The amount of a reasonably probable loss is dependent on a number of factors including, without limitation, the specific facts and circumstances unique to each claim, the existence of any co-defendants involved in defending the claim, the solvency of such co-defendants (including the ability of such co-defendants to remain solvent until the related claim is ultimately resolved), and the availability of claimant compensation under a government compensation scheme.

To the extent that it is probable and estimable, the estimated loss for these matters, incorporates assumptions that are subject to the foregoing uncertainties and are principally derived from, but not exclusively based on, historical claims experience together with facts and circumstances unique to each claim. If the nature and extent of claims in future periods differ from historical claims experience, the Company's assessment of probable and estimable liability with respect to current asserted claims changes and/or actual liability is different to the estimates, then the actual amount of loss may be materially higher or lower than estimated losses accrued.

Asbestos-related Accounting Policies

Asbestos Liability

The amount of the asbestos liability has been recognized by reference to (but not exclusively based upon) the most recent actuarial estimate of projected future cash flows as calculated by KPMG Actuarial ("KPMGA"), who are engaged and appointed by AICF under the terms of the AFFA. Based on their assumptions, KPMGA arrived at a range of possible total future cash flows and calculated a central estimate, which is intended to reflect a probability-weighted expected outcome of those actuarially estimated future cash flows projected by KPMGA to occur through 2073.

The Company recognizes the asbestos liability in the consolidated financial statements by reference to (but not exclusively based upon) the undiscounted and uninflated central estimate. The Company considered discounting when determining the best estimate under US GAAP. The Company has recognized the asbestos liability by reference to (but not exclusively based upon) the central estimate as undiscounted on the basis that the timing and amounts of such cash flows are not fixed or readily determinable. The Company considered inflation when determining the best estimate under US GAAP. It is the Company's view that there are material uncertainties in estimating an appropriate rate of inflation over the extended period of the AFFA. The Company views the undiscounted and uninflated central estimate as the best estimate under US GAAP.

Adjustments in the asbestos liability due to changes in the actuarial estimate of projected future cash flows and changes in the estimate of future operating costs of AICF are reflected in the consolidated statements of operations and comprehensive income during the period in which they occur. Claims paid by AICF and claims-handling costs incurred by AICF are treated as reductions in the Asbestos liability balances.

Insurance Receivable

The insurance receivable recorded by the Company has been recognized by reference to (but not exclusively based upon) the most recent actuarial estimate of recoveries expected from insurance policies and insurance companies with exposure to the asbestos claims, as calculated by KPMGA. The assessment of recoveries is based on the expected pattern of claims against such policies less an allowance for credit risk based on credit agency ratings. The insurance receivable generally includes these cash flows as undiscounted and uninflated, however, where the timing of recoveries has been agreed with the insurer, the receivables are recorded on a discounted basis. The Company records insurance receivables that are deemed probable of being realized.

Adjustments in the insurance receivable due to changes in the actuarial estimate, or changes in the Company's assessment of recoverability are reflected in the consolidated statements of operations and comprehensive income during the period in which they occur. Insurance recoveries are treated as a reduction in the insurance receivable balance.

Workers' Compensation

An estimate of the liability related to workers' compensation claims is prepared by KPMGA as part of the annual actuarial assessment. This estimate contains two components - amounts that will be met by a workers' compensation scheme or policy and amounts that will be met by the Former James Hardie Companies.

The estimated liability is included as part of the asbestos liability and adjustments to the estimate are reflected in the consolidated statements of operations and comprehensive income during the period in which they occur. Amounts that are expected to be paid by the workers' compensation schemes or policies are recorded as workers' compensation receivable. Adjustments to the workers' compensation liability result in an equal adjustment in the workers' compensation receivable recorded by the Company and have no effect on the consolidated statements of operations and comprehensive income.

Restricted Cash and Cash Equivalents

Cash and cash equivalents of AICF are reflected as restricted assets, as the use of these assets is restricted to the settlement of asbestos claims and payment of the operating costs of AICF. Since cash and cash equivalents are highly liquid, the Company classifies these amounts as a current asset on the consolidated balance sheets.

Restricted Short-Term Investments

Restricted short-term investments of AICF consist of highly liquid investments held in the custody of major financial institutions and are classified as available for sale. These restricted short-term investments are recorded in the financial statements at fair value based on quoted market prices using the specific identification method. Unrealized gains and losses on the fair value of these investments are included as a separate component of *Accumulated other comprehensive loss*. Realized gains and losses on these investments are recognized in *Asbestos adjustments* on the consolidated statements of operations and comprehensive income.

Short-Term Debt

AICF has access to a secured loan facility (the "AICF Loan Facility") made available by the NSW Government, which can be used by AICF to fund the payment of asbestos claims and certain operating and legal costs of AICF and Former James Hardie Companies (together, the "Obligors").

Interest accrues daily on amounts outstanding, is calculated based on a 365-day year and is payable monthly. AICF may, at its discretion, elect to accrue interest payable on amounts outstanding under the AICF Loan Facility on the date interest becomes due and payable.

Deferred Income Taxes

The Performing Subsidiary can claim a tax deduction for its contributions to AICF over a five-year period commencing in the year the contribution is incurred. Consequently, a deferred tax asset has been recognized equivalent to the anticipated tax benefit over the life of the AFFA.

Adjustments are made to the deferred income tax asset as adjustments to the asbestos-related assets and liabilities are recorded.

Asbestos Adjustments

The *Asbestos adjustments* reflected in the consolidated statements of operations and comprehensive income reflect the net change in the actuarial estimate of the asbestos liability and insurance receivables, and the change in the estimate of AICF claims handling costs. Additionally, as the asbestos-related assets and liabilities are denominated in Australian dollars, the reported values of these asbestos-related assets and liabilities in the Company's consolidated balance sheets in US dollars are subject to adjustment depending on the closing exchange rate between the two currencies at the balance sheet dates, the effect of which is also included in *Asbestos adjustments* in the consolidated statements of operations and comprehensive income. Further, changes in the fair value of forward exchange contracts entered into to reduce exposure to the change in foreign currency exchange rates associated with AICF payments are recorded in *Asbestos adjustments*.

Business combinations

The Company accounts for acquired businesses using the acquisition method of accounting. This method requires that the purchase price be allocated to the identifiable assets acquired and liabilities assumed at their estimated fair values at the date of acquisition. The excess of the purchase price over the identifiable assets acquired and liabilities assumed is recorded as goodwill.

The fair values are determined by management, taking into consideration information supplied by management of the acquired entities, and other relevant information. Such information typically includes valuations obtained from independent appraisal experts, which management reviews and considers in its estimates of fair values. The valuations are generally based upon future cash flow projections for the acquired assets, discounted to present value. The determination of fair values requires significant judgment by management, particularly with respect to the value of identifiable intangible assets. This judgment could result in either a higher or lower value assigned to amortizable or depreciable assets. The impact could result in either higher or lower amortization and/or depreciation expense. Management's estimates of fair value are based upon assumptions believed to be reasonable, but due to the inherent uncertainty during the measurement period, which may be up to one year from the acquisition date, the Company records adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill.

Accounting Pronouncements

Adopted in Fiscal Year 2021

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-13, Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments, which amends the impairment model by requiring entities to use a forward-looking approach based on expected losses to estimate credit losses on certain types of financial instruments, including trade receivables. As required, the Company adopted the standard starting with the fiscal year beginning 1 April 2020 using a modified retrospective approach noting no material differences to the consolidated financial statements for the fiscal year ended 31 March 2021. The Company estimates its allowance for credit losses on the trade receivables as described in the Accounts Receivables policy above.

Recently Issued

In December 2019, the FASB issued ASU No. 2019-12, Income taxes (Topic 740). The amendments in the standard are being issued to simplify the accounting for income taxes and are effective for fiscal years and interim periods within those fiscal years, beginning after 15 December 2020 with early adoption permitted. The Company will adopt ASU No. 2019-12 starting with the fiscal year beginning 1 April 2021 and does not expect the adoption of this standard to have a material impact on its consolidated financial statements.

Earnings Per Share

Basic earnings per share ("EPS") is calculated using net income divided by the weighted average number of common shares outstanding during the period. Diluted EPS is similar to basic EPS except that the weighted average number of common shares outstanding is increased to include the number of additional common shares calculated using the treasury method that would have been outstanding if the dilutive potential common shares, such as stock options and RSUs, had been issued.

Basic and dilutive common shares outstanding used in determining net income per share are as follows:

	Years Ended 31 March		
(Millions of shares)	**2021**	2020	2019
Basic common shares outstanding	**443.7**	442.6	441.9
Dilutive effect of stock awards	**1.7**	1.5	1.1
Diluted common shares outstanding	**445.4**	444.1	443.0

There were no potential common shares which would be considered anti-dilutive for the fiscal years ended 31 March 2021, 2020 and 2019.

Unless they are anti-dilutive, RSUs which vest solely based on continued employment are considered to be outstanding as of their issuance date for purposes of computing diluted EPS and are included in the calculation of diluted EPS using the Treasury Method. Once these RSUs vest, they are included in the basic EPS calculation on a weighted-average basis.

RSUs which vest based on performance or market conditions are considered contingent shares. At each reporting date prior to the end of the contingency period, the Company determines the number of contingently issuable shares to include in the diluted EPS calculation, as the number of shares that would be issuable under the terms of the RSU arrangement, if the end of the reporting period were the end of the contingency period. Once these RSUs vest, they are included in the basic EPS calculation on a weighted-average basis.

Potential common shares of 0.9 million, 1.5 million and 2.2 million for the fiscal years ended 31 March 2021, 2020 and 2019, respectively, have been excluded from the calculation of diluted common shares outstanding as they are considered contingent shares which are not expected to vest.

2. Revenues

The following represents the Company's disaggregated revenues for the fiscal years ended 31 March 2021, 2020 and 2019:

	Year Ended 31 March 2021			
(Millions of US dollars)	North America Fiber Cement	Asia Pacific Fiber Cement	Europe Building Products	Consolidated
Fiber cement revenues	$ 2,040.2	$ 458.2	$ 55.3	$ 2,553.7
Fiber gypsum revenues	—	—	355.0	355.0
Total revenues	$ 2,040.2	$ 458.2	$ 410.3	$ 2,908.7

	Year Ended 31 March 2020				
(Millions of US dollars)	North America Fiber Cement	Asia Pacific Fiber Cement	Europe Building Products	Other Businesses	Consolidated
Fiber cement revenues	$ 1,816.4	$ 418.4	$ 48.0	$ —	$ 2,282.8
Fiber gypsum revenues	—	—	323.4	—	323.4
Other revenues	—	—	—	0.6	0.6
Total revenues	$ 1,816.4	$ 418.4	$ 371.4	$ 0.6	$ 2,606.8

	Year Ended 31 March 2019				
(Millions of US dollars)	North America Fiber Cement	Asia Pacific Fiber Cement	Europe Building Products	Other Businesses	Consolidated
Fiber cement revenues	$ 1,676.9	$ 446.8	$ 35.8	$ —	$ 2,159.5
Fiber gypsum revenues	—	—	332.5	—	332.5
Other revenues	—	—	—	14.6	14.6
Total revenues	$ 1,676.9	$ 446.8	$ 368.3	$ 14.6	$ 2,506.6

The process by which the Company recognizes revenues is similar across each of the Company's reportable segments. Fiber cement and fiber gypsum revenues are primarily generated from the sale of siding and various boards used in external and internal applications, as well as accessories. Fiber gypsum revenues also includes the sale of cement-bonded boards in the Europe Building Products segment. Other revenues were generated from the sale of fiberglass products and windows in the Other Businesses segment, which no longer qualified as a reportable operating segment as of 31 March 2020.

The Company recognizes revenues when the requisite performance obligation has been met, that is, when the Company transfers control of its products to customers, which depending on the terms of the underlying contract, is generally upon delivery. The Company considers shipping and handling activities that it performs as activities to fulfill the sales of its products, with amounts billed for such costs included in net sales and the associated costs incurred for such services recorded in cost of sales, in accordance with the practical expedient provided by Accounting Standards Codification ("ASC") 606.

Certain of the Company's customers receive discounts and rebates as sales incentives, amounts which are recorded as a reduction to revenue at the time the revenue is recognized. These amounts are an estimate recorded by the Company based on historical experience and contractual obligations, the underlying assumptions of which are periodically reviewed and adjusted by the Company, as necessary.

The Company’s contracts are generally short-term in nature, generally not exceeding twelve months, with payment terms varying by the type and location of products or services offered; however, the period between invoicing and when payment is due is not significant.

3. Cash and Cash Equivalents, Restricted Cash and Restricted Cash - Asbestos

The following table provides a reconciliation of *Cash and cash equivalents, Restricted cash and Restricted cash - Asbestos* reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statements of cash flows:

(Millions of US dollars)	31 March **2021**	2020
Cash and cash equivalents	**$ 208.5**	$ 144.4
Restricted cash	**5.0**	5.0
Restricted cash - Asbestos	**104.9**	36.4
Total cash and cash equivalents, restricted cash and restricted cash - Asbestos	**$ 318.4**	$ 185.8

4. Accounts and Other Receivables

Accounts and other receivables consist of the following components:

(Millions of US dollars)	31 March **2021**	2020
Trade receivables	**$ 296.7**	$ 268.4
Income taxes receivable	**25.4**	84.7
Other receivables and advances	**17.2**	14.6
Provision for doubtful trade receivables	**(6.1)**	(4.4)
Total accounts and other receivables	**$ 333.2**	$ 363.3

The following are changes in the provision for doubtful trade receivables:

(Millions of US dollars)	**2021**	31 March 2020	2019
Balance at beginning of period	**$ 4.4**	$ 2.9	$ 1.3
Adjustment to provision	**3.1**	1.7	2.8
Write-offs, net of recoveries	**(1.4)**	(0.2)	(1.2)
Balance at end of period	**$ 6.1**	$ 4.4	$ 2.9

5. Inventories

Inventories consist of the following components:

(Millions of US dollars)	31 March 2021	31 March 2020
Finished goods	**$ 149.9**	$ 224.4
Work-in-process	**17.9**	25.2
Raw materials and supplies	**60.4**	69.9
Provision for obsolete finished goods and raw materials	**(9.9)**	(14.4)
Total inventories	**$ 218.3**	$ 305.1

The Company identified an immaterial classification error in its 31 March 2020 Inventories footnote which included an understatement in Work-in-process and an overstatement in the Raw materials and supplies balance of US$17.1 million. As such, the prior year amounts above have been reclassified to conform with the current year presentation.

6. Goodwill and Other Intangible Assets

All long-lived intangible assets are reviewed for impairment at least annually, or more frequently if an event occurs indicating the potential for impairment. The Company performed the annual assessment for impairment in the third quarter of fiscal year 2021, noting no impairment.

<u>Goodwill</u>

The following are the changes in the carrying value of goodwill for the fiscal years ended 31 March 2021 and 2020:

(Millions of US dollars)	Europe Building Products	Asia Pacific Fiber Cement	Total
Balance - 31 March 2019	$ 200.8	$ 0.3	$ 201.1
Impairment	—	(0.2)	(0.2)
Foreign exchange impact	(3.9)	(0.1)	(4.0)
Balance - 31 March 2020	$ 196.9	$ —	$ 196.9
Foreign exchange impact	12.4	—	12.4
Balance - 31 March 2021	$ 209.3	$ —	$ 209.3

<u>Intangible Assets</u>

The following are the net carrying amount of indefinite lived intangible assets other than goodwill for the fiscal years ended 31 March 2021 and 2020:

(Millions of US dollars)	31 March 2021	31 March 2020
Tradenames	**$ 120.6**	$ 113.5
Other	**7.4**	7.4
Total	**$ 128.0**	$ 120.9

The following are the net carrying amount of amortizable intangible assets for the fiscal years ended 31 March 2021 and 2020:

	Year Ended 31 March 2021		
(Millions of US dollars)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer Relationships	$ 55.2	$ (9.3)	$ 45.9
Other	10.9	(10.9)	—
Total	$ 66.1	$ (20.2)	$ 45.9

	Year Ended 31 March 2020		
(Millions of US dollars)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer Relationships	$ 51.4	$ (6.4)	$ 45.0
Other	11.6	(10.8)	0.8
Total	$ 63.0	$ (17.2)	$ 45.8

The amortization of intangible assets was US$2.6 million, US$3.1 million and US$6.1 million for the fiscal years ended 31 March 2021, 2020 and 2019, respectively.

At 31 March 2021, the estimated future amortization of intangible assets is as follows:

Years ended 31 March (Millions of US dollars):	
2022	$ 3.5
2023	4.3
2024	4.7
2025	4.8
2026	5.0

7. Property, Plant and Equipment

Property, plant and equipment consist of the following components:

	31 March	
(Millions of US dollars)	**2021**	2020
Land	**$ 85.2**	$ 79.0
Buildings	**512.8**	432.5
Machinery and equipment	**1,775.5**	1,511.4
Construction in progress	**91.8**	267.6
Property, plant and equipment, at cost	**2,465.3**	2,290.5
Less accumulated depreciation	**(1,093.0)**	(948.8)
Property, plant and equipment, Net	**$ 1,372.3**	$ 1,341.7

Depreciation expense for the fiscal years ended 31 March 2021, 2020 and 2019 was US$129.6 million, US$125.4 million and US$109.6 million, respectively.

Impairment of Property, Plant & Equipment

The Company performs an asset impairment review on a quarterly basis in connection with its assessment of production capabilities and the Company's ability to meet market demand. The following table summarizes the impairment charges:

	Years Ended 31 March		
(Millions of US dollars)	**2021**	2020	2019
North America Fiber Cement	**$ 2.0**	$ 44.0	$ 3.0
Asia Pacific Fiber Cement	**—**	15.0	—
Europe Building Products	**—**	5.5	—
Other Businesses	**—**	—	6.1
	$ 2.0	$ 64.5	$ 9.1

Charges recorded to *Restructuring expenses*

North America Fiber Cement segment

For the fiscal year ended 31 March 2020, impairment charges of US$41.2 million were recorded in the North America Fiber Cement segment. Included in this total is US$12.0 million related to the Company's decision to shut down its Summerville, South Carolina facility. This decision resulted from the potential impact of COVID-19 on future fiber cement sales volume. Assets are grouped and evaluated for impairment at the level for which there are identifiable cash flows, which in the case of the Summerville plant included the manufacturing equipment, land, building and right of use assets. In accordance with the applicable accounting guidance, the Company recorded an impairment charge for the difference between the carrying value of the asset group of US$22.1 million and the fair value, based on a third party appraisal of land and buildings, less costs to sell of US$10.1 million.

The remaining impairment charges of US$29.2 million is related to a variety of non-core assets located at four plants across the network which will no longer be used and will be disposed. Due to the unique nature of the non-core fixed assets and the lack of history of selling manufacturing assets, management believes that there will be no future cash flows nor salvage value related to these assets and fully impaired them as of 31 March 2020.

For the fiscal year ended 31 March 2019, the Company recorded impairment charges of US$2.6 million in the North America Fiber Cement segment related to the discontinuance of its MCT product line.

Asia Pacific Fiber Cement segment

For the fiscal year ended 31 March 2020, the Company recorded impairment charges of US$14.0 million in the Asia Pacific Fiber Cement segment due to the decision to shift to an import sales model rather than continue manufacturing in New Zealand, and US$1.0 million due to its decision to exit the James Hardie Systems business on the determination that it no longer fits within the Company's core business. The US$14.0 million charge relates to the full write-down of most of the machinery and equipment at the Penrose plant and the related excess spare parts which will not be utilized prior to shutdown. All the equipment and spare parts are unique to the Company and have immaterial resale or salvage values. The remaining net book value of the Penrose plant's assets at 31 March 2020 is US$2.6 million.

Europe Building Products segment

For the fiscal year ended 31 March 2020, impairment charges of US$5.5 million were recorded in the Europe Building Products segment relating to a variety of non-core assets which no longer provide economic benefit to the Company.

Other Businesses segment

For the fiscal year ended 31 March 2019, the Company recorded impairment charges of US$6.1 million in the Other Businesses segment to due to the Company's decision to cease production of its fiberglass windows business.

Charges recorded to *Cost of goods sold*

Other impairment charges in the North America Fiber Cement segment related to individual assets totaled US$2.0 million, US$2.8 million and US$0.4 million during fiscal years ended 31 March 2021, 2020 and 2019, respectively.

8. Leases

The Company's lease portfolio consists primarily of real estate, forklifts at its manufacturing facilities and a fleet of vehicles primarily for sales representatives. The lease term for all of its leases includes the non-cancellable period of the lease plus any additional periods covered by either an option to extend (or not to terminate) the lease that the Company is reasonably certain to exercise, or an option to extend (or not to terminate) the lease controlled by the lessor. ASC 842 requires a lessee to discount its unpaid lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, its incremental borrowing rate.

The following table represents the Company's ROU assets and lease liabilities:

	31 March	
(Millions of US dollars)	**2021**	2020
Assets:		
Operating leases, net	**$ 46.4**	$ 40.5
Finance leases, net	**2.7**	1.7
Total right-of-use assets	**$ 49.1**	$ 42.2
Liabilities:		
Operating leases:		
Current	**$ 7.8**	$ 14.3
Non-Current	**53.3**	41.4
Total operating lease liabilities	**$ 61.1**	$ 55.7
Finance leases:		
Current	**$ 1.0**	$ 0.5
Non-Current	**1.9**	1.5
Total finance lease liabilities	**$ 2.9**	$ 2.0
Total lease liabilities	**$ 64.0**	$ 57.7

The following table represents the Company's lease expense:

(Millions of US dollars)	Years Ended 31 March 2021	2020
Operating leases	**$ 17.0**	$ 18.4
Short-term leases	**2.1**	1.0
Variable leases	**—**	0.1
Finance leases	**0.9**	0.3
Interest on lease liabilities	**0.1**	0.1
Total lease expense	**$ 20.1**	$ 19.9

The weighted-average remaining lease term of the Company's leases is as follows:

(In Years)	31 March 2021	2020
Operating leases	**7.8**	5.4
Finance leases	**3.5**	4.4

The weighted-average discount rate of the Company's leases is as follows:

	31 March 2021	2020
Operating leases	**4.6 %**	4.4 %
Finance leases	**4.5 %**	4.4 %

The following are future lease payments for non-cancellable leases at 31 March 2021:

Years ended 31 March (Millions of US dollars):	Operating Leases	Finance Leases	Total
2022	$ 9.6	$ 1.0	$ 10.6
2023	14.3	1.0	15.3
2024	10.5	0.5	11.0
2025	7.2	0.3	7.5
2026	6.1	0.2	6.3
Thereafter	30.9	—	30.9
Total	$ 78.6	$ 3.0	$ 81.6
Less: imputed interest			17.6
Total lease liabilities			$ 64.0

Supplemental cash flow and other information related to leases were as follows:

(Millions of US dollars)	Years Ended 31 March 2021	2020
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows used for operating leases	**$ 19.2**	$ 18.0
Operating cash flows used for finance leases	**0.1**	0.1
Financing cash flows used for finance leases	**0.8**	0.4
Non-cash ROU assets obtained in exchange for new lease liabilities	**26.0**	12.9
Non-cash remeasurements reducing ROU assets and lease liabilities	**(5.1)**	(19.4)

9. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following components:

	31 March	
(Millions of US dollars)	**2021**	2020
Trade creditors	**$ 174.0**	$ 151.3
Accrued interest	**4.5**	8.6
Accrued customer rebates	**80.0**	65.5
Other creditors and accruals	**48.5**	49.3
Total accounts payable and accrued liabilities	**$ 307.0**	$ 274.7

10. Long-Term Debt

(Millions of US dollars)	**31 March 2021**	31 March 2020
Senior unsecured notes:		
Principal amount 4.750% notes due 2025	**$ —**	$ 400.0
Principal amount 3.625% notes due 2026 (€400.0 million)	**468.3**	440.7
Principal amount 5.000% notes due 2028	**400.0**	400.0
Total	**868.3**	1,240.7
Unsecured revolving credit facility	**—**	130.0
Unamortized debt issuance costs:		
Principal amount 4.750% notes due 2025	**—**	(4.3)
Principal amount 3.625% notes due 2026 (€400.0 million)	**(4.2)**	(5.0)
Principal amount 5.000% notes due 2028	**(4.3)**	(4.9)
Unsecured revolving credit facility	**(1.2)**	(1.9)
Total Long-term debt	**$ 858.6**	$ 1,354.6
Weighted average interest rate of Long-term debt	**4.3 %**	4.3 %
Weighted average term of available Long-term debt	**4.5 years**	5.3 years
Fair value of Senior unsecured notes (Level 1)	**$ 904.7**	$ 1,147.7

<u>Senior Unsecured Notes</u>

2025 Senior Unsecured Notes

On 15 January 2021, the Company redeemed US$400.0 million aggregate principal amount of its 4.750% senior notes due 2025 (the “2025 Notes”) and recorded a loss on early debt extinguishment of US$13.1 million, which included US$9.5 million of call redemption premiums and US$3.6 million of unamortized financing costs associated with these notes.

On 18 January 2021, the 2025 Notes were delisted from the Global Exchange Market which is operated by Euronext Dublin.

2026 Senior Unsecured Notes

In October 2018, JHIF completed the sale of €400.0 million aggregate principal amount of 3.625% senior notes at par due 1 October 2026 (the “2026 Notes”) with interest payable semi-annually in arrears on 1 October and 1 April of each year. The proceeds from the offering were used to repay €400.0 million outstanding borrowings under a 364-day term loan facility (the "Term Loan Facility") which was used to complete the Fermacell acquisition. On 3 October 2018, JHIF repaid all €400.0 million aggregate principal amount and accrued interest of its Term Loan Facility following the completion of the sale of €400.0 million 2026 Notes (US$458.8 million, based on the exchange rate at 3 October 2018). In connection with this repayment, the Company recorded a loss on early debt extinguishment of US$1.0 million during the fiscal year ended 31 March 2019 associated with the unamortized portion of the deferred financing fees.

2028 Senior Unsecured Notes

In December 2017, JHIF completed the sale of US$400.0 million aggregate principal amount of 5.000% senior notes at par due 15 January 2028 (the “2028 Notes”) with interest payable semi-annually in arrears on 15 January and 15 July of each year.

<u>Unsecured Revolving Credit Facility</u>

In December 2015, James Hardie International Finance Designated Activity Company (“JHIF”) and James Hardie Building Products Inc. (“JHBP”), each a wholly-owned subsidiary of JHI plc, entered into a US$500.0 million unsecured revolving credit facility (the “Revolving Credit Facility”) with certain commercial banks and HSBC Bank USA, National Association, as administrative agent. In December 2017, the Revolving Credit Facility was amended to, among other things, extend the maturity date to December 2022. Debt issuance costs in connection with the Revolving Credit Facility are being amortized as interest expense over the stated term of five years.

Borrowings under the Revolving Credit Facility bear interest at per annum rates equal to, at the borrower’s option, either: (i) the London Interbank Offered Rate (“LIBOR”) plus an applicable margin for LIBOR loans; or (ii) a base rate plus an applicable margin for base rate loans. For LIBOR Loans, the applicable margin ranges from 1.25% to 2.00%, and for base rate loans it ranges from 0.25% to 1.00%. The Company also pays a commitment fee of between 0.20% and 0.35% on the actual daily amount of the unutilized revolving loans.

<u>Guarantees and Compliance</u>

The indenture governing the senior unsecured notes contain covenants that, among other things, limit the ability of the guarantors and their restricted subsidiaries to incur liens on assets, make certain restricted payments, engage in certain sale and leaseback transactions and merge or consolidate with or into other companies. These covenants are subject to certain exceptions and qualifications as described in the indenture. At 31 March 2021, the Company was in compliance with all of its requirements under the indenture related to the senior unsecured notes.

The senior unsecured notes are guaranteed by JHIGL, JHBP and JHTL, each of which are wholly-owned subsidiaries of JHI plc.

The Revolving Credit Facility agreement contains certain covenants that, among other things, restrict JHIGL and its restricted subsidiaries' ability to incur indebtedness and grant liens other than certain types of permitted indebtedness and permitted liens, make certain restricted payments, and undertake certain types of mergers or consolidations actions. At 31 March 2021, the Company was in compliance with all covenants contained in the Revolving Credit Facility agreement.

The Revolving Credit Facility is guaranteed by each of JHIGL and James Hardie Technology Limited ("JHTL"), each of which are wholly-owned subsidiaries of JHI plc.

Off Balance Sheet Arrangements

As of 31 March 2021, the Company had a total borrowing base capacity under the Revolving Credit Facility of US$500.0 million with outstanding borrowings of nil, and US$4.7 million of issued but undrawn letters of credit and bank guarantees. These letters of credit and bank guarantees relate to various operational matters including insurance, performance bonds and other items, leaving the Company with US$495.3 million of available borrowing capacity under the Revolving Credit Facility.

Subsequent Event

As of 18 May 2021, the Company had US$110.0 million drawn under its revolving credit facility, which was used to partially fund the payment of the fiscal year 2021 special dividend.

11. Product Warranties

The Company offers various warranties on its products, including a 30-year limited warranty on certain fiber cement siding products in the United States. A typical warranty program requires the Company to replace defective products within a specified time period from the date of sale. It is possible that future warranty costs could differ from those estimates.

The following are the changes in the product warranty provision:

(Millions of US dollars)	31 March **2021**	2020	2019
Balance at beginning of period	**$ 42.4**	$ 46.6	$ 52.8
Increase (Decrease) in accrual	**2.4**	0.8	(0.8)
Acquired during the period	**—**	—	0.5
Settlements made in cash or in kind	**(5.2)**	(5.0)	(5.9)
Balance at end of period	**$ 39.6**	$ 42.4	$ 46.6

12. Asbestos

The AFFA was approved by shareholders in February 2007 to provide long-term funding to AICF. For a discussion of the AFFA and the accounting policies utilized by the Company related to the AFFA and AICF, see Note 1.

<u>*Asbestos Adjustments*</u>

The *Asbestos adjustments* included in the consolidated statements of operations and comprehensive income comprise the following:

	Years Ended 31 March		
(Millions of US dollars)	**2021**	2020	2019
Change in estimates:			
Change in actuarial estimate - asbestos liability	**$ (33.0)**	$ (133.8)	$ (73.8)
Change in actuarial estimate - insurance receivable	**2.0**	5.7	—
Change in estimate - AICF claims-handling costs	**(1.5)**	0.1	1.1
Subtotal - Change in estimates	**(32.5)**	(128.0)	(72.7)
Effect of foreign exchange on Asbestos net liabilities	**(123.0)**	69.0	49.5
Gain (loss) on foreign currency forward contracts	**11.7**	0.8	(0.8)
Adjustments in insurance receivable	**—**	—	2.0
Other	**(0.1)**	—	—
Total Asbestos Adjustments	**$ (143.9)**	$ (58.2)	$ (22.0)

Actuarial Study; Claims Estimate

AICF commissioned an updated actuarial study of potential asbestos-related liabilities as of 31 March 2021. Based on KPMGA's assumptions, KPMGA arrived at a range of possible total cash flows and calculated a central estimate, which is intended to reflect a probability-weighted expected outcome of those actuarially estimated future cash flows.

The following table sets forth the central estimates, net of insurance recoveries, calculated by KPMGA as of 31 March 2021:

	Year Ended 31 March 2021	
(Millions of US and Australian dollars, respectively)	**US$**	**A$**
Central Estimate – Discounted and Inflated	1,339.8	1,762.6
Central Estimate – Undiscounted but Inflated	1,545.8	2,033.7
Central Estimate – Undiscounted and Uninflated	1,027.6	1,351.9

The asbestos liability has been revised to reflect the most recent undiscounted and uninflated actuarial estimate prepared by KPMGA as of 31 March 2021.

In estimating the potential financial exposure, KPMGA has made a number of assumptions, including, but not limited to, assumptions related to the peak period of claims, total number of claims that are reasonably estimated to be asserted through 2073, the typical cost of settlement (which is sensitive to, among other factors, the industry in which a plaintiff claims exposure, the alleged disease type, the age of the claimant and the jurisdiction in which the action is brought), the legal costs incurred in the litigation of such claims, the rate of receipt of claims, the settlement strategy in dealing with outstanding claims and the timing of settlements. Changes to the assumptions may be necessary in future periods should mesothelioma claims reporting escalate or decline.

Due to inherent uncertainties in the legal and medical environment, the number and timing of future claim notifications and settlements, the recoverability of claims against insurance contracts, and estimates of future trends in average claim awards, as well as the extent to which the above named entities will contribute to the overall settlements, the actual liability could differ materially from that which is currently recorded.

The potential range of costs as estimated by KPMGA is affected by a number of variables such as nil settlement rates, peak year of claims, past history of claims numbers, average settlement rates, past history of Australian asbestos-related medical injuries, current number of claims, average defense and plaintiff legal costs, base wage inflation and superimposed inflation. The potential range of losses disclosed includes both asserted and unasserted claims.

A sensitivity analysis was performed by KPMGA to determine how the actuarial estimates would change if certain assumptions (i.e., the rate of inflation and superimposed inflation, the average costs of claims and legal fees, and the projected numbers of claims) were different from the assumptions used to determine the central estimates. The sensitivity analysis performed in the actuarial report is directly related to the discounted but inflated central estimate and the undiscounted but inflated central estimate. The actual cost of the liabilities could be outside of that range depending on the results of actual experience relative to the assumptions made.

The following table summarizes the results of the analysis:

	As of 31 March 2021	
(Millions of US and Australian dollars, respectively)	**US$**	**A$**
Discounted (but inflated) - Low	990.7	1,303.4
Discounted (but inflated) - High	2,229.6	2,933.2
Undiscounted (but inflated) - Low	1,119.4	1,472.7
Undiscounted (but inflated) - High	2,694.4	3,544.8

Potential variation in the estimated peak period of claims has an impact much greater than the other assumptions used to derive the discounted central estimate. In performing the sensitivity assessment of the estimated incidence pattern reporting for mesothelioma, if the pattern of incidence was shifted by two years, the central estimate could increase by approximately 21% on a discounted basis.

Claims Data

The following table shows the activity related to the numbers of open claims, new claims and closed claims during each of the past five years and the average settlement per settled claim and case closed:

	For the Years Ended 31 March				
	2021	2020	2019	2018	2017
Number of open claims at beginning of period	**393**	332	336	352	426
Number of new claims					
Direct claims	**392**	449	430	422	402
Cross claims	**153**	208	138	140	155
Number of closed claims	**578**	596	572	578	631
Number of open claims at end of period	**360**	393	332	336	352
Average settlement amount per settled claim	**A$248,000**	A$277,000	A$262,000	A$253,000	A$224,000
Average settlement amount per case closed	**A$225,000**	A$245,000	A$234,000	A$217,000	A$168,000
Average settlement amount per settled claim	**US$178,000**	US$189,000	US$191,000	US$196,000	US$168,000
Average settlement amount per case closed	**US$162,000**	US$167,000	US$171,000	US$168,000	US$126,000

During fiscal year 2021, mesothelioma claims reporting activity was favorable compared to actuarial expectations and the prior corresponding period, primarily driven by lower direct claims which typically cost significantly more than the cross claims. Consistent with prior years, the claimants ages are increasing which also has had a favorable effect on average claim size.

Under the terms of the AFFA, the Company has rights of access to actuarial information produced for AICF by the actuary appointed by AICF, which is currently KPMGA. The Company's disclosures with respect to claims statistics are subject to it obtaining such information, however, the AFFA does not provide the Company an express right to audit or otherwise require independent verification of such information or the methodologies to be adopted by the approved actuary. As such, the Company relies on the accuracy and completeness of the information provided by AICF to the approved actuary and the resulting information and analysis of the approved actuary when making disclosures with respect to claims statistics.

The following is a detailed rollforward of the Net Unfunded AFFA liability, net of tax, for the fiscal year ended 31 March 2021:

(Millions of US dollars)	Asbestos Liability	Insurance Receivables	Restricted Cash and Investments	Other Assets and Liabilities	Net Unfunded AFFA Liability	Deferred Tax Assets	Income Tax Payable	Net Unfunded AFFA Liability, net of tax
Opening Balance - 31 March 2020	$ (986.4)	$ 43.5	$ 58.0	$ (2.0)	$ (886.9)	$ 319.1	$ 23.4	$ (544.4)
Asbestos claims paid[1]	105.3	—	(105.3)	—	—	—	—	—
Payment received in accordance with AFFA[2]	—	—	153.3	—	153.3	—	—	153.3
AICF claims-handling costs incurred (paid)	1.1	—	(1.1)	—	—	—	—	—
AICF operating costs paid - non claims-handling	—	—	(1.2)	—	(1.2)	—	—	(1.2)
Change in actuarial estimate	(33.0)	2.0	—	—	(31.0)	—	—	(31.0)
Change in claims handling cost estimate	(1.5)	—	—	—	(1.5)	—	—	(1.5)
Impact on deferred income tax due to change in actuarial estimate	—	—	—	—	—	9.7	—	9.7
Insurance recoveries	—	(5.8)	5.8	—	—	—	—	—
Movement in income tax payable	—	—	—	—	—	(33.5)	7.4	(26.1)
Other movements	—	—	9.5	0.4	9.9	0.2	—	10.1
Effect of foreign exchange	(221.3)	9.8	12.5	(0.3)	(199.3)	71.9	4.4	(123.0)
Closing Balance - 31 March 2021	**$ (1,135.8)**	**$ 49.5**	**$ 131.5**	**$ (1.9)**	**$ (956.7)**	**$ 367.4**	**$ 35.2**	**$ (554.1)**

1 Claims paid of US$105.3 million reflects A$146.5 million converted at the average exchange rate for the period based on the assumption that these transactions occurred evenly throughout the period.

AICF Funding

During the fiscal year ending 31 March 2022, the Company anticipates that it will contribute approximately US$252.6 million to AICF. This amount represents 35% of the Company's fiscal year 2021 free cash flow which is equivalent to operating cash flows of US$786.9 million less an adjustment of US$65.3 million, resulting in free cash flow of US$721.6 million for fiscal year 2021, as defined by the AFFA.

During the fiscal years ended 31 March 2021, 2020 and 2019, the Company contributed US$153.3 million (A$220.9 million), US$108.9 million (A$156.7 million) and US$103.0 million (A$138.4 million), respectively, to AICF.

Restricted Short-Term Investments

AICF invests its excess cash in time deposits, which are classified as available-for-sale investments until maturity. The following table represents the investments entered into or maturing during the fiscal year ended 31 March 2021:

Date Invested	Maturity Date	Interest Rate	A$ Millions
October 2020	2 July 2021	0.59%	35.0
July 2019	30 April 2020	1.70%	20.0
July 2019	1 June 2020	1.70%	15.0

At 31 March 2021, AICF's short-term investments were revalued resulting in a mark-to-market fair value adjustment of nil.

AICF – NSW Government Secured Loan Facility

AICF may borrow, subject to certain conditions, up to an aggregate amount of A$320.0 million (US$243.2 million, based on the exchange rate at 31 March 2021). The AICF Loan Facility is guaranteed by the Former James Hardie Companies and is available to be drawn for the payment of claims through 1 November 2030, at which point, all outstanding borrowings must be repaid. Borrowings made under the AICF Loan Facility are classified as current, as AICF intends to repay the debt within one year. At 31 March 2021 and 2020, AICF had no amounts outstanding under the AICF Loan Facility.

13. Derivative Instruments

Foreign Currency Forward Contracts

The Company's foreign currency forward contracts are valued using models that maximize the use of market observable inputs including interest rate curves and both forward and spot prices for currencies and are categorized as Level 2 within the fair value hierarchy.

Interest Rate Swaps

The fair value of interest rate swap contracts is calculated based on the fixed rate, notional principal, settlement date and present value of the future cash inflows and outflows based on the terms of the agreement and the future floating interest rates as determined by a future interest rate yield curve. The model used to value the interest rate swap contracts is based upon well recognized financial principles, and interest rate yield curves can be validated through readily observable data by external sources. Although readily observable data is used in the valuations, different valuation methodologies could impact the estimated fair value. Accordingly, the interest rate swap contracts are categorized as Level 2 within the fair value hierarchy. Gain and loss on interest rate swap contracts are immaterial and included in *Other income (expense).*

Derivative Balances

The following table sets forth the total outstanding notional amount and the fair value of the Company's derivative instruments held at 31 March 2021 and 2020:

			Fair Value as of			
(Millions of US dollars)	Notional Amount		31 March 2021		31 March 2020	
Derivatives not accounted for as hedges	**31 March 2021**	**31 March 2020**	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Foreign currency forward contracts	$ 456.1	$ —	$ 5.5	$ 8.3	$ —	$ —
Interest rate swap contracts	—	25.0	—	—	—	0.1
Total	**$ 456.1**	**$ 25.0**	**$ 5.5**	**$ 8.3**	**$ —**	**$ 0.1**

The following table sets forth the gain and loss on the Company's foreign currency forward contracts recorded in the Company's consolidated statements of operations and comprehensive income as follows:

	31 March		
(Millions of US dollars)	**2021**	2020	2019
Asbestos adjustments (gain) loss	**$ (11.7)**	$ (0.8)	$ 0.8
Selling, general and administrative expenses	**7.2**	1.3	3.9
Total	**$ (4.5)**	$ 0.5	$ 4.7

14. Commitments and Contingencies

Legal Matters

The Company is involved from time to time in various legal proceedings and administrative actions related to the normal conduct of its business, including general liability claims, putative class action lawsuits and litigation concerning its products.

Although it is impossible to predict the outcome of any pending legal proceeding, management believes that such proceedings and actions should not, individually or in the aggregate, have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows, except as they relate to asbestos and New Zealand product liability claims as described in these consolidated financial statements.

New Zealand Weathertightness Claims

Since fiscal year 2002, the Company's New Zealand subsidiaries have been joined in a number of weathertightness claims in New Zealand that relate to residential buildings (single dwellings and apartment complexes) and a small number of non-residential buildings, primarily constructed from 1998 to 2004. The claims often involve multiple parties and allege that losses were incurred due to excessive moisture penetration of the buildings' structures. The claims typically include allegations of poor building design, inadequate certification of plans, inadequate construction review and compliance certification and deficient work by sub-contractors.

Historically, the Company's New Zealand subsidiaries have been joined to these claims as one of several co-defendants, including local government entities responsible for enforcing building codes and practices, resulting in the Company's New Zealand subsidiaries becoming liable for only a portion of each claim. In addition, the Company's New Zealand subsidiaries have had access to third-party recoveries to defray a portion of the costs incurred in resolving such claims.

In 2015, the Company and/or its subsidiaries were named as the sole defendants in four claims on behalf of multiple defendants, three of which are still pending and each of which allege that the New Zealand subsidiaries' products were inherently defective. The Company believes it has substantial factual and legal defenses to these claims and is defending the claims vigorously.

Cridge, et al. *(Case Nos. CIV-2015-485-594 and CIV-2015-485-773), In the High Court of New Zealand, Wellington Registry* (hereinafter the "Cridge litigation"). In August 2020, trial of phase one of the Cridge litigation commenced in Wellington, New Zealand solely to determine whether the Company's New Zealand subsidiaries had a duty to the plaintiffs and breached that duty. This phase of the trial concluded in December 2020, and a decision by the Wellington High Court is expected to be announced late in the first quarter of FY 2022. We believe we have substantial factual and legal defenses to the claims in the Cridge litigation. While an unfavorable outcome in this phase is possible as litigation is inherently unpredictable, management does not believe that the outcome of this phase of the litigation will have a material adverse effect on the Company's financial position. As of 31 March 2021, the Company has not recorded a reserve related to the Cridge litigation as the chance of loss is not probable and the amount of loss, if any, cannot be reasonably estimated. If an adverse decision is reached by the Wellington High Court, certain factors anticipated to be included in the decision may allow the Company to estimate a reasonable range of liability in the Cridge litigation.

