



