White, et al. (Case No. CIV-2015-404-2981 [2021] NZHC 930), In the High Court of New Zealand, Auckland Registry (hereinafter the "White litigation"). The trial of phase one of the White litigation is scheduled to commence on 17 May 2021 in Auckland, New Zealand solely to determine whether the Company's New Zealand subsidiaries, along with three non-New Zealand Group entities, had a duty to the plaintiffs and breached that duty. As of 31 March 2021, the Company has not recorded a reserve related to the White litigation as the chance of loss is not probable and the amount of loss, if any, cannot be reasonably estimated.

Waitakere, et al. (Case No. CIV-2015-404-3080), In the High Court of New Zealand, Auckland Registry (hereinafter the "Waitakere litigation"). The trial in the Waitakere litigation is currently not scheduled to begin until May 2023 in Auckland, New Zealand. As of 31 March 2021, the Company has not recorded a reserve related to the Waitakere litigation as the chance of loss is not probable and the amount of loss, if any, cannot be reasonably estimated.

A court's decision in one or more of the litigation matters has the potential to impact the accounting treatment regarding the probability of a potential loss and the Company's ability to reasonably estimate a reserve with regards to the other litigation matters discussed above. Furthermore, an adverse judgement in one or more of these litigation matters could have a material adverse impact on our consolidated financial position, results of operations or cash flows.

Readers are referred to Note 1 for further information related to our policies related to asserted and unasserted claims.

<u>Environmental and Legal</u>

The operations of the Company, like those of other companies engaged in similar businesses, are subject to several laws and regulations on air and water quality, waste handling and disposal. The Company's policy is to accrue for environmental costs when it is determined that it is probable that an obligation exists and the amount can be reasonably estimated.

15. Income Taxes

Income tax expense includes income taxes currently payable and those deferred because of temporary differences between the financial statement and tax bases of assets and liabilities. Income tax expense consists of the following components:

	Years Ended 31 March		
(Millions of US dollars)	**2021**	2020	2019
Income before income taxes:			
Domestic	**$ 241.9**	$ 209.6	$ 196.4
Foreign	**170.1**	78.4	104.2
Income before income taxes:	**$ 412.0**	$ 288.0	$ 300.6
Income tax expense:			
Current:			
Domestic	**$ (38.5)**	$ (31.1)	$ (26.6)
Foreign	**8.6**	39.8	(6.5)
Current income tax (expense) benefit	**(29.9)**	8.7	(33.1)
Deferred:			
Domestic	**(1.4)**	(4.5)	(1.3)
Foreign	**(117.9)**	(50.7)	(37.4)
Deferred income tax expense	**(119.3)**	(55.2)	(38.7)
Total income tax expense	**$ (149.2)**	$ (46.5)	$ (71.8)

Income tax expense computed at the statutory rates represents taxes on income applicable to all jurisdictions in which the Company conducts business, calculated at the statutory income tax rate in each jurisdiction multiplied by the pre-tax income attributable to that jurisdiction.

Income tax expense is reconciled to the tax at the statutory rates as follows:

	Years Ended 31 March		
(Millions of US dollars)	**2021**	2020	2019
Income tax expense computed at the statutory tax rates	**$ (58.1)**	$ (38.7)	$ (48.9)
US state income taxes, net of the federal benefit	**(8.0)**	(5.7)	(3.1)
Asbestos - effect of foreign exchange	**(36.8)**	20.9	14.9
Expenses not deductible	**(2.0)**	(5.5)	(4.0)
Stock and executive compensation	**(5.5)**	(1.7)	(1.3)
Foreign taxes on domestic income	**(49.8)**	(43.5)	(34.5)
Prior year tax adjustments	**5.9**	(0.4)	(0.3)
Taxes on foreign income	**(1.6)**	2.7	4.5
US net operating loss carryback	**4.9**	25.5	—
Other items	**1.8**	(0.1)	0.9
Total income tax expense	**$ (149.2)**	$ (46.5)	$ (71.8)
Effective tax rate	**36.2 %**	16.1 %	23.9 %

Deferred tax balances consist of the following components:

(Millions of US dollars)	31 March 2021	2020
Deferred tax assets:		
Intangible assets	**$ 1,038.7**	$ 1,126.4
Asbestos liability	**367.4**	319.1
Other provisions and accruals	**62.2**	54.1
Net operating loss carryforwards	**61.0**	41.3
Foreign and research tax credit carryforwards	**122.1**	114.2
Total deferred tax assets	**1,651.4**	1,655.1
Valuation allowance	**(262.7)**	(262.9)
Total deferred tax assets net of valuation allowance	**1,388.7**	1,392.2
Deferred tax liabilities:		
Depreciable and amortizable assets	**(151.7)**	(117.5)
Other	**(49.1)**	(48.1)
Total deferred tax liabilities	**(200.8)**	(165.6)
Total deferred taxes, net	**$ 1,187.9**	$ 1,226.6

Deferred income taxes include net operating loss carry-forwards. At 31 March 2021, the Company had tax loss carry-forwards in Australia, New Zealand, Europe and the US of approximately US$61.0 million, that are available to offset future taxable income in the respective jurisdiction.

The Australian net operating loss carry-forwards primarily result from current and prior year tax deductions for contributions to AICF. James Hardie 117 Pty Limited, the performing subsidiary under the AFFA, is able to claim a tax deduction for its contributions to AICF over a five-year period commencing in the year the contribution is incurred. At 31 March 2021, the Company recognized a tax deduction of US$110.9 million (A$154.3 million) for the current year relating to total contributions to AICF of US$558.5 million (A$771.7 million) incurred in tax years 2017 through 2021.

The Company establishes a valuation allowance against a deferred tax asset if it is more likely than not that some portion or all of the deferred tax asset will not be realized.

At 31 March 2021, the Company had foreign tax credit carry-forwards of US$119.5 million and research credits of US$2.6 million that are available to offset future taxes payable. At 31 March 2021, the Company had a 100% valuation allowance against the foreign tax credit carry-forwards.

In determining the need for and the amount of a valuation allowance in respect of the Company's asbestos related deferred tax asset, management reviewed the relevant empirical evidence, including the current and past core earnings of the Australian business and forecast earnings of the Australian business considering current trends. Although realization of the deferred tax asset will occur over the life of the AFFA, which extends beyond the forecast period for the Australian business, Australia provides an unlimited carry-forward period for tax losses. Based upon managements' review, the Company believes that it is more likely than not that the Company will realize its asbestos related deferred tax asset and that no valuation allowance is necessary as of 31 March 2021. In the future, based on review of the empirical evidence by management at that time, if management determines that realization of its asbestos related deferred tax asset is not more likely than not, the Company may need to provide a valuation allowance to reduce the carrying value of the asbestos related deferred tax asset to its realizable value.

At 31 March 2021, the Company had prepaid and refundable income taxes of US$30.5 million. During the fiscal year ended 31 March 2021, total income tax refunds received, net of withholding tax paid was US$3.7 million.

The US Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was enacted in March 2020 providing wide ranging economic relief for individuals and businesses. One component of the CARES Act provides the Company with an opportunity to carryback US net operating losses (“NOLs”) arising during the years ended 31 March 2021 and 2020 to the prior five tax years. The Company has previously valued its NOLs at the US federal corporate income tax rate of 21%. However, the provisions of the CARES Act provide for NOL carryback claims to be calculated based on a rate of 35%, which was the US federal corporate tax rate in effect in the carryback years. The Company intends to utilize these carryback provisions to obtain an estimated refund of US$42.3 million. At 31 March 2021 the Company recorded current taxes receivable of US$25.3 million, a reduction of US$17.0 million in non-current taxes payable associated with the deferred deemed repatriation tax and an income tax benefit of US$4.9 million resulting from tax losses being utilized at the higher US federal corporate tax rate applying in the carryback years.

The Company or its subsidiaries files income tax returns in various jurisdictions including Ireland, the United States, Australia and various jurisdictions in Europe and Asia Pacific. Due to the size and nature of its business, the Company is subject to ongoing audits and reviews by taxing jurisdictions on various tax matters. The Company is no longer subject to general tax examinations in Ireland for the tax years prior to tax year 2017, Australia for tax years prior to tax year 2016 and in the US for tax years prior to tax year 2014.

Unrecognized Tax Benefits

For the fiscal years ended 31 March 2021, 2020, and 2019, the total amount of penalties and interest recorded in Income tax expense related to unrecognized tax benefits were immaterial. The liabilities associated with uncertain tax benefits are included in *Other liabilities* on the Company’s consolidated balance sheets. At 31 March 2021, the total amount of unrecognized tax benefits and the total amount of interest and penalties accrued by the Company that, if recognized, would affect the effective tax rate were US$0.5 million.

16. Stock-Based Compensation

Total stock-based compensation expense consists of the following:

	Years Ended 31 March		
(Millions of US dollars)	**2021**	2020	2019
Liability Awards	**$ 21.7**	$ 2.8	$ (0.6)
Equity Awards	**18.0**	10.3	12.5
Total stock-based compensation expense	**$ 39.7**	$ 13.1	$ 11.9

As of 31 March 2021, the unrecorded future stock-based compensation expense related to outstanding equity awards was US$17.1 million and will be recognized over an estimated weighted average amortization period of 1.8 years.

2001 Equity Incentive Plan

Under the Company's 2001 Equity Incentive Plan (the "2001 Plan"), which was reapproved to continue until September 2021, the Company can grant equity awards in the form of nonqualified stock options, performance awards, restricted stock grants, stock appreciation rights, dividend equivalent rights, phantom stock or other stock-based benefits such as restricted stock units.

Long-Term Incentive Plan 2006

The Company's shareholders approved the establishment of a Long-Term Incentive Plan in 2006 (the "LTIP") to provide incentives to certain members of senior management ("Executives"). The Company determines the conditions or restrictions of any awards, which may include requirements of continued employment, individual performance or the Company's financial performance or other criteria. Currently, the plan only allows for RSUs to be granted under the LTIP.

The following table summarizes the Company's shares available for grant as options, RSUs or other equity instruments under the LTIP and 2001 Plan:

	Shares Available for Grant
Balance at 31 March 2019	**23,744,816**
Granted	(800,437)
Balance at 31 March 2020	**22,944,379**
Granted	**(856,756)**
Balance at 31 March 2021	**22,087,623**

RSUs

The Company estimates the fair value of RSUs on the date of grant and recognizes this estimated fair value as compensation expense over the periods in which the RSU vests.

The following table summarizes the Company's RSU activity:

(Units)	Service Vesting (2001 Plan)	Performance Vesting (LTIP)	Market Conditions (LTIP)	Total	Weighted Average Fair Value at Grant Date (A$)
Outstanding at 31 March 2019	**910,386**	**1,148,022**	**2,203,100**	**4,261,508**	**14.47**
Granted	24,006	273,258	503,173	800,437	18.08
Vested	(304,591)	(207,271)	(362,973)	(874,835)	16.21
Forfeited	(109,169)	(349,844)	(565,660)	(1,024,673)	15.21
Outstanding at 31 March 2020	**520,632**	**864,165**	**1,777,640**	**3,162,437**	**14.64**
Granted	371,806	190,376	294,574	856,756	**26.56**
Vested	(245,385)	(174,356)	(722,156)	(1,141,897)	**13.03**
Forfeited	(53,567)	(153,897)	(63,136)	(270,600)	**17.05**
Outstanding at 31 March 2021	**593,486**	**726,288**	**1,286,922**	**2,606,696**	**19.01**

The following table includes the assumptions used for RSU grants (market condition) valued:

Vesting Condition:	**Market** FY21	**Market** FY21	**Market** FY20	**Market** FY20	**Market** FY20
Date of grant[1]	15 Sep 2020	5 Nov 2020	25 Feb 2020	20 Sep 2019	9 Aug 2019
Dividend yield (per annum)	— %	1.3 %	2.9 %	3.1 %	3.1 %
Expected volatility	39.2 %	40.1 %	26.6 %	26.6 %	27.8 %
Risk free interest rate	0.2 %	0.2 %	1.2 %	1.6 %	1.6 %
Expected life in years	2.9	2.8	2.5	2.9	2.0
JHX stock price at grant date (A$)	30.33	37.24	29.54	24.69	21.68
Number of restricted stock units	167,491	127,083	6,676	477,979	18,518

Scorecard LTI – CSUs

Under the terms of the LTIP, the Company grants scorecard LTI CSUs to executives and the vesting of awards is based on the individual's performance measured over a three year period against certain performance targets. These awards provide recipients a cash incentive based on an average 20 trading-day closing price of JHI plc's common stock price and each executive's scorecard rating.

The following represents the activity related to the CSUs:

	FY21	**FY20**
Granted	571,132	791,217
Vested	377,506	129,549
Cancelled	607,253	328,935

For the fiscal years ending 31 March 2021, 2020 and 2019, US$8.2 million, US$2.0 million and US$2.4 million, respectively, was paid in cash upon vesting of CSU units.

17. Dividends

The following table summarizes the dividends declared or paid during the fiscal years 2021, 2020 and 2019:

(Millions of US dollars)	US Cents/Security	US$ Millions Total Amount	Announcement Date	Record Date	Payment Date
FY 2021 special dividend	0.70	309.6	10 February 2021	19 February 2021	30 April 2021
FY 2020 first half dividend [1]	0.10	44.7	7 November 2019	18 November 2019	20 December 2019
FY 2019 second half dividend	0.26	113.9	21 May 2019	6 June 2019	2 August 2019
FY 2019 first half dividend	0.10	43.6	8 November 2018	12 December 2018	22 February 2019
FY 2018 second half dividend	0.30	128.5	22 May 2018	7 June 2018	3 August 2018

18. Operating Segment Information and Concentrations of Risk

The Company reports its operating segment information in the format that the operating segment information is available to and evaluated by the Chief Operating Decision Maker. The North America Fiber Cement segment manufactures fiber cement interior linings, exterior siding products and related accessories in the United States; these products are sold in the United States and Canada. The Asia Pacific Fiber Cement segment includes all fiber cement products manufactured in Australia and the Philippines, and sold in Australia, New Zealand, Asia, the Middle East and various Pacific Islands. The Europe Building Products segment includes the Fermacell business and fiber cement product manufactured in the United States that is sold in Europe. The Other Businesses segment ceased to be an operating and reportable segment effective 31 March 2020 due to the Company's completion of its exit of its non-fiber cement manufacturing and sales activities in North America, including fiberglass windows. The Research and Development segment represents the cost incurred by the research and development centers. General Corporate primarily consist of *Asbestos adjustments*, officer and employee compensation and related benefits, professional and legal fees, administrative costs and rental expense, net of rental income, on the Company's corporate offices. The Company does not report net interest expense for each segment as the segments are not held directly accountable for interest expense.

Operating Segments

The following is the Company's operating segment information:

	Net Sales Years Ended 31 March		
(Millions of US dollars)	**2021**	2020	2019
North America Fiber Cement	**$ 2,040.2**	$ 1,816.4	$ 1,676.9
Asia Pacific Fiber Cement	**458.2**	418.4	446.8
Europe Building Products	**410.3**	371.4	368.3
Other Businesses	**—**	0.6	14.6
Worldwide total	**$ 2,908.7**	$ 2,606.8	$ 2,506.6

	Income Before Income Taxes Years Ended 31 March		
(Millions of US dollars)	**2021**	2020	2019
North America Fiber Cement	**$ 585.5**	$ 429.3	$ 382.5
Asia Pacific Fiber Cement	**124.8**	58.5	99.8
Europe Building Products	**37.6**	11.2	10.0
Other Businesses	**—**	—	(30.9)
Research and Development	**(28.9)**	(27.0)	(29.0)
Segments total	**719.0**	472.0	432.4
General Corporate	**(246.2)**	(129.5)	(80.8)
Total operating income	**472.8**	342.5	351.6

(Millions of US dollars)	Depreciation and Amortization Years ended 31 March 2021	2020	2019
North America Fiber Cement	**$ 89.1**	$ 88.7	$ 80.2
Asia Pacific Fiber Cement	**13.9**	12.7	12.8
Europe Building Products	**28.0**	25.6	18.7
Other Businesses	**—**	0.2	2.3
General Corporate	**2.8**	3.2	4.3
Research and Development	**1.2**	1.1	1.1
Total	**$ 135.0**	$ 131.5	$ 119.4

(Millions of US dollars)	Total Identifiable Assets 31 March 2021	2020
North America Fiber Cement	**$ 1,273.9**	$ 1,320.0
Asia Pacific Fiber Cement	**371.0**	314.3
Europe Building Products	**762.1**	748.5
Research and Development	**10.3**	8.6
Segments total	**2,417.3**	2,391.4
General Corporate [1]	**1,671.7**	1,636.9
Worldwide total	**$ 4,089.0**	$ 4,028.3

The following is the Company's geographical information:

(Millions of US dollars)	Net Sales Years Ended 31 March 2021	2020	2019
North America [2]	**$ 2,040.2**	$ 1,817.0	$ 1,691.5
Australia	**321.9**	290.4	315.1
Germany	**143.0**	135.7	137.1
New Zealand	**81.9**	72.2	79.1
Other Countries [3]	**321.7**	291.5	283.8
Worldwide total	**$ 2,908.7**	$ 2,606.8	$ 2,506.6

(Millions of US dollars)	Total Identifiable Assets 31 March 2021	2020
North America [2]	**$ 1,279.4**	$ 1,324.8
Australia	**256.7**	220.0
Germany	**527.6**	519.3
New Zealand	**46.3**	32.4
Other Countries [3]	**307.3**	294.9
Segments total	**2,417.3**	2,391.4
General Corporate [1]	**1,671.7**	1,636.9
Worldwide total	**$ 4,089.0**	$ 4,028.3

1. Included in General Corporate are deferred tax assets for each operating segment that are not held directly accountable for deferred income taxes and Asbestos-related assets.
2. The amounts disclosed for North America are substantially all related to the USA.
3. Included are all other countries that account for less than 5% of net sales and total identifiable assets individually, primarily in the Philippines, Switzerland and other European countries.

Research and development expenditures are expensed as incurred and are summarized by segment in the following table. Research and development segment operating income also includes *Selling, general and administrative expenses* of US$2.9 million, US$3.0 million and US$2.3 million in fiscal years 2021, 2020 and 2019, respectively.

	Years Ended 31 March		
(Millions of US dollars)	**2021**	2020	2019
North America Fiber Cement	**$ 5.6**	$ 5.3	$ 6.5
Asia Pacific Fiber Cement	**1.1**	1.8	2.1
Europe Building Products	**1.6**	1.7	2.6
Research and Development	**26.0**	24.0	26.7
	$ 34.3	$ 32.8	$ 37.9

The following represents the Asset impairments by segment for the fiscal year ended 31 March 2020:

(Millions of US dollars)	North America Fiber Cement	Asia Pacific Fiber Cement	Europe Building Products	General Corporate	Total
Property, plant and equipment [1]	$ 41.2	$ 15.0	$ 5.5	$ —	$ 61.7
Right-of-use assets [2]	—	11.2	—	—	11.2
Intangible assets	—	—	—	1.4	1.4
Inventories [3]	—	2.9	—	—	2.9
Goodwill	—	0.2	—	—	0.2
Asset Retirement Obligations [4]	—	5.8	—	—	5.8
Other	—	1.2	—	—	1.2
	$ 41.2	$ 36.3	$ 5.5	$ 1.4	$ 84.4

[1] Excludes US$2.8 million of impairment charges in North America Fiber Cement segment on individual assets that were included in *Cost of goods sold.* Refer to Note 7 for further details.
[2] Relates to the closure of the Penrose, New Zealand plant
[3] The US$2.9 million charge primarily relates to the estimated costs associated with pallets and raw materials, with the closing of the New Zealand plant and exit of James Hardie Systems.
[4] The total Asset Retirement Obligation balance at 31 March 2020 of US$8.0 million is recorded in the Asia Pacific Fiber Cement segment in*Other liabilities - non-current* and relates to the New Zealand plant. This balance is inclusive of the impairment amount above.

Concentrations of Risk

The distribution channels for the Company's fiber cement products are concentrated. The Company has one customer who has contributed greater than 10% of net sales in each of the past three fiscal years. The following is net sales generated by this customer, which is from the North America Fiber Cement segment:

	Years Ended 31 March							
(Millions of US dollars)		**2021**			2020			2019	
Customer A	**$**	**347.3**	**12.0 %**	$	306.0	12.0 %	$	260.5	10.4 %

Approximately 33%, 34% and 36% of the Company's net sales in fiscal year 2021, 2020 and 2019, respectively, were from outside the United States. Consequently, changes in the value of foreign currencies could significantly affect the consolidated financial position, results of operations and cash flows of the Company's non-US operations on translation into US dollars.

19. Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss is comprised of the following at 31 March 2021:

(Millions of US dollars)	Cash Flow Hedges	Pension Actuarial Gain	Foreign Currency Translation Adjustments	Total
Balance at 31 March 2020	$ 0.2	$ 0.8	$ (63.1)	$ (62.1)
Other comprehensive (loss) gain	—	(0.4)	55.9	55.5
Balance at 31 March 2021	**$ 0.2**	**$ 0.4**	**$ (7.2)**	**$ (6.6)**

20. Employee Benefit Plan

In the United States, the Company sponsors a defined contribution plan, the James Hardie Retirement and Profit Sharing Plan (the "401(k) Plan") which is a tax-qualified retirement and savings plan covering all US employees, including the Senior Executive Officers, subject to certain eligibility requirements. In addition, the Company matches employee's contributions dollar for dollar up to a maximum of the first 6% of an employee's eligible compensation.
For the fiscal years ended 31 March 2021, 2020 and 2019, the Company made matching contributions of US$11.1 million, US$11.1 million and US$10.6 million, respectively.

In January 2021, the Company established a deferred compensation plan for its executives whereby the plan assets are held in a rabbi trust. The deferred compensation is funded to the rabbi trust which holds investments directed by the participants and are accounted for as held for sale. The Company will match up to a maximum of the first 6% of an employee's eligible compensation that would not be eligible in the 401(k) Plan due to internal revenue service contribution limits so long as the participant defers eligible compensation to the deferred compensation plan. As of 31 March 2021, the assets held in trust and related deferred compensation liability recorded in the accompanying consolidated balance sheets are immaterial.

Exhibit 99.7

KPMG

Valuation of Asbestos-Related Disease Liabilities of former James Hardie entities ("the Liable Entites") to be met by the AICF Trust

Prepared for Asbestos Injuries Compensation Fund Limited ("AICFL")

As at 31 March 2021

18 May 2021

KPMG Actuarial
A division of KPMG Financial Services Consulting Pty Ltd
Australian Financial Services Licence No. 392050
International Towers Sydney 3
300 Barangaroo Ave
Sydney NSW 2000

PO Box H67
Australia Square NSW 1215
Australia

ABN: 91 144 686 046
Telephone: +61 2 9335 7000
Facsimile: +61 2 9335 7001
DX: 1056 Sydney
www.kpmg.com.au

18 May 2021

Narreda Grimley
Chief Operations Officer
Asbestos Injuries Compensation Fund Limited
Suite 202, Level 2, 56 Clarence Street
Sydney NSW 2000

Cc Jason Miele, Chief Financial Officer, James Hardie Industries plc
Mark Hare, Director, Department of Premier and Cabinet, The State of New South Wales
The Board of Directors, Asbestos Injuries Compensation Fund Limited

Dear Narreda

Valuation of Asbestos-Related Disease Liabilities of former James Hardie entities ("The Liable Entities") to be met by the AICF Trust

We are pleased to provide you with our Annual Actuarial Report relating to the asbestos-related disease liabilities of the Liable Entities which are to be met by the AICF Trust.

The report is effective as at 31 March 2021 and has taken into account claims data and information provided to us by AICFL as at 31 March 2021.

If you have any questions with respect to the contents of this report, please do not hesitate to contact us.

Yours sincerely

N Donlevy

Neil Donlevy MA FIA FIAA
Executive, KPMG Financial Services Consulting Pty Ltd
Fellow of the Institute of Actuaries (London)
Fellow of the Institute of Actuaries of Australia

Jefferson Gibbs BSc FIA FIAA
Executive, KPMG Financial Services Consulting Pty Ltd
Fellow of the Institute of Actuaries (London)
Fellow of the Institute of Actuaries of Australia

Executive Summary

Important Note: Basis of Report

This valuation report ("the Report") has been prepared by KPMG Actuarial, a division of KPMG Financial Services Consulting Pty Ltd (ABN 91 144 686 046) (hereafter collectively referred to as "KPMG") in accordance with an "Amended and Restated Final Funding Agreement in respect of the provision of long-term funding for compensation arrangements for certain victims of Asbestos-related diseases in Australia" (hereafter referred to as the "the Amended Final Funding Agreement") between James Hardie Industries NV (now known as James Hardie Industries plc) (hereafter referred to as "James Hardie"), James Hardie 117 Pty Limited, the State of New South Wales and Asbestos Injuries Compensation Fund Limited ("AICFL") which was signed on 21 November 2006.

This Report is intended to meet the requirements of the Amended Final Funding Agreement and values the asbestos-related disease liabilities of the Liable Entities to be met by the AICF Trust.

This Report is not intended to be used for any other purpose and may not be suitable, and should not be used, for any other purpose. Opinions and estimates contained in the Report constitute our judgment as of the date of the Report.

The information contained in this Report is of a general nature and is not intended to address the objectives, financial situation or needs of any particular individual or entity. It is provided for information purposes only and does not constitute, nor should it be regarded in any manner whatsoever as, advice and is not intended to influence a person in making a decision in relation to any financial product or an interest in a financial product. No one should act on the information contained in this Report without obtaining appropriate professional advice after a thorough examination of the accuracy and appropriateness of the information contained in this Report having regard to their objectives, financial situation and needs.

In preparing the Report, KPMG has relied on information supplied to it from various sources and has assumed that the information is accurate and complete in all material respects. KPMG has not independently verified the accuracy or completeness of the data and information used for this Report.

Except insofar as liability under statute cannot be excluded, KPMG, its executives, directors, employees and agents will not be held liable for any loss or damage of any kind arising as a consequence of any use of the Report or purported reliance on the Report including any errors in, or omissions from, the valuation models.

The Report must be read in its entirety. Individual sections of the Report, including the Executive Summary, could be misleading if considered in isolation. In particular, the opinions expressed in the Report are based on a number of assumptions and qualifications which are set out in the full Report.

Introduction

The Amended Final Funding Agreement requires the completion of an Annual Actuarial Report evaluating the potential asbestos-related disease liabilities of the Liable Entities to be met by the AICF Trust. KPMG has been retained by AICFL to provide this Annual Actuarial Report as required under the Amended Final Funding Agreement and this is detailed in our Engagement Letter dated 12 November 2020.

The Liable Entities are defined as being the following entities:

- Amaca Pty Ltd (formerly James Hardie & Coy);
- Amaba Pty Ltd (formerly Jsekarb, James Hardie Brakes and Better Brakes); and
- ABN60 Pty Ltd (formerly James Hardie Industries Ltd).

In addition, the liability for Baryulgil claims is deemed to be a liability of Amaca by virtue of the James Hardie (Civil Liability) Act 2005 (NSW). Under Part 4 of that Act, Amaca is liable for the "Marlew Asbestos Claims" or "Marlew Contribution Claims" as defined in that Act.

Our valuation is on a central estimate basis and is intended to be effective as at 31 March 2021. It has been based on claims data and information as at 31 March 2021 provided to us by AICFL.

Overview of Recent Claims Experience and comparison with previous valuation projections

In this section we compare the actual experience in 2020/21 (referred to in the following tables as "FY21 Actual") with the projections for 2020/21 that were contained within our previous valuation report at 31 March 2020. We will refer to these projections for 2020/21 as "FY21 Expected" in the tables that follow.

Claim numbers

There have been 382 mesothelioma claims reported in 2020/21, a 13% decrease compared to the 438 mesothelioma claims reported in 2019/20 and 9% below expectations for 2020/21 (420 claims).

Direct claims were 11% below expectations, this reduction was primarily from the 70-80 age cohort, whilst cross claims were 4% below expectations.

For non-mesothelioma claims (excluding workers compensation claims), there have been 143 claims reported in 2020/21, a 28% decrease compared to 198 claims reported in 2019/20. The most significant reduction was from asbestosis which was 44 claims lower than the previous year.

The following table shows the comparison of actual experience with that which had been forecast at the previous valuation.

Table E.1. Comparison of claim numbers

	FY21 Actual	FY21 Expected	Ratio of Actual to Expected (%)	FY20 Actual
Mesothelioma (direct claims)	278	312	89%	317
<60	19	21	90%	21
60-70	58	63	92%	61
70-80	113	144	78%	147
80+	84	84	100%	88
age not known	4	0	n/a	0
Mesothelioma (cross claims)	104	108	96%	121
<60	0	3	0%	2
60-70	15	21	71%	23
70-80	45	51	88%	59
80+	44	33	133%	35
age not known	0	0	n/a	2
Total	382	420	91%	438

	FY21 Actual	FY21 Expected	Ratio of Actual to Expected (%)	FY20 Actual
Asbestosis	93	108	86%	137
Lung Cancer	18	24	75%	25
ARPD & Other	32	36	89%	32
Wharf	0	12	0%	4
Workers	20	24	83%	21
Total	163	204	80%	219

Average Claim Awards

Average claims awards in 2020/21 have been lower than expectations for all eight mesothelioma cohorts.

For the other disease types, average claim sizes have generally been slightly higher than expectations, due to a small number of larger claim settlement amounts.

The following tables shows the comparison of actual experience with that which had been forecast at the previous valuation.

Table E.2. Comparison of average claim size of mesothelioma non-nil claims

	FY21 Actual ($)	FY21 Expected ($)	Ratio of Actual to Expected (%)	FY20 Actual ($)
Mesothelioma (direct claims)				
<60	439,040	718,455	61%	639,233
60-70	463,637	491,630	94%	441,322
70-80	400,904	401,955	100%	410,249
80+	292,019	333,380	88%	330,865
Mesothelioma (cross claims)				
<60	64,000	270,080	24%	140,400
60-70	94,363	164,580	57%	85,131
70-80	60,777	106,555	57%	91,944
80+	77,763	96,005	81%	86,011
Mesothelioma Large Claims (settled)				
Number	2	3	67%	1
Average claim size	1,815,000	2,584,750	70%	1,783,600
Large claim expenditure	3,630,000	7,754,250	47%	1,783,600

Note: FY20 Actuals have been inflated (by 4%) to mid 2020/21 values

Table E.3. Comparison of average claim size of non-mesothelioma non-nil claims

	FY21 Actual ($)	FY21 Expected ($)	Ratio of Actual to Expected (%)	FY20 Actual ($)
Asbestosis	129,721	116,050	112%	113,179
Lung Cancer	136,223	116,050	117%	87,357
ARPD & Other	119,139	116,050	103%	142,407
Wharf	65,068	105,500	62%	102,550
Workers	0	158,250	0%	52,000

Cashflow expenditure: gross and net

Gross cashflow expenditure, at $153.7m, was 10% below expectations.

Net cashflow expenditure, at $139.2m, was lower than expectations by 13%.

Table E.4. Comparison of cashflow

	FY21 Actual ($M)	FY21 Expected ($M)	Ratio of Actual to Expected (%)	FY20 Actual ($M)
Gross Cashflow	153.7	171.6	90%	160.2
Insurance and Other Recoveries	(14.5)	(12.0)	121%	(14.0)
Insurance recoveries from HIH and from commutations	0.0	0.0	n/a	(3.8)
Net Cashflow	139.2	159.6	87%	142.4

Liability Assessment

At 31 March 2021, our projected central estimate of the liabilities of the Liable Entities (the Discounted Central Estimate) to be met by the AICF Trust is $1,762.6m (2020: $2,025.2m).

We have not allowed for the future Operating Expenses of the AICF Trust or the Liable Entities in the liability assessment.

The following table shows a summary of our central estimate liability assessment and compares the current assessment with our previous valuation.

Table E.5. Comparison of central estimate of liabilities

	31 March 2021 $m			31 March 2020 $m
	Gross of insurance recoveries	Insurance recoveries	Net of insurance recoveries	Net of insurance recoveries
Total uninflated and undiscounted cash-flows	1,414.7	62.8	1,351.9	1,452.4
Inflation allowance	699.7	17.9	681.8	762.8
Total inflated and undiscounted cash-flows	2,114.4	80.7	2,033.7	2,215.2
Discounting allowance	(279.9)	(8.8)	(271.1)	(190.0)
Net present value liabilities	1,834.5	71.9	1,762.6	2,025.2

Comparison with previous valuation

In the absence of any change to the claim projection assumptions from our 31 March 2020 valuation, other than allowing for the changes in the discount rate, we would have projected a Discounted Central Estimate liability of $1,783.9m as at 31 March 2021.

The decrease of $241.3m relative to the valuation result at 31 March 2020 is due to:

- A decrease of $155.6m, being the net impact of expected claims payments (which reduce the liability) and the "unwind of discount".
- A decrease of $85.7m resulting from increases to the yield curve between 31 March 2020 and 31 March 2021.

Our liability assessment at 31 March 2021 of $1,762.6m therefore represents a decrease of $21.3m arising from changes to the actuarial assumptions. The reduction is principally a consequence of:

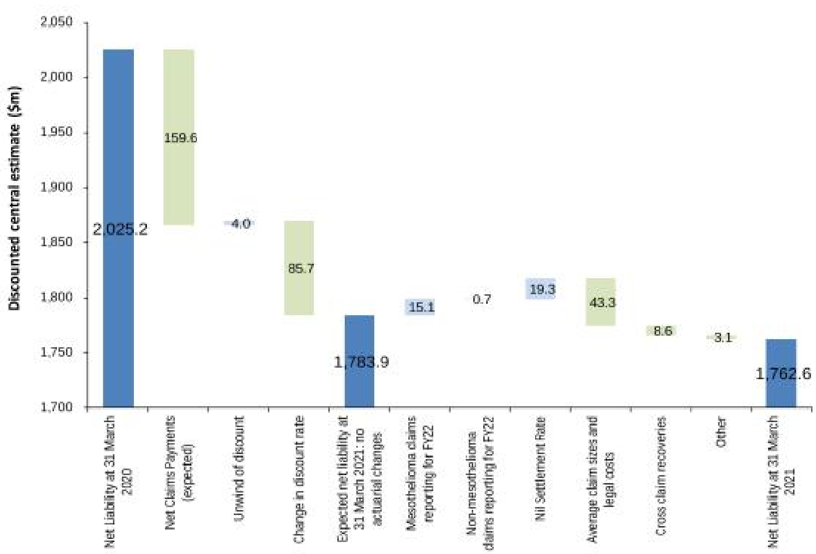
- Reductions in average claim sizes (including small changes in assumed future mix by age cohort); and
- Higher assumed future cross-claims recovery rates;

offset by

- A decrease to the assumed nil settlement rates for mesothelioma claims; and
- A small increase in overall future mesothelioma direct claim numbers owing to a change in the mix of claims towards older age cohorts (which have a longer pattern of emergence of claims).

The following chart shows an analysis of the change in our liability assessment from 31 March 2020 to 31 March 2021 on a discounted basis.

Figure E.1. Analysis of change in central estimate liability (discounted basis)



Note: Green bars signal that this factor has given rise to a decrease in the liability whilst light blue bars signal that this factor has given rise to an increase in the liability.

Amended Final Funding Agreement calculations

The Amended Final Funding Agreement sets out the basis on which payments will be made to the AICF Trust.

Additionally, there are a number of other figures specified within the Amended Final Funding Agreement that we are required to calculate. These are:

- Discounted Central Estimate;
- Term Central Estimate; and
- Period Actuarial Estimate.

Table E.6. Amended Final Funding Agreement calculations

	$m	
Discounted Central Estimate (net of cross-claim recoveries, Insurance and Other Recoveries)	1,762.6	
Period Actuarial Estimate (net of cross-claim recoveries, gross of Insurance and Other Recoveries) comprising:	500.8	
Discounted value of cashflow in 2021/22		157.8
Discounted value of cashflow in 2022/23		174.1
Discounted value of cashflow in 2023/24		168.9
Term Central Estimate (net of cross-claim recoveries, Insurance and Other Recoveries)	1,738.0	

The actual funding amount due at a particular date will depend upon a number of factors, including:

- the net asset position of the AICF Trust at that time;
- the free cash flow amount of the James Hardie Group in the preceding financial year; and
- the Period Actuarial Estimate in the latest Annual Actuarial Report.

Uncertainty

Estimates of asbestos-related disease liabilities are subject to considerable uncertainty, significantly more than personal injury liabilities in relation to other causes, such as CTP or Workers Compensation claims.

It should therefore be expected that the actual emergence of the liabilities will vary from any estimate. As indicated in Figure E.2, depending on the actual out-turn of experience relative to that currently forecast, the variation could potentially be substantial.

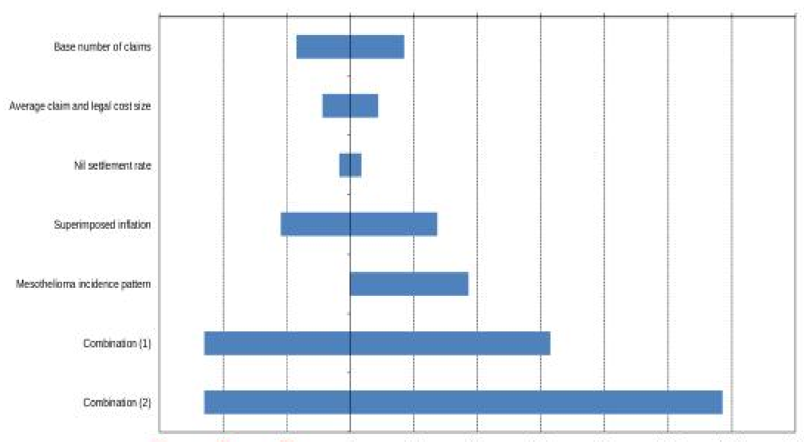
Thus, no assurance can be given that the actual liabilities of the Liable Entities to be met by the AICF Trust will not ultimately exceed the estimates contained in this Report. Any such variation may be significant.

We have performed sensitivity testing to identify the impact of different assumptions upon the size of the liabilities. The different scenarios selected are documented at Section 11.2 of this report.

We have not included a sensitivity test for the impact of changes in discount rates although, as noted in this Report, changes in discount rates can introduce significant volatility to the Discounted Central Estimate result reported at each year-end.

We note that these sensitivity test ranges are not intended to correspond to a specified probability of sufficiency, nor are they intended to indicate an upper bound or a lower bound of all possible outcomes.

Figure E.2. Sensitivity testing results – Impact around the Discounted Central Estimate (in $m)



The single most sensitive assumption shown in the chart is the peak period of claims reporting against the Liable Entities. Shifting the pattern of incidence by 2 years could add approximately $371m (21%) on a discounted basis to our valuation (as shown in the above chart by the scenario labelled "mesothelioma incidence pattern").

Table E.7. Summary results of sensitivity analysis ($m)

	Undiscounted	Discounted
Central estimate	2,033.7	1,762.6
Low Scenario	1,472.7	1,303.4
High Scenario	3,544.8	2,933.2

Whilst the table above indicates a range around the discounted central estimate of liabilities of -$459m to +$1,171m, the actual cost of liabilities could fall outside that range depending on the actual experience.

Executive Summary Not Report

Please note that this executive summary is intended as a brief overview of our Report. To properly understand our analysis and the basis of our liability assessment requires examination of our Report in full.

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Appendices

1. Scope and Purpose

1.1 Introduction

The Amended Final Funding Agreement requires the completion of an Annual Actuarial Report evaluating the potential asbestos-related disease liabilities of the Liable Entities to be met by the AICF Trust.

1.1.1 Liable Entities

The Liable Entities are defined as being the following entities:

- Amaca Pty Ltd (formerly James Hardie & Coy);
- Amaba Pty Ltd (formerly Jsekarb, James Hardie Brakes and Better Brakes); and
- ABN60 Pty Ltd (formerly James Hardie Industries Ltd).

In addition, the liability for Baryulgil claims is deemed to be a liability of Amaca by virtue of the James Hardie (Civil Liability) Act 2005 (NSW). Under Part 4 of that Act, Amaca is liable for "Marlew Asbestos Claims" or "Marlew Contribution Claims" as defined in that Act.

Baryulgil claims are discussed further in Section 5.8.

1.1.2 Personal asbestos claims

Under the Amended Final Funding Agreement, the liabilities to be met by the AICF Trust relate to personal asbestos-related disease liabilities of the Liable Entities.

The precise scope of the liabilities is documented in Section 1.2 and in Appendix C of this Report.

1.1.3 Purpose of report

KPMG has been retained by AICFL to provide an Annual Actuarial Report as required under the Amended Final Funding Agreement and this is detailed in our Engagement Letter dated 12 November 2020.

The prior written consent of KPMG is required for any other use of this Report or the information contained in it.

Our valuation is effective as at 31 March 2021 and has been based on claims data and information as at 31 March 2021 provided to us by AICFL.

1.2 Scope of report

We have been requested to provide an actuarial assessment as at 31 March 2021 of the asbestos-related disease liabilities of the Liable Entities to be met by the AICF Trust, consistent with the terms of the Amended Final Funding Agreement.

The assessment is on a central estimate basis and is based on the claims experience as at 31 March 2021.

A "central estimate" liability assessment is an estimate of the expected value of the range of potential future liability outcomes. In other words, if all the possible values of the liabilities are expressed as a statistical distribution, the central estimate is an estimate of the mean of that distribution.

It is of note that our liability assessment:

- Relates to the Liable Entities and Marlew (in relation to Marlew Claims arising from asbestos mining activities at Baryulgil).
- Is intended to cover:
  - The amount of settlements, judgments or awards for all Personal Asbestos Claims.
  - Claims Legal Costs incurred by the AICF Trust in connection with the settlement of Personal Asbestos Claims.
- Is not intended to cover:
  - Personal injury or death claims arising from exposure to asbestos which took place outside Australia.
  - Personal injury or death claims, arising from exposure to Asbestos, which are brought in Courts outside Australia.
  - Claims for economic loss, other than any economic loss forming part of an award for damages for personal injury and/or death.
  - Claims for loss of property, including those relating to land remediation.
  - The costs of asbestos or asbestos product removal relating to asbestos or asbestos products manufactured or used by or on behalf of the Liable Entities.
- Includes an allowance for:
  - Workers Compensation claims, being claims from former employees of the Liable Entities, but only to the extent that such liabilities are not met by a Workers Compensation Scheme or Policy (see section 1.2.1).
  - Compensation to the NSW Dust Diseases Authority ("DDA") or a Workers Compensation Scheme by way of a claim by such parties for contribution or reimbursement from the Liable Entities, but only to the extent that the cost of such claims is within the limits of funding for such claims as outlined within the Amended Final Funding Agreement.
- Assumes that the product and public liability insurance policies of the Liable Entities will continue to respond to claims as and when they fall due. We have not made any allowance for the impact of any disputation concerning Insurance Recoveries, nor for any legal costs that may be incurred in resolving such disputes.

- Makes no allowance for:
  - Insurance Recoveries from insurance policies placed from 1986 onwards which were placed on a "claims made" basis.
  - the future Operating Expenses of the Liable Entities or the AICF Trust. Separate allowance for future Operating Expenses should be considered by the management of AICFL.
  - the inherent uncertainty of the liability assessment. That is, no additional provision (or risk margin) has been included in excess of a central estimate.

Readers of this Report may refer to our previous reports which are available at www.ir.jameshardie.com.au and www.aicf.org.au.

1.2.1 Workers Compensation

Workers Compensation claims are claims made by former employees of the Liable Entities. Such past, current and future reported claims were insured with, amongst others, Allianz Australia Limited, QBE and the various State-based Workers Compensation Schemes.

Under the Amended Final Funding Agreement, the part of a future Workers Compensation claim that is met by a Workers Compensation Scheme or Policy of the Liable Entities is outside of the AICF Trust. The AICF Trust is, however, to provide for any part of a claim not covered by a Workers Compensation Scheme or Policy (e.g. as a result of the existence of limits of indemnity and policy deductibles on those policies of insurance).

On this basis our liability assessment in relation to Workers Compensation claims and which relates to the AICF Trust, includes only the amount borne by the Liable Entities in excess of the anticipated recoveries due from a Workers Compensation Scheme or Policy.

In making our assessment we have assumed that the Workers Compensation insurance programme will continue to respond to claims by former employees of the Liable Entities as and when they fall due. To the extent that they were not to respond owing to (say) insurer insolvency, Insurer Guarantee Funds may be available to meet such obligations.

1.2.2 Dust Disease Authority and Other Reimbursements

The Amended Final Funding Agreement indicates that the AICF Trust is intended to meet Personal Asbestos Claims and that claims by the DDA or a Workers Compensation Scheme for reimbursement will only be met up to a certain specified limit (aggregated across the DDA and Workers Compensation Schemes), being:

- In the first financial year (2006/07) a limit of $750,000 applied;
- In respect of each financial year thereafter, that limit is indexed annually in line with the Consumer Price Index. At 31 March 2021, the annual limit was $1.04m;
- There is an overall unindexed aggregate cap of $30m;
- At 31 March 2021, AICFL has paid out $12.47m to the DDA.

The cashflow and liability figures contained within this Report have already removed that component of any reimbursements that will not be met by the AICF Trust owing to the application of these limits and caps.

1.2.3 Risk Margins

Australian-licensed insurance companies are required to hold, and many non-insurance companies elect to hold, insurance and self-insurance claims provisions at a level above the central estimate basis to reflect the uncertainty attaching to the liability assessment and to include an allowance in respect of that uncertainty.

A risk margin is an additional amount held, above the central estimate, so as to increase the likelihood of adequacy of the provisions to meet the ultimate cost of settlement of those liabilities.

We note that the Amended Final Funding Agreement envisages the ongoing financing of the AICF Trust is to be based on a "central estimate" approach and that the Annual Actuarial Report should provide a Discounted Central Estimate valuation.

Accordingly, we have made no allowance for any risk margins within this Report.

1.3 Areas of potential exposure

As identified in Section 1.2, there are other potential sources of claims exposure beyond those directly considered within this Report. However, in a number of cases they are unquantifiable even if they have the potential to generate claims. This is especially the case for those sources of future claim where there has been no evidence of claims to date.

1.3.1 General areas of potential exposure

Areas of potential changes in claims exposure we have not explicitly allowed for in our valuation include, but are not limited to:

- Future significant individual landmark and precedent-setting judicial decisions;
- Significant medical advancements;
- Unimpaired claims, i.e. claims for fear, stress, pure nervous shock or psychological illness;
- A change in the basis of compensation for asymptomatic pleural plaques for which no associated physical impairment is exhibited;
- A proliferation (compared to past and current levels of activity) of "third-wave" claims, i.e. claims arising as a result of indirect exposure such as home renovation, washing clothes of family members that worked with asbestos, or from workers involved in the removal of asbestos or the demolition of buildings containing asbestos;
- Changes in legislation, especially those relating to tort reform for asbestos sufferers. Examples include the consultation by the Law Reform Commission in Western Australia in relation to damages for gratuitous services and provisional damages;
- Introduction of new, or elimination of existing, heads of damage;

- Exemplary and aggravated or punitive damages (being damages awarded for personal injuries caused as a result of negligence or reckless conduct);
- Changes in the basis of apportionment of awards for asbestos-related diseases for claimants who have smoked;
- Changes to taxation; and
- Future bankruptcies of other asbestos claim defendants (i.e. other liable manufacturers or distributors).

Nonetheless, implicit allowance is made in respect of some of these items in the allowance for superimposed inflation included in our liability assessment. Furthermore, to the extent that some of these have emerged in past claims experience, they are reflected in our projections.

1.3.2 Third-wave claims

We have made allowance for so-called "third-wave" claims. These are defined as claims for personal injury and / or death arising from asbestos exposure during home renovations by individuals or to builders involved in such renovations. Such claims are allowed for within the projections to the extent to which they have arisen to date and to the extent our exposure model factors in these exposures in its projection.

We have not allowed for a significant additional surge in third-wave claims (over and above current levels of activity) in the future arising from renovations, but conversely we have not allowed for a tempering of those third-wave claims already included within our projection as a result of improved education of individuals as to the risks of such home renovations, or of any local Councils or State Governments passing laws in this regard.

It should be noted that claims for the cost of asbestos or asbestos product removal from homes and properties or any claims for economic loss arising from asbestos or asbestos products being within such homes and properties is not required to be met by the AICF Trust.

1.4 Data reliances and limitations

KPMG has relied upon the accuracy and completeness of the data with which it has been provided. KPMG has not verified the accuracy or completeness of the data, although we have undertaken steps to test its consistency with data previously received. However, KPMG has placed reliance on the data previously received, and currently provided, as being accurate and complete in all material respects.

1.5 Uncertainty

It must be understood that estimates of asbestos-related disease liabilities are subject to considerable uncertainty.

This is due to the fact that the ultimate disposition of future claims will be subject to the outcome of events that have not yet occurred. Examples of these events, as noted in Section 1.3, include jury decisions, court interpretations, legislative changes, epidemiological developments, medical advancements, public attitudes, potential additional third-wave exposures and social and economic conditions such as inflation.

Therefore, it should be expected that the actual emergence of the liabilities will vary, perhaps materially, from any estimate. Thus, no assurance can be given that the actual liabilities of the Liable Entities to be met by the AICF Trust will not ultimately exceed the estimates contained herein. Any such variation may be significant.

1.6 Distribution and use

The purpose of this Report is as stated in Section 1.1.

This Report should not be used for any purpose other than those specified.

This Report will be provided to the Board and management of AICFL. This Report will also be provided to the Board and management of James Hardie, the NSW Government and to EY in their capacity as auditors to both James Hardie and AICFL.

We understand that this Report will be filed with the ASX and placed on James Hardie's website in its entirety.

We understand that this Report will also be placed on AICFL's website in its entirety.

KPMG consents to this Report being made available to the above-mentioned parties and for the Report to be distributed in the manner described above.

To the extent permitted by law, neither KPMG nor its Executives, directors or employees will be responsible to any third parties for the consequences of any actions they take based upon the opinions expressed with this Report, including any use of or purported reliance upon this Report not contemplated in Section 1.2. Any reliance placed is that party's sole responsibility.

Where distribution of this Report is permitted by KPMG, the Report may only be distributed in its entirety and judgements about the conclusions and comments drawn from this Report should only be made after considering the Report in its entirety and with necessary consultation with KPMG.

Readers are also advised to refer to the "Important Note: Basis of Report" section at the front of the Executive Summary of this Report.

1.7 Date labelling convention used in this Report

In our analyses throughout this Report (unless otherwise stated), the "year" we refer to aligns with the financial year of AICFL and James Hardie and runs from 1 April to 31 March.

A "2008" notified claim would be a claim notified in the period 1 April 2008 to 31 March 2009. This might also be referred to as "2008/09" or "FY09".

Similarly, a "2020" claim settlement would be a claim settled in the period 1 April 2020 to 31 March 2021. This might also be referred to as "2020/21" or "FY21".

1.8 Author of the report

This Report is authored by Neil Donlevy, an Executive of KPMG Financial Services Consulting Pty Ltd, a Fellow of the Institute of Actuaries (London) and a Fellow of the Institute of Actuaries of Australia.

This Report is co-authored by Jefferson Gibbs, an Executive of KPMG Financial Services Consulting Pty Ltd, a Fellow of the Institute of Actuaries (London) and a Fellow of the Institute of Actuaries of Australia.

In relation to this Report, the primary regulator for both Neil Donlevy and Jefferson Gibbs is the Institute of Actuaries of Australia.

1.9 Professional standards and compliance

This Report details a valuation of the outstanding claims liabilities of entities which hold liabilities with features similar to general insurance liabilities.

In preparing this Report, we have complied with the Professional Standard 302 of the Institute of Actuaries of Australia ("PS302"), "Valuation of General Insurance Claims".

However, as we note in Section 1.2, this Report does not include an allowance for the future Operating Expenses of the AICF Trust (which are estimated by AICFL) and nor does it include any allowance for a risk margin to reflect the inherent uncertainty in the liability assessment.

1.10 Control processes and review

This valuation report and the underlying analyses have been subject to technical review and internal peer review.

The technical review focuses on ensuring that the valuation models and supporting claims experience analyses that are carried out are performed correctly and that the calculations are being correctly applied. The technical review also focuses on ensuring that the data that is being used has been reconciled insofar as possible.

Internal peer review involves a review of the approach, the methods, the assumptions selected and the professional judgments applied.

Both the technical review and internal peer review processes are applied to the Report as well as the valuation models.

1.11 Basis of preparation of Report

We have been advised by the management of AICFL to prepare the Report on a "going concern" basis (i.e. we should assume that AICFL will be able to meet any shortfall in the cost of the liabilities of the Liable Entities as they fall due).

The cashflow estimates contained in this Report assume that claims against the Liable Entities will continue to be paid in full as and when they fall due.

2. Data

2.1 Data provided to KPMG

We have been provided with the following data by AICFL:

- Claims dataset at 31 March 2021 with individual claims listings;
- Accounting transactions dataset at 31 March 2021 (which includes individual claims payment details); and
- Detailed insurance bordereaux information (being a listing of claims filed with the insurers of the Liable Entities) as at 31 March 2021.

We have allowed for the benefits of the product and public liability insurance policies of the Liable Entities based on information provided to us by AICFL relating to the insurance programme's structure, coverage and layers.

We have also considered the claims data listings which formed the basis of our previous valuation assessments. The data structures provided for the claims and accounting datasets are consistent with those provided at previous valuations.

2.2 Data limitations

We have tested the consistency of the various data sets provided to us at different valuation dates. Section 2.3 outlines the nature of the testing undertaken.

However, we have not otherwise verified the data and have instead relied on the data provided as being complete and accurate in all material respects.

We have relied upon the robustness of AICFL's internal administration and systems as to the completeness of the data provided.

Consequently, should there be material errors or incompleteness in the data, our assessment could also be affected materially.

2.3 Data reconciliation and testing

We have performed a reconciliation of the data provided at 31 March 2021 with the data provided at 31 March 2020.

We have undertaken a number of tests and reconciliations to test the accuracy of the data to the extent possible, noting the limitations outlined above.

2.3.1 Reconciliation with previous valuation's data

We have performed a reconciliation of the claims database as at 31 March 2021 with that provided at 31 March 2020.

Our findings are:

- Claims notifications: There were no new claims reported that had a report date prior to 31 March 2020. No claims (that already had a notification date) changed notification date between the two databases.
- Portfolio category: Eight claims changed category. Three of these changed to mesothelioma.
- Settlement date: There has been one claim that previously had a settlement date prior to 31 March 2020 that has changed settlement date at the current valuation.

Changing and developing data is not unexpected or to be considered as adverse. Indeed, changing data is common to all claims administration systems. We do not consider the number or extent of the changes noted above to be unreasonable, nor do we consider the changes to be material to the valuation.

2.3.2 Reconciliation of claims settlement amounts between claims and accounting databases

We have mapped the financial data between the claims and accounting databases into standardised groupings as follows:

Table 2.1: Grouping of financial data from claims and accounting databases

	CLAIMS DATABASE	ACCOUNTING DATABASE
Award	Damages (gross of cross-claims) plus DDB reimbursement plus Medicare (from Accounting Database)	Damages plus DDB reimbursements plus Medicare
Costs / Other	Costs plus Other less Medicare (from accounting database)	Costs plus Consulting
Defence legal costs	Defence legal costs	Defence legal costs

Note: Recovery amounts are available from the accounting database

We have compared the payment records between the claims database and the accounting database from the earliest date to the current file position.

The table below shows the results of this reconciliation for all claim transactions to date.

Table 2.2: Comparison of amounts from claims and accounting databases ($m)

CLAIMS DATABASE		ACCOUNTING DATABASE	
Damages (gross of recoveries, excluding medicare)	2,015.6	Damages (gross of recoveries)	2,018.3
Costs	62.2	Costs	63.2
DDB	17.2	DDB	17.2
Other (inc Medicare)	5.6	Consulting	2.2
		Medicare	3.2
		Interest	0.3
Defence legal costs	218.9	Defence legal costs	219.7
Total Value	2,319.5	Total Value	2,324.2
Standardisation			
Award plus Medicare plus DDB	2,036.0	Award plus Medicare plus DDB	2,038.8
Costs / Other	64.6	Costs / Other	65.7
Defence legal costs	218.9	Defence legal costs	219.7

Total Value	2,319.5	Total Value	2,324.2

Once the standardisation has been undertaken, the two datasets reconcile closely – with differences for claim awards totalling approximately $2.8m (31 March 2020: $2.8m).

Our approach for each claim record has been to take the maximum value of the two databases for each claim record. This results in the following overall totals being used in our analysis:

- $2,039.4m for the claims award component;
- $66.0m for the costs / other component; and
- $219.8m for the defence legal costs component.

This approach, of taking the maximum value for each claims record, may result in some minor prudence in our overall analysis although the amount of prudence is not considered to be significant in the context of the size of the potential liabilities and the underlying uncertainty in any valuation estimating future claims costs over the next 40 years or more.

2.4 Data conclusion

We have not verified the underlying data nor have we undertaken "auditing at source". No material data issues have been identified and notified to us by the Approved Auditor of AICFL (EY) during their testing.

We have tested the data for internal consistency with the data provided at the previous valuation (31 March 2020).

Based on that testing and reconciliation, and subject to the limitations described in Section 1.4, we have formed the view that:

- Generally, the data is consistent between valuations, with any differences in the data being readily explainable;
- The financial data appears to reconcile reasonably between the two data sources (the claims dataset and the accounting transactions datasets);
- Any data issues that have emerged are not significant in relation to the size of the liabilities; and
- The data is appropriate for use for the purpose of this Report.

3. Valuation Methodology and Approach

3.1 Valuation methodology changes

We have maintained the core valuation methodology adopted at our previous valuation.

The most recent material change in the methodology took place at 31 March 2020 when we separated the portfolio of mesothelioma claims between direct claims and cross-claims and for each of the four age cohorts. This included deriving separate assumptions for direct claims and cross claims and for each of the four age cohorts for:

- estimated future claim numbers (including latency assumptions);
- average claim sizes (including incidence rates of large claims);
- average legal costs; and
- nil settlement rates (but only for direct and cross, without separate age-based assumptions).

3.2 Overview of current methodology

The methodology involves assessing the liabilities in two separate components, being:

- Allowance for the cost of settling claims which have already been reported but have not yet been settled ("pending claims"); and
- Allowance for the cost of settling claims which have not yet been reported ("Incurred But Not Reported" or "IBNR" claims).

For pending claims, we have used the case estimates (where available) with some adjustments to reflect the extent to which the case estimates (on average) tend to overstate the ultimate cost. For IBNR claims we have used an "average cost per claim method".

In brief, the overall methodology may be summarised as follows:

- Project the future number of claims expected to be reported in each future year by disease type (for product and public liability) and for Workers Compensation and wharf claims taking into account the expected future incidence of mesothelioma and other diseases and also the past rate of co-joining of the Liable Entities;
- Analyse past average attritional claim costs of non-nil claims in mid 2020/21 money terms. We have defined attritional claims to be claims which are less than $1m in 2006/07

money terms. We estimate a baseline attritional non-nil average claim cost in mid

2020/21 money terms. This represents the Liable Entities' share of a claim rather than the total claim settlement;

- Analyse past historical average plaintiff/other and defendant legal costs for non-nil claim settlements;
- Analyse past historical average defendant legal costs for nil claim settlements;
- Estimate a "large claims loading" for mesothelioma claims by estimating the frequency, or incidence rate, and average claim size and legal cost sizes of such claims (being claims which are in excess of $1m in 2006/07 money terms);
- Project the pattern and incidence of future claims settlements from the claims reporting profile projected. This is done by using a settlement pattern derived from consideration of past experience of the pattern of delay between claim reporting and claim settlement for each disease type;
- Estimate the proportion of claims which will be settled with no liability against the Liable Entities by reference to past proportions of claims settled for nil claim cost (we refer to this as the "nil settlement rate");
- Inflate average claim, plaintiff/other and defence legal costs and large claim costs to the date of settlement of claims allowing for base inflation and (where applicable) superimposed inflation;
- Multiply the claims numbers which are expected to be settled for non-nil amounts in a period by the inflated average non-nil claim costs (including the "large claims loading") and plaintiff/other and defence legal costs for that period;
- Make allowance in defence legal costs for that proportion of settled claims which are expected to be settled for no liability but for which defence costs will be incurred;
- Inflate average defence legal costs of nil claims to the date of settlement of claims allowing for base inflation;
- Multiply the claims numbers which are expected to be settled for nil amounts in a period by the inflated average defence legal costs for nil claims for that period;
- Add the expected claims costs and legal payments relating to pending claims (after allowance for the potential savings on case estimates) after making allowance for the assumed settlement pattern of pending claims;
- This gives the projected future gross cashflow for each future financial year;
- Adjust the projected gross cashflow (where applicable) for the impact of the annual and aggregate caps on DDA reimbursements;
- Estimate the recoveries resulting from cross-claims made by the Liable Entities against other parties ("cross-claim recoveries");
- Project Insurance Recoveries to establish the net cashflows;

- Discount the cashflows using a yield curve derived from yields on Commonwealth Government Fixed Interest Bonds at the valuation date to arrive at our present value liability assessment.

It should be noted that this description is an outline and is not intended to be exhaustive in consideration of all the stages we consider or all investigations we undertake. Those other stages are outlined in more detail elsewhere in this Report and readers are advised to refer to those sections for a more detailed understanding of the process undertaken.

As discussed elsewhere, the liabilities are established on a central estimate basis.

3.3 Disease type and class subdivision

3.3.1 Claims records excluded from our analysis

We have excluded records that relate to cross-claims brought by the Liable Entities against other defendants. Where the cross-claim is brought as part of the main proceedings the claim is automatically counted in our analysis of the number of claims. However, where the cross-claim by the Liable Entities is severed from the main proceedings, the existence of a separate record in the claims dataset does not indicate an additional claim (or liability) against the Liable Entities. In these circumstances such records are not counted in our analysis.

We have also excluded "insurance recovery" claims records. This is because the insurance recovery record is a separate record that exists for claims records where an insurance recovery is due. In other words, the claim against the Liable Entity has already been included in our analysis and the insurance recovery record exists for operational purposes only.

3.3.2 Categories of claim

We have sub-divided the remaining claims into the following groups:

- Product and Public Liability;
- Workers Compensation, being claims by former employees of the Liable Entities; and
- Wharf claims, being claims by individuals whose occupations involved working on the docks or wharves, or where part of their exposure related to wharves.

3.3.3 Categories of disease

For product and public liability claims, we have separately analysed the individual disease types.

We have split the data by disease type for these claims, because there is sufficient volume of claims to do so, because different disease types display substantially different average claim sizes, and because the incidence pattern of future notifications is expected to vary between the different disease types.

We have not divided the Workers Compensation or wharf claims data by disease type, given their low financial significance and the reduced credibility of the data if sub-divided by disease type (given the low number of claims).

For the purposes of our analysis, we have allocated each claim once and therefore to one disease only. We have selected the following order of priority, based on the relative severity of the disease:

- Mesothelioma;
- Lung cancer / Other cancer;
- Asbestosis; and then
- Asbestos-Related Pleural Disease and Other ("ARPD & Other").

This means that if a product or public liability claim has mesothelioma as one of its listed diseases, it is counted as a mesothelioma claim. If a product or public liability claim has lung cancer or other cancer as one of its listed diseases (but not mesothelioma), it is counted as a lung cancer claim. If a product or public liability claim has asbestosis as one of its listed diseases, it is only counted as asbestosis if it has no reference to mesothelioma, lung cancer or other cancer as one of its diseases.

For mesothelioma, we have also separated claims based on the age of the claimant at the date of notification of the claim. We have used four age cohorts, namely:

- <60 years of age;
- 60-70 years of age;
- 70-80 years of age; and
- >80 years of age.

We have further separated mesothelioma claims between direct claims and cross claims.

3.4 Numbers of future claims notifications: mesothelioma

To project the pattern of incidence of claims against the Liable Entities, we have constructed a model which utilises the following inputs:

- The current Australian population by year of birth / current age and gender;
- Standard mortality rates by age and gender. This is used to project the population by year of birth / age at each future year;
- The relative risk-exposure (or incidence rates) between males and females;
- The relative risk-exposure by age of person at time of exposure;
- The exposure to asbestos in Australia;
- The statistical distribution of the latency period from average exposure separately for direct claims and cross claims, and by age of claimant, together with the underlying parameters (the mean and the standard deviation) of the latency model.

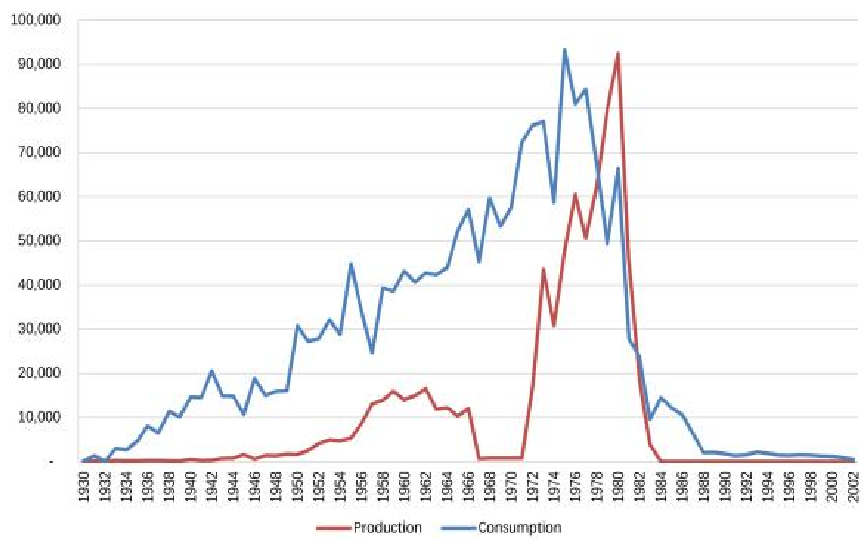
Detailed discussion of the approach taken is documented in our 31 March 2018 Annual Actuarial Report.

3.4.1 Exposure model

We have constructed a proxy for exposure by reference to statistics showing the levels of Australian usage of asbestos. We do not have detailed individual exposure information for the Liable Entities, its products or where the products were used and how many people were exposed to those products.

However, given the market share of James Hardie over the years (through to 1987) and its relative stability, we have used a national pattern of usage as a reasonable proxy for the Liable Entities' exposure.

Figure 3.1: Consumption and production indices – Australia 1930-2002



Source: World Mineral Statistics Dataset, British Geological Survey, www.mineralsuk.com
R Virta, USGS Website Annual Yearbook

There is an implicit assumption within the use of the consumption to derive the level of future claim notifications that:

- the consumption of asbestos is directly correlated with, and is a suitable proxy for, the number (and extent of exposure) of people exposed to asbestos in any year; and
- the rate of incidence of individuals developing an asbestos-related disease arising from exposure to asbestos is the same for each exposure year and is independent of the type of asbestos used.

3.4.2 Latency model

We have continued to assume that the latency pattern (from the average date of exposure) is statistically distributed with a normal distribution.

We have derived separate latency assumptions for mesothelioma as between direct claims and cross claims. The model projection assumptions are shown in the table below and are unchanged from the 31 March 2020 valuation.

Table 3.1: Latency assumptions for mesothelioma claims

	Direct	Cross
Mean	39	41
Standard Deviation	9	10

The analysis supporting the selection of these parameters is summarised in Section 6.

3.4.3 Calibrating the curve index to current reporting experience

We take the claim curve index and then calibrate the number of notifications in each future year by reference to the recent levels of claims reporting and the number of claims we have assumed for the 2021/22 financial year. This approach implicitly assumes that:

- The future rate of incidence of asbestos-related diseases manifesting as a result of a past exposure to asbestos will remain stable;
- The pattern of diagnosis and the delay between diagnosis and reporting remain stable;
- The "propensity to claim" by individuals will remain stable; and
- The rate of co-joining the Liable Entities in common law claims will remain stable.

Changes to any of these factors over time will result in changes to the actual pattern of incidence of claims reporting.

The claim curve index also provides us with the proportions of the total number of claims reported in each future year that relate to each of the four age groups and separately for direct claims and cross claims for mesothelioma.

Our assumptions for the base number of claims projected to be reported in 2021/22 are summarised in Section 4.6 and Section 5.7.

3.5 Incidence of claim settlements from future claim notifications

We derive a settlement pattern by analysing triangulations of the numbers of settlements and claims payments by delay from the year of notification.

From these settlement pattern analyses, we have estimated the pace at which claims notified in the future will settle, and used this to project the future number, and monetary amount, of settlements in each financial year for each disease type.

Our analysis and assumptions selected are summarised in Section 9.5.

3.6 Average claim costs of IBNR claims

3.6.1 Attritional claims

We define a large claim as one for which the award is greater than or equal to $1m in 2006/07 money terms (which equates to approximately $1.73m in mid 2020/21 money terms).

We define an attritional claim as a non-nil, non-large claim. We define a nil claim as one for which the award payable by the relevant Liable Entity is zero.

We have estimated the following five components to the average cost assessment:

- Average award (sometimes including plaintiff legal costs) of a non-nil "attritional" claim.
- Average plaintiff legal / other costs of a non-nil "attritional" claim.
- Average defence legal costs of a non-nil "attritional" claim.
- Average defence legal costs of a nil claim.
- Large claim awards and legal cost allowances.

All of our analyses have been constructed using past average awards, which have been inflated to mid 2020/21 money terms using a historical base inflation index (of 4% per annum). This allows for basic inflation effects when identifying trends in historical average settlements. We then determine a prospective average cost in mid 2020/21 money terms, including an explicit allowance for overseas exposures resulting from the decision in *Talifero vs Amaca*.

Our analysis and assumptions are summarised in Section 7.

3.6.2 Large claims loading

We analyse the historical incidence rate of large claims (being measured as the ratio of the number of large claims to the total number of non-nil claims), and the average claim size and legal costs of these claims.

We use these to arrive at a "per claim" loading (being the average large claim cost multiplied by the large claim incidence rate per claim), being the additional amount we need to add to our attritional average claim size to allow for large claims.

We have derived separate incidence rate and average claim size assumptions for each of the four age groups for mesothelioma.

Our analysis and assumptions are summarised in Section 7.8.

3.6.3 Future inflation of average claim sizes

Allowance for future claim cost inflation is made. This is modelled as a combination of base inflation plus superimposed inflation. This enables us to project future average settlement costs in each future year, which can then be applied to the IBNR claims numbers as they settle in each future year.

Our analysis and assumptions in relation to claims inflation are summarised in Section 9.2.

3.7 Proportion of claims settled for nil amounts

We apply a "nil settlement rate" to the overall number of settlements to estimate the number of claims which will be settled for nil claim cost (i.e. other than in relation to defence legal costs) and those which will be settled for a non-nil claim cost.

The prospective nil settlement rate is estimated by reference to the analysis of past trends in the rate of nil settlements.

Our analysis and assumptions selected are summarised in Section 8.

3.8 Pending claims

3.8.1 Definition of pending claims

At 31 March 2021, there were 411 claims for which claim awards have not yet been fully settled by the Liable Entities. Additionally, there are a number of other claims for which defence legal costs have not yet been settled, even though the awards have been settled.

3.8.2 Evaluating the liability for pending claims

The excess amount of the liability for pending claims, over the case estimates held, is what the insurance industry terms Incurred But Not Enough Reported ("IBNER").

Depending on the case estimation procedure of a company and the nature of the liabilities, IBNER can be either positive or negative, with a negative IBNER implying that the ultimate cost of settling claims will be less than case estimates, i.e. that there is some degree of redundancy in case estimates.

3.8.3 Findings

The table below shows that there has been no deterioration compared to the estimates we previously adopted and are currently adopting (both of which have already made allowance for a 25% saving on case estimates).

Table 3.2: Change in cost of claims during 2020/21 financial year ($m) – claim award component only

Figures in $ millions	Current year reported claims	Prior year reported claims	Total
Estimates for pending claims at 31 March 2020 (undiscounted)	0.0	76.6	76.6
Paid in the year to 31 March 2021	66.6	63.6	130.2
Estimates for pending claims at 31 March 2021 (undiscounted)	67.7	16.1	83.7
Incurred Cost in the financial year	**134.3**	**3.1**	**137.3**

The table above shows that there has been an increase of $3.1m in the cost of claims that were reported prior to 31 March 2020 (31 March 2020: $3.9m decrease).

We have maintained our assumption for the level of redundancy in case estimates on currently reported claims at 25% at this valuation. This assumption is only applied to the case estimates for the claim award.

3.9 Insurance Recoveries

Insurance Recoveries are defined as proceeds which are estimated to be recoverable under the product and public liability insurance policies of the Liable Entities, and therefore exclude any such proceeds from a Workers Compensation Scheme or Policy in which the Liable Entities participate or which the Liable Entities hold.

In applying the insurance programme we therefore consider only the projected gross cashflows relating to product and public liability claims.

Historical analysis of the claims data suggests that approximately 97.5% of all liability claims by cost have been product liability claims.

3.9.1 Programme overview

Until 31 May 1986, the Liable Entities had in place product and public liability insurance policies that were placed on a claims occurring basis.

Product liability claims were insured under these insurance policies on an "in the aggregate" basis whilst public liability claims were insured on an "each and every loss" basis.

From 31 May 1986, the insurance policies were placed on a claims made basis in relation to asbestos-related product and public liability cover.

In summary, the insurance policies were placed as follows:

- For the period up to June 1976, the insurance policies were written on a claims occurring basis. The insurance was provided by QBE but the cover provided by these policies was commuted in June 2000. Therefore we have assumed no future Insurance Recoveries from these policies.
- For the period from June 1976 to 31 May 1986, the insurance policies were written on a claims occurring basis; insured by Lloyds' of London, London Market insurers, Australian insurers and HIH entities.
- For the period 31 May 1986 to 31 March 1997, the insurance policies were written on a claims-made basis. For the purpose of this Report, we have made no allowance for any future Insurance Recoveries arising from these policies.

3.9.2 Modelling insurance recoveries on the claims occurring programme

Our methodology for projecting the future insurance recoveries to be collected by AICFL involves the following steps:

- Identify the current contract positions for each insurance policy year. This assumes that all monies due have been collected, and does not allow for the impact of commutations that have taken place.
- Allocate the projected future gross cashflows to individual insurance policy years using an allocation basis that has been determined by reference to the exposure methodology used to project future claim numbers and also using a "period of exposure" allocation.
- This gives a projection of how the insurance programme is utilised over time.

This method allows us to:

- evaluate the total insurance recoveries due by payment year;
- determine how the insurance recoveries due will be assigned to each layer and to each insurer; and
- identify and allow for when the individual layers are projected to be fully exhausted.

We then make an additional adjustment to the projected recoveries to exclude those projected future insurance recoveries that are assigned to the participations of insurers who have already commuted their coverage with AICFL and the Liable Entities or insurers who have settled their coverage by way of a Scheme of Arrangement.

3.9.3 Commutations, HIH and Schemes of Arrangement

Other commutations have been entered into by AICFL in previous years and these commutations have typically (other than QBE) involved the payment of a lump sum amount.

In these circumstances, we have assumed that the insurance liabilities of that company to the Liable Entities have been fully discharged and no further recoveries will fall due.

Additionally, we have assumed that all monies have been paid in relation to insurance recoveries for the claims occurring period from HIH.

For the claims occurring period, where a claim filed against a company under a Scheme of Arrangement has been accepted and payment made, we have assumed that the insurance liabilities of that company to the Liable Entities have been fully discharged and no further recoveries will fall due.

We have made no allowance or adjustment in our valuation for any other future commutations with the remaining insurers.

3.9.4 Unpaid insurance recoveries

We have not included within our liability estimate any allowance for insurance recoveries under the claims occurring period that are due but have not yet been collected.

We are advised that such monies amount to approximately $2m at 31 March 2021.

These amounts are more appropriately dealt with as being debtors of AICFL.

3.9.5 Bad and doubtful debt allowance on Insurance Recoveries

We have made allowance for bad and doubtful debts on future Insurance Recoveries within our valuation by use of the default rates as shown in the table below.

Table 3.3: Credit rating default rates by duration

Rating	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5	Yr. 6	Yr. 7	Yr. 8	Yr. 9	Yr. 10	Yr. 11	Yr. 12	Yr. 13	Yr. 14	Yr. 15
AAA	0.00%	0.03%	0.13%	0.24%	0.34%	0.45%	0.51%	0.59%	0.64%	0.70%	0.72%	0.75%	0.78%	0.84%	0.90%
AA+	0.00%	0.05%	0.05%	0.10%	0.15%	0.20%	0.25%	0.31%	0.36%	0.42%	0.48%	0.53%	0.59%	0.66%	0.72%
AA	0.02%	0.03%	0.08%	0.21%	0.35%	0.47%	0.59%	0.70%	0.78%	0.87%	0.95%	1.00%	1.10%	1.16%	1.22%
AA-	0.03%	0.08%	0.16%	0.23%	0.31%	0.41%	0.47%	0.52%	0.57%	0.62%	0.68%	0.73%	0.75%	0.80%	0.84%
A+	0.05%	0.09%	0.19%	0.31%	0.41%	0.50%	0.60%	0.71%	0.83%	0.96%	1.08%	1.21%	1.36%	1.54%	1.68%
A	0.05%	0.14%	0.21%	0.32%	0.44%	0.61%	0.78%	0.94%	1.11%	1.32%	1.48%	1.60%	1.72%	1.79%	1.95%
A-	0.06%	0.16%	0.25%	0.36%	0.51%	0.66%	0.87%	1.03%	1.15%	1.27%	1.37%	1.50%	1.62%	1.74%	1.84%
BBB+	0.09%	0.26%	0.47%	0.67%	0.90%	1.15%	1.35%	1.56%	1.82%	2.07%	2.30%	2.46%	2.64%	2.87%	3.12%
BBB	0.15%	0.37%	0.59%	0.93%	1.27%	1.62%	1.94%	2.24%	2.56%	2.88%	3.22%	3.49%	3.72%	3.82%	4.03%
NR	3.71%	7.19%	10.18%	12.63%	14.64%	16.30%	17.68%	18.83%	19.86%	20.81%	21.61%	22.29%	22.93%	23.49%	24.04%
R	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Standard & Poors' 2020 Annual Global Corporate Default Study and Rating Transitions.
NR relates to companies which are Not Rated
R relates to companies which have been subject to Regulatory Action regarding solvency.

We have considered the credit rating of the insurers (and/or their parent companies) of the Liable Entities as at March 2021 and applied the relevant credit rating default rates to the expected future cashflows by year, treaty and insurer.

3.10 Cross-claim recoveries

A cross-claim can be brought by, or against, one or more Liable Entities. Cross-claims brought against a Liable Entity ("Contribution Claims") are included in our analysis of the claims experience.

Cross-claims brought by a Liable Entity relate to circumstances where the Liable Entity seeks to join (as a cross-defendant) another party to the claim in which the Liable Entity is already joined.

Our approach in the valuation has been to separately value the rate of recovery ("cross-claims recovery rate") as a percentage of the gross award based on historical experience of such recoveries.

Our analysis and assumptions selected are summarised in Section 9.4.

3.11 Discounting cashflows

Cashflows are discounted on the basis of yields available at the valuation date on Commonwealth of Australia fixed interest Government Bonds ("Commonwealth Government Bonds") of varying coupon rates and durations to maturity.

Our approach to the determination of the discount rates is unchanged from the approach adopted at 31 March 2020, and is:

- For years 1 to 16, zero coupon spot rates were determined by reference to the prices, coupons and durations of Commonwealth Government Bonds;
- For years 19 and onwards, we have selected a uniform long-term discount rate of 4.00% per annum (FY2020: 4.00% per annum); and
- For years 17 and 18, we have selected spot rates that "linearly interpolate" between the year-16 rate and the year-19 rate (of 4.00%).

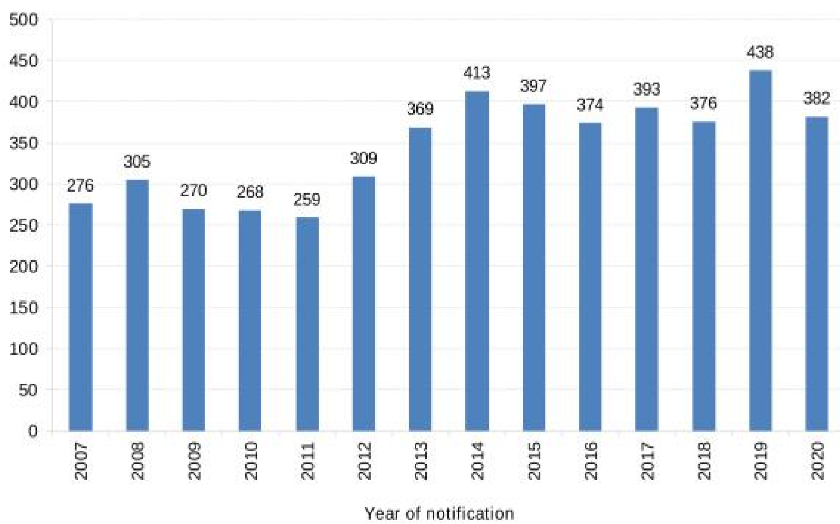
Our selected assumptions are summarised in Section 9.3.

4. Claims Experience: Mesothelioma Claim Numbers

4.1 Overview

The following chart shows the number of mesothelioma claims reported by year of notification.

Figure 4.1: Number of mesothelioma claims reported annually



Note: Throughout Sections 4 to 9, the date convention used in tables and charts is that (for example) 2008/09 indicates the financial year running from 1 April 2008 to 31 March 2009. Furthermore, unless clearly identifying a calendar year, the label "2008" in charts or tables would indicate the financial year running from 1 April 2008 to 31 March 2009.

For 2020/21, there were 382 mesothelioma claims reported. This represented a 13% decrease relative to the prior year (438 claims).

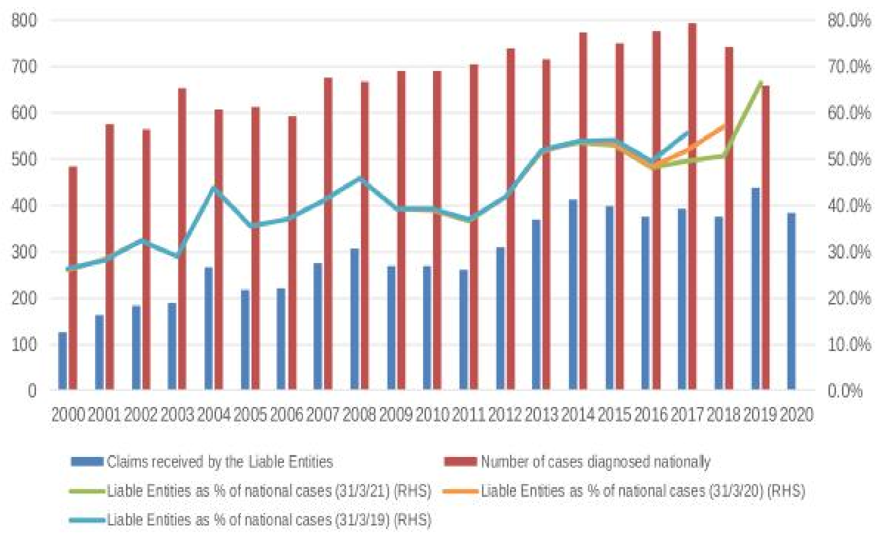
4.2 External statistics on mesothelioma claims incidence

The following chart compares the total number of mesothelioma cases reported (diagnosed) nationally to the number of mesothelioma claims received by the Liable Entities.

It should be noted that the two sets of data correspond to different definitions of year and so are not directly comparable and some caution should be exercised.

The "year" is calendar year for the national cases (i.e. 2012 is the year running from 1 January 2012 to 31 December 2012); whilst for the Liable Entities it is the financial year (i.e. 2012 is the year running from 1 April 2012 to 31 March 2013).

Figure 4.2: Number of mesothelioma cases reported nationally compared to the number of claims received by the Liable Entities



Sources: Australian Cancer Incidence and Mortality book for Mesothelioma, Australian Institute of Health and Welfare, updated February 2018 for 2000-2013

Annual Report of the Australian Mesothelioma Registry for 2014 and onwards

The annual number of mesothelioma cases diagnosed nationally was relatively stable for the period 2007 to 2011 varying between 666 and 705 cases.

In calendar year 2019, the number of cases diagnosed nationally (as currently reported) fell to 659. It should be noted there may be a considerable degree of under-reporting in the 2019 year and, to a lesser extent, the 2018 year, noting that:

- The 2015 year was first reported as 650, and this has increased to 750 (as reported in the 2019 Australian Mesothelioma Registry Report).
- The 2016 year was first reported as 700, and this has increased to 776 (as reported in the 2019 Australian Mesothelioma Registry Report).
- The 2017 year was first reported as 710, and this has increased to 792 (as reported in the 2019 Australian Mesothelioma Registry Report).

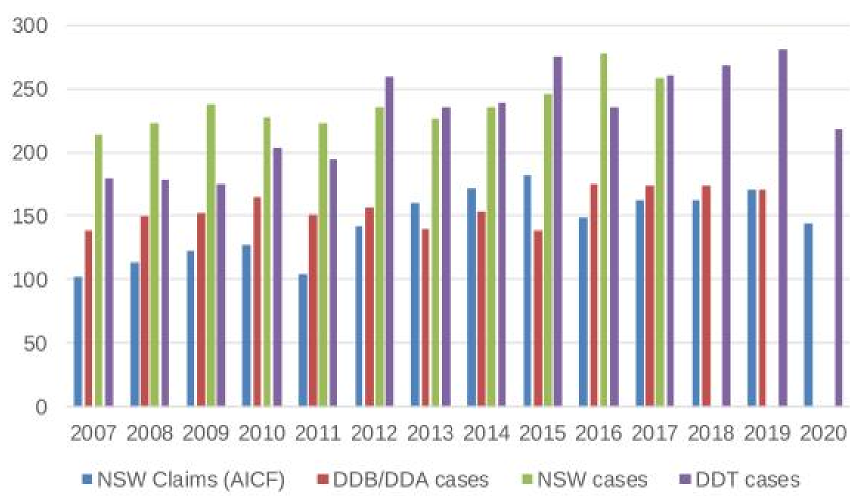
These increases in national statistics lead to a lower ratio for the number of Liable Entity claims as a percentage of the number of national cases of mesothelioma. As a consequence, the currently estimated 66% for 2019/20 may be over-stated and (if previous experience of initial under-reporting of the number of national cases were to recur) may be more in the order of 55% to 60%.

It should be noted that not all cases of mesothelioma result in a claim being brought in Common Law. Furthermore, even if a claim is brought, not all claims will involve the Liable Entities.

In relation to NSW, we have additional information from the Dust Diseases Tribunal (NSW) that indicates what proportion of common law claims the Liable Entities are joined in for NSW.

For the DDB/DDA data, the "year" is financial year (i.e. 2012 is the year running from 1 July 2012 to 30 June 2013). In contrast, in the DDT data, "year" is defined as a calendar year (i.e. 2012 is the year running from 1 January 2012 to 31 December 2012). It should be noted that the four sets of data correspond to different definitions of year and so are not directly comparable and some caution should be exercised.

Figure 4.3: Number of mesothelioma cases reported in NSW



Sources: NSW Central Cancer Registry.

Insurance and Care NSW Annual Report 2019/20.

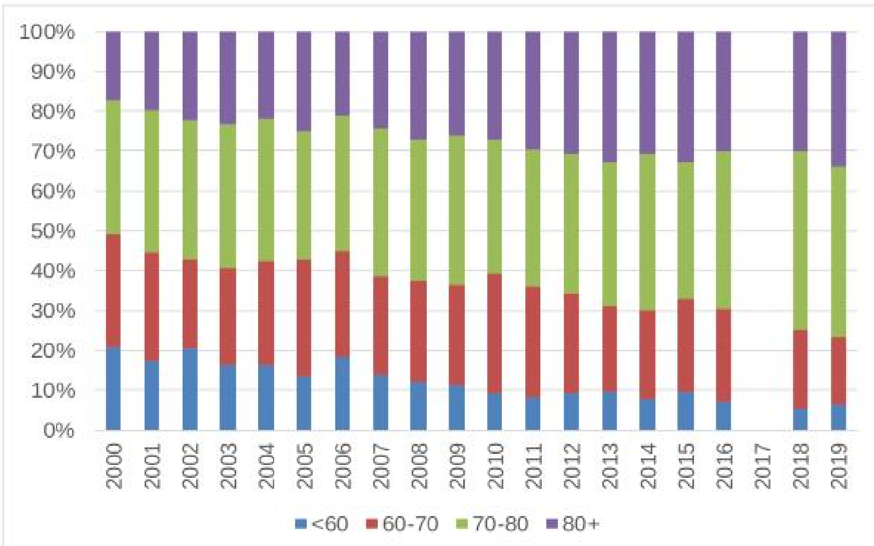
DDT statistics provided by the State of New South Wales

The chart shows that whilst the number of NSW cases of mesothelioma has been relatively stable across the period since 2007/08, other than the 13% increase in 2016 and the consequential reduction in 2017, the number of common law DDT cases rose by 56% between 2007 and 2019. The Liable Entities experienced a broadly similar rate of growth in claim numbers in that same period. There were reductions for both DDT cases and also for the Liable Entities in the most recent year.

The data would appear to indicate that the Liable Entities are not being increasingly joined in common law claims in NSW, nor that there is necessarily an increasing prevalence of mesothelioma in NSW, but rather that the proportion of people being diagnosed who then bring a common law claim is the primary factor leading to the increases in claim numbers that have been observed in the last ten years (i.e. there has been an increase in the propensity to claim).

The chart below shows the mix of national cases by age. The data shows a broadly similar pattern to AICF's own experience, with the proportion of cases relating to people under 70 years of age trending down and currently comprising around 25% of all cases.

Figure 4.4: Age profile of mesothelioma cases nationally



Sources: Australian Institute of Health and Welfare; Australian Mesothelioma Registry Report

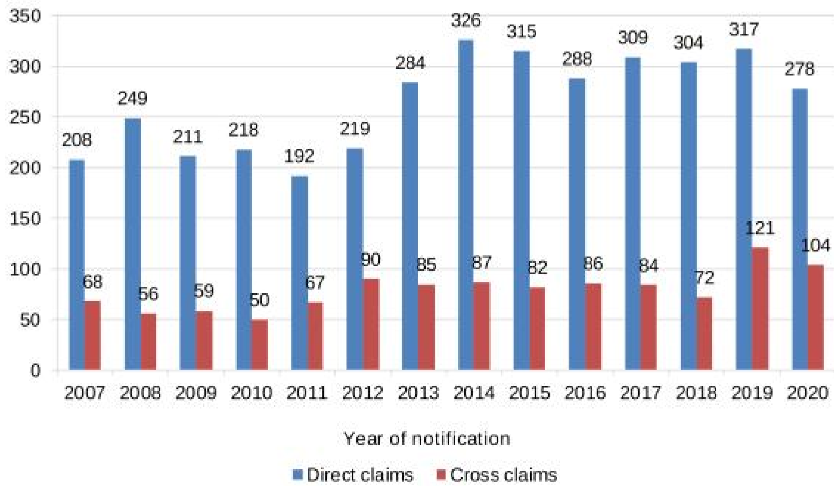
Note: Data by age cohort for 2017 was not published in the 2017 Australian Mesothelioma Registry Report

4.3 Profile of mesothelioma claims

4.3.1 Direct claims and cross claims

The following chart shows the number of claims separately as between claims brought by claimants ('direct claims') and claims brought by other defendants ('cross claims').

Figure 4.5: Number of mesothelioma claims by type of claim



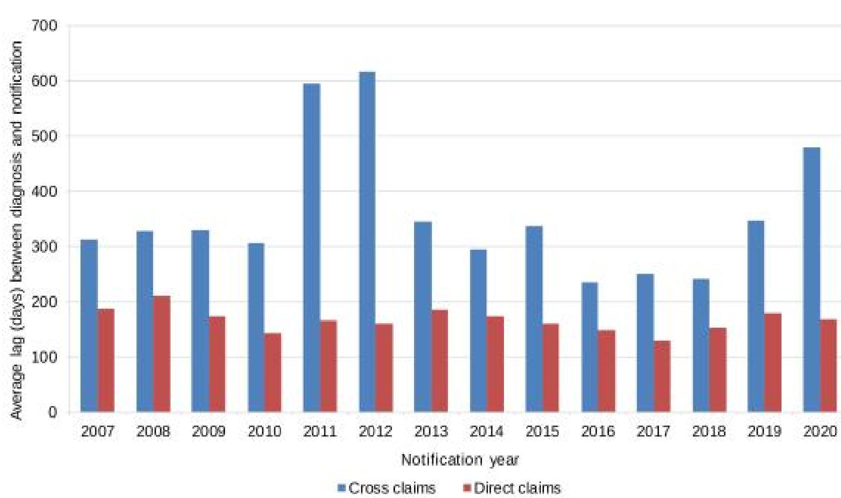
Both direct claims and cross claims have experienced a decrease in the number of claims in 2020/21 at 278 and 104 respectively.

4.3.2 Delay from diagnosis to notification

The chart below measures the time-lag (in days) from diagnosis of mesothelioma to notification of a claim against the Liable Entities.

Direct claims have typically taken between 5 months and 7 months to be reported after diagnosis of mesothelioma.

Figure 4.6: Delay from diagnosis of mesothelioma to notification of claim against the Liable Entities



4.4 Profile of mesothelioma claims: direct claims

4.4.1 Claims by State

Claims reporting for direct claims has varied between 278 and 326 claims in the last seven years.

The reductions in claim numbers in NSW in 2020/21 were offset by higher numbers of claims being lodged in Queensland (many of which are typically lodged in the DDT in NSW).

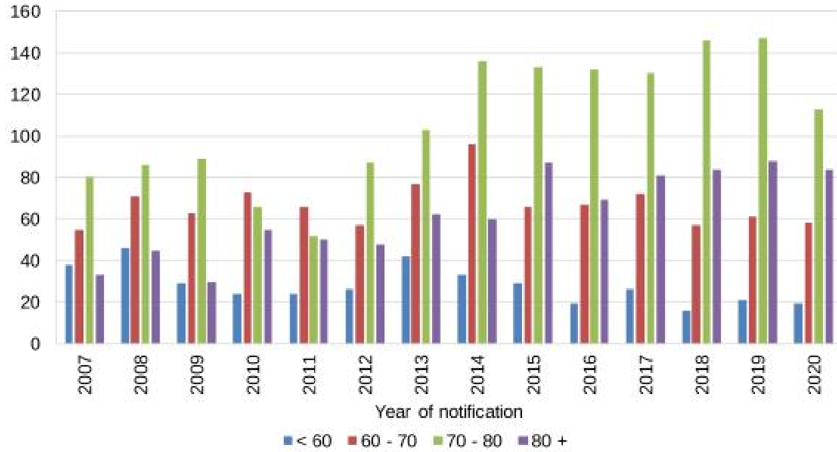
Figure 4.7: Number of mesothelioma direct claims by State

4.4.2 Age profile of claimants

The chart below shows that the primary source of growth since 2007/08 has been for claimants over the age of 70.

The number of claims for claimants in the 70-80 age cohort showed a material reduction in 2020/21 to its lowest level since 2013/14. It is not yet clear why this is the case and whether this feature is a one-off or is part of a new trend.

Figure 4.8: Number of mesothelioma direct claims by age of claimant

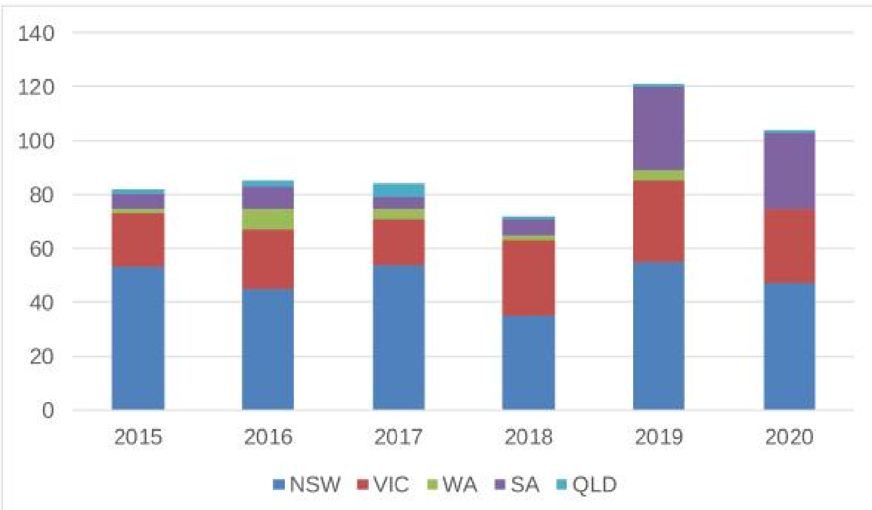


4.5 Profile of mesothelioma claims: cross claims

4.5.1 Claims by State

We have analysed the number of mesothelioma claim notifications by the State in which the cross claim is filed.

Figure 4.9: Number of mesothelioma cross claims by State



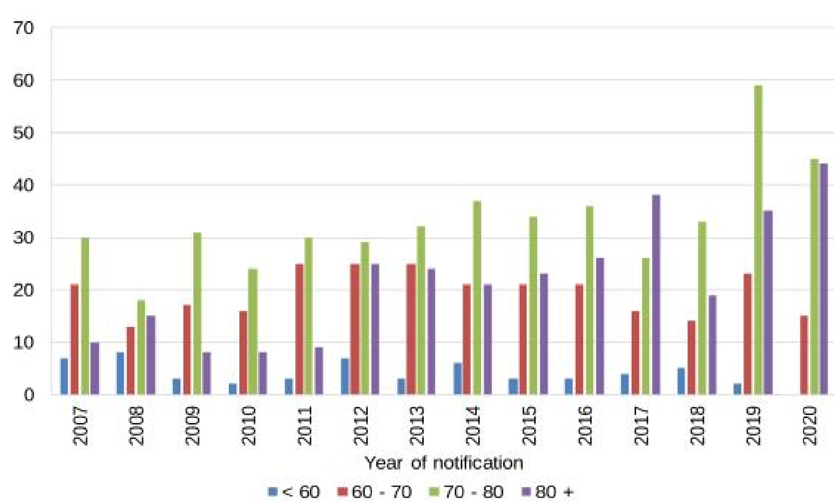
The high numbers of South Australia cross claims that was experienced in 2019/20 continued in 2020/21 (as expected). There were 13 claimants in 2019/20 and 10 claimants in 2020/21 where "duplicate claims" arose (i.e. 2 cross claims, or more, were lodged for each claimant).

We understand that this backlog of claims lodgements has now been substantially completed and is not expected to recur at the levels experienced in 2019/20 or 2020/21.

4.5.2 Age profile of claimants

The chart below shows that the primary source of growth in 2020/21 has been for claimants over the age of 70.

Figure 4.10: Number of mesothelioma cross claims by age of claimant



4.6 Base valuation assumption for number of mesothelioma claims

The actual claims reporting experience in 2020/21 has been 9% lower than expectations for 2020/21 in relation to overall mesothelioma claim numbers.

The number of direct claims (at 278 claims) has been 11% lower than expectations and 12% lower than the previous year. The number of direct claims has varied between 278 and 326 claims across the last seven years.

We have set our assumption for direct claims for 2021/22 at 300 claims, being broadly equal to the average of the last three years of claims reporting activity.

In relation to cross claims, the number of such claims had typically varied between 80 and 90 claims since 2012; albeit with 72 claims in 2018/19.

The most recent two years have been materially impacted by the South Australia power station claims, with 26 and 21 claims respectively.

This feature is not expected to recur in future periods and as such, in setting our assumption, we have normalised for these one-off impacts.

In this context, we have selected an assumption of 90 cross claims for 2021/22.

In total, we are therefore projecting 390 mesothelioma claims to be reported in 2021/22.

The table below summarises the overall assumptions and the mix assumptions by age cohort for 2021/22, as well as providing a comparison of the previous two years' actual experience.

Table 4.1: Assumed mix of claims by age cohort and type of claim for 2021/22

	FY22 Assumption	FY22 Assumption	FY21 Actual	FY21 Actual	FY20 Actual	FY20 Actual
	Numbers	%	Numbers	%	Numbers	%
Mesothelioma (direct claims)	300		278		317	
<60	18	5.8%	19	6.8%	21	6.6%
60-70	58	19.3%	58	20.9%	61	19.2%
70-80	140	46.8%	113	40.6%	147	46.4%
80+	84	28.0%	84	30.2%	88	27.8%
age not known	0	0.0%	4	1.4%	0	0.0%
Mesothelioma (cross claims)	90		104		121	
<60	2	2.4%	0	0.0%	2	1.7%
60-70	17	18.4%	15	14.4%	23	19.0%
70-80	43	47.6%	45	43.3%	59	48.8%
80+	28	31.6%	44	42.3%	35	28.9%
age not known	0	0.0%	0	0.0%	2	1.7%

Note: percentage figures may not add exactly to 100.0% on sight, owing to the percentages being shown rounded to 1 decimal point.

4.7 Inherent uncertainties in the future number of mesothelioma claims

There remain material uncertainties in relation to the base level of claims reporting and the total future number of mesothelioma claims to be reported against the Liable Entities.

It is possible that claims reporting activity could increase next year, or that it could fall next year.

There remain uncertainties in relation to the peak period of claims reporting for mesothelioma, particularly given that 2019/20 saw the highest number of mesothelioma claims received historically, albeit primarily this was due to the extremely high level of cross-claims reporting, and noting that 2020/21 was considerably below expectations and substantially lower than the previous year.

There also remain material uncertainties as to the pace at which future claims reporting will reduce ("the decay rate") as well as the rate of co-joining of the Liable Entities in common law claims.

Additionally, should the mix of claims by claimant age or the mix between direct claims and cross claims change relative to that currently assumed, the overall average claim sizes emerging would differ from that currently expected.

Depending on the outcome of future experience, further changes to the valuation assumptions and therefore to the valuation results may be necessary in future periods. Such changes could be material.

As a consequence of the above noted uncertainties, further volatility in relation to the valuation result should be anticipated.

Section 11 of our Report provides an indication of the sensitivity of the valuation result to the peak period of claims reporting and the decay rate of mesothelioma claims reporting after 2021/22.

5. Claims Experience: Claim numbers (non-mesothelioma)

5.1 Overview

The table below shows the number of claims reported by year of notification and by disease category.

Table 5.1: Number of claims by disease type

Notification Year	Asbestosis	Lung Cancer	ARPD & Other	Wharf	Workers
2007	171	28	43	8	46
2008	163	40	44	11	59
2009	120	40	43	3	61
2010	141	13	36	8	30
2011	110	15	36	6	30
2012	128	33	38	7	27
2013	117	26	49	15	32
2014	143	25	39	11	34
2015	91	19	30	11	29
2016	97	18	33	11	24
2017	87	25	29	8	20
2018	103	15	39	13	22
2019	137	25	32	4	21
2020	93	18	32	0	20
2007-2020	1,701	340	523	116	455
All Years	2,713	689	892	246	1,468

5.2 Asbestosis claims

In 2020/21, there were 93 asbestosis claims reported, a sharp fall from the 137 claims reported in 2019/20. The 2019/20 year was partly impacted by the South Australia power station claims.

The last three years have averaged 111 claims, the last four years have averaged 105 claims, and the last five years have averaged 103 claims.

In selecting our assumption for 2021/22, we have (in broad terms) taken the average of the last five years as a base level, thereby giving less weight to the 2019/20 year.

We have assumed 102 asbestosis claims will be reported in 2021/22.

5.3 Lung cancer claims

In 2020/21, there were 18 lung cancer claims reported.

The last three years have averaged 19 claims and the last four years have averaged 21 claims.

We have assumed 21 lung cancer claims will be reported in 2021/22.

5.4 ARPD & Other claims

In 2020/21, there were 32 ARPD & Other claims reported.

The last three years have averaged 34 claims and the last four years have averaged 33 claims.

We have assumed 33 ARPD & Other claims will be reported in 2021/22.

5.5 Workers Compensation claims

In 2020/21, there were 20 Workers Compensation claims reported.

The last five years have varied between 20 and 24 claims.

We have assumed 21 Workers Compensation claims will be reported in 2021/22.

It should be noted that the financial impact of this source of claim is not substantial to the Liable Entities given the proportion of claims which are settled for nil liability against the Liable Entities (typically above 95%), which results from the insurance arrangements in place.

5.6 Wharf claims

In 2020/21, there were no Wharf claims reported. In 2019/20, there were 4 claims reported. Both of these observations were the lowest level of claims reporting in more than 10 years.

The previous six years varied between 8 claims and 15 claims.

We have assumed 6 wharf claims will be notified in 2021/22.

Again, the financial impact of this source of claim is not currently significant.

5.7 Summary of base claims numbers assumptions (including mesothelioma)

As outlined in Sections 4 and 5, our assumptions as to the number of claims to be reported in 2021/22 are as follows:

Table 5.2: Claim numbers experience and assumptions for 2021/22

	FY20 actual	FY21 actual	FY21 expected	FY22 assumption
Mesothelioma	438	382	420	390
Asbestosis	137	93	108	102
Lung Cancer	25	18	24	21
ARPD & Other	32	32	36	33
Wharf	4	0	12	6
Worker	21	20	24	21
Total	657	545	624	573

FY21 Expected is the assumption selected for 2020/21 in our previous valuation report.

5.8 Baryulgil

Almost half of the claims settled which relate to asbestos mining activities at Baryulgil (as discussed previously in Section 1.2.3) have been settled with no liability against the Liable Entities; and for the remaining settled claims, the Liable Entities have typically borne one-third to one-half of the settlement amount, reflecting the contribution by other defendants to the overall settlement (including those which have since been placed in liquidation).

For the purposes of our valuation, we have estimated there to be 7 future claims reported, comprising 5 mesothelioma claims and 2 non-mesothelioma claims.

We have assumed average claims and legal costs broadly in line with those described in Section 7.

Our projected liability assessment at 31 March 2021 of the additional provision (for claims not yet reported) that could potentially be required is an undiscounted liability of $1.9m and a discounted liability of $1.8m, all of which is deemed to be a liability of Amaca.

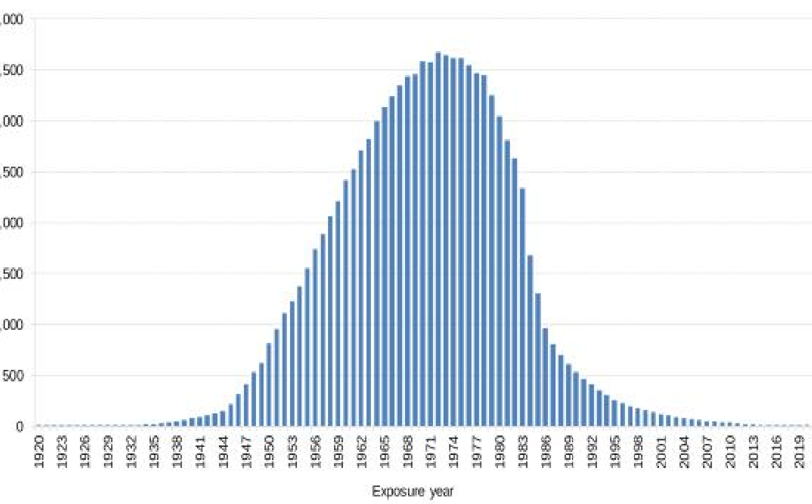
6. Exposure and Latency Experience and Incidence Pattern Assumptions

6.1 Mesothelioma claims experience

6.1.1 Exposure information from claims notified to date

We have reviewed the actual exposure information available for claims notified to date. This has been conducted by using the exposure dates stored in the claims database at an individual claim level and identifying the number of person-years of exposure in each exposure year.

Figure 6.1: Exposure (person-years) of all Liable Entities' mesothelioma claimants to date



The chart shows that, currently, the peak year of exposure for claims reported to date is in 1972.

It should be recognised that there is a degree of bias in this analysis in that the claims notified to date will tend to have arisen from the earlier periods of exposure.

Over time, we expect the right-hand side of this curve to develop and the peak year of exposure to trend towards the early-1970s to mid-1970s, and an increase in the absolute level at all periods of exposure as more claims are notified and the associated exposures from these are included in the analysis.

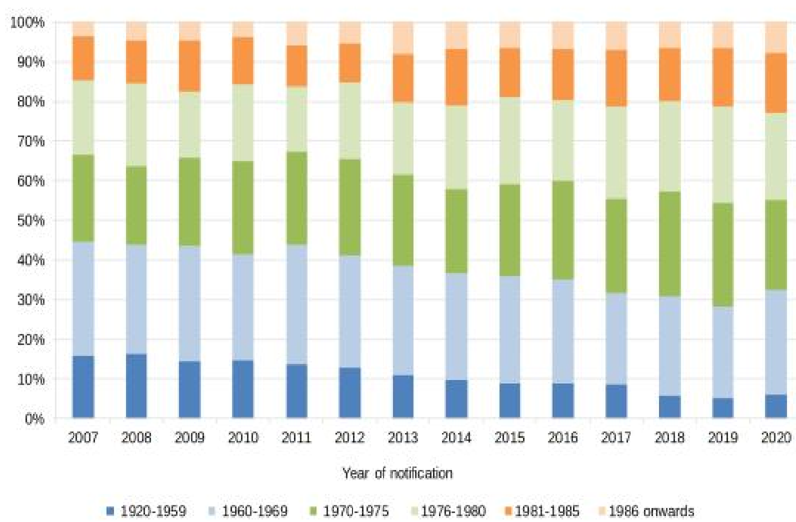
The relatively low level of exposure from 1987 onwards (about 5% of the total) is not unexpected given that all asbestos products ceased being manufactured by the Liable Entities by 1987. The exposure after that date likely results from usage of products already produced and sold before that date.

The chart above is a cumulative chart of the position to date and does not show trends in the allocation of claims to exposure years over time.

For example, one would expect that more recently reported claims should be associated with, on average, later exposures; and that claims reported in future years would continue that trend towards later exposure periods.

To understand better these trends, we have modelled claimants' exposures for each past claim report year.

Figure 6.2: Exposure (person years) of all mesothelioma claimants to date by report year and exposure period



As can be seen in the chart above, there has been a general increasing shift towards the exposure period after 1970, evident by the downwards trends in the chart from left to right indicating that an increasing proportion of the claimants' exposure relates to more recent exposure periods.

For example, pre-1970 exposures made up approximately 45% of mesothelioma claims exposures in 2007/08 but less than 35% of claims exposures in 2020/21.

We would expect that such a trend (towards claims emerging from later exposure periods) should continue for some time to come.

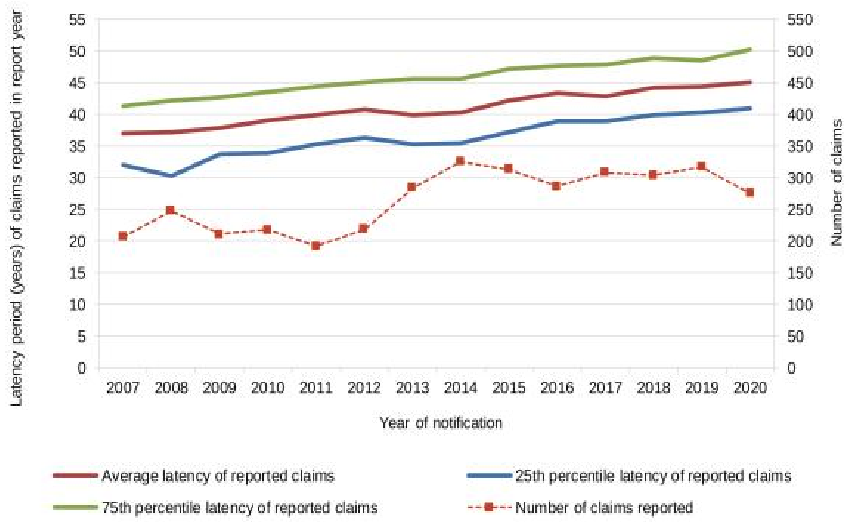
6.2 Mesothelioma: direct claims

6.2.1 Latency period of reported claims

We have analysed the actual latency period of the reported claims of the Liable Entities. In the charts that follow, we have measured the average actual latency period from the average date of exposure to the date of notification of a claim.

The chart below shows the average latency observed for mesothelioma claims and the 25th percentile and 75th percentile observations.

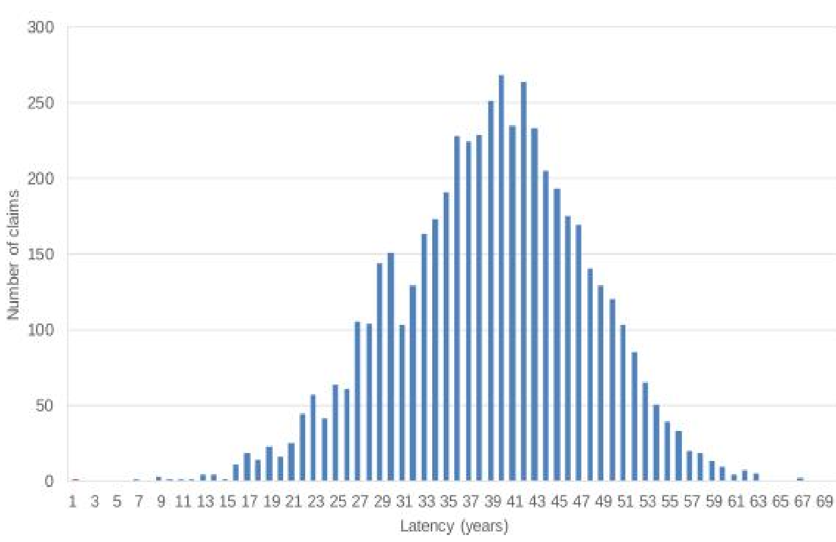
Figure 6.3: Latency of mesothelioma direct claims



The observed average latency period from the average exposure is currently approximately 45 years for direct claims, increasing at about 0.6 years for each passing year.

The observed average latency of claims reported in future report years should also be expected to show a further upward trend in the coming years.

Figure 6.4: Latency distribution of mesothelioma direct claims

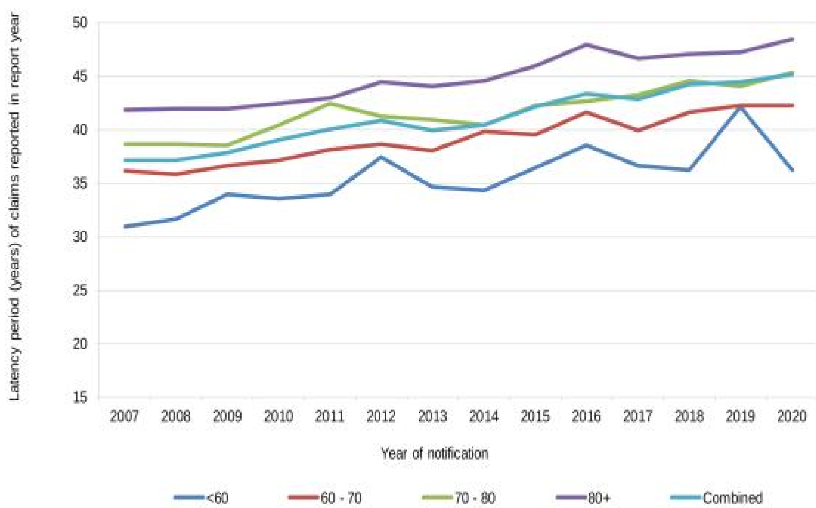


Our latency model assumes a "normal distribution" and the chart seems to (in broad terms) support that assumption at this time.

For direct claims, the mean latency to date is 39 years, the median latency to date is 39.5 years, and the mode of the latency is 40 years. The standard deviation is around 8.6 years.

The following chart shows how the average reported latencies vary between each of the age groups.

Figure 6.5: Latency of mesothelioma direct claims by age of claimant

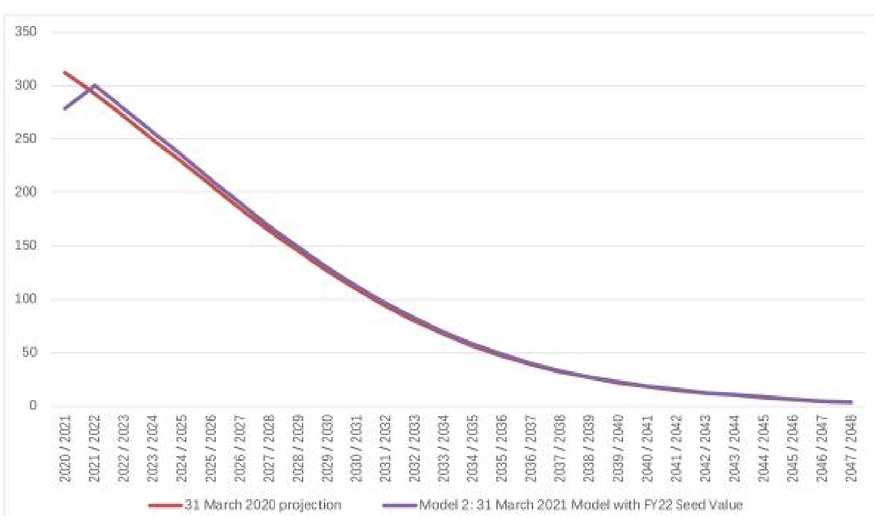


Our latency model for mesothelioma direct claims from first exposure assumes a mean latency of 39 years and a standard deviation of 9 years.

6.2.2 Overall future incidence pattern and IBNR claim numbers

The following chart shows the pattern of future notifications which have resulted from the application of our methodology.

Figure 6.6: Projected future claim notifications for mesothelioma direct claims



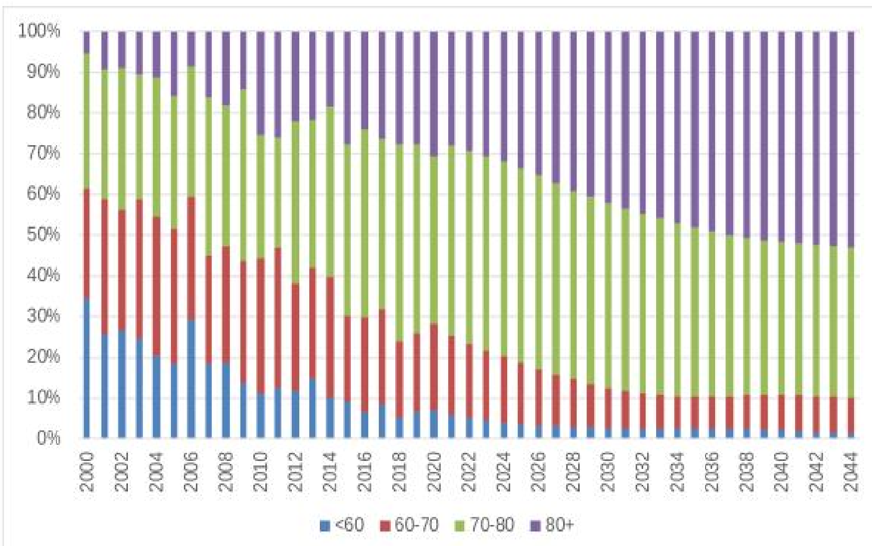
6.2.3 Assumed change in future mix of claims by claimant age

We have assumed a mix of direct claims by claimant age for 2021/22 as follows:

- 5.8% (18 claims) for ages less than 60,
- 19.3% (58 claims) for ages 60-70,
- 46.8% (140 claims) for ages 70-80,
- 28.0% (84 claims) for ages over 80.

The following chart shows the change in mix of claims by claimant age over time both historically and projected into the future periods.

Figure 6.7: Mix of claims by claimant age for mesothelioma direct claims



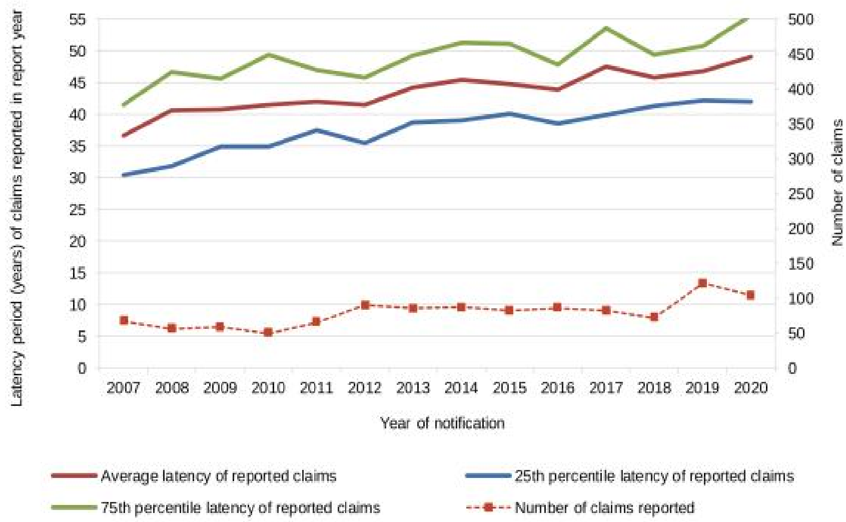
6.3 Mesothelioma: cross claims

6.3.1 Latency period of reported claims

We have analysed the actual latency period of the reported claims of the Liable Entities. In the charts that follow, we have measured the average actual latency period from the average date of exposure to the date of notification of a claim.

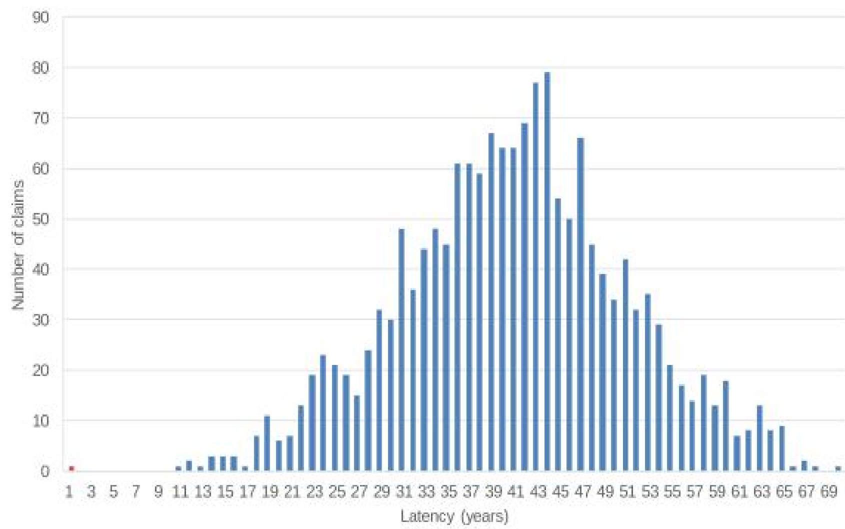
The chart below shows the average latency observed for mesothelioma claims and the 25th percentile and 75th percentile observations.

Figure 6.8: Latency of mesothelioma cross claims



The observed average latency period from the average exposure is currently approximately 49 years for cross claims (2019/20 was 47 years), and it is generally increasing at about 0.9 years for each passing year.

Figure 6.9: Latency distribution of mesothelioma cross claims

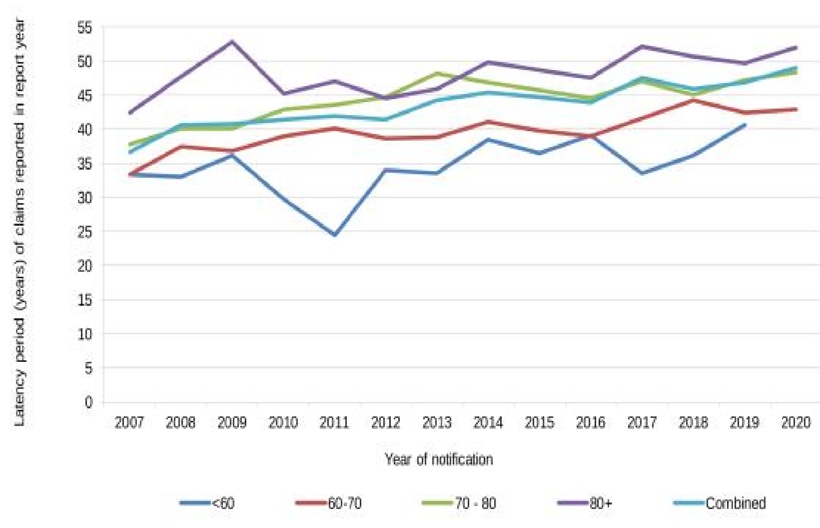


Our latency model assumes a "normal distribution" and the chart seems to (in broad terms) support that assumption at this time, whilst noting that smaller claim numbers will lead to more volatility (and a lower 'goodness of fit').

For cross claims, the mean latency to date is 41 years, the median latency is 41 years and the mode of the latency is 44 years. The standard deviation is around 10 years.

The following chart shows how the average reported latencies vary between each of the age groups.

Figure 6.10: Latency of mesothelioma cross claims by age of claimant



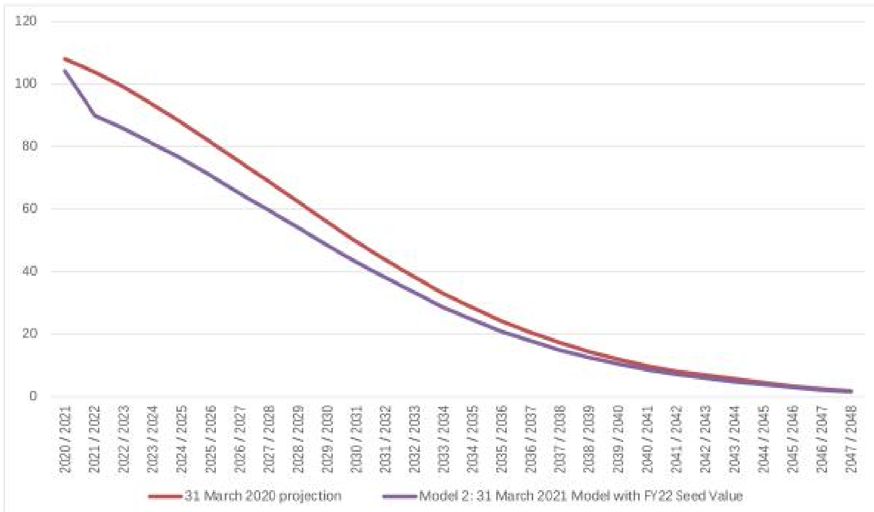
Note: There were no claims for the <60 age cohort in 2020/21. As a result there is no data point for the average latency for this cohort for the most recent year,

Our latency model for mesothelioma cross claims from first exposure assumes a mean latency of 41 years and a standard deviation of 10 years.

6.3.2 Overall future incidence pattern and IBNR claim numbers

The following chart shows the pattern of future notifications which have resulted from the application of our methodology.

Figure 6.11: Projected future claim notifications for mesothelioma cross claims



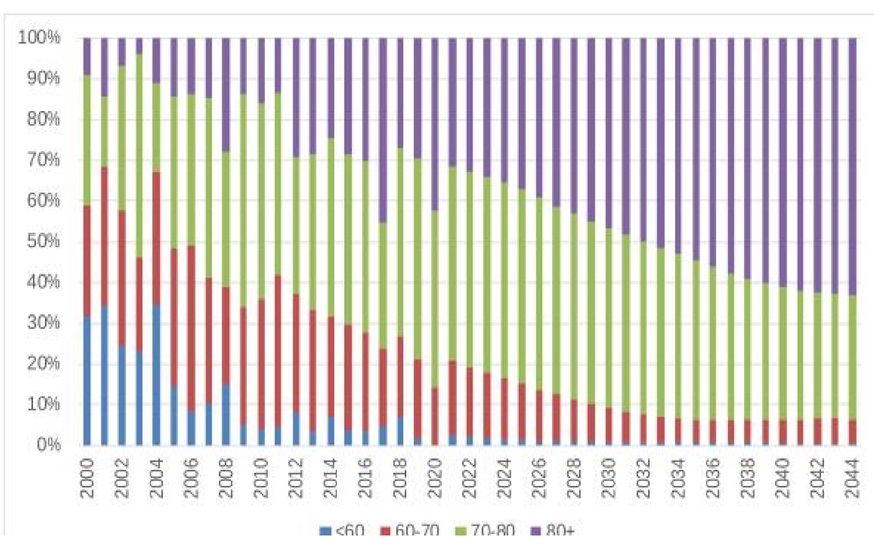
6.3.3 Assumed change in future mix of claims by claimant age

We have assumed a mix of cross claims by claimant age for 2021/22 as follows:

- 2.4% (2 claims) for ages less than 60,
- 18.4% (17 claims) for ages 60-70,
- 47.6% (43 claims) for ages 70-80,
- 31.6% (28 claims) for ages over 80.

The following chart shows the change in mix of claims by claimant age over time both historically and projected into the future periods.

Figure 6.12: Mix of claims by claimant age for mesothelioma cross claims



6.4 Non-mesothelioma experience

6.4.1 Latency period of reported claims

The trend in latency periods for other disease types is shown in the following charts.

Figure 6.13: Latency of asbestosis claims

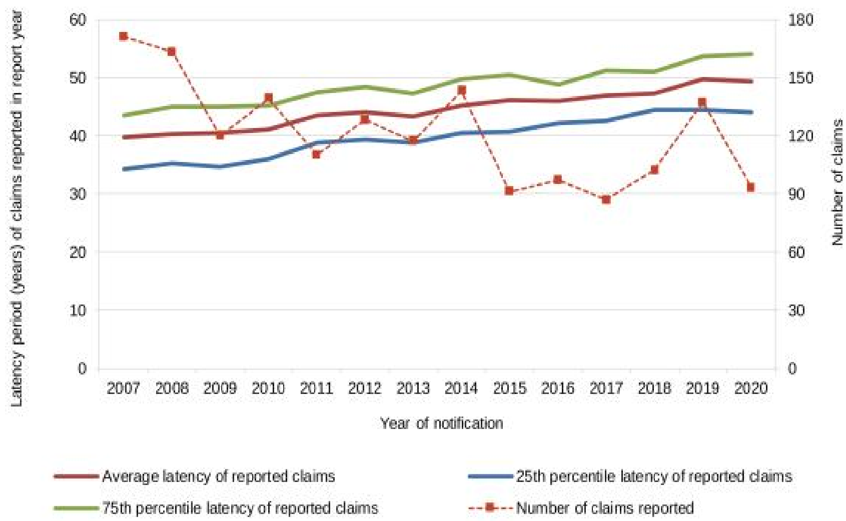


Figure 6.14: Latency of lung cancer claims

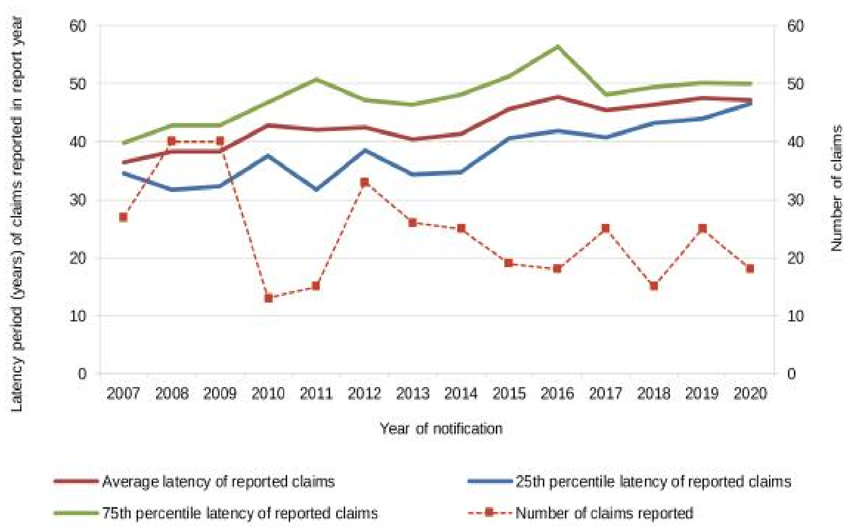
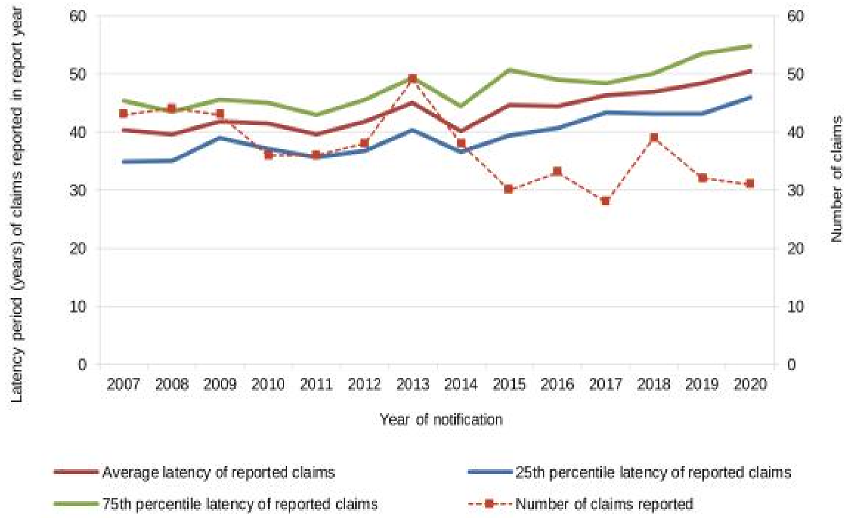


Figure 6.15: Latency of ARPD & Other claims



The average observed latency periods for the other disease types show a more surprising trend, appearing to be longer than epidemiological literature has tended to suggest.

A summary of our underlying latency assumptions by disease type are shown below. The mean and standard deviation values quoted are applied to a normal distribution model.

Table 6.1: Assumed underlying latency distribution parameters from average date of exposure to date of notification

	Mean latency (years)	Standard deviation of latency (years)
Asbestosis	35	8
Lung Cancer	35	10
ARPD & Other	32	10
Wharf	n/a	n/a
Workers compensation	n/a	n/a

These assumptions are unchanged from the previous valuation.

6.4.2 Modelled assumptions for peak year of claim incidence

Based on the application of our exposure model and our latency model, and the assumptions contained explicitly or implicitly within those models, the peak year of notification of claims reporting against the Liable Entities for each disease type (excluding mesothelioma) is modelled to be as follows:

Table 6.2: Modelled peak year of claim notifications

	Current valuation	Previous valuation
Asbestosis	2008/09	2008/09
Lung Cancer	2010/11	2010/11
ARPD & Other	2007/08	2007/08
Wharf	2008/09	2008/09

Workers Compensation	2007/08	2007/08

These modelled assumptions are unchanged and reflect no changes to the exposure data and no changes to the latency model assumptions at this time.

We note that whilst the "modelled peak" derived from our model is as shown above, this does not automatically translate to, nor does it imply that, the "highest claims reporting year" will be those years. This is because variation from year to year is expected due to normal 'statistical variation' in claim numbers.

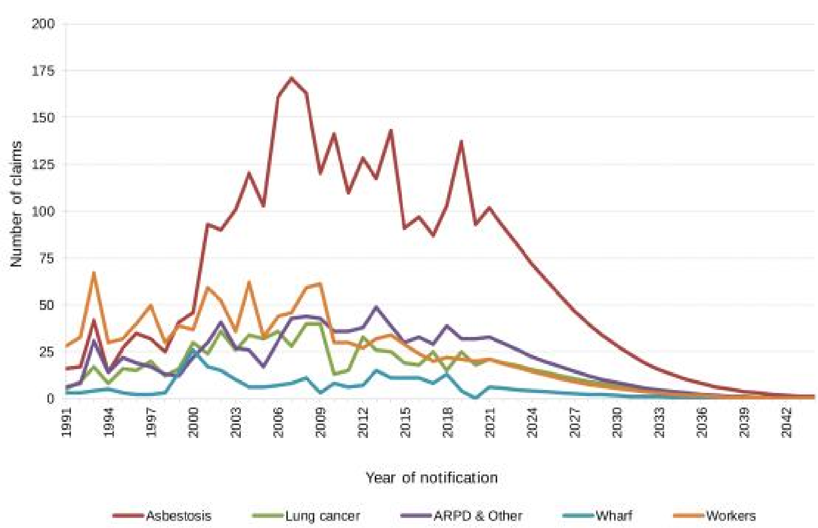
6.4.3 Projected incidence patterns

We have projected the future number of claim notifications from the curve we have derived using our exposure model and our latency model.

We have applied this curve to the base number of claims we have estimated for each disease type for 2021/22 as summarised in Section 5.7.

The following chart shows the pattern of future notifications which have resulted from the application of our exposure and latency model and the recalibration of the curve to our revised expectations of claims reporting activity for 2021/22.

Figure 6.16: Projected future claim notifications for other disease types



7. Claims Experience: Average Claims and Legal Costs

7.1 Overview

We have analysed the average claim awards, average plaintiff/other costs and average defendant legal costs by disease type in arriving at our valuation assumptions.

The table below shows how the average settlement cost for non-nil attritional (i.e. non-large) claims has varied by settlement year. All data have been converted into mid 2020/21 money terms using a historical base inflation index of 4% per annum.

We refer to these amounts as "inflated average attritional awards" in the charts and tables that follow.

The average amounts shown hereafter relate to the average amount of the contribution made by the Liable Entities, and does not reflect the total award payable to the plaintiff unless this is clearly stated to be the case.

In particular, for Workers Compensation the average award reflects the average contribution by the Liable Entities for claims in which they are joined but relates only to that amount of the award determined against the Liable Entities which is not met by a Workers Compensation Scheme or Policy.

Table 7.1: Average attritional non-nil claim award (inflated to mid 2020/21 money terms)

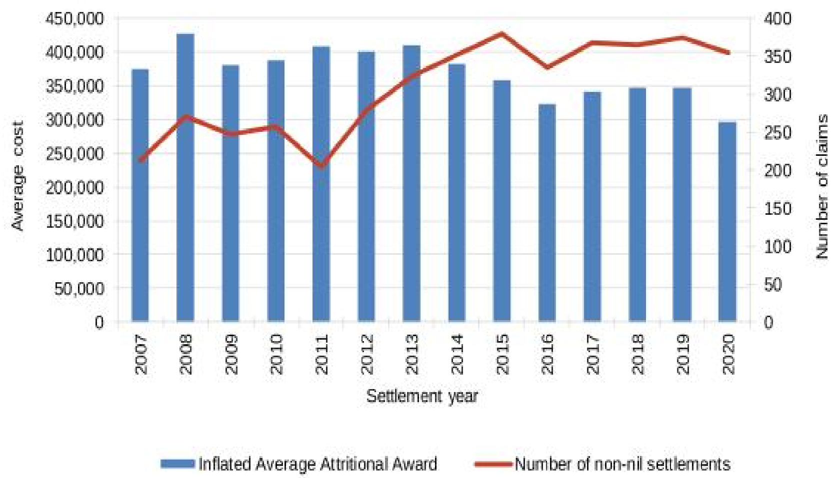
Settlement Year	Mesothelioma	Asbestosis	Lung Cancer	ARPD & Other	Wharf	Workers Compensation
2007	375,848	130,301	182,783	78,565	78,768	435,298
2008	426,583	137,272	135,131	143,321	231,601	88,057
2009	380,753	154,199	156,277	135,869	90,625	154,664
2010	387,100	125,931	203,152	106,852	55,219	0
2011	407,651	155,414	177,974	138,939	108,299	1,280,981
2012	401,024	167,679	160,072	118,856	48,153	116,328
2013	410,492	130,007	136,488	128,051	136,614	26,319
2014	381,780	125,674	174,262	91,202	101,256	88,572
2015	357,772	122,395	141,543	125,047	163,973	0
2016	323,098	91,849	47,739	85,458	43,165	0
2017	340,879	117,870	131,625	74,884	88,491	271,842
2018	346,377	100,974	69,938	123,270	59,843	0
2019	347,220	113,179	87,357	142,407	102,550	52,000
2020	296,491	129,721	136,223	119,139	65,068	0

7.2 Mesothelioma claims

7.2.1 Overall average claim sizes

The chart below shows the average claim size for non-nil, non-large claims inflated to mid 2020/21 money terms.

Figure 7.1: Average attritional awards (inflated to mid 2020/21 money terms) and number of non-nil claims settlements for mesothelioma claims (excluding large claims)



7.2.2 Claim sizes by claim type and age of claimant

The following table shows the comparison of the average cost of claims settled in 2020/21 for direct and cross claims, split by age cohort.

This table demonstrates the significant difference between the average costs of claims between direct claims and cross claims.

This also explains why the separation of the mesothelioma category between direct claims and cross claims is important if the mix of claims by number is, or has been, changing.

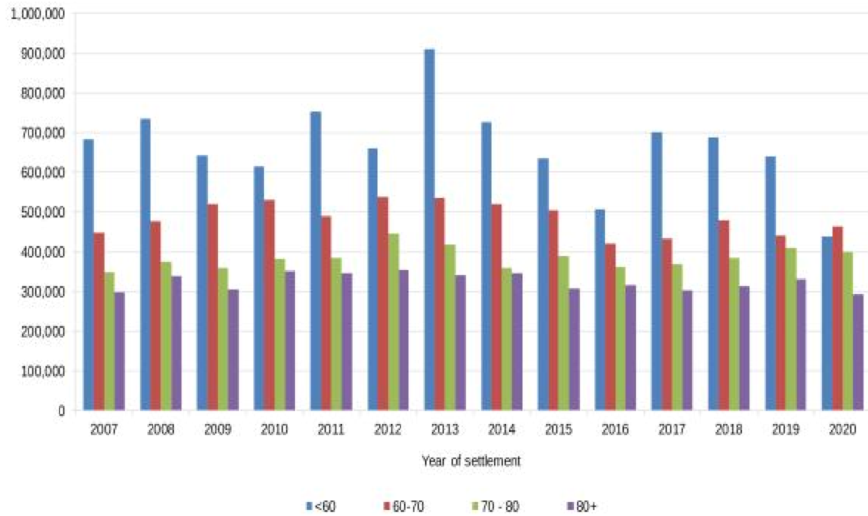
Table 7.2: Average attritional awards (inflated to mid 2020/21 money terms) for direct and cross claims by age of claimant for claims settled in 2020/21

	Direct Claims		Cross Claims	
Age	# settled (non-nil)	Average Claim Size	# settled (non-nil)	Average Claim Size
<60	11	439,040	1	64,000
60 - 70	46	463,637	17	94,363
70 - 80	114	400,904	40	60,777
80+	91	292,019	35	77,763
Overall	262	375,701	93	73,343

7.2.3 Mesothelioma: direct claims experience and assumptions

The chart below shows the average claim size by age cohort since 2007/08 for direct mesothelioma claims.

Figure 7.2: Average attritional awards (inflated to mid 2020/21 money terms) by age of claimant



For claimants under the age of 60:

- The average size for 2020/21 was $439,000, a 31% reduction on the average size for 2019/20.
- The last three years have averaged $610,000; the last four years have averaged $644,000; the last five years have averaged $620,000, the last six years have averaged $624,000; the last seven years have averaged $644,000.
- We have taken a longer-term view noting the smaller numbers of claims in this age group.
- We have therefore selected an assumption of $650,000.

For claimants aged 60-70:

- The average size for 2020/21 was $464,000, a 5% increase on the average size for 2019/20.
- The last three years have averaged $461,000; the last four years have averaged $453,000; the last five years have averaged $446,000, the last six years have averaged $458,000; the last seven years have averaged $470,000.
- We have taken a longer-term view noting the smaller numbers of claims in this age group.
- We have therefore selected an assumption of $475,000.

For claimants aged 70-80:

- The average size for 2020/21 was $401,000, a 2% decrease on the average size for 2019/20, although the last two years have been higher than the experience in each of the preceding five years.
- The last three years have averaged $399,000; the last four years have averaged $392,000; the last five years have averaged $386,000, the last six years have averaged $386,000; the last seven years have averaged $383,000.
- This segment is the largest segment by both number of claims and total expenditure.
- We have therefore selected an assumption of $395,000.

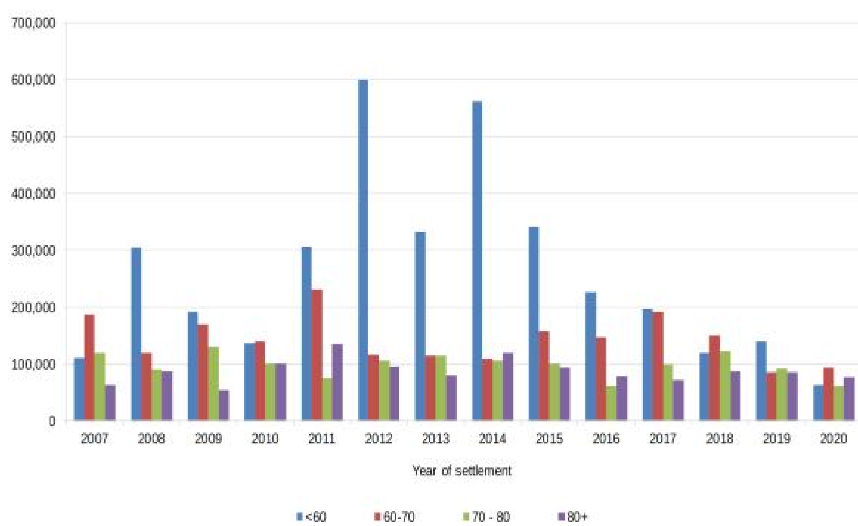
For claimants aged 80+:

- The average size for 2020/21 was $292,000, a 12% decrease on the average size for 2019/20.
- The last three years have averaged $311,000; the last four years have averaged $309,000; the last five years have averaged $311,000, the last six years have averaged $310,000; the last seven years have averaged $314,000.
- We have therefore selected an assumption of $315,000.

7.2.4 Mesothelioma cross claims experience and assumptions

The chart below shows the average claim size by age cohort since 2007/08 for cross claims.

Figure 7.3: Average attritional awards (inflated to mid 2020/21 money terms) by age of claimant



For claimants under the age of 60:

- The average size for 2020/21 was $64,000.
- There are typically between 1 and 5 claims in this age cohort. As such, the claim size experience can be volatile from year to year depending on the specific circumstances of

a small number of claims.

- We have therefore selected an assumption of $225,000 whilst noting this assumption is not material to the overall valuation given the small number of claims.

For claimants aged 60-70:

- The average size for 2020/21 was $94,000.
- The last three years have averaged $112,000; the last four years have averaged $133,000; the last five years have averaged $136,000, the last six years have averaged $140,000; the last seven years have averaged $135,000.
- We have taken a longer-term view noting the smaller numbers of claims in this age group.
- We have therefore selected an assumption of $140,000.

For claimants aged 70-80:

- The average size for 2020/21 was $61,000.
- The last three years have averaged $88,000; the last four years have averaged $90,000; the last five years have averaged $86,000, the last six years have averaged $88,000; the last seven years have averaged $90,000.
- This segment is the largest cross claims segment by both number of claims and total expenditure.
- We have therefore selected an assumption of $90,000.

For claimants aged 80+:

- The average size for 2020/21 was $78,000.
- The last three years have averaged $82,000; the last four years have averaged $80,000; the last five years have averaged $80,000, the last six years have averaged $82,000; the last seven years have averaged $86,000.
- We have therefore selected an assumption of $85,000.

7.2.5 Additional allowance for mesothelioma claims for the potential costs from overseas exposures (*Talifero vs Amaca)*

We have made an allowance of $6,000 per mesothelioma claim (in mid 2020/21 money terms).

This amount has been applied across all mesothelioma claims, both direct claims and cross claims), to allow for the potential costs arising from overseas exposures consequent to the decision in *Talifero vs Amaca*.

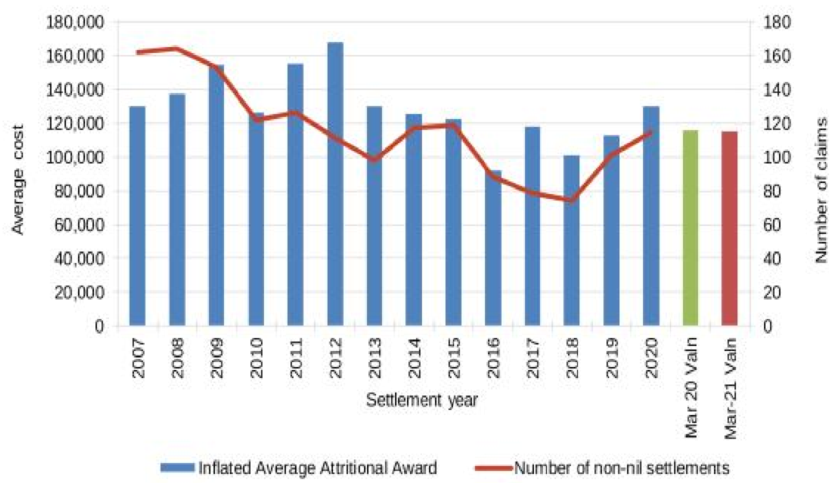
We have then applied that assumption (adjusted for wage and superimposed inflation) for future years.

Our per-claim adjustment is only applied to mesothelioma claims.

7.3 Asbestosis claims

For asbestosis, it can be seen from Table 7.1 that the period since 2007/08 has had volatile average claim size experience, with average claim sizes ranging from $92,000 to $168,000 (in mid 2020/21 money terms).

Figure 7.4: Average awards (inflated to mid 2020/21 money terms) and number of non-nil claims settlements for asbestosis claims



The experience in 2020/21 was impacted by 2 unusually large settlements.

The average of the past three years is $117,000; the average of the past four years is $117,000 and the average of the past five years is $112,000. Each of these amounts is impacted by the higher experience in 2020/21.

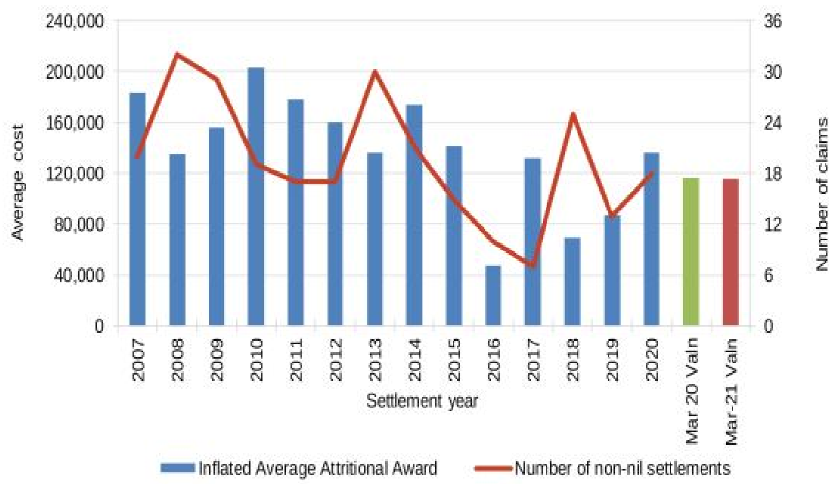
In setting an assumption, we have not given full credit to the most recent year's experience at this stage.

Taking all of the above factors into consideration, we have adopted a valuation assumption of $115,000 for asbestosis claims in mid 2020/21 money terms.

7.4 Lung cancer claims

The average award for lung cancer claims has exhibited some volatility in the past five years, although this is not unexpected given the small volume of claim settlements (approximately 10 to 30 claims per annum).

Figure 7.5: Average awards (inflated to mid 2020/21 money terms) and number of non-nil claims settlements for lung cancer claims



The experience in 2020/21 was impacted by one unusually large claim.

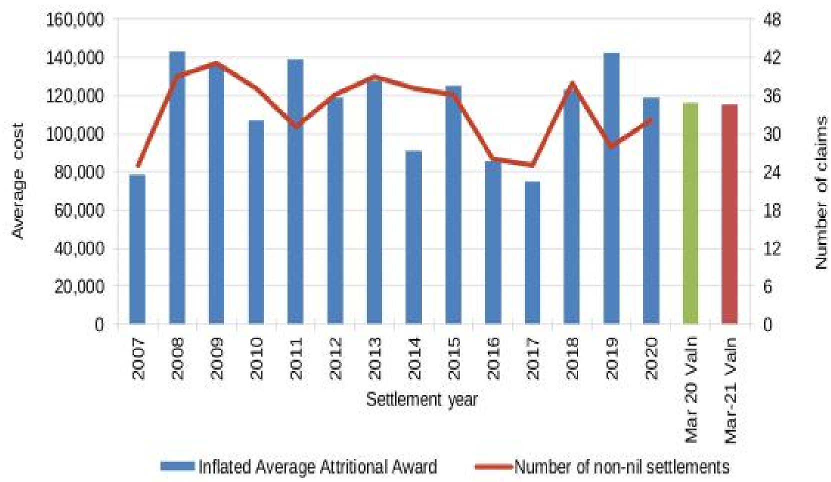
The average of the past three years is $95,000; the average of the past four years is $99,000 and the average of the past five years is $92,000.

Taking all of the above factors into consideration, and noting the volatility arising from the small number of non-nil claims, we have adopted a valuation assumption of $115,000 in mid 2020/21 money terms.

7.5 ARPD & Other claims

The average award size has shown considerable volatility over time.

Figure 7.6: Average awards (inflated to mid 2020/21 money terms) and number of non-nil claims settlements for ARPD & Other claims



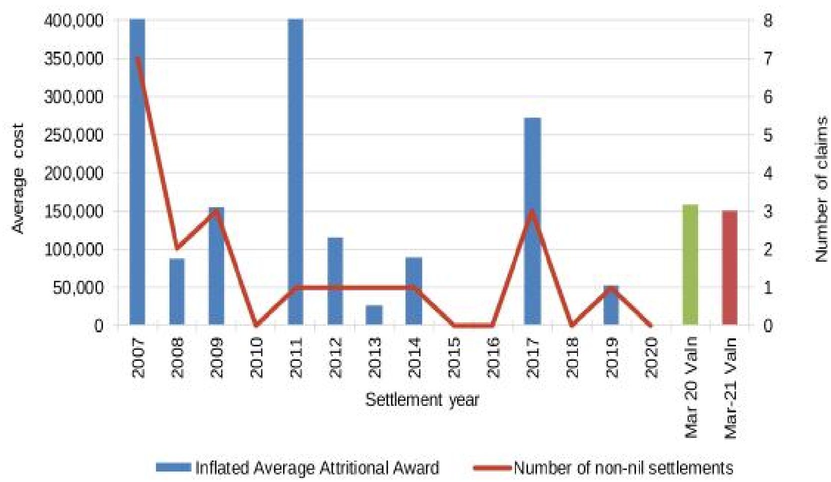
The average of the past three years is $127,000; the average of the past four years is $117,000 and the average of the past five years is $111,000.

Taking all of the above factors into consideration, we have adopted a valuation assumption of $115,000 for ARPD & Other claims in mid 2020/21 money terms.

7.6 Workers Compensation claims

The average award for non-nil Workers Compensation claims has shown a large degree of volatility, reflecting the very small number of non-nil claims.

Figure 7.7: Average awards (inflated to mid 2020/21 money terms) and number of non-nil claims settlements for Workers Compensation claims



It should be noted that the high average claim size in 2011/12 is due to one claim of $900,000 (in 2011/12 values). Furthermore, we understand that this claim payment was recovered from the workers compensation insurer at a later date.

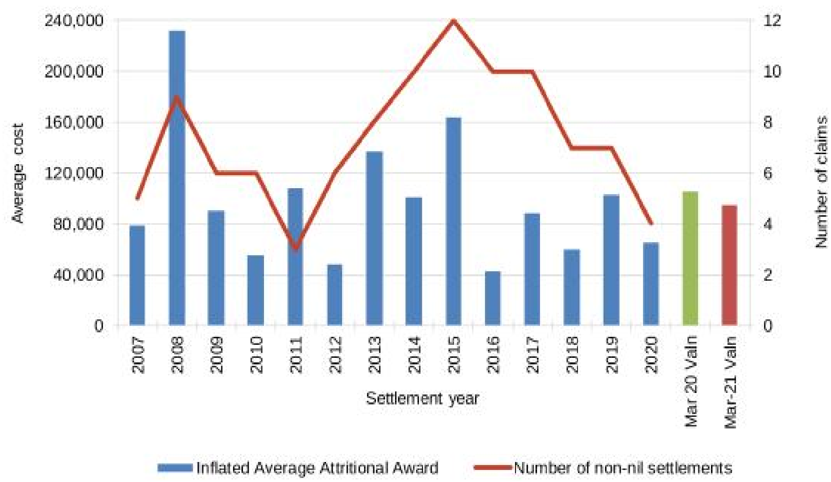
Taking all of the above factors into consideration, we have adopted a valuation assumption of $150,000 in mid 2020/21 money terms.

This assumption is not material to the overall liability given the high proportion of claims (in excess of 95%) which are settled with no retained liability against the Liable Entities.

7.7 Wharf claims

For wharf claims, the average of the past three years has been $78,000; the average of the past four years has been $81,000 and the average of the past five years has been $71,000.

Figure 7.8: Average awards (inflated to mid 2020/21 money terms) and number of non-nil claims settlements for wharf claims



The experience in 2008/09 was impacted by one large claim of almost $600,000 (in 2008/09 values).

At this valuation, we have adopted a valuation assumption of $95,000 in mid 2020/21 money terms.

Given the small volume of wharf claims, this assumption is not financially significant to the overall results.

7.8 Mesothelioma large claim size and incidence rates

There have been 72 mesothelioma claims settled with awards in excess of $1m in 2006/07 money terms.

There has only ever been one cross claim that has been a large claim (settled in 2000/01).

Given this, the assumed large claim incidence rate for cross claims has been set at 0% for all age cohorts.

The following analysis is therefore only applicable for direct claims.

In selecting a large claim incidence rate or an expected annual number of large claims for direct claims, we have analysed the number of large claims by year of notification, separately for each of the four age groups.

We have also shown the incidence rate of large claims for each of the age groups.

Figure 7.9: Number of large claims by year of notification

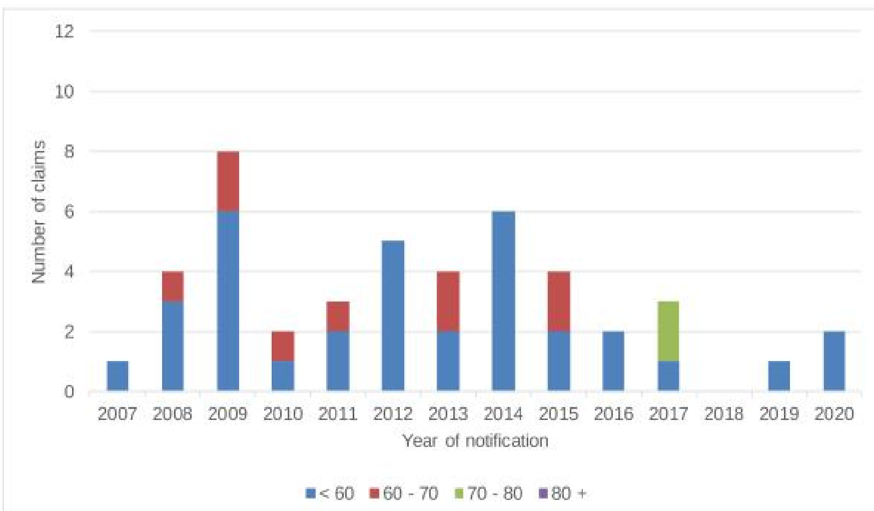
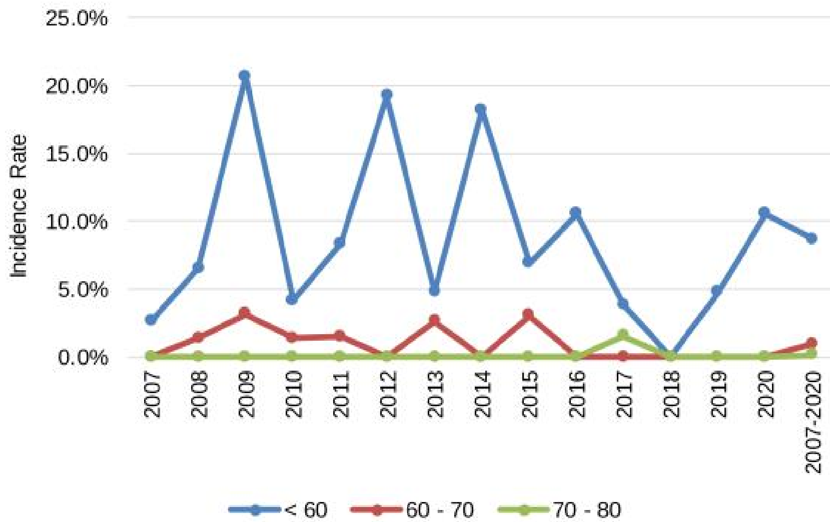


Figure 7.10: Large claims incidence rate by age of claimant



There have been no large claims for claimants over the age of 80.

We have continued to assume a future large claim incidence rate of 10.00% for claimants under 60 years of age, 1.00% for claimants between 60 and 70 years of age, and 0.10% for claimants between 70 and 80 years of age.

For the average large claim size, we have adopted a valuation assumption of $2.475m in mid 2020/21 money terms and we have adopted the same average claim size for all age groups. This is based on analysis that shows small variation in average claim size for large claims between claimants in each of the age cohorts

We have made an additional allowance for plaintiff legal costs to allow for those instances where such costs are made additional to, rather than included with, the claims award and also for defence costs.

The actual incidence of, and settlement of, large claims is not readily predictable and therefore deviations will occur from year to year due to random fluctuations because of the small numbers of large claims (between 0 and 8 large claims per annum).

7.9 Summary average claim cost assumptions

The following table provides a summary of our average claim cost assumptions at this valuation, and those assumed at the previous valuation.

Table 7.3: Summary average claim cost assumptions

	Current Valuation	Previous Valuation	% change
Mesothelioma: Direct <60	656,000	718,455	-9%
Mesothelioma: Direct 60-70	481,000	491,630	-2%
Mesothelioma: Direct 70-80	401,000	401,955	0%
Mesothelioma: Direct 80+	321,000	333,380	-4%
Mesothelioma: Cross <60	231,000	270,080	-14%
Mesothelioma: Cross 60-70	146,000	164,580	-11%
Mesothelioma: Cross 70-80	96,000	106,555	-10%
Mesothelioma: Cross 80+	91,000	96,005	-5%
Asbestosis	115,000	116,050	-1%
Lung Cancer	115,000	116,050	-1%
ARPD & Other	115,000	116,050	-1%
Wharf	95,000	105,500	-10%
Workers Compensation	150,000	158,250	-5%
Mesothelioma Large Claims (award only)	Average Size: $2.475m. Direct frequency: 10.00% (<60), 1.00% (60-70), 0.1% (70-80)	Average Size: $2.58m. Direct frequency: 10.00% (<60), 1.00% (60-70), 0.1% (70-80)	

Note: Both the current valuation assumption and the previous valuation assumption are expressed in mid 2020/21 money terms.

Note: For mesothelioma, the current and previous valuation assumptions include an allowance of $6,000 for the decision in Talifero vs Amaca.

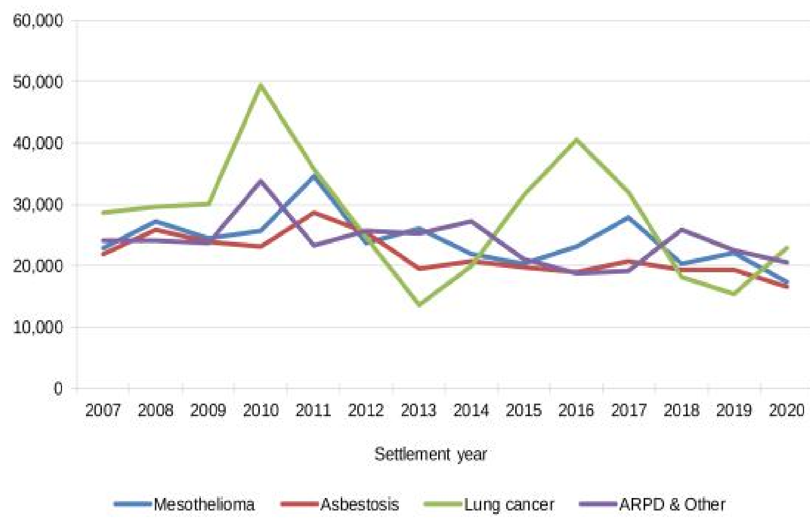
7.10 Defence legal costs

7.10.1 Non-nil claims

The average defence legal costs for non-nil claims by settlement year have been relatively stable over the last ten years for mesothelioma, asbestosis and ARPD & Other, albeit showing some general downward drift over time.

The average defence costs for lung cancer have shown a greater degree of variability, although this is not unexpected given the small volume of claim settlements (approximately 10 to 30 claims per annum).

Figure 7.11: Average defence legal costs (inflated to mid 2020/21 money terms) for non-nil claims settlements by settlement year



Note: The chart does not include average defence costs for Wharf and Worker claims due to the smaller number of claims involved and the variability that exists as a consequence.

7.10.2 Large claims

The average defence legal costs across all large claims to date has been $167,000 although this has generally been trending downwards over time.

We have allowed for defence legal costs of $105,000 per large claim having regard to more recent experience.

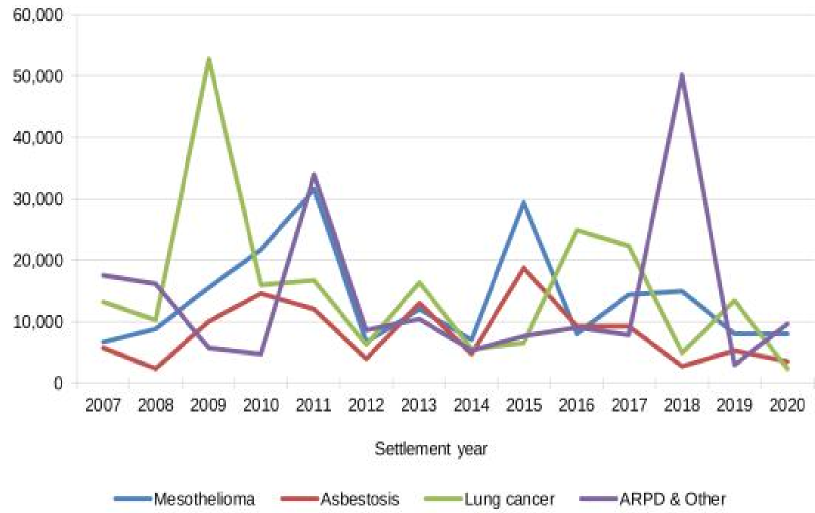
7.10.3 Nil claims

The average defence legal costs for nil claims by settlement year has been volatile for all disease types.

For mesothelioma, the volatility is a consequence of low nil settlement rate, meaning that there may be 20 to 30 nil claims in any year.

For the other disease types, the number of nil claims might typically be of the order of 10 claims per annum for each disease type.

Figure 7.12: Average defence legal costs (inflated to mid 2020/21 money terms) for nil claims settlements by settlement year



Note: The chart does not include average defence costs for Wharf and Worker claims due to the smaller number of claims involved and the variability that exists as a consequence.

7.11 Summary average defendant legal costs assumptions

The following table provides a summary of our defendant legal costs assumptions at this valuation, and those assumed at the previous valuation.

We have adopted different legal cost assumptions for mesothelioma for the four age groups and separately for direct and cross claims, based on analysis which indicates there is variation (which in part will be related to the average size of claims in each age group and claim type).

Table 7.4: Summary average defendant legal costs assumptions

	Current Valuation		Previous Valuation	
	Non Nil Claims	Nil Claims	Non Nil Claims	Nil Claims
Mesothelioma: Direct <60	36,000	22,000	36,225	20,700
Mesothelioma: Direct 60-70	26,000	22,000	25,875	20,700
Mesothelioma: Direct 70-80	23,000	15,000	22,770	15,525
Mesothelioma: Direct 80+	21,000	11,000	20,700	10,350
Mesothelioma: Cross <60	36,000	10,000	35,190	10,350
Mesothelioma: Cross 60-70	23,000	10,000	22,770	10,350
Mesothelioma: Cross 70-80	18,000	10,000	17,595	10,350
Mesothelioma: Cross 80+	16,000	10,000	15,525	10,350
Asbestosis	19,000	7,000	19,665	7,245
Lung Cancer	25,000	15,000	26,910	15,525
ARPD & Other	22,000	10,000	20,700	10,350
Wharf	15,000	5,000	15,525	5,175
Workers Compensation	15,000	1,000	15,525	1,035
Mesothelioma Large	105,000	0	108,675	0

Note: Both the current valuation assumption and the previous valuation assumption are expressed in mid 2020/21 money terms.

8. Claims Experience: Nil Settlement Rates

8.1 Overview

We have analysed the nil settlement rates, being the number of nil settlements expressed as a percentage of the total number of settlements (nil and non-nil).

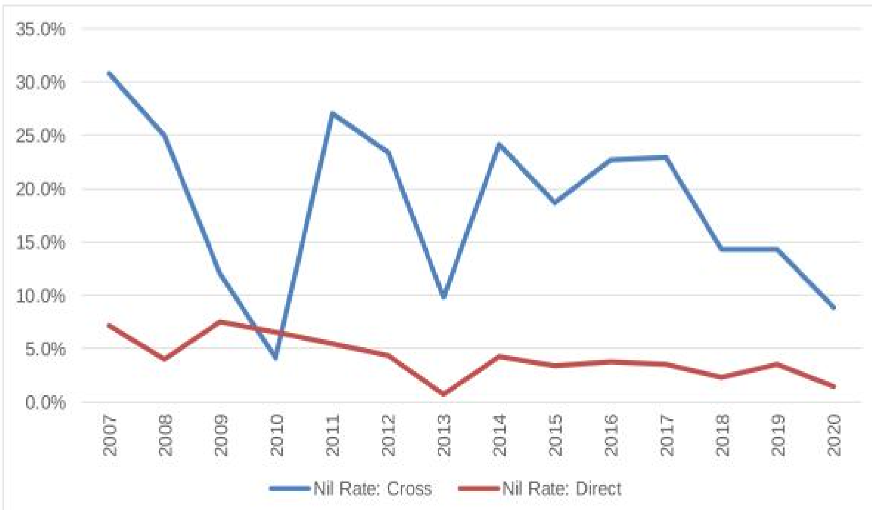
Table 8.1: Nil settlement rates

Settlement Year	Mesothelioma	Asbestosis	Lung Cancer	ARPD & Other	Wharf	Workers Compensation
2007	13%	9%	31%	19%	72%	85%
2008	8%	9%	24%	13%	0%	95%
2009	8%	8%	29%	2%	14%	83%
2010	6%	6%	41%	14%	0%	100%
2011	10%	7%	32%	11%	0%	67%
2012	9%	15%	23%	20%	40%	99%
2013	3%	8%	3%	13%	20%	99%
2014	9%	11%	16%	8%	9%	97%
2015	7%	6%	25%	8%	8%	100%
2016	20%	13%	57%	16%	9%	100%
2017	8%	18%	59%	7%	9%	88%
2018	5%	15%	17%	5%	22%	100%
2019	6%	9%	32%	20%	0%	96%
2020	4%	7%	14%	6%	0%	100%

8.2 Mesothelioma claims

Nil settlement rates vary between direct claims and cross claims as shown in the chart below.

Figure 8.1: Mesothelioma nil settlement rate for direct claims and cross claims



In considering the future nil settlement rate assumption for direct claims, we observe:

- The nil settlement rate for the past three years has averaged 2.5%, for the past four years has averaged 2.8% and for the past five years has averaged 3.0%.
- The nil settlement rate for 2020/21 was 1.5%.
- The average rate from 2007/08 to 2020/21 has been 4%.

Taking all of these factors into consideration, and noting the general downward trend since 2007/08, we have assumed a future nil settlement rate of 3%, a reduction from our previous valuation assumption of 4%.

In considering the future nil settlement rate assumption for cross claims, we observe:

- The nil settlement rate for the 2016/17 year of 55% was due to 54 Queensland statutory recovery claims being closed at nil cost in December 2016. Our chart has removed these as they are a one-off correction.
- Removing the Queensland claims, the nil settlement rate for the past three years has averaged 12.2%, for the past four years has averaged 15% and for the past five years has averaged 16.3%.
- The average nil settlement rate from 2007/08 to 2020/21 has been 18.3%.

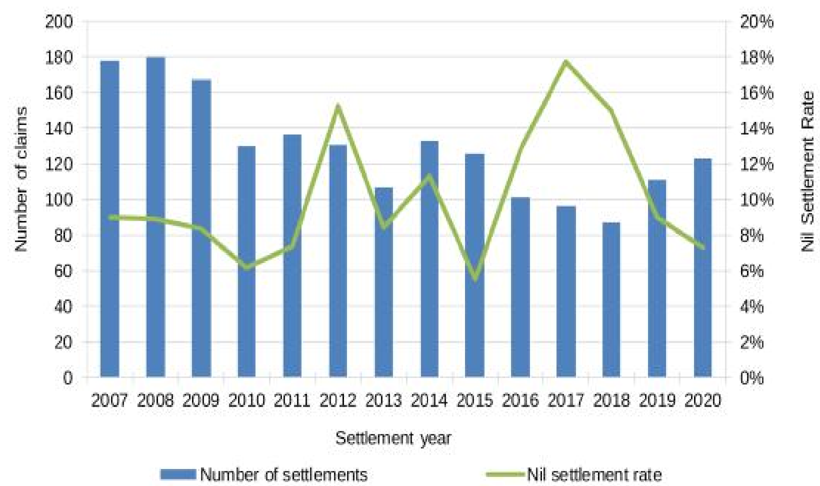
Taking all of these factors into consideration, we have assumed a future nil settlement rate of 16%, a reduction from our previous valuation assumption of 19%.

The nil settlement rate assumptions have been applied equally to all age groups. We have done this because analysis by age group did not seem to indicate materially different nil settlement rates for the four age groups over time, and because the number of nil claims annually is quite small, meaning that sub-division of experience into four age groups results in reduced credibility and greater volatility.

8.3 Asbestosis claims

As with mesothelioma, the historical asbestosis nil settlement rate has been volatile.

Figure 8.2: Asbestosis nil claims experience



In considering the future nil settlement rate assumption, we note the following:

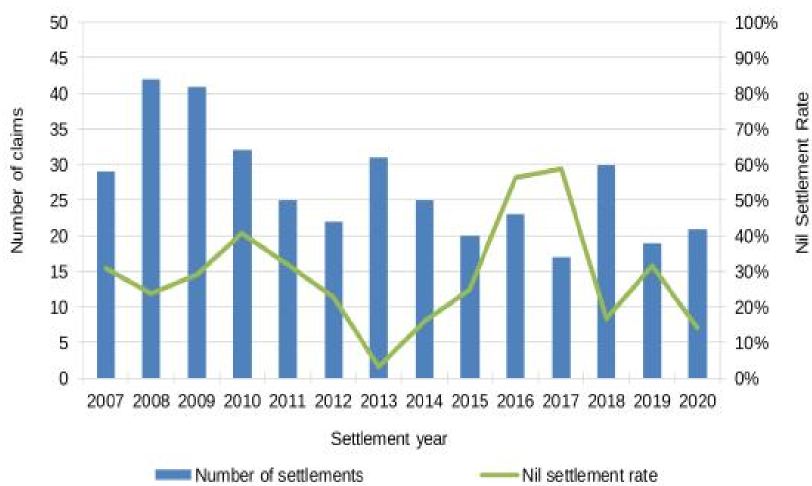
- The nil settlement rate for the past three years has averaged 10%, for the past four years has averaged 12% and for the past five years has averaged 12%.
- The nil settlement rate for 2020/21 was 7%.

Taking all of these factors into consideration, we have assumed a future nil settlement rate of 11%, unchanged from our previous valuation assumption.

8.4 Lung cancer claims

Given the small volumes of claims, volatility in the nil settlement rate for lung cancer claims is to be expected.

Figure 8.3: Lung cancer nil claims experience



In considering the future nil settlement rate assumption, we note the following:

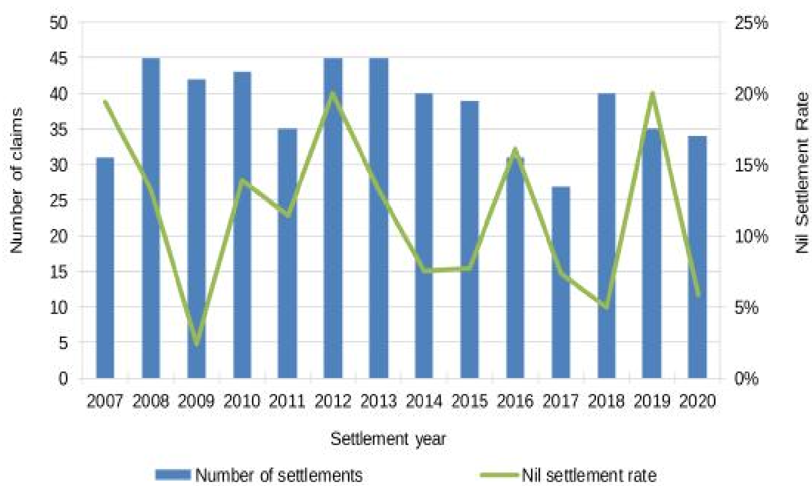
- The nil settlement rate for the past three years has averaged 20%, for the past four years has averaged 28% and for the past five years has averaged 34%.
- The nil settlement rate for 2020/21 was 14%.

Taking all of these factors into consideration, we have assumed a future nil settlement rate of 26%, a decrease from our previous valuation assumption of 28%.

8.5 ARPD & Other claims

As with other disease types, there has been significant volatility in the historical nil settlement rate, given the low numbers of claims for this disease.

Figure 8.4: ARPD & Other nil claims experience



The nil settlement rate for the past three years has averaged 10%, for the past four years has averaged 10% and for the past five years has averaged 11%.

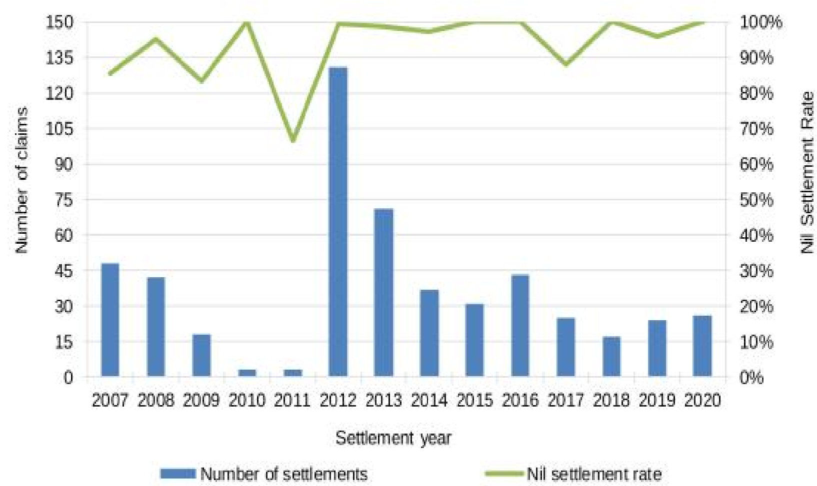
We have selected 10% as our nil settlement rate assumption, unchanged from our previous assumption.

8.6 Workers Compensation claims

The nil settlement rates for Workers Compensation claims have been high and reflect the portion of claims whose costs are fully met by a Workers Compensation Scheme or Policy. The proportion of such claims which are fully met by insurance has been relatively stable since 1997/98, typically varying between 80% and 100%.

The nil settlement rate has been in excess of 90% for eight out of the past ten years, and it has been above 80% for nine out of the past ten years.

Figure 8.5: Workers Compensation nil claims experience



We have selected 96% as our nil settlement rate assumption, unchanged from our previous valuation assumption.

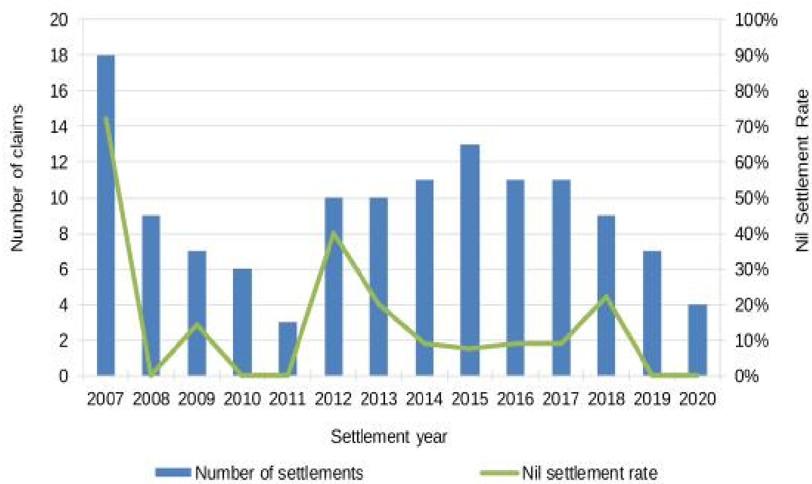
The overall financial impact of this assumption is not material.

8.7 Wharf claims

During the past ten years, the nil settlement rate has exhibited considerably volatility for wharf claims, varying between 0% and 40%.

The nil settlement rate for the past three years has averaged 10%, for the past four years it has averaged 10% and for the past five years it has averaged 10%.

Figure 8.6: Wharf nil claims experience



We have selected a nil settlement rate assumption of 10%, unchanged from our previous valuation assumption.

Given the low volume of claims activity for wharf claims, this assumption is highly subjective but is also not material to the overall liability assessment.

8.8 Summary assumptions

The following table provides a summary of our nil settlement rate assumptions at this valuation, and those assumed at the previous valuation.

Table 8.2: Summary nil settlement rate assumptions

	Current Valuation	Previous Valuation
Mesothelioma: Direct	3.0%	4.0%
Mesothelioma: Cross	16.0%	19.0%
Asbestosis	11.0%	11.0%
Lung Cancer	26.0%	28.0%
ARPD & Other	10.0%	10.0%
Wharf	10.0%	10.0%
Workers Compensation	96.0%	96.0%

9. Economic and Other Assumptions

9.1 Overview

The two main economic assumptions required for our valuation are:

- The underlying claims inflation assumptions adopted to project the future claims settlement amounts and related costs.
- The discount rate adopted for the present value determinations.

We also discuss the basis of derivation of other valuation assumptions, being:

- The cross-claim recovery rate; and
- The pattern of settlement of future reported claims and pending claims.

9.2 Claims inflation

We are required to make assumptions about the future rate of inflation of claims costs.

We have adopted a standard Australian actuarial claims inflation model for liabilities of the type considered in this report that is based on:

- An underlying, or base, rate of general economic inflation relevant to the liabilities, in this case based on wage/salary (earnings) inflation; and
- A rate of superimposed inflation, i.e. the rate at which claims costs inflation exceeds base inflation.

9.2.1 Base inflation

We have adopted a base (wage) inflation assumption for FY2022 onwards of 3.50% per annum unchanged from our assumption at 31 March 2020.

This assumption applies both to claims awards and legal costs.

9.2.2 Superimposed inflation

Superimposed inflation is a term commonly used by Australian actuaries to measure the rate at which average claims costs escalate in excess of a base (usually wage) inflation measure.

As a result, superimposed inflation is a "catch-all" for a range of potential factors affecting claims costs, including (but not limited to):

- Courts making compensation payments in relation to new heads of damage;

- Courts changing the levels of compensation paid for existing heads of damage;
- Advancements in medical treatments – for example, this could lead to higher medical treatment costs (e.g. the cost of the use of new drug treatments);
- Allowance for medical costs to rise faster than wages because of the use of enhanced medical technologies;
- Changes in life expectancy;
- Changes in retirement age – this would increase future economic loss awards;
- Changes in the relative share of the liability to be borne by the Liable Entities' (which we refer to as "the contribution rate") and which might result from changes in the number of defendants joined in claims;
- Changes in the mix of claims costs by different heads of damage; and
- Changes in the mix of claimants by age of claimant.

Additionally, superimposed inflation also captures those characteristics of claims experience which might have different relative claim sizes but which are currently modelled in aggregate (rather than explicitly and separately modelled). This includes factors such as:

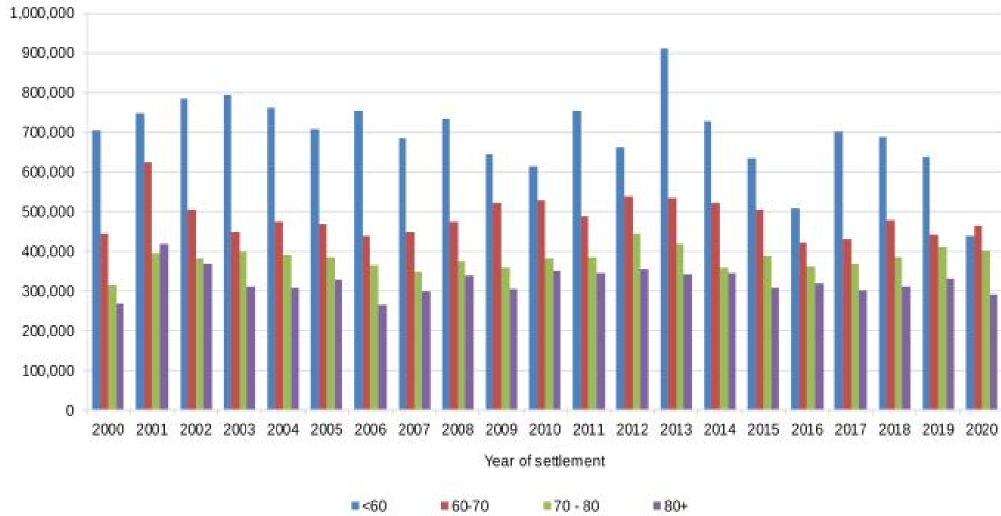
- Changes in the mix of claims between direct and cross claims;
- Changes in the mix of claims between renovator and non-renovator claims; and
- Changes in the mix of claims by the numbers of defendants to each claim.

Whilst the future rate of superimposed inflation is uncertain, and not predictable from one year to the next, it is of note that the average claim costs appear to have been relatively stable in recent years (after adjusting for wage inflation) and that, if anything, average claim sizes have trended downwards in recent years. As discussed elsewhere in this report, this reflects the changing mix of claimants by claimant age (shifting towards older claimants).

Furthermore, the emergence of new or expanding heads of damage does not tend to proceed smoothly but progresses in "steps", depending on the outcome of legislative and other developments.

We have reviewed the rate of inflation of claims costs by settlement year for the past 20 years for mesothelioma direct claims, and separately for each age cohort. We have assessed this by analysing inflated claim costs and therefore the following chart measures the trend in the rate of superimposed inflation.

Figure 9.1: Average mesothelioma direct claim awards of the Liable Entities (inflated to mid 2020/21 money terms) by age of claimant



For claimants under 60 years of age, the rate of superimposed inflation:

- Averaged (2.3)% per annum for 2000/01 to 2020/21;
- Averaged (3.2)% per annum for 2002/03 to 2020/21;
- Averaged (3.4)% per annum for 2004/05 to 2020/21;
- Averaged (3.4)% per annum for 2007/08 to 2020/21.

All of these observations have been impacted by the unusually low average claim size observed for 2020/21.

For claimants 60-70 years of age, the rate of superimposed inflation:

- Averaged 0.2% per annum for 2000/01 to 2020/21;
- Averaged (0.5)% per annum for 2002/03 to 2020/21;
- Averaged (0.2)% per annum for 2004/05 to 2020/21;
- Averaged 0.3% per annum for 2007/08 to 2020/21.

For claimants 70-80 years of age, the rate of superimposed inflation:

- Averaged 1.2% per annum for 2000/01 to 2020/21;
- Averaged 0.3% per annum for 2002/03 to 2020/21;
- Averaged 0.2% per annum for 2004/05 to 2020/21;
- Averaged 1.1% per annum for 2007/08 to 2020/21.

For claimants 80+ years of age, the rate of superimposed inflation:

- Averaged 0.4% per annum for 2000/01 to 2020/21;
- Averaged (1.3)% per annum for 2002/03 to 2020/21;
- Averaged (0.3)% per annum for 2004/05 to 2020/21;
- Averaged (0.2)% per annum for 2007/08 to 2020/21.

Analysis performed for mesothelioma cross claims indicates similar trends, albeit more volatile noting the smaller numbers of claims.

The actuarial approach for this report is to take an average view for superimposed inflation to be applied over the long-term, noting that there will necessarily be deviations from this average on an annual basis and that cashflows are projected for the next 50 or more years.

Weighing all of the evidence together, and in particular recognising that the period since 2000/01 has generally been benign, we have adopted an assumed long-term rate of future superimposed inflation of claims awards of 2.00% per annum.

This assumption is applied to the claim awards for all categories of claim and age cohorts.

There is no superimposed inflation applied to legal costs.

The assumption for superimposed inflation is unchanged from the previous valuation.

The outcome of this assumption is a "superimposed inflation allowance" of approximately $220m on a discounted central estimate basis and approximately $285m on an inflated and undiscounted central estimate basis.

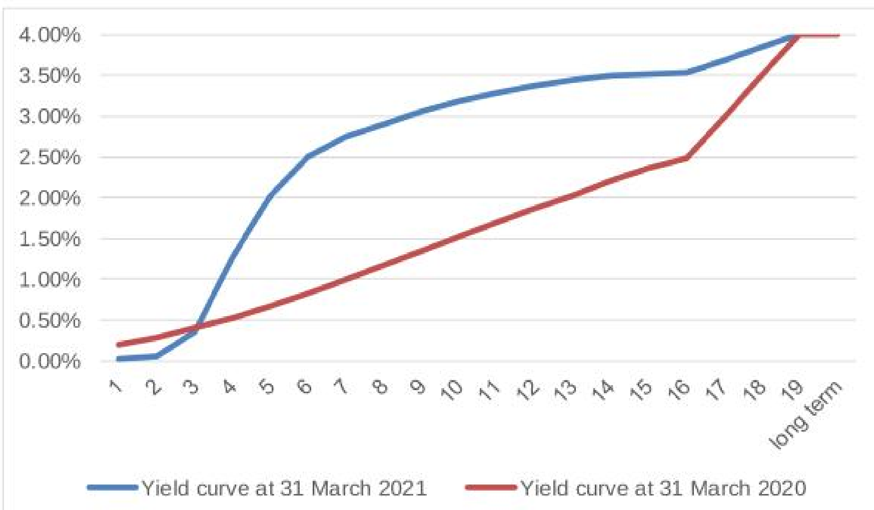
9.3 Discount rates: Commonwealth bond zero coupon yields

We have calculated the zero coupon yield curve at 31 March 2021 underlying the prices, coupons and durations of Commonwealth Government Bonds for the purpose of discounting the liabilities for this report.

The use of such discount rates is consistent with standard Australian actuarial practice for such liabilities, is in accordance with the Institute of Actuaries of Australia's Professional Standard PS302 and is also consistent with our understanding of the Australian accounting standards.

The chart below shows the assumptions for the current valuation and the previous valuation.

Figure 9.2: Zero coupon yield curve by duration



At this valuation, we have maintained the long-term assumption at 4.00% per annum.

9.4 Cross claim recovery rates

The following chart shows how the experience of cross claim recoveries has varied over the last ten years, both in monetary terms and expressed as a percentage of gross payments.

Figure 9.3: Cross claim recovery experience

Cross claim recoveries reduced year on year from 2012/13 to 2015/16, both in absolute terms and as a percentage of gross payments. The last four years have been broadly stable at around $7m per annum, representing between 4.5% and 5.1% of gross payments.

In light of the additional year of experience and given the consistent level of recovery activity in each of the last four years, we have increased our assumption for cross claim recoveries to be 4.0% of claims awards (2020: 3.5% of claims awards).

9.5 Settlement Patterns

Triangulation methods are used to derive the past pattern of settlement of claims and are used in forming a view on future settlement patterns.

The following triangles provide an illustrative example of how we perform this:

Figure 9.4: Settlement pattern derivation for mesothelioma claims: paid as % of ultimate cost

Yr of Notification	0	1	2	3	4	5	6	7	8	9	10	11	12
2006	61.7%	93.7%	97.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
2007	53.3%	97.1%	99.5%	99.8%	99.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
2008	67.3%	96.5%	97.7%	99.3%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
2009	57.7%	88.4%	92.7%	99.2%	99.4%	99.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
2010	71.7%	96.4%	99.7%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
2011	57.1%	96.9%	99.1%	99.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%			
2012	55.7%	97.7%	99.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%				
2013	65.3%	94.9%	99.6%	99.8%	100.0%	100.0%	100.0%	100.0%					
2014	65.8%	96.6%	98.6%	99.5%	100.0%	100.0%	100.0%						
2015	65.5%	96.2%	99.4%	99.7%	99.9%	100.0%							
2016	57.3%	98.2%	99.2%	99.9%	100.0%								
2017	55.3%	96.6%	98.2%	98.8%									
2018	55.8%	96.5%	98.6%										
2019	59.4%	93.9%											
2020	52.2%												

Figure 9.5: Settlement pattern derivation for non-mesothelioma claims: paid as % of ultimate cost

Yr of Notification	0	1	2	3	4	5	6	7	8	9	10	11	12
2006	22.7%	72.0%	91.5%	94.7%	99.4%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
2007	28.9%	83.1%	93.0%	99.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
2008	26.1%	84.5%	95.6%	97.3%	99.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
2009	40.4%	77.7%	94.1%	95.9%	96.1%	97.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
2010	26.1%	84.7%	95.7%	97.4%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
2011	36.8%	90.1%	99.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%			
2012	38.7%	89.1%	98.4%	99.9%	99.9%	100.0%	100.0%	100.0%	100.0%				
2013	28.4%	84.2%	95.8%	97.8%	99.0%	99.9%	99.9%	99.9%					
2014	32.7%	90.6%	97.2%	99.8%	100.0%	100.0%	100.0%						
2015	46.8%	89.8%	95.9%	99.6%	99.6%	100.0%							
2016	22.7%	74.4%	91.4%	94.0%	99.9%								
2017	37.8%	90.6%	95.7%	97.0%									
2018	20.5%	79.7%	92.1%										
2019	24.9%	85.1%											
2020	31.5%												

We have estimated the settlement pattern for future claim reporting as follows:

Table 9.1: Settlement pattern of claims awards by delay from claim reporting

Delay (years)	Mesothelioma	Non-Mesothelioma
0	56.0%	30.0%
1	39.0%	54.0%
2	3.5%	9.5%
3	1.0%	4.0%
4	0.5%	1.0%
5	0.0%	0.5%
6	0.0%	0.5%
7	0.0%	0.5%
8	0.0%	0.0%
9	0.0%	0.0%
10	0.0%	0.0%
11	0.0%	0.0%
12	0.0%	0.0%

These assumed settlements patterns have been modified slightly for mesothelioma claims since our previous valuation, resulting in an assumption of a slight slowdown in mesothelioma claim settlements in the earlier period.

For mesothelioma, we have adopted one pattern because analysis of the average time to settlement for each of the four age groups was not materially different to the overall average time to settlement.

10. Valuation Results

10.1 Central estimate liability

At 31 March 2021, our projected central estimate of the liabilities of the Liable Entities (the Discounted Central Estimate) to be met by the AICF Trust is $1,762.6m (2020: $2,025.2m).

We have not allowed for the future Operating Expenses of the AICF Trust or the Liable Entities in the liability assessment.

The following table shows a summary of our central estimate liability assessment and compares the current assessment with our previous valuation.

Table 10.1: Comparison of central estimate of liabilities

	31 March 2021 $m			31 March 2020 $m
	Gross of insurance recoveries	Insurance recoveries	Net of insurance recoveries	Net of insurance recoveries
Total uninflated and undiscounted cash-flows	1,414.7	62.8	1,351.9	1,452.4
Inflation allowance	699.7	17.9	681.8	762.8
Total inflated and undiscounted cash-flows	2,114.4	80.7	2,033.7	2,215.2
Discounting allowance	(279.9)	(8.8)	(271.1)	(190.0)
Net present value liabilities	1,834.5	71.9	1,762.6	2,025.2

10.2 Comparison with previous valuation

In the absence of any change to the claim projection assumptions from our 31 March 2020 valuation, other than allowing for the changes in the discount rate, we would have projected a Discounted Central Estimate liability of $1,783.9m as at 31 March 2021.

The decrease of $241.3m relative to the valuation result at 31 March 2020 is due to:

- A decrease of $155.6m, being the net impact of expected claims payments (which reduce the liability) and the "unwind of discount".
- A decrease of $85.7m resulting from increases to the yield curve between 31 March 2020 and 31 March 2021.

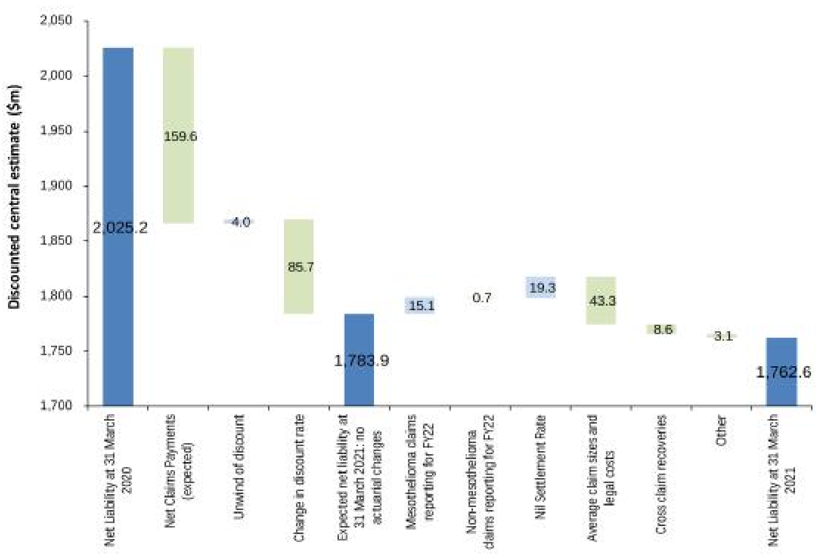
Our liability assessment at 31 March 2021 of $1,762.6m therefore represents a decrease of $21.3m arising from changes to the actuarial assumptions. The reduction is principally a consequence of:

- Reductions in average claim sizes (including small changes in assumed future mix by age cohort); and
- Higher assumed future cross-claims recovery rates;

offset by

- A decrease to the assumed nil settlement rates for mesothelioma claims; and
- A small increase in overall future mesothelioma direct claim numbers owing to a change in the mix of claims towards older age cohorts (which have a longer pattern of emergence of claims).

Figure 10.1: Analysis of change in central estimate liability (discounted basis)



Note: Green bars signal that this factor has given rise to a decrease in the liability whilst light blue bars signal that this factor has given rise to an increase in the liability.

10.3 Comparison of valuation results since 30 September 2006

We have analysed how our valuation results have changed since the Initial Report (as defined in the Amended Final Funding Agreement) at 30 September 2006.

The table below shows the results over time.

We have used the inflated and undiscounted results as the comparison. We consider this to be the most appropriate assessment as it removes the impacts of changes in discount rates and the "unwind of the discount".

Table 10.2: Comparison of net undiscounted valuation results since 30 September 2006

	FY2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY2017	FY2018	FY2019	FY2020	FY2021
Valuation result at end of previous financial year	3,169	2,811	3,027	3,124	2,906	2,661	2,525	2,513	2,805	2,743	2,427	2,200	2,381	2,219	2,215
Net payments made (actual)	-32	-55	-93	-86	-76	-76	-86	-113	-121	-129	2	-124	-143	-142	-139
Expected valuation result (no actuarial changes)	3,137	2,756	2,934	3,038	2,830	2,585	2,439	2,400	2,684	2,614	2,429	2,076	2,238	2,077	2,076
Actual valuation at end of financial year	2,811	3,027	3,124	2,906	2,661	2,525	2,513	2,805	2,743	2,427	2,200	2,381	2,219	2,215	2,034
Impact of actuarial valuation changes	-326	271	190	-132	-169	-60	74	405	59	-187	-229	305	-19	138	-42
Cumulative changes since 30 September 2006	-326	-55	135	3	-166	-226	-152	253	312	125	-104	201	182	320	278

Note: For FY2007, the starting valuation ($3,169m) is the valuation at 30 September 2006, not the valuation at 31 March 2006.

The table shows that whilst there have been seven years where there have been increases and eight years where there have been decreases arising from changes to actuarial valuation assumptions, over the period from 30 September 2006 to 31 March 2021 the valuation has increased by approximately $278m (8.8% of the valuation contained in the Initial Report).

In terms of net cashflows, actual net payments of $1,413m have been made since 30 September 2006. This compares with an estimate of $1,599m projected for the same period (1 October 2006 to 31 March 2021) in the valuation at 30 September 2006.

After allowing for removal of the beneficial impact of HIH, Equitas and other commutations ($187m), actual net cashflows have been almost exactly in line with those projected in the valuation at 30 September 2006 for the period 1 October 2006 to 31 March 2021.

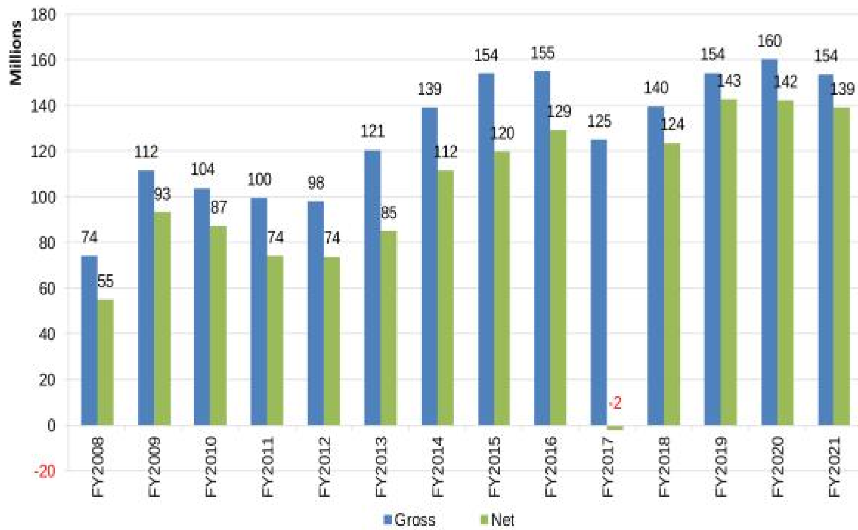
Gross cashflows over the same period have been $25m (1.3%) below those projected in the valuation at 30 September 2006 ($1,832m vs $1,857m).

10.4 Cashflow projections

10.4.1 Historical cashflow expenditure

The following chart shows the historical expenditure by the Liable Entities relating to asbestos-related claim settlements since the formation of AICFL.

Figure 10.2: Historical claim-related expenditure of the Liable Entities ($m)



Gross cashflow payments in the 12 months to 31 March 2021 were $153.7m. This was $17.9m (10%) lower than the gross cashflow projected for 2020/21 in our 31 March 2020 valuation ($171.6m).

Net cashflow payments in the 12 months to 31 March 2021 were $139.2m. This was $20.4m (13%) lower than the net cashflow projected for 2020/21 in our 31 March 2020 valuation report ($159.6m).

10.4.2 Key changes in cashflow projections by period of cashflow

The following table summarises how the projected cashflows compare between the current and previous valuation.

Table 10.3: Comparison of projected cashflows by period

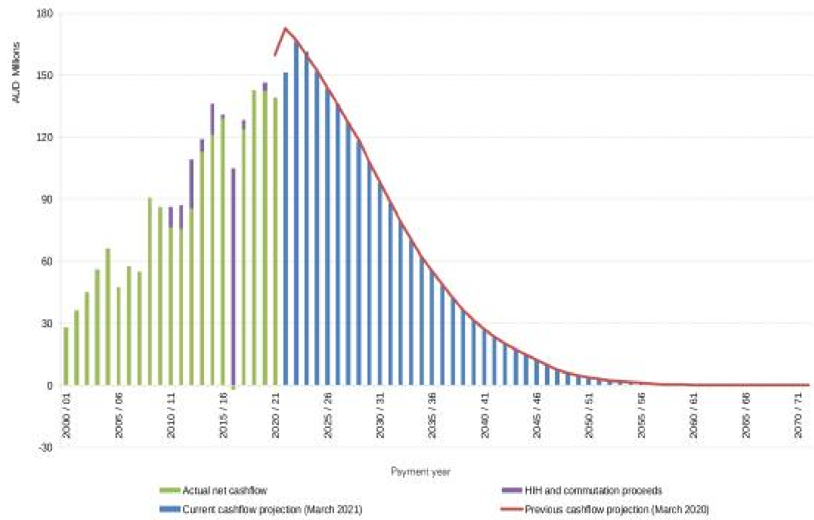
Cashflow Projections ($m)	Previous Valuation	Current Valuation	Valuation change	Valuation change (%)
FY21 - FY25	811	770	-41	-5.1%
FY26 - FY30	632	633	1	0.2%
FY31 - FY40	613	611	-2	-0.3%
FY41 - FY45	103	103	-0	-0.5%
1 April 2045 onwards	56	56	0	0.1%
Total	**2,215**	**2,173**	**-42**	**-1.9%**

Note: Figures may not add "on sight" due to rounding.

10.4.3 Future cashflow projections

The following chart shows the projected net cashflows underlying our current valuation and the projected net cashflow projection underlying our previous valuation at 31 March 2020.

Figure 10.3: Annual cashflow projections – inflated and undiscounted ($m)



Given the extremely long-tailed nature of asbestos-related liabilities, a small change in an individual assumption can have a significant impact upon the cashflow profile of the liabilities.

10.5 Amended Final Funding Agreement calculations

The Amended Final Funding Agreement sets out the basis on which payments will be made to the AICF Trust.

Additionally, there are a number of other figures specified within the Amended Final Funding Agreement that we are required to calculate. These are:

- Discounted Central Estimate;
- Term Central Estimate; and
- Period Actuarial Estimate.

Table 10.4: Amended Final Funding Agreement calculations

	$m	
Discounted Central Estimate (net of cross-claim recoveries, Insurance and Other Recoveries)	1,762.6	
Period Actuarial Estimate (net of cross-claim recoveries, gross of Insurance and Other Recoveries) comprising:	500.8	
Discounted value of cashflow in 2021/22		157.8
Discounted value of cashflow in 2022/23		174.1
Discounted value of cashflow in 2023/24		168.9
Term Central Estimate (net of cross-claim recoveries, Insurance and Other Recoveries)	1,738.0	

The actual funding amount due at a particular date will depend upon a number of factors, including:

- the net asset position of the AICF Trust at that time;
- the free cash flow amount of the James Hardie Group in the preceding financial year; and
- the Period Actuarial Estimate in the latest Annual Actuarial Report.

10.6 Insurance Recoveries

Our liability valuation has made allowance for a discounted central estimate of Insurance Recoveries of $71.9m.

This estimate is comprised as follows:

Table 10.5: Insurance recoveries at 31 March 2021

$m	Undiscounted central estimate	Discounted central estimate
Gross liability (net of cross claim recoveries)	2,114.4	1,834.5
Product liability recoveries	73.4	65.8
Bad and doubtful debt allowance (product)	(0.8)	(0.7)
Public liability recoveries	8.2	6.9
Bad and doubtful debt allowance (public)	(0.1)	(0.1)
Insurance recovery asset	80.7	71.9
Net liability	2,033.7	1,762.6
Insurance recovery rate	3.9%	4.0%
Bad and doubtful debt rate	1.1%	1.0%
Value of Insurance Policies per Facility Agreement		65.1

The combined bad and doubtful debt rate is 1.0% on a discounted basis (2020: 1.2%).

The AICF Facility Agreement requires the Approved Actuary to calculate the discounted central estimate value of certain Insurance Policies, being those specified in Schedule 5 of the AICF Facility Agreement.

At 31 March 2021 the discounted central estimate of the Insurance Policies, as specified in Schedule 5 of the AICF Facility Agreement, is $65.1m (2020: $74.7m).

11. Uncertainty

11.1 Overview

There is uncertainty involved in any valuation of the liabilities of an insurance company or a self-insurer. The sources of such uncertainty include, but are not limited to:

- Parameter error – this is the risk that the parameters and assumptions chosen ultimately prove not to be reflective of future experience.
- Model error – this is the risk that the model selected for the valuation of the liabilities ultimately proves not to be adequate for the projection of the liabilities.
- Legal and social developments – this is the risk that the legal environment in which claims are settled changes relative to its current and historical position thereby causing significantly different awards.
- Future actual rates of inflation being different from that assumed.
- The general economic environment being different from that assumed.
- Potential sources of exposure – this is the risk that there exist sources of exposure which are as yet unknown or unquantifiable, or for which no liabilities have yet been observed, but which may trigger future claims.

In the case of asbestos liabilities, these uncertainties are exacerbated by the extremely long latency period from exposure to onset of disease and notification of a claim. Asbestos-related claims often take in excess of 40 years from original exposure to become notified and then settled, compared with an average delay from exposure to settlement of 4-5 years for many other compensation-type liabilities such as Comprehensive Third-Party injury liabilities or other Workers Compensation liabilities.

Specific forms of uncertainty relating to asbestos-related disease liabilities include:

- The difficulty in quantifying the extent and pattern of past asbestos exposures and the number and incidence of the ultimate number of lives that may be affected by asbestos related diseases arising from such past asbestos exposures;
- The timing of the peak level and future pattern of incidence of claims reporting for mesothelioma;
- The propensity of individuals affected by diseases arising from such exposure to file common law claims against defendants;
- The extent to which the Liable Entities will be joined in such future common law claims;
- The mix of claimants by age, in particular noting the shift towards older claimants and which has had a downwards effect on average claim sizes in recent years;

which has had a downwards effect on average claim sizes in recent years;

- The mix of mesothelioma claims between direct claims and cross claims;
- The fact that the ultimate severity of the impact of the disease and the quantum of the claims that will be awarded will be subject to the outcome of events that have not yet occurred, including:
  - medical and epidemiological developments, including those relating to life expectancy in general;
  - court interpretations;
  - legislative changes;
  - changes to the form and range of benefits for which compensation may be awarded ("heads of damage");
  - public attitudes to claiming;
  - the potential for future procedural reforms in NSW and other States affecting the legal costs incurred in managing and settling claims;
  - potential third-wave exposures; and
  - social and economic conditions such as inflation.

11.2 Sensitivity testing

As we have noted above, there are many sources of uncertainty. Actuaries often perform "sensitivity testing" to identify the impact of different assumptions on future experience, thereby providing an indication of the degree of parameter error risk to which the valuation assessment is exposed.

Sensitivity testing may be considered as being a mechanism for testing "what will the liabilities be if instead of choosing [x] for assumption [a] we choose [y]?" It is also a mechanism for identifying how the result will change if experience turns out different in a particular way relative to that which underlies the central estimate expectations. As such, it provides an indication of the level of variability inherent in the valuation.

We have performed some sensitivity tests of the results of our central estimate valuation. We have sensitivity tested the following factors:

- **number of claims notified**: 10% above and below our central estimate assumption.
- **average claim cost of a non-nil claim**: 5% above and below our central estimate assumption.
- **nil settlement rate**: 2 percentage points above and below our central estimate assumption.
- **superimposed inflation**: being 0% per annum or 4% per annum over all future years.
- **mesothelioma incidence pattern**: we have tested the impact of shifting out the pattern of incidence by two further years.

There are other factors which influence the liability assessment and which could be sensitivity tested, including:

- The cross-claim recovery rate;
- The variation in timing of claim notifications (but with no change in the overall number of notifications); and
- The pattern and delay of claim settlements from claim notification.

We have not sensitivity tested these factors, viewing them as being of less financial significance individually.

We have not sensitivity tested the value of Insurance Recoveries as uncertainties typically relate to legal risk and disputation risk, and it is not possible to parameterise a sensitivity test in an informed manner.

We have not included a sensitivity test for the impact of changes in discount rates although, as noted in this Report, changes in discount rates can introduce significant volatility to the Discounted Central Estimate result reported at each year-end.

11.3 Results of sensitivity testing

The chart below shows the impact of various individual sensitivity tests on the Discounted Central Estimate of the liabilities, and of a combined sensitivity test of a number of factors.

Although we have tested multiple scenarios of each assumption, one cannot gauge an overall potential range by simply adding these tests together. Accordingly, we have prepared a range based on a combination of factors.

Figure 11.1: Sensitivity testing results – Impact around the Discounted Central Estimate (in $m)

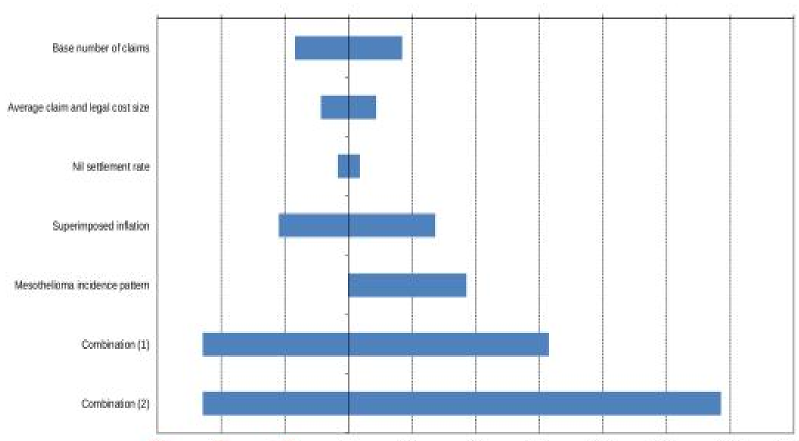
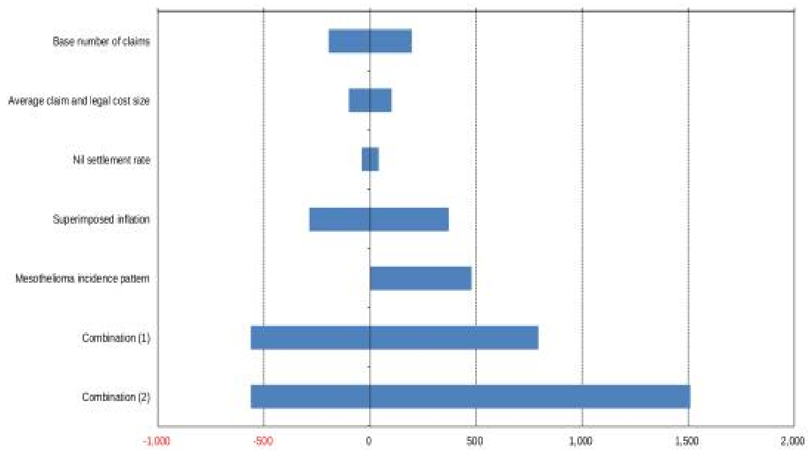


Figure 11.2: Sensitivity testing results – Impact around the undiscounted central estimate (in $m)



The single most sensitive assumption shown in the chart is the incidence pattern of mesothelioma claims reporting against the Liable Entities. Shifting the pattern of incidence by 2 years could add approximately $371m (21%) on a discounted basis to our valuation (as shown in Figure 11.1 by the scenario labelled "mesothelioma incidence pattern").

Table 11.1: Summary results of sensitivity analysis ($m)

	Undiscounted	Discounted
Central estimate	2,033.7	1,762.6
Low Scenario	1,472.7	1,303.4
High Scenario	3,544.8	2,933.2

Whilst the table above indicates a range around the discounted central estimate of liabilities of -$459m to +$1,171m, the actual cost of liabilities could fall outside that range depending on the actual experience.

We further note that these sensitivity test ranges are not intended to correspond to a specified probability of sufficiency nor are they intended to indicate an upper bound or a lower bound of all possible outcomes.

A Projected inflated and undiscounted cashflows ($m)

Payment Year	Mesothelioma Claims	Asbestosis Claims	Lung Cancer Claims	ARPD & Other Claims	Legal and Other Costs	Workers Compensation Claims	Workers Compensation Legal and Other Costs	Wharf Claims	Wharf Legal and Other Costs	Baryulgil	Cross Claim Recoveries	Gross	Insurance	Net
2021 / 2022	131.4	10.8	2.3	2.7	16.1	0.1	0.0	0.2	0.1	0.3	5.9	157.8	6.5	151.3
2022 / 2023	144.7	11.4	2.1	3.5	18.1	0.1	0.0	0.5	0.1	0.2	6.5	174.2	7.8	166.4
2023 / 2024	140.9	11.2	2.0	3.5	17.0	0.1	0.0	0.5	0.1	0.2	6.3	169.3	8.0	161.3
2024 / 2025	133.1	10.3	1.8	3.3	16.1	0.1	0.0	0.5	0.1	0.2	6.0	159.5	7.8	151.7
2025 / 2026	126.8	9.6	1.7	3.0	14.8	0.1	0.0	0.5	0.1	0.2	5.7	151.1	7.6	143.5
2026 / 2027	119.7	9.0	1.7	2.8	13.8	0.1	0.0	0.4	0.1	0.1	5.3	142.4	6.0	136.3
2027 / 2028	111.4	8.2	1.5	2.6	12.6	0.1	0.0	0.4	0.1	0.1	5.0	132.1	4.8	127.3
2028 / 2029	102.8	7.4	1.4	2.3	11.6	0.1	0.0	0.4	0.1	0.1	4.6	121.6	3.8	117.8
2029 / 2030	94.6	6.7	1.3	2.1	10.6	0.1	0.0	0.3	0.1	0.1	4.2	111.6	3.7	108.0
2030 / 2031	86.4	6.0	1.2	1.8	9.2	0.1	0.0	0.3	0.0	0.1	3.8	101.3	3.5	97.8
2031 / 2032	78.3	5.3	1.1	1.6	8.2	0.1	0.0	0.3	0.0	0.1	3.5	91.4	3.2	88.2
2032 / 2033	70.4	4.6	0.9	1.4	7.3	0.1	0.0	0.2	0.0	0.1	3.1	81.9	3.0	78.9
2033 / 2034	62.9	4.0	0.8	1.2	6.4	0.0	0.0	0.2	0.0	0.0	2.8	72.9	2.8	70.1
2034 / 2035	55.8	3.5	0.7	1.0	5.6	0.0	0.0	0.2	0.0	0.0	2.4	64.4	2.2	62.2
2035 / 2036	49.2	3.0	0.6	0.9	4.8	0.0	0.0	0.1	0.0	0.0	2.2	56.6	1.2	55.4
2036 / 2037	43.2	2.5	0.5	0.7	4.1	0.0	0.0	0.1	0.0	0.0	1.9	49.5	1.1	48.3
2037 / 2038	37.8	2.1	0.5	0.6	3.6	0.0	0.0	0.1	0.0	0.0	1.6	43.0	1.0	42.0
2038 / 2039	32.9	1.7	0.4	0.5	3.0	0.0	0.0	0.1	0.0	0.0	1.4	37.3	0.9	36.4
2039 / 2040	28.6	1.4	0.3	0.4	2.6	0.0	0.0	0.1	0.0	0.0	1.2	32.2	0.8	31.4
2040 / 2041	24.9	1.2	0.3	0.3	2.2	0.0	0.0	0.1	0.0	0.0	1.1	27.8	0.7	27.1
2041 / 2042	21.6	1.0	0.2	0.3	1.8	0.0	0.0	0.0	0.0	0.0	0.9	24.0	0.6	23.4
2042 / 2043	18.7	0.8	0.2	0.2	1.6	0.0	0.0	0.0	0.0	0.0	0.8	20.7	0.6	20.1
2043 / 2044	16.2	0.6	0.2	0.2	1.3	0.0	0.0	0.0	0.0	0.0	0.7	17.8	0.5	17.3
2044 / 2045	14.0	0.5	0.1	0.1	1.1	0.0	0.0	0.0	0.0	0.0	0.6	15.3	0.4	14.9
2045 / 2046	11.6	0.4	0.1	0.1	0.9	0.0	0.0	0.0	0.0	0.0	0.5	12.6	0.4	12.2
2046 / 2047	9.2	0.3	0.1	0.1	0.7	0.0	0.0	0.0	0.0	0.0	0.4	10.0	0.3	9.7
2047 / 2048	7.3	0.2	0.1	0.1	0.6	0.0	0.0	0.0	0.0	0.0	0.3	7.9	0.3	7.7
2048 / 2049	5.8	0.2	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.2	6.3	0.2	6.1
2049 / 2050	4.6	0.1	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.2	4.9	0.2	4.8
2050 / 2051	3.6	0.1	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.2	3.9	0.1	3.8
2051 / 2052	2.9	0.1	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.1	3.1	0.1	3.0
2052 / 2053	2.3	0.1	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.1	2.4	0.1	2.3
2053 / 2054	1.8	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.1	1.9	0.1	1.8
2054 / 2055	1.4	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.1	1.5	0.1	1.5
2055 / 2056	1.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	1.2	0.0	1.1
2056 / 2057	0.8	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.9	0.0	0.8
2057 / 2058	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.0	0.6
2058 / 2059	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.0	0.4
2059 / 2060	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.3
2060 / 2061	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.2
2061 / 2062	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1
2062 / 2063	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2063 / 2064	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2064 / 2065	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2065 / 2066	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2066 / 2067	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2067 / 2068	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2068 / 2069	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2069 / 2070	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2070 / 2071	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2071 / 2072	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2072 / 2073	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	1,800.6	124.3	24.3	37.4	197.4	1.3	0.3	5.6	0.9	1.9	79.7	2,114.4	80.7	2,033.7

B Projected inflated and discounted cashflows ($m)

Payment Year	Mesothelioma Claims	Asbestosis Claims	Lung Cancer Claims	ARPD & Other Claims	Legal and Other Costs	Workers Compensation Claims	Workers Compensation Legal and Other Costs	Wharf Claims	Wharf Legal and Other Costs	Baryulgil	Cross Claim Recoveries	Gross	Insurance	Net
2021 / 2022	131.3	10.8	2.3	2.7	16.0	0.1	0.0	0.2	0.1	0.3	5.9	157.8	6.5	151.3
2022 / 2023	144.6	11.4	2.1	3.5	18.1	0.1	0.0	0.5	0.1	0.2	6.5	174.1	7.8	166.4
2023 / 2024	140.6	11.2	2.0	3.5	17.0	0.1	0.0	0.5	0.1	0.2	6.3	168.9	8.0	160.9
2024 / 2025	131.7	10.2	1.8	3.2	15.9	0.1	0.0	0.5	0.1	0.2	5.9	157.9	7.7	150.1
2025 / 2026	123.4	9.4	1.7	3.0	14.4	0.1	0.0	0.5	0.1	0.2	5.5	147.1	7.4	139.7
2026 / 2027	113.9	8.6	1.6	2.7	13.1	0.1	0.0	0.4	0.1	0.1	5.1	135.5	5.7	129.8
2027 / 2028	103.4	7.6	1.4	2.4	11.7	0.1	0.0	0.4	0.1	0.1	4.6	122.6	4.5	118.1
2028 / 2029	92.7	6.7	1.3	2.1	10.5	0.1	0.0	0.3	0.1	0.1	4.1	109.7	3.4	106.3
2029 / 2030	82.9	5.9	1.1	1.8	9.3	0.1	0.0	0.3	0.0	0.1	3.7	97.8	3.2	94.6
2030 / 2031	73.4	5.1	1.0	1.6	7.8	0.1	0.0	0.2	0.0	0.1	3.3	86.0	2.9	83.1
2031 / 2032	64.4	4.4	0.9	1.3	6.8	0.0	0.0	0.2	0.0	0.1	2.8	75.2	2.7	72.6
2032 / 2033	56.1	3.7	0.8	1.1	5.8	0.0	0.0	0.2	0.0	0.0	2.5	65.2	2.4	62.8
2033 / 2034	48.4	3.1	0.6	0.9	4.9	0.0	0.0	0.2	0.0	0.0	2.1	56.1	2.1	54.0
2034 / 2035	41.5	2.6	0.5	0.8	4.1	0.0	0.0	0.1	0.0	0.0	1.8	47.9	1.6	46.3
2035 / 2036	35.4	2.1	0.5	0.6	3.5	0.0	0.0	0.1	0.0	0.0	1.5	40.7	0.9	39.8
2036 / 2037	30.0	1.7	0.4	0.5	2.9	0.0	0.0	0.1	0.0	0.0	1.3	34.3	0.8	33.6
2037 / 2038	25.3	1.4	0.3	0.4	2.4	0.0	0.0	0.1	0.0	0.0	1.1	28.8	0.7	28.1
2038 / 2039	21.3	1.1	0.3	0.3	2.0	0.0	0.0	0.1	0.0	0.0	0.9	24.1	0.6	23.5
2039 / 2040	17.8	0.9	0.2	0.3	1.6	0.0	0.0	0.0	0.0	0.0	0.8	20.0	0.5	19.5
2040 / 2041	14.9	0.7	0.2	0.2	1.3	0.0	0.0	0.0	0.0	0.0	0.6	16.6	0.4	16.2
2041 / 2042	12.4	0.5	0.1	0.2	1.1	0.0	0.0	0.0	0.0	0.0	0.5	13.8	0.4	13.4
2042 / 2043	10.3	0.4	0.1	0.1	0.9	0.0	0.0	0.0	0.0	0.0	0.4	11.4	0.3	11.1
2043 / 2044	8.6	0.3	0.1	0.1	0.7	0.0	0.0	0.0	0.0	0.0	0.4	9.5	0.3	9.2
2044 / 2045	7.2	0.2	0.1	0.1	0.6	0.0	0.0	0.0	0.0	0.0	0.3	7.8	0.2	7.6
2045 / 2046	5.7	0.2	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.2	6.2	0.2	6.0
2046 / 2047	4.4	0.1	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.2	4.7	0.1	4.6
2047 / 2048	3.3	0.1	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.1	3.6	0.1	3.5
2048 / 2049	2.5	0.1	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.1	2.7	0.1	2.6
2049 / 2050	1.9	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.1	2.1	0.1	2.0
2050 / 2051	1.5	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.1	1.6	0.1	1.5
2051 / 2052	1.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	1.2	0.0	1.2
2052 / 2053	0.9	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.9	0.0	0.9
2053 / 2054	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7
2054 / 2055	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.0	0.5
2055 / 2056	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.0	0.4
2056 / 2057	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.3
2057 / 2058	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.2
2058 / 2059	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1
2059 / 2060	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1
2060 / 2061	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1
2061 / 2062	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2062 / 2063	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2063 / 2064	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2064 / 2065	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2065 / 2066	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2066 / 2067	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2067 / 2068	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2068 / 2069	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2069 / 2070	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2070 / 2071	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2071 / 2072	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2072 / 2073	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	1,555.1	110.7	21.4	33.4	174.0	1.2	0.3	4.9	0.8	1.8	69.1	1,834.5	71.9	1,762.6

C Glossary of terms used in the Amended Final Funding Agreement

The following provides a glossary of terms which are referenced in the Amended Final Funding Agreement and upon which we have relied in preparing our report.

The operation of these definitions cannot be considered in isolation but instead need to be considered in the context of the totality of the Amended Final Funding Agreement.

AICF means the trustee of the Asbestos Injuries Compensation Fund from time to time, in its capacity as trustee, initially being Asbestos Injuries Compensation Fund Limited.

These terms also need to be read in conjunction with the Deed of Amendment dated 19 December 2017 which added a new clause (13.4A) and which is effective from 1 January 2018.

AICF Funded Liability means:

(a) any Proven Claim;

(b) Operating Expenses;

(c) Claims Legal Costs;

(d) any claim that was made or brought in legal proceedings against a Former James Hardie Company commenced before 1 December 2005;

(e) Statutory Recoveries within the meaning and subject to the limits set out in the Amended Final Funding Agreement;

(f) a claim or category of claim which James Hardie and the NSW Government agree in writing is a "AICF Funded Liability" or a category of "AICF Funded Liability".

but in the cases of paragraphs (a), (c) and (d) excludes any such liabilities or claims to the extent that they have been recovered or are recoverable under a Worker's Compensation Scheme or Policy.

Claims Legal Costs means all costs, charges, expenses and outgoings incurred or expected to be borne by AICF or the Former James Hardie Companies, in respect of legal advisors, other advisors, experts, court proceedings and other dispute resolution methods in connection with Personal Asbestos Claims and Marlew Claims but in all cases excluding any costs included as a component of calculating a Proven Claim.

Concurrent Wrongdoer in relation to a personal injury or death claim for damages under common law or other law (excluding any law introduced or imposed in breach of the restrictions on adverse regulatory or legislative action against the James Hardie Group under the Amended Final Funding Agreement, and which breach has been notified to the NSW Government in accordance with Amended Final Funding Agreement), means a person whose acts or omissions, together with the acts or omissions of one or more Former James Hardie Companies or Marlew or any member of the James Hardie Group (whether or not together with any other persons) caused, independently of each other or jointly, the damage or loss to another person that is the subject of that claim.

Contribution Claim means a cross-claim or other claim under common law or other law (excluding any law introduced or imposed in breach of the restrictions on adverse regulatory or legislative action against the James Hardie Group under the Amended Final Funding Agreement, and which breach has been notified to the NSW Government in accordance with Amended Final Funding Agreement):

(a) for contribution by a Concurrent Wrongdoer against a Former James Hardie Company or a member of the James Hardie Group in relation to facts or circumstances which give rise to a right of a person to make a Personal Asbestos Claim or a Marlew Claim; or

(b) by another person who is entitled under common law (including by way of contract) to be subrogated to such a first mentioned cross-claim or other claim;

Discounted Central Estimate means the central estimate of the present value (determined using the discount rate used within the relevant actuarial report) of the liabilities of the Former James Hardie Companies and Marlew in respect of expected Proven Claims and Claims Legal Costs, calculated in accordance with the Amended Final Funding Agreement.

Excluded Claims are any of the following liabilities of the Former James Hardie Companies:

(i) personal injury or death claims arising from exposure to Asbestos outside Australia;

(ii) personal injury or death claims arising from exposure to Asbestos made outside Australia;

(iii) claims for economic loss (other than any economic loss forming part of the calculation of an award of damages for personal injury or death) or loss of property, including those relating to land remediation and/or Asbestos or Asbestos products removal, arising out of or in connection with Asbestos or Asbestos products manufactured, sold, distributed or used by or on behalf of the Liable Entities;

(iv) any Excluded Marlew Claim;

(v) any liabilities of the Liable Entities other than AICF Funded Liabilities.

Excluded Marlew Claim means a Marlew Claim:

(a) covered by the indemnities granted by the Minister of Mineral Resources under the deed between the Minister, Fuller Earthmoving Pty Limited and James Hardie Industries Limited dated 11 March 1996; or

(b) by a current or former employee of Marlew in relation to an exposure to Asbestos in the course of such employment to the extent:

    (i) the loss is recoverable under a Worker's Compensation Scheme or Policy; or

(ii) the Claimant is not unable to recover damages from a Marlew Joint Tortfeasor in accordance with the Marlew Legislation;

(c) by an individual who was or is an employee of a person other than Marlew arising from exposure to Asbestos in the course of such employment by that other person where such loss is recoverable from that person or under a Worker's Compensation Scheme or Policy; or

(d) in which another defendant (or its insurer) is a Marlew Joint Tortfeasor from whom the plaintiff is entitled to recover compensation in proceedings in the Dust Diseases Tribunal, and the Claimant is not unable to recover damages from that Marlew Joint Tortfeasor in accordance with the Marlew Legislation.

Former James Hardie Companies means Amaca, Amaba and ABN 60.

Insurance and Other Recoveries means any proceeds which may reasonably be expected to be recovered or recoverable for the account of a Former James Hardie Company or to result in the satisfaction (in whole or part) of a liability of a Former James Hardie Company (of any nature) to a third party, under any product liability insurance policy or public liability insurance policy or commutation of such policy or under any other contract, including any contract of indemnity, but excluding any such amount recovered or recoverable under a Worker's Compensation Scheme or Policy.

Liable Entities see Former James Hardie Companies.

Marlew means Marlew Mining Pty Ltd (in liquidation), ACN 000 049 650, previously known as Asbestos Mines Pty Ltd.

Marlew Claim means, subject to the limitation on Statutory Recoveries, a claim which satisfies one of the following paragraphs and which is not an Excluded Marlew Claim:

(a) any present or future personal injury or death claim by an individual or the legal personal representative of an individual, for damages under common law or other law (excluding any law introduced or imposed in breach of the restrictions on adverse regulatory or legislative action against the James Hardie Group under the Amended Final Funding Agreement, and which breach has been notified to the NSW Government in accordance with the Amended Final Funding Agreement) which:

(i) arose or arises from exposure to Asbestos in the Baryulgil region from Asbestos Mining Activities at Baryulgil conducted by Marlew, provided that:

A. the individual's exposure to Asbestos occurred wholly within Australia; or

B. where the individual has been exposed to Asbestos both within and outside Australia, the amount of damages included in the Marlew Claim shall be limited to the amount attributable to the proportion of the exposure which caused or contributed to the loss or damage giving rise to the Marlew Claim which occurred in Australia;

(ii) is commenced in New South Wales in the Dust Diseases Tribunal; and

(iii) is or could have been made against Marlew had Marlew not been in external administration or wound up, or could be made against Marlew on the assumption (other than as contemplated under the Marlew legislation) that Marlew will not be in the future in external administration;

(b) any claim made under compensation to relatives legislation by a relative of a deceased individual (or personal representative of such a relative) or (where permitted by law) the legal personal representative of a deceased individual in each case where the individual, but for such individual's death, would have been entitled to bring a claim of the kind described in paragraph (a); or

(c) a Contribution Claim relating to a claim described in paragraphs (a) or (b).

Marlew Joint Tortfeasor means any person who is or would be jointly and severally liable with Marlew in respect of a Marlew Claim, had Marlew not been in external administration or wound up, or on the assumption that Marlew will not in the future be, in external administration or wound up other than as contemplated under the Marlew Legislation.

Payable Liability means any of the following:

(a) any Proven Claim (whether arising before or after the date of this deed);

(b) Operating Expenses;

(c) Claims Legal Costs;

(d) any liability of a Former James Hardie Company to the AICFL, however arising, in respect of any amounts paid by the AICFL in respect of any liability or otherwise on behalf of the Former James Hardie Company;

(e) any claim that was made or brought in legal proceedings against a Former James Hardie Company commenced before 1 December 2005;

(f) if regulations are made pursuant to section 30 of the Transaction Legislation and if and to the extent the AICFL and James Hardie have notified the NSW Government that any such liability is to be included in the scope of Payable Liability, any liability of a Former James Hardie Company to pay amounts received by it from an insurer in respect of a liability to a third party incurred by it for which it is or was insured under a contract of insurance entered into before 2 December 2005; and

(g) Statutory Recoveries within the meaning and subject to the limits set out in the Amended Final Funding Agreement,

but in the cases of paragraphs (a), (c) and (e) excludes any such liabilities or claims to the extent that they have been recovered or are recoverable under a Worker's Compensation Scheme or Policy.

Period Actuarial Estimate means, in respect of a period, the central estimate of the present value (determined using the discount rate used in the relevant actuarial report) of the liabilities of the Former James Hardie Companies and Marlew in respect of expected Proven Claims and Claims Legal Costs (in each case which are reasonably expected to become payable in that period), before allowing for Insurance and Other Recoveries, calculated in accordance with the Amended Final Funding Agreement.

Personal Asbestos Claim means any present or future personal injury or death claim by an individual or the legal personal representative of an individual, for damages under common law or under other law (excluding any law introduced or imposed in breach of the restrictions on adverse regulatory or legislative action against the James Hardie Group under the Amended Final Funding Agreement, and which breach has been notified to the NSW Government under the Amended Final Funding Agreement) which:

(a) arises from exposure to Asbestos occurring in Australia, provided that:

  (i) the individual's exposure to Asbestos occurred wholly within Australia; or

  (ii) where the individual has been exposed to Asbestos both within and outside Australia, damages included in the Marlew Claim shall be limited to the amount attributable to the proportion of the exposure which caused or contributed to the loss or damage giving rise to the Personal Asbestos Claim which occurred in Australia;

(b) is made in proceedings in an Australian court or tribunal; and

(c) is made against:

  (i) all or any of the Liable Entities; or

  (ii) any member of the James Hardie Group from time to time;

(d) any claim made under compensation to relatives legislation by a relative of a deceased individual (or personal representative of such a relative) or (where permitted by law) the legal personal representative of a deceased individual in each case where the individual, but for such individual's death, would have been entitled to bring a claim of the kind described in paragraph (a); or

(e) a Contribution Claim made in relation to a claim described in paragraph (a) or (b)

but excludes all claims covered by a Worker's Compensation Scheme or Policy.

Proven Claim means a proven Personal Asbestos Claim in respect of which final judgment has been given against, or a binding settlement has been entered into by, a Former James Hardie Company, to the extent to which that entity incurs liability under that judgment or settlement, or a Proven Marlew Claim.

Statutory Recoveries means any statutory entitlement of the NSW Government or any Other Government or any governmental agency or authority of any such government ("Relevant Body") to impose liability on or to recover an amount or amounts from any person in respect of any payments made or to be made or benefits provided by a Relevant Body in respect of claims (other than as a defendant or in settlement of any claim, including a cross-claim or claim for contribution).

Term means the period

(i) from the date on which the principal obligations under the Amended Final Funding Agreement will commence to 31 March 2045,

(ii) as may be extended in accordance with the terms of the Amended Final Funding Agreement.

Term Central Estimate means the central estimate of the present value (determined using the discount rate used in the relevant Annual Actuarial Report) of the liabilities of the Former James Hardie Companies and Marlew in respect of expected Proven Claims and Claims Legal Costs (in each case reasonably expected to become payable in the relevant period) after allowing for Insurance and Other Recoveries during that period, from and including the day following the end of the Financial Year preceding that Payment Date up to and including the last day of the Term (excluding any automatic or potential extension of the Term, unless or until the Term has been extended).

Workers Compensation Scheme or Policy means any of the following:

(a) any worker's compensation scheme established by any law of the Commonwealth or of any State or Territory;

(b) any fund established to cover liabilities under insurance policies upon the actual or prospective insolvency of the insurer (including without limitation the Insurer Guarantee Fund established under the Worker's Compensation Act 1987 (NSW)); and

(c) any policy of insurance issued under or pursuant to such a scheme.

kpmg.com.au

Exhibit 99.8

James Hardie Industries Announces 2021 Global Investor Day

James Hardie Industries plc (ASX: JHX; NYSE: JHX), the world's #1 producer and marketer of high-performance fiber cement building solutions, will hold its 2021 Global Investor Day on 25 May 2021 from 7:00am – 9:15am Sydney, Australia time (24 May 2021 from 5:00pm - 7:15pm New York City, USA time) , featuring the following agenda topics:

- Strategic Plan
- Marketing to Homeowners
- Global Innovation
- Financial Summary
- Q&A

A webcast will be available for analysts, investors and media. All participants wishing to join the webcast will need to **pre-register** by navigating to https://jhxinvestorday.joinceo.com Once registered, participants will receive an email confirmation and calendar invitation to join the live webcast.

The related presentation materials will be made available on James Hardie's Investor Relations website https://ir.jameshardie.com.au/jh/presentations.jsp For those unable to join the live webcast, a replay will be available on the website shortly after the event.

Management will also conduct its Q4 FY2021 results briefing on Tuesday May 18, 2021, 9:00 am Sydney, Australia time (May 17, 2021, 7:00 pm New York City, USA time). A teleconference will be available for analysts, investors and media.

Forward-Looking Statements

This Media Release contains forward-looking statements and information that are necessarily subject to risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of James Hardie to be materially different from those expressed or implied in this release, 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 2020; changes in general economic, political, governmental and business conditions globally and in the countries in which James Hardie does business; 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 Media Release except as required by law.

This media release has been authorized by Mr. Jason Miele, Chief Financial Officer.

END

Investor/Media/Analyst Enquiries:
James Brennan-Chong

Telephone: +61 2 9638 9205
Email: media@jameshardie.com.au

James Hardie Industries plc is a limited liability company incorporated in Ireland with its registered office at Europa House, 2nd Floor, Harcourt Centre, Harcourt Street, Dublin 2, D02 WR20, Ireland

Exhibit 99.9

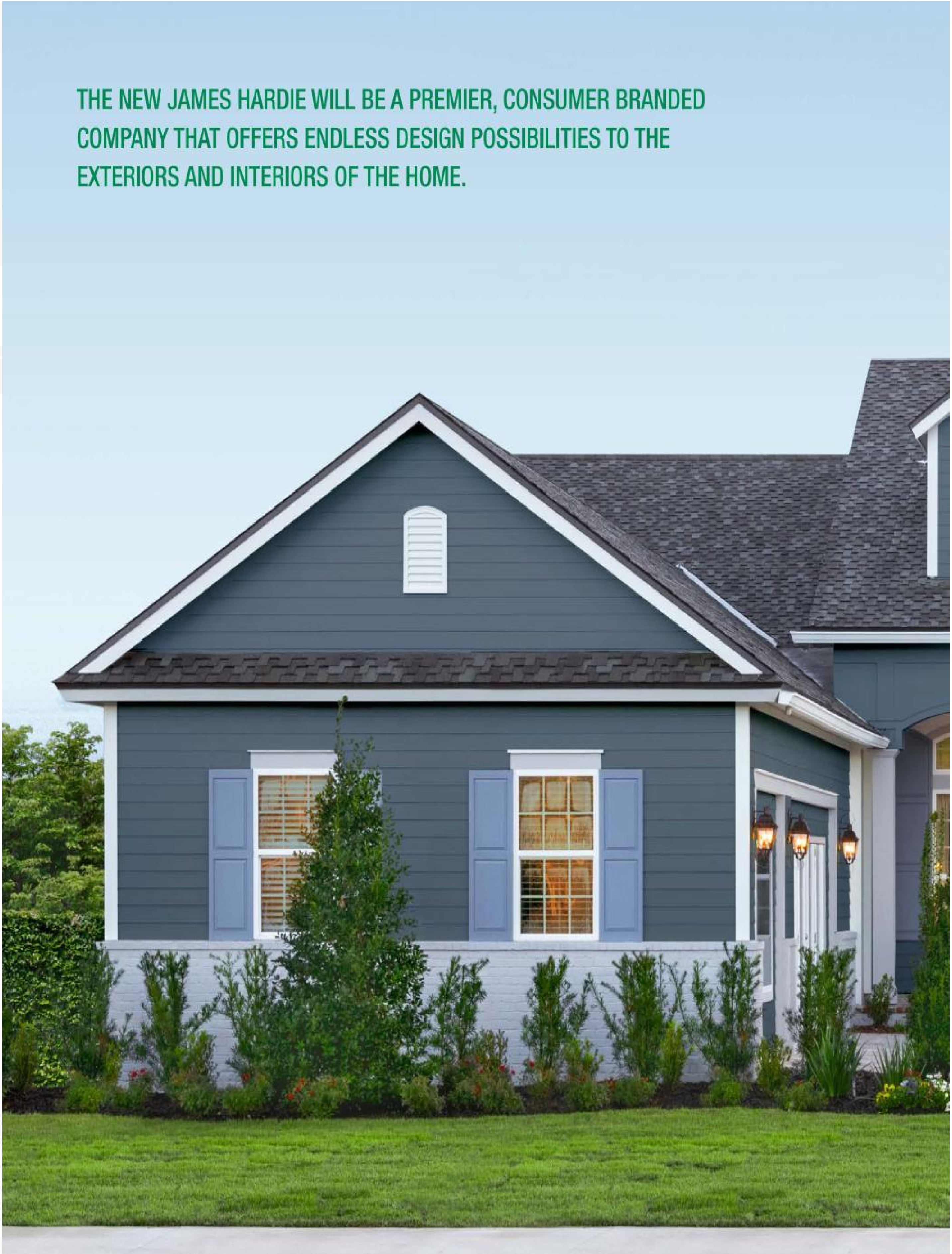
JamesHardie™

A NEW JAMES HARDIE

2021 Annual Report

Fiscal Year Ending 31 March 2021

THE NEW JAMES HARDIE WILL BE A PREMIER, CONSUMER BRANDED COMPANY THAT OFFERS ENDLESS DESIGN POSSIBILITIES TO THE EXTERIORS AND INTERIORS OF THE HOME.




OUR MISSION IS TO BE A HIGH PERFORMANCE,
GLOBAL COMPANY THAT DELIVERS ORGANIC GROWTH
ABOVE MARKET WITH STRONG RETURNS, CONSISTENTLY.

In this Annual Report, pages 1-29, unless otherwise stated all items are denoted in U.S. dollars. Any financial metric referred to as “Adjusted” is a Non-GAAP Financial measure. The items denoted as “Adjusted” are done so consistently with the Company’s other financial reporting, please see Page 29, *Financial Endnotes,* for further explanation of Non-GAAP Financial Information. All endnoted items within pages 1-29 are explained by reference in the financial endnotes on Page 29.

LETTER TO SHAREHOLDERS

DEAR SHAREHOLDERS,

At James Hardie, our mission is to be a HIGH PERFORMANCE GLOBAL COMPANY that delivers organic growth above market with strong returns, consistently. We have transformed our company to become A NEW JAMES HARDIE that consistently provides value to our customers, employees and you — OUR SHAREHOLDERS.

FY20 AND FY21: CREATING A NEW HARDIE

Over the past two fiscal years, we made significant progress on our global strategic transformation across multiple facets of the company.

Foundational to our organic global strategy to transform and enable consistent profitable growth globally has been the successful execution of the following key initiatives.

1. World Class Manufacturing via LEAN

The first transformation that we undertook was to become a World Class Manufacturer through execution of LEAN manufacturing strategy. Our network of plants is on a continuous improvement path, which began back in 2019, to reduce variation, increase efficiency and improve quality to serve our customers better every day.

Exceptional progress to date has been made, as we have generated $107 million in cumulative global LEAN savings, including $78 million LEAN savings in North America. Further, efforts in this regard have enabled us to consistently and efficiently deliver premium quality products and service our customers, and subsequently

LEAN SAVINGS

GLOBAL
$107M

NORTH AMERICA
$78M

the market, at a lower and more predictable cost.

Global Manufacturing Team Employees

2. Partnership with Customers

Over the past two years, we made a concerted effort to be truly customer focused. We took direct steps to shift from an organization focused solely on demand creation with home builders and contractors, to partnering more closely with our customers to enable profitable growth for them, as well as for James Hardie. Instilling this true customer focused mindset throughout our company was critical to driving growth above market while taking market share, in all three geographies that we participate in globally.

This increased connectivity to partner with our customers, and a shift to a Push/Pull strategy, has helped to deliver more than 7% growth above our addressable market for 8 straight quarters in North America, and global annual Net Sales growth of 12% for fiscal year 2021.

3. Supply Chain Integration

Another key component of our transformation has been the increased integration of our supply chain with our customers. This critical integration ensured that we were able to continuously and seamlessly service our customers, providing them with the products they want, when they need them.

This more integrated approach to actively manage the supply chain with our customers, led to more optimal working capital for both our customers and James Hardie.

4. Globally Integrated Management System

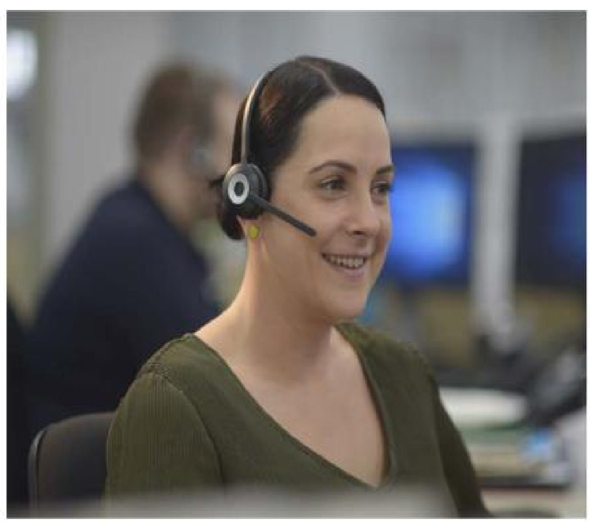
Underpinning our entire transformation was our globally integrated management system. This management system allows us to make better, more holistic, and faster decisions across various levels within the company. Additionally, it has enabled cross functional business teams from across the globe to make appropriate adjustments quickly and at the right time to keep our transformation on track.

5. Delivering Consistent Financial Results

The successful execution of our organic global strategic plan and transformation is a testament to the hard work and dedication of all James Hardie employees from around the world. The considerable progress we have made has allowed James Hardie to deliver record global Net Sales, record Adjusted EBIT, record Adjusted Net Income and record Operating Cash Flow in fiscal year 2021. In fact, for fiscal year 2021, all three of our operating regions delivered double-digit growth in Adjusted EBIT, a testament to the successful execution of our strategic priorities as a global company.

The step change in financial results reinforced our confidence in raising our operating targets highlighted on pages 6 and 7.

While this step change in financial results has been excellent, it is the broader transformation of our company that has created the foundation that will enable us to scale and drive future profitable growth, globally.



Customer Experience Team Employee

RECORD RESULTS IN FY21

NET SALES
$2,909M
↑ **12%** from FY20

ADJUSTED EBIT
$629M
↑ **29%** from FY20

ADJUSTED NET INCOME
$458M
↑ **30%** from FY20

OPERATING CASH FLOW
$787M
↑ **74%** from FY20

Global Marketing Team Employees

FY22 AND BEYOND

While the financial results delivered in fiscal year 2020 and 2021 were exceptional, I am just as excited about the solid foundation we have built to drive even more profitable growth, globally, into fiscal year 2022 and beyond.

There are three critical strategic initiatives that will enable us to leverage the scale and connectivity generated during the first two years of our transformation, and drive profitable, organic global growth into the future.

1. Marketing to Homeowners

The first of our three critical initiatives is extending into a global consumer brand by marketing directly to the homeowner to create demand.

Historically, James Hardie has been a trusted and appreciated brand, that has resonated strongest with building professionals and contractors; with proven products that are durable, low maintenance, and non-combustible.

While these attributes focus on important functional aspects of our product, we believe now is the time to extend the James Hardie brand to become a true 360 degree, fully integrated marketing campaign, telling homeowners that James Hardie can empower them to achieve the home of their dreams by unlocking endless design possibilities and long-lasting beauty, while continuing to deliver the trusted protection they have come to expect.

2. Penetrating Existing and New Markets

While historically we have had a strong business in the North America repair and remodel segment, we believe that the opportunity for future growth remains significant.

According to the US Census from 2019, approximately 44 million of the 79 million owner-occupied homes in the US, are 40 years or older, having been built before 1979. These homes represent a significant pool of opportunity from which we can generate demand for James Hardie exterior products. We plan to amplify and accelerate that demand by marketing directly to homeowners, highlighting James Hardie's trusted brand and premium products that will enable homeowners to realize their dream homes with endless possibilities of design.

This same principle holds true in our other geographies, where opportunities exist to further penetrate and consumer brand. In early May 2021 we launched a

expand our repair and remodel businesses in Europe and Asia Pacific.

3. Global Innovation

In order to maintain the considerable momentum of the past two years, it is critical that we bring innovative new products to market.

Our approach to innovation is about developing market driven innovations that address unmet needs and contribute to profitable, organic growth. Our global innovation platform includes a focus on innovative products that deliver endless possibilities of design and aesthetics for the homeowner and also provide the superior performance the market has come to expect from James Hardie's unique fiber cement technology: i) durability, ii) low maintenance, and iii) non combustibility.

Fundamental to our global innovation strategy, is ensuring that we are in a position to participate in the whole exterior of the house. We firmly believe our market driven innovations will create opportunities for growth by opening new markets and expanding our organic growth prospects in each of our three geographic regions.

CLOSING

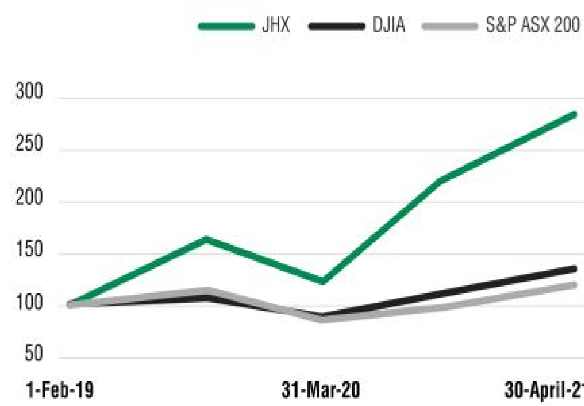
It has been an exciting two years as your CEO, and I could not be more proud of all of my colleagues around the world. We have made great progress in our transformation. While the past two years have been successful, I am even more excited about the future. Our goal is to become a high-performance, global company that delivers organic growth above market with strong returns, consistently.

Welcome to the NEW JAMES HARDIE.

Dr. Jack Truong
CEO

Global Innovation Team Employee

JHX Share Price Performance



	1 February 2019		30 April 2021	
	Share Price	Value of Investment	Share Price	Value of Investment
JHX	A$ 15.14	A$ 100	A$ 42.90	A$ 283.36
DJIA	25,063.89	A$ 100	33,874.85	A$ 135.15
S&P ASX 200	5,862.80	A$ 100	7,025.80	A$ 119.84

JHX share price performance from 1 February 2019 to 30 April 2021 compared to performance of Dow Jones Industrial Average (DJIA) and

S&P ASX 200. The comparison assumes that A$ 100 was invested in JHX stock and the two indexes on 1 February 2019 and ignores dividends.

STEP CHANGE IN FINANCIAL RESULTS

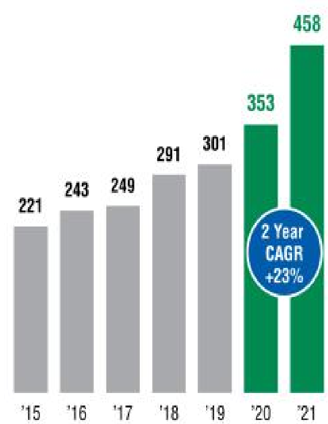
A NEW JAMES HARDIE

Our transformation over the past two fiscal years has led to a step change in our financial results. Below, we have provided six key financial metrics along with the two year compounded annual growth rate (CAGR) of each metric, to illustrate the impact of our transformation.

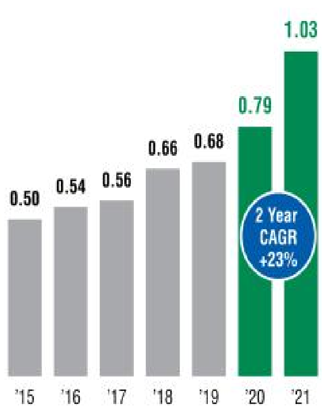
Net Sales
Dollars in millions

Adjusted EBIT
Dollars in millions

Adjusted Net Income
Dollars in millions

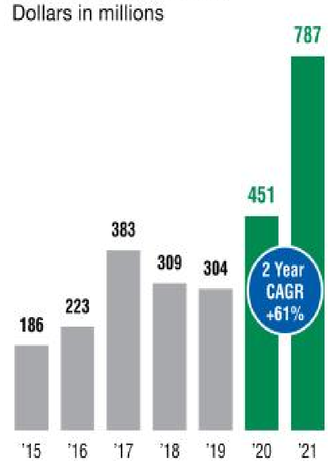


Adjusted Diluted EPS
Dollars/share



Adjusted ROCE
%

Operating Cash Flow
Dollars in millions



PROFITABLE GROWTH IN AN EXPANDING GLOBAL FOOTPRINT

As a high performance, global company, we expect to deliver growth above market and strong returns in all three of the regions we operate in. As we transformed over the past two years into the NEW JAMES HARDIE, the foundational improvements provided by LEAN, our Push/Pull strategy, and supply chain integration with our customers, have provided us the confidence to raise the target Adjusted EBIT Margin ranges in all three regions.

	PRIOR TARGETS	NEW TARGETS (FY22-24)
North America Adjusted EBIT Margin[1]	20 to 25%	25 to 30%
APAC Adjusted EBIT Margin[1]	20 to 25%	25 to 30%
Europe Adjusted EBIT Margin[2]	10%	11 to 16%

GLOBAL BUSINESS OVERVIEW

We continue to expand our global footprint while expanding global margins across our three operating segments: (i) North America Fiber Cement, (ii) Europe Building Products and (iii) Asia Pacific Fiber Cement. We operate 18 manufacturing facilities across four continents and sell our high-performance building products in over 20 countries around the world. In this section we provide a review of the performance of each of our three operating segments.

The photos shown here on pages 8 and 9 illustrate the importance of operating globally. As a global company, we can see design trends and aesthetic preferences of homeowners around the world, and can anticipate what trends will cross geographies. These photos illustrate a *Modern* style aesthetic, which began in Australia and is now being utilized around the world.

California, USA

Queensland, Australia

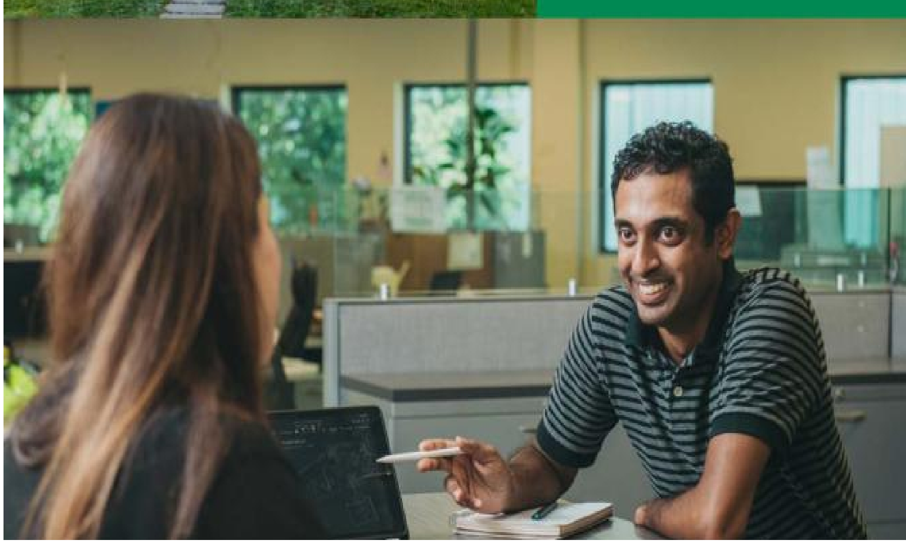
Brittany, France

"We continue to partner closely with our customers to enable profitable growth for them and for us. In fiscal year 2021 we drove significant market share gains by being closely integrated with our customers."

John Madson
Director of National Strategic Accounts – North America

"The implementation of Hardie Manufacturing Operating System based on LEAN has enabled us to deliver premium quality products and service to our local customers in Texas and nearby states, at a lower and more predictable cost."

Asif Mohammed
Plant Manager – Cleburne, Texas



NORTH AMERICA FIBER CEMENT

Our North America business delivered outstanding results in fiscal year 2021. Partnering closely with our customers, we were able to drive significant market share gain while servicing our customers and the end users seamlessly. Our network of plants continued to improve under the Hardie Manufacturing Operating System, delivering significant LEAN savings which was the foundation to the expansion of our Adjusted EBIT Margin to 28.8% in fiscal year 2021.

In North America, we sell high-value building materials into the Repair and Remodel and New Construction markets. These products enable the homeowner to design the home of their dreams with endless design possibilities. Amongst others, our high-value products include, (i) Hardie® brand planks, panels, trims and soffits, (ii) Hardie® brand planks, panels, trims and soffits with ColorPlus® Technology, and (iii) the newly introduced Hardie® Textured Panels line of products.

Our North America team is focused on delivering Growth Above Market AND Strong Returns.

GROWTH ABOVE MARKET

- Net Sales exceeded $2.0 billion in FY21, a new record
- Net Sales increased +12% in FY21; following +8% growth in FY20
- Exteriors volume increased +11% in FY21; following +9% growth in FY20
- Growth above market of 7+% for eight straight quarters in FY20 and FY21

STRONG RETURNS

- Adjusted EBIT growth of 25% in FY21; following +21% growth in FY20
- Delivered $78 million in cumulative LEAN savings in FY20 and FY21
- Adjusted EBIT Margin expanded to 28.8% in FY21
- Adjusted EBITDA Margin expanded to 33.2% in FY21
- Announced raised Adjusted EBIT Margin target range of 25% - 30% for FY22 – FY24

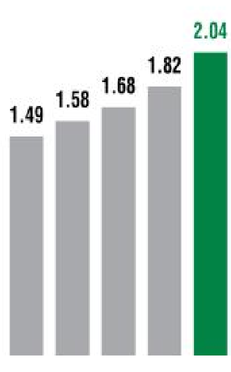
Segment Net Sales
% of total JHX[3]

70%

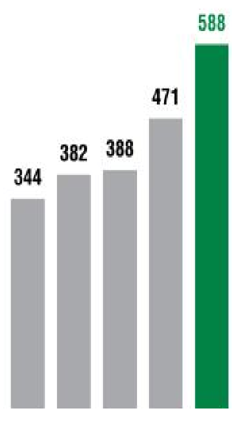
Segment Adjusted EBIT
% of total JHX[3]

77%

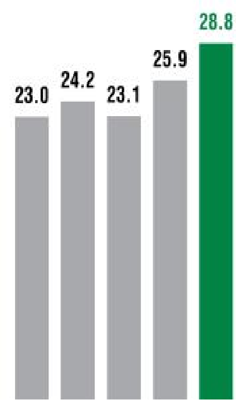
Net Sales
Dollars in billions



Adjusted EBIT
Dollars in millions



Adjusted EBIT Margin %




'17 '18 '19 '20 '21

'17 '18 '19 '20 '21

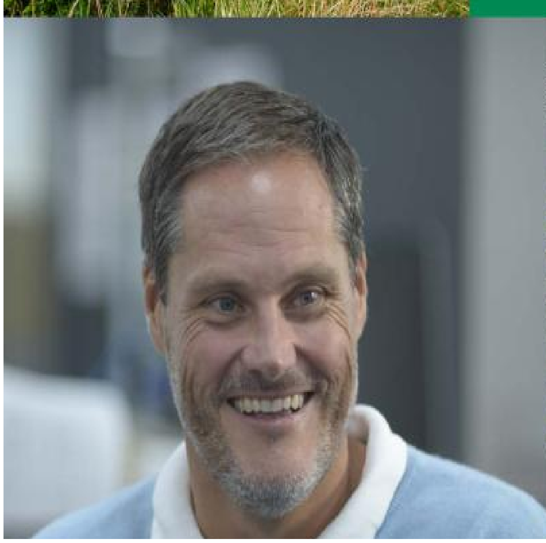
'17 '18 '19 '20 '21

"Talent acquisition and talent management are foundational to our HR initiatives in Europe. We have built a team that can think globally while executing locally, as we are now fully embedded into the James Hardie global team."

Annette Brüseke
Director of Human Resources – Europe

"We exit fiscal year 2021 with significant momentum, having delivered record Net Sales of 105 million Euros and record Adjusted EBIT Margin of 15% in the fourth quarter."

Jörg Brinkmann
General Manager – Europe



EUROPE BUILDING PRODUCTS

Our European business delivered a dramatically improved performance in fiscal year 2021. The improvement was driven by our focus on gaining end user demand of our high value products and LEAN savings. We finished the year with significant momentum; in the fourth quarter we delivered record Net Sales, record Adjusted EBIT, and record Adjusted EBIT Margin.

In Europe we market and sell high-value exterior and interior building materials into the Repair and Remodel, New Construction, and Commercial markets. Our high-value products include Hardie® brand planks, trims and panels with ColorPlus® Technology, Fermacell® brand products utilized in interior wall and flooring applications, and our Aestuver® brand of products focused on fire protection.

Our Europe team is focused on delivering Growth Above Market AND Strong Returns.

GROWTH ABOVE MARKET

- Net Sales of €350.6 million in FY21, a new record
- Net Sales Increased +5% in FY21; following +5% growth in FY20 (in Euros)
- Fiber Cement Net Sales increased +9% in FY21; following +32% growth in FY20 (in Euros)
- Fiber Cement Net Sales increased +24% in Q4 FY21 (in Euros)

STRONG RETURNS

- Adjusted EBIT growth of +141% in FY21 (in Euros)
- Adjusted EBIT Margin of 10.4% in FY21
- Record Adjusted EBIT Margin of 15.0% in Q4 FY21
- Adjusted EBITDA Margin of 17.1% in FY21
- Announced raised Adjusted EBIT Margin target of 11% - 16% for FY22 – FY24

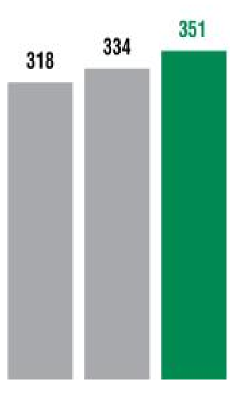
Segment Net Sales
% of total JHX[3]

14%

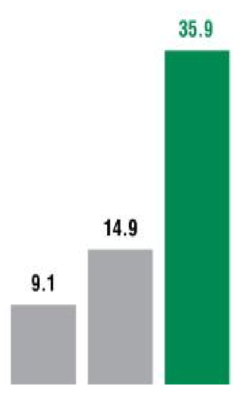
Segment Adjusted EBIT
% of total JHX[3]

6%

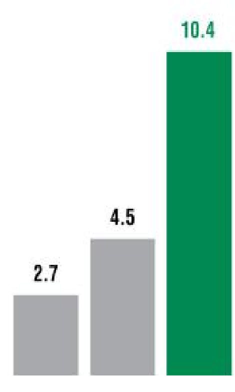
Net Sales
Euros in millions



Adjusted EBIT
Euros in millions



Adjusted EBIT Margin %



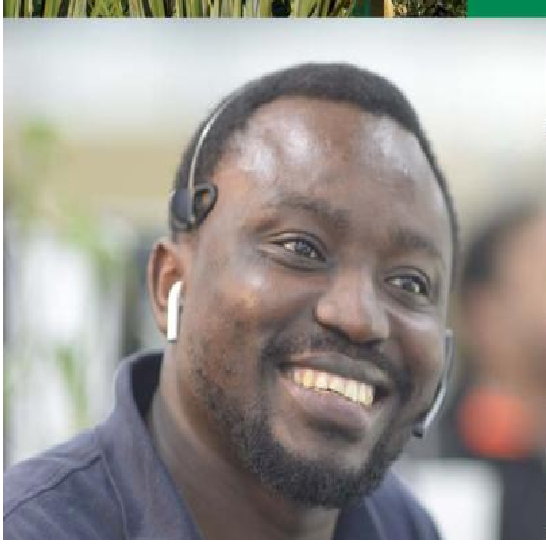

'19
'20
'21
'19
'20
'21
'19
'20
'21

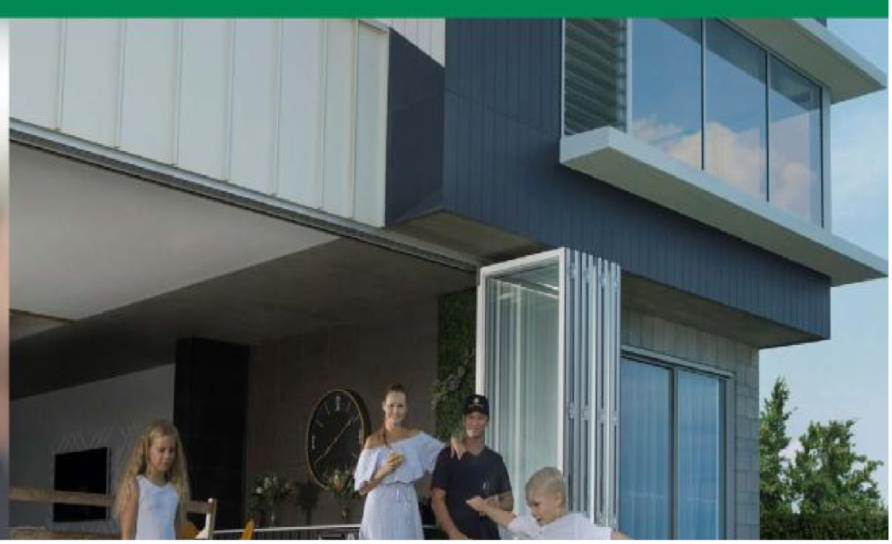
"In the Philippines we continued to implement best practices from other regions to ensure we successfully execute our key strategic initiatives, such as push/pull and customer supply chain integration."

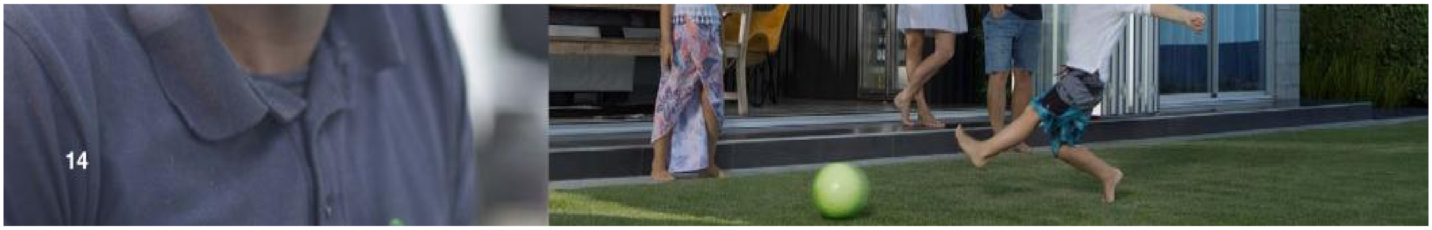
Liza Alde
Marketing Manager – Philippines

John Arneil
Country Manager – Australia and New Zealand

"Our Australia and New Zealand regions expanded their Adjusted EBIT Margins as we consolidated our manufacturing operations to our Rosehill and Carole Park plants, and drove market share gain by partnering more closely with our customers."







ASIA PACIFIC FIBER CEMENT

Our Asia Pacific business continued to exhibit strong overall performance in fiscal year 2021. A keen focus on adopting the Global strategy to build stronger partnerships with our customers, allowed us to drive significant market share gain in our Australian and New Zealand businesses. By consolidating our Australia and New Zealand regional production into our two Australian plants, and our continued execution of our LEAN strategy, we were able to deliver a record Adjusted EBIT Margin of 28% in fiscal year 2021.

In Australia and New Zealand, we sell high-value building materials into the Repair and Remodel and New Construction markets. These products enable the homeowner to design the home of their dreams with endless design possibilities. Our high-value products include the Hardie™ brand and Scyon™ brand products utilized in the exteriors and interiors of homes.

Our Asia Pacific team is focused on delivering Growth Above Market AND Strong Returns.

GROWTH ABOVE MARKET

- Leveraging the global Push/Pull strategy, partnered with our customers to deliver market share gains in Australia and New Zealand in FY21
- Sales volume grew 2% for the fiscal year
- Record Net Sales of A$635 million in FY21
- Net Sales increased 4%, 9% and 11% in Q2FY21, Q3FY21 and Q4FY21, respectively (in Australian Dollars)

STRONG RETURNS

- Consolidated production of our Australian and New Zealand manufacturing operations
- Adjusted EBIT growth of 27% for the fiscal year driven by plant consolidation (in Australian Dollars)
- Record Adjusted EBIT of A$177 million in FY21
- Record Adjusted EBIT Margin of 28.0% in FY21
- Adjusted EBITDA Margin of 30.9% in FY21
- Announced raised Adjusted EBIT Margin target range of 25% - 30% for FY22 – FY24

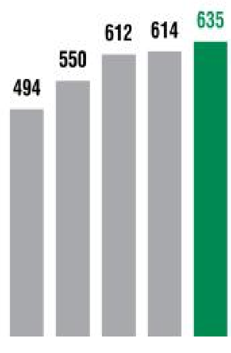
Segment Net Sales
% of total JHX[3]

16%

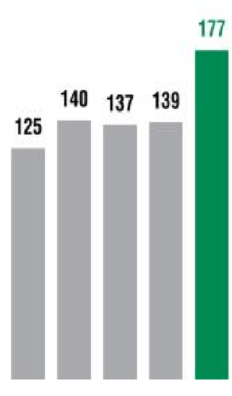
Segment Adjusted EBIT
% of total JHX[3]

17%

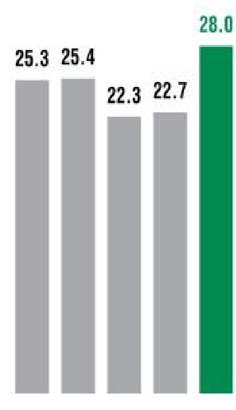
Net Sales
Australian dollars in millions



Adjusted EBIT
Australian dollars in millions



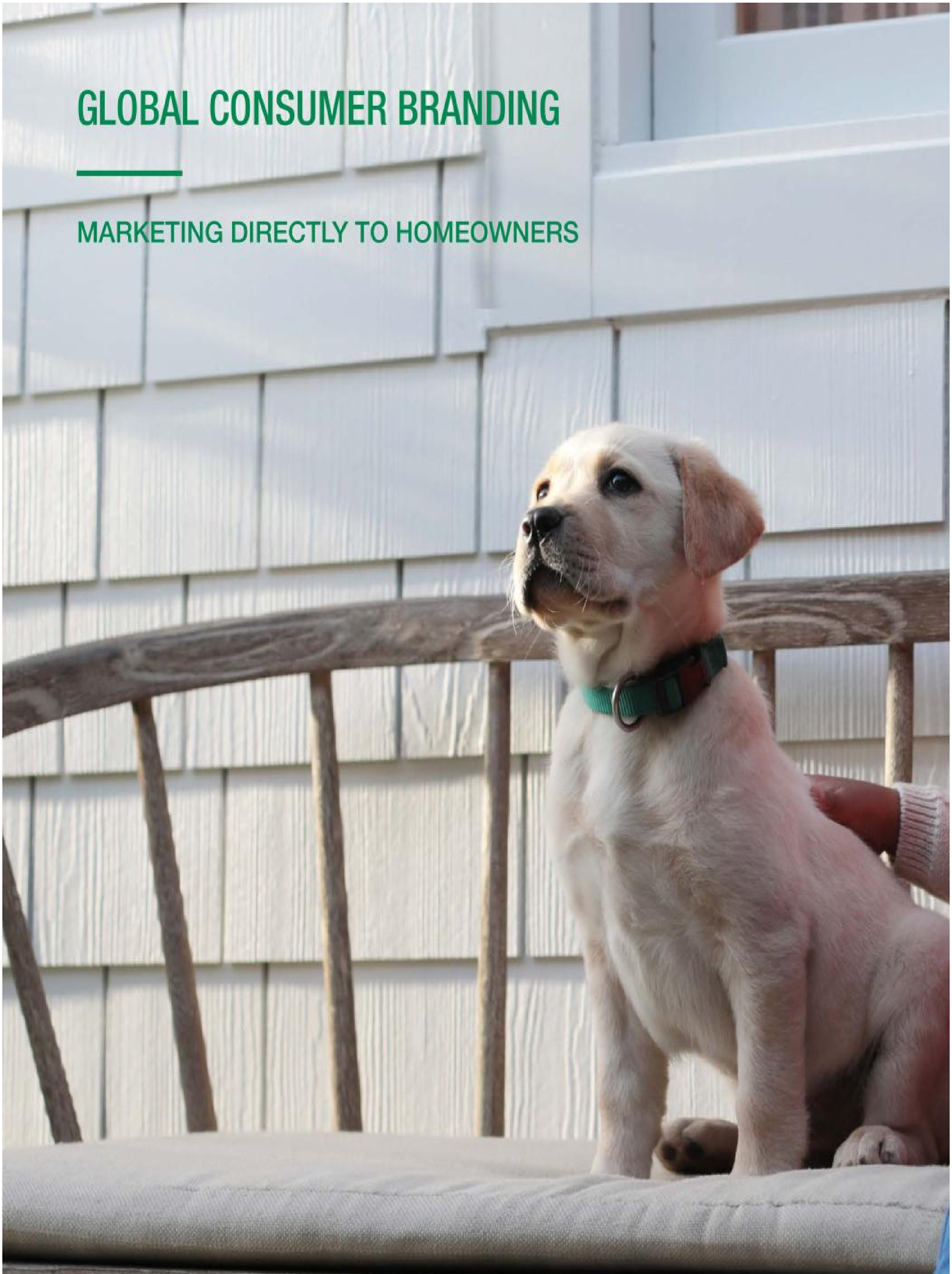
Adjusted EBIT Margin %




'17 '18 '19 '20 '21
'17 '18 '19 '20 '21
'17 '18 '19 '20 '21

GLOBAL CONSUMER BRANDING

MARKETING DIRECTLY TO HOMEOWNERS



"The It's Possible™ campaign seeks to empower homeowners to realize their dream home. This marks our brand extension into a consumer-focused brand that inspires homeowners to achieve their dream exterior with endless design possibilities."

Cathleya Buchanan
Head of Marketing – APAC

"Our category-defining building solutions deliver lasting beauty and trusted *protection*. We are excited to communicate this message through an extraordinary campaign that brings our brand to the forefront of homeowners' minds like never before."

Marc Setty
Head of Marketing – North America

James Hardie
Sponsored

What if your home never stopped inspiring you? Bring your vision to life with exterior solutions by James Hardie.

GLOBAL CONSUMER BRANDING

In early May 2021, we launched a global, integrated marketing campaign to expand our reach to the homeowners.

The It's Possible™ campaign seeks to empower homeowners to realize their dream home. The campaign is inclusive of television commercials, programmatic digital, social media, public relations, influencer and dynamic media partnerships, and more. Starting in early May, James Hardie television commercials began airing in major metro markets across the United States to mark the global launch of the It's Possible™ campaign.

In an industry where marketing heavily focuses on the trade and B2B community, this new consumer marketing approach comes at an opportune time, with home renovations, remodels and sales rising significantly. This new consumer marketing approach is yet another exciting step forward in our strategic transformation.

360 DEGREE INTEGRATED MARKETING APPROACH

TELEVISION COMMERCIALS

PROGRAMMATIC DIGITAL MEDIA

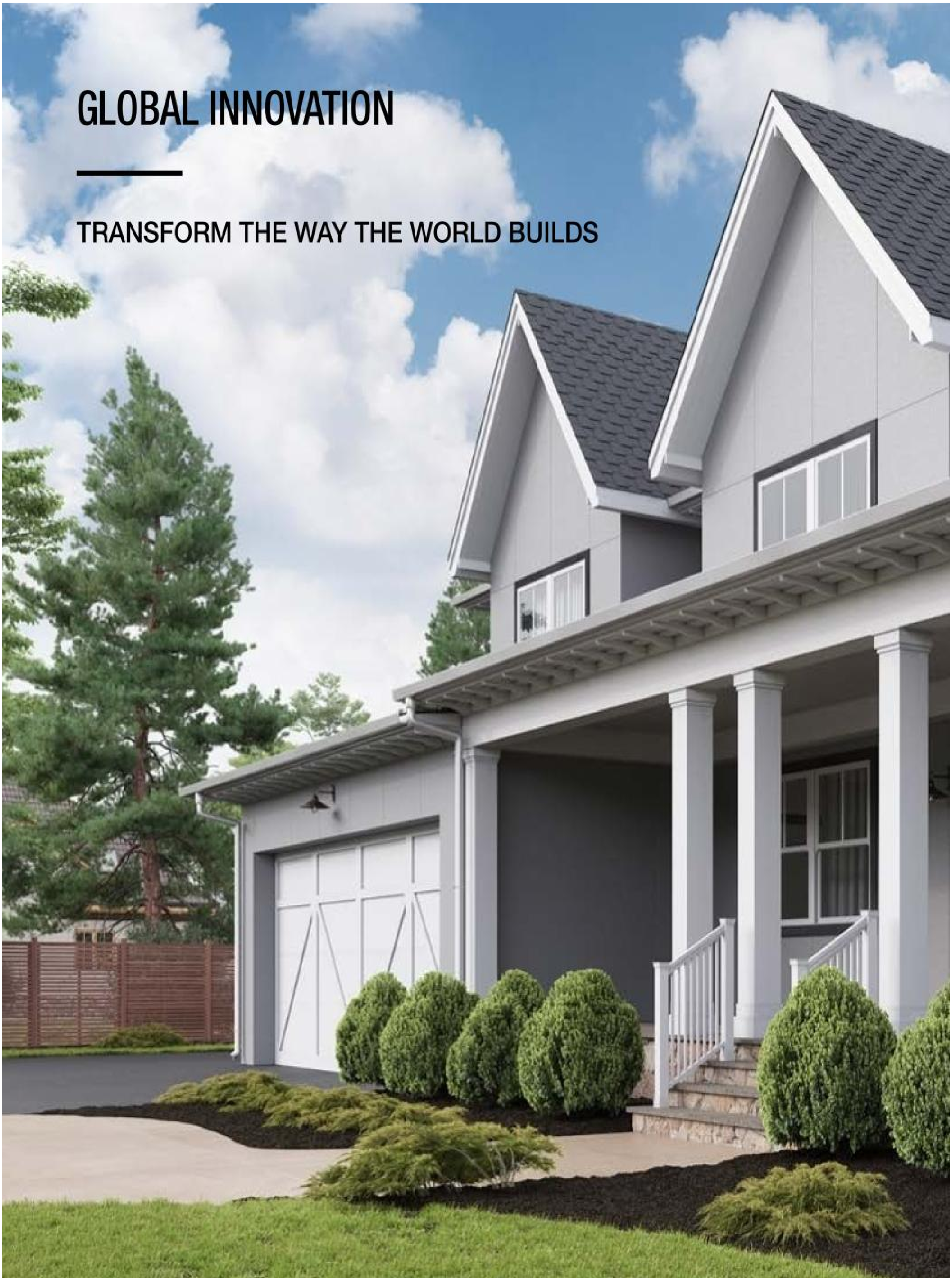
SOCIAL MEDIA

PUBLIC RELATIONS

INFLUENCER AND DYNAMIC MEDIA PARTNERSHIPS

GLOBAL INNOVATION

TRANSFORM THE WAY THE WORLD BUILDS



"Our Innovation process starts with market insights. Understanding the market's unmet needs and continuously getting market (homeowners, customers, architects, etc) feedback throughout the Innovation process is critical to successful new product commercialization."

Fran Flanagan
Head of Consumer Marketing

"Our ability to combine lasting beauty and endless design possibilities with trusted protection and low maintenance, uniquely positions James Hardie to expand our addressable markets globally."

Sami Rahman
Head of Product Management

GLOBAL INNOVATION

We have transformed our approach to innovation. We focus on Market Driven insights to deliver high impact new products that address homeowners' unmet needs and to drive profitable organic growth.

We focus on mega trends in the market and conduct in depth discovery and testing with homeowners to generate insights. We take these insights and prioritize product and platform concepts that truly deliver on the unmet market needs and create value for homeowners, our customers, for James Hardie, and ultimately for our shareholders.

We leverage our global scale and know-how with over 100 R&D employees in our three research centers around the world: Fontana (California), Dusseldorf (Germany), and Sydney (Australia).

Our Innovation platforms are poised to deliver new designs and aesthetics so homeowners can be inspired with endless design possibilities to bring their dream home to reality. These designs are built on the key advantages of our fiber cement technology that delivers durability, low maintenance and non-combustibility while continuing to make these solutions easier to install to enhance labor productivity.

This combination of: (1) lasting beauty and endless design possibilities and (2) trusted protection and low maintenance, uniquely positions us to expand our addressable markets in all of the regions we participate in.

In May 2021 we launched the following new products:

NORTH AMERICA

HARDIE® TEXTURED PANELS

Hardie® Textured Panels deliver a unique look and design alternative to traditional wet trade building materials like Stucco or Render, as well as Brick and Stone. This product offers a high level of productivity through a single step panel and texture, with an efficient joint that also creates a modern contemporary architectural design element.

AUSTRALIA

HARDIE™ FINE TEXTURE CLADDING

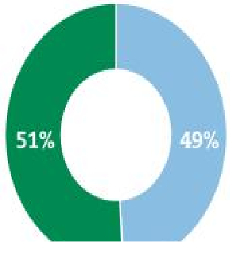
Hardie™ Fine Texture Cladding delivers a similarly unique look and design alternative to traditional wet trade building materials such as Render. This product offers a high level of productivity through a single step panel and texture with an efficient joint that creates a contemporary architectural design element.

EUROPE

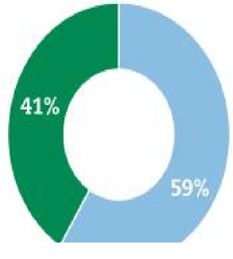
HARDIE® BRAND VL PLANK

Hardie® brand VL Plank is an innovative interlocking system for the European region that leverages the technology expertise from the US and Australia. In the European plank market, interlocking systems represent close to 80% of the plank market, and Hardie® brand VL Plank offers clear benefits to comparative market alternatives, including a superior look and a faster installation process.

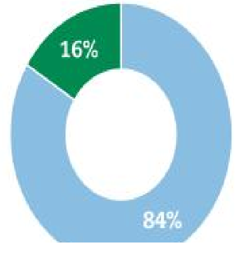
North America
Exterior Wall Material[4]



Australia and New Zealand
Exterior Wall Material[4]



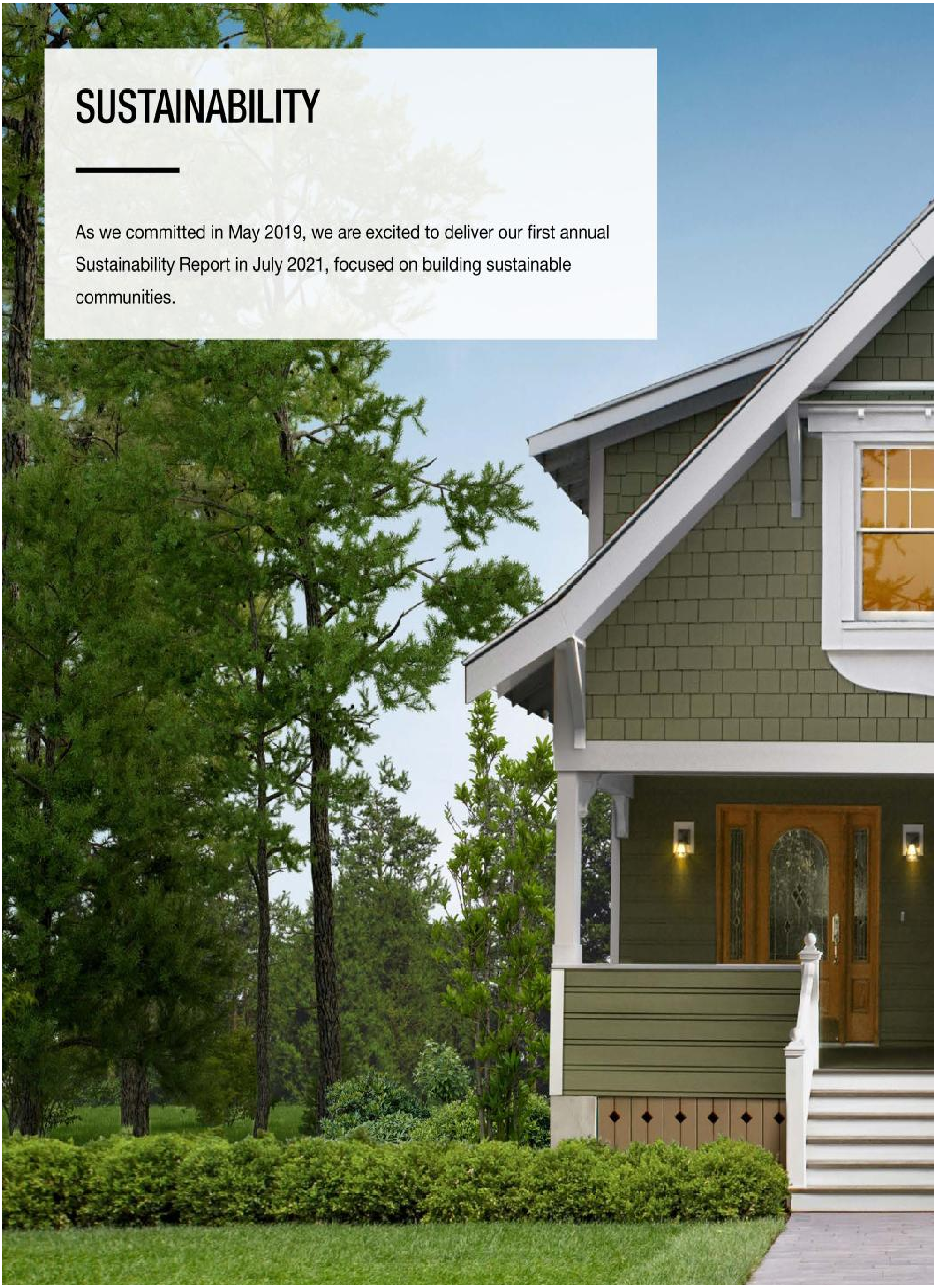
Europe
Exterior Wall Material[4]




Currently Addressable
Future Possibilities

SUSTAINABILITY

As we committed in May 2019, we are excited to deliver our first annual Sustainability Report in July 2021, focused on building sustainable communities.



BUILDING SUSTAINABLE COMMUNITIES

James Hardie is committed to improving its sustainability performance and to proactively and carefully manage its social and environmental impacts. Our sustainability strategy, which was formalized in fiscal year 2021 focuses on four key pillars of zero harm, environment, community and innovation.

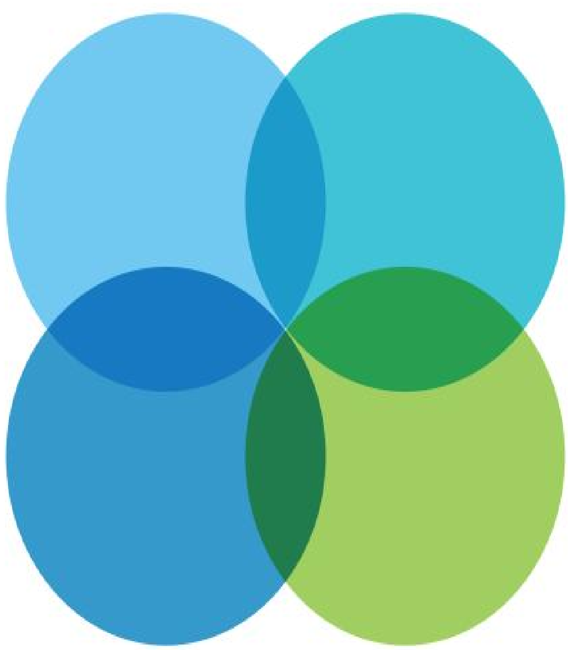
We carefully manage the impacts under our direct operational control through integrated operating and management systems such as the Hardie Manufacturing Operating System (HMOS) and LEAN manufacturing processes. We also seek out ways to influence the sustainability impacts in our value chain where we have some level of influence as they relate to our operations.

ZERO HARM

Our Zero Harm culture ensures the safety of our employees, customers, partners and communities.

COMMUNITIES

With a global mindset, we carefully manage our business impacts by employing, sourcing, delivering and giving locally.



INNOVATION

We are committed to transforming new technologies into high-quality and sustainable products, solutions and

ENVIRONMENT

We seek to minimize our impacts on the environment and prioritize the management of water, waste, energy and emissions.

building practices.

"James Hardie is committed to building sustainable communities. We operate with a global mindset and at the same time take great care in how our business impacts local communities in which we operate. We help to build better homes that last. We continue to invest in innovation and technology to develop sustainable and thriving communities around the globe. We look forward to publishing our first annual Sustainability Report in July 2021."

Dr. Jack Truong
CEO

ZERO HARM	COMMUNITIES	ENVIRONMENT	INNOVATION
0.83	$800M	UP TO 50%	3
Global Total Reportable Incident Rate (TRIR)[5]	invested in local communities where we operate	recycled content in fiber gypsum products	new products developed or launched
0.51	83%	99%	$107M
Total days away, restricted or transferred (DART) rate[5]	raw materials sourced locally	of exterior products in AUS/NZ covered by environmental product declarations	cumulative cost savings from LEAN initiatives

FINANCIAL ENDNOTES

Unless otherwise stated all items are in US currency and financial information relates to fiscal year ended 31 March 2021.

NON-GAAP FINANCIAL INFORMATION

Pages 1-29 of this Annual Report contains financial measures that are not considered a measure of financial performance under US GAAP and should not be considered to be more meaningful than the equivalent US 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. Additionally, management uses such non-GAAP financial measures for the same purposes. However, these non-GAAP financial measures are not prepared in accordance with US GAAP, may not be reported by all of James Hardie's competitors and may not be directly comparable to similarly titled measures of James Hardie's competitors due to potential differences in the exact method of calculation. For additional information regarding the non-GAAP financial measures presented in this Annual Report, including a reconciliation of each non-GAAP financial measure to the equivalent US GAAP measure, see the section titled "Glossary of Abbreviations and Definitions" in James Hardie's Annual Report Form 20-F for the year ended 31 March 2021.

Footnote 1 (EBIT Margin Targets, page 7)
The Prior Targets for North America Fiber Cement segment and the Asia Pacific Fiber Cement segment are historical long-term Adjusted EBIT Margin target ranges communicated by management in past presentations. The new targets (FY22-24) represent targets for Annual Adjusted EBIT Margin in each region for each fiscal year in the period of fiscal years 2022, 2023 and 2024.

Footnote 2 (EBIT Margin Targets, page 7)
The Prior Targets for the Europe Building Products segment is the Average Annual Adjusted EBIT Margin excluding integration costs for Fiscal Years FY19 - FY21. The new targets (FY22-FY24) represent targets for Annual Adjusted EBIT Margin in each fiscal year in the period of fiscal years 2022, 2023 and 2024.

Footnote 3 (Segment Net Sales and EBIT, pages 11, 13, 15)
Segment Net Sales percent of total JHX is calculated as the FY21 Net Sales of each segment divided by the sum of the total FY21 Net Sales of the following three segments – North America Fiber Cement, Asia Pacific Fiber Cement and Europe Building Products. Segment EBIT percent of total JHX is calculated as the FY21 EBIT of each segment divided by the sum of the total FY21 EBIT of the following three segments – North America Fiber Cement, Asia Pacific Fiber Cement and Europe Building Products.

Footnote 4 (Global Innovation, page 23)
North America Exterior Wall Material. Exterior Cladding Material used in New Construction (NAHBNow, 2020) Source: NAHBNow

Australia and New Zealand Exterior Wall Material Source: BIS Oxford, Australian Bureau of Statistics, BRANZ and Management Estimates

Europe Exterior Wall Material Source: B+L (2018), Freedonia (2015)

Footnote 5 (Zero Harm, page 27)
Global Total Recordable Incident Rate (TRIR) and Total Days Away, Restricted or Transferred (DART) rate are reported across our global operations and include employees and temporary/contract workers. Calculations follow OSHA guidelines. TRIR is the standard reporting term expected from GRI, ISS, MSCI and Sustainalytics.

FORWARD-LOOKING STATEMENTS

Certain statements in this Annual Report may constitute "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. James Hardie uses such words 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. Readers are cautioned not to place undue reliance on these forward-looking statements and all such forward-looking statements are qualified in their entirety by reference to the following cautionary statements.

Forward-looking statements are based on James Hardie's current expectations, estimates and assumptions and because forward-looking statements address future results, events and conditions, they, by their very nature, involve inherent risks and uncertainties, many of which are unforeseeable and beyond the company's control. Many factors could cause the actual results, performance or achievements of James Hardie to be materially different from those expressed or implied in this Annual Report, 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 2021; changes in general economic, political, governmental and business conditions globally and in the countries in which James Hardie does business, including the effect and consequences of the novel coronavirus public health crisis; 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. These forward-looking statements are made as of the date of this Annual Report and James Hardie does not assume any obligation to update them, except as required by law. Investors are encouraged to review James Hardie's Annual Report on Form 20-F, and specifically the risk factors discussed therein, as it contains important disclosures

8 October 2020 for the full year 2019

regarding the risks attendant to investing in our securities.

JAMES HARDIE INDUSTRIES

Form 20-F

ANNUAL REPORT ON FORM 20-F

FILED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION

ON MAY 18, 2021 INCORPORATED BY REFERENCE HEREIN

BOARD OF DIRECTORS

James Hardie's non-executive directors have widespread experience, spanning general management, innovation, finance, manufacturing, marketing and accounting.

Michael Hammes BS, MBA
Non-executive Chairman

Michael Hammes was elected as an independent non-executive director in February 2007. He was appointed Chairman of the Board in January 2008 and is a member of the Remuneration Committee and the Nominating and Governance Committee.

Jack Truong BS, PhD
Executive Director

Dr. Jack Truong joined James Hardie in April 2017 and was announced CEO successor and appointed President and Chief Operating Officer with the responsibility of running the company's global business in September 2018. He was officially appointed CEO and to the Board of Directors in January 2019.

David Harrison BA, MBA, CMA
Non-executive Director

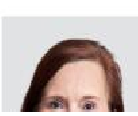
David Harrison was appointed as an independent non-executive director in May 2008. He is Chairman of the Remuneration Committee and a member of the Audit Committee.

Andrea Gisle Joosen MSc, BSc
Non-executive Director

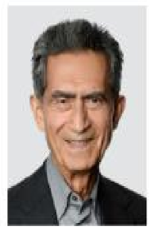
Andrea Gisle Joosen was appointed as an independent non-executive director of James Hardie in March 2015. She is a member of the Audit Committee.

Persio Lisboa BS
Non-executive Director

Persio Lisboa was appointed as an independent non-executive director in February 2018. He is a member of the Remuneration Committee and the Nominating and Governance Committee.



Anne Lloyd BS, CPA
Non-executive Director

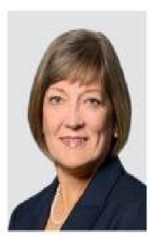


Moe Nozari BA, MS, PhD and Postdoctoral Research Fellow
Non-executive Director

Dr. Moe Nozari was appointed as an independent non-executive director in November 2019. He is a member of the Nominating and Governance Committee.

Rada Rodriguez MSc
Non-executive Director

Rada Rodriguez was appointed as an independent non-executive director in November 2018. She is a member of the Nominating and Governance Committee.



Suzanne Rowland MS, BS
Non-executive Director

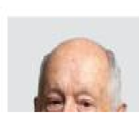
Suzanne Rowland was appointed as an independent non-executive director in February 2021. She is a member of the Audit Committee.

Dean Seavers MBA, BBA
Non-executive Director

Dean Seavers was appointed as an independent non-executive director in February 2021. He is a member of the Audit Committee.

Nigel Stein CA, BSc
Non-executive Director

Nigel Stein was appointed as an independent non-executive director in May 2020. He is Chairman of the Nomination and Governance Committee and a member of the Audit Committee.



Harold Wiens BS
Non-executive Director

Anne Lloyd was appointed as an independent non-executive director in November 2018. She is Chair of the Audit Committee and a member of the Remuneration Committee.

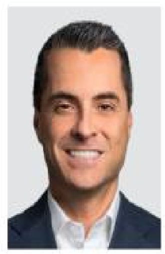
Harold Wiens was appointed as an independent non-executive director in May 2020. He is a member of the Remuneration Committee.

MANAGEMENT TEAM

Our management team covers the key areas of general management, commercial marketing, innovation, manufacturing and operations, finance, human resources and legal.

Jack Truong BS, PhD
Chief Executive Officer

Dr Jack Truong joined James Hardie in April 2017 and was announced CEO successor and appointed President and Chief Operating Officer with the responsibility of running the company's global business in September 2018. He was officially appointed CEO in January 2019.



Jason Miele BA
Chief Financial Officer

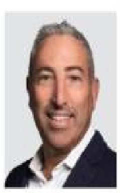
Jason Miele joined James Hardie in 2007 and was appointed as CFO in February 2020. As CFO he oversees the company's overall financial activities, including accounting, tax, treasury, performance and competitor analysis, internal audit, financial operations, information systems, and investor and media relations.

Julie Katigan BA, MA
Chief Human Resources Officer

Julie Katigan joined James Hardie in May 2019. She is responsible for the company's global human resource activities, including employee engagement, leadership and talent development and human resources strategy.

Joe Blasko BSFS, JD
General Counsel, Chief Compliance Officer and Company Secretary

Joe Blasko joined James Hardie as General Counsel and Chief Compliance Officer in June 2011 and was appointed Company Secretary in June 2020. Mr. Blasko has responsibility for the company's legal and regulatory compliance, corporate governance, enterprise risk management and government relations.



Sean Gadd BEng, MBA
Executive Vice President, North America Commercial

Sean Gadd joined James Hardie in 2004 and was appointed Executive Vice President, North America Commercial in December 2018 with responsibility for sales, products, segments and marketing.

Robert Stefansic BSc, MBA
Executive Vice President, North America End to End Supply Chain

Robert Stefansic joined James Hardie in July 2020. He is responsible for driving operational efficiencies and improvements across the supply chain, with emphasis on delivering business value via the Hardie Manufacturing Operation System.

Johnny Cope BA
Senior Vice President, North America Sales

Johnny Cope joined James Hardie in February 2019. He is responsible for delivering the James Hardie value proposition, trusted brand and products, best-in-class supply chain and technical service framework to the company's most valued customers.

Ryan Kilcullen BSc, MS
Senior Vice President, North America Supply Chain Operations

Ryan Kilcullen joined James Hardie in 2007 and was appointed Senior Vice President, Supply Chain Operations in November 2020 with responsibility for the company's production planning, procurement and logistics operations.

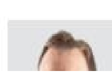
Jörg Brinkmann MS, PhD
General Manager, Europe

Dr. Jörg Brinkmann joined James Hardie in April 2018 as part of the Fermacell acquisition. He is responsible for running the company's European activities, which are headquartered in Düsseldorf, Germany.

Jennifer Bressler BA
Head of Retail Business Development

Jennifer Bressler joined James Hardie in 2020 with responsibility for driving strategic growth priorities within the retail channel, including expansion opportunities to drive business development within the segment across all product lines.

Fran Flanagan BS, MBA
Head of Consumer Marketing



John Arneil BBus, MBA
Country Manager, Australia and New Zealand

Fran Flanagan joined James Hardie in 2019 with responsibility for consumer insights to ensure James Hardie understands the behaviors, needs and beliefs of its consumers enabling James Hardie to deliver innovative new products and solutions that are market-driven.

John Arneil joined James Hardie in 2005 and was appointed Country Manager, Australia and New Zealand, in 2017. He is responsible for running the company's Australian and New Zealand activities, which are headquartered in Sydney, Australia.

SHAREHOLDER INFORMATION

2021 KEY DATES AND CALENDAR*

31 March	End of James Hardie Industries plc Fiscal Year 2021
17 May	FY21 Fourth Quarter and Full Year results and management presentation
24 May	Global Investor Day
4 August	Voting Instruction Forms close 10:00am (Irish Standard Time)/ 7:00pm (Australian Eastern Standard Time) for Annual General Meeting
6 August	Annual General Meeting, Dublin
9 August	FY22 First Quarter results and management presentation
8 November	FY22 Second Quarter and Half Year results and management presentation

*USA time and future dates are indicative only and are subject to change.

SHARE/CUFS REGISTRY

James Hardie Industries plc's registry is managed by Computershare. All enquiries and correspondence regarding holdings should be directed to:

Computershare Investor Services Pty Ltd
Level 5, 115 Grenfell Street
Adelaide SA 5000

Or

GPO Box 2975
Melbourne VIC 3001

Telephone within Australia: 1300 850 505
Telephone outside Australia: +61 (0) 3 9415 4000

Website: www.computershare.com

James Hardie Industries plc
(ARBN 097 829 895)

Incorporated in Ireland with its registered office at Europa House, 2nd Floor, Harcourt Centre, Harcourt Street, Dublin 2, D02 WR20, Ireland and registered number 485719. The liability of its members is limited.

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CORPORATE HEADQUARTERS

Europa House, 2nd Floor
Harcourt Centre (Block 9)
Harcourt Street, Dublin 2, D02 WR20, Ireland
Telephone +353 1 411 6924
Facsimile +353 1 479 1128

ANNUAL GENERAL MEETING (AGM)

The 2021 AGM of James Hardie Industries plc will be held in Dublin, Ireland, at 7.00am (Irish Standard Time), on Friday, 6 August 2021. The AGM will be broadcast via a teleconference at 4.00pm (Australian Eastern Standard Time). Further details will be set out in the Notice of Annual General Meeting 2021.


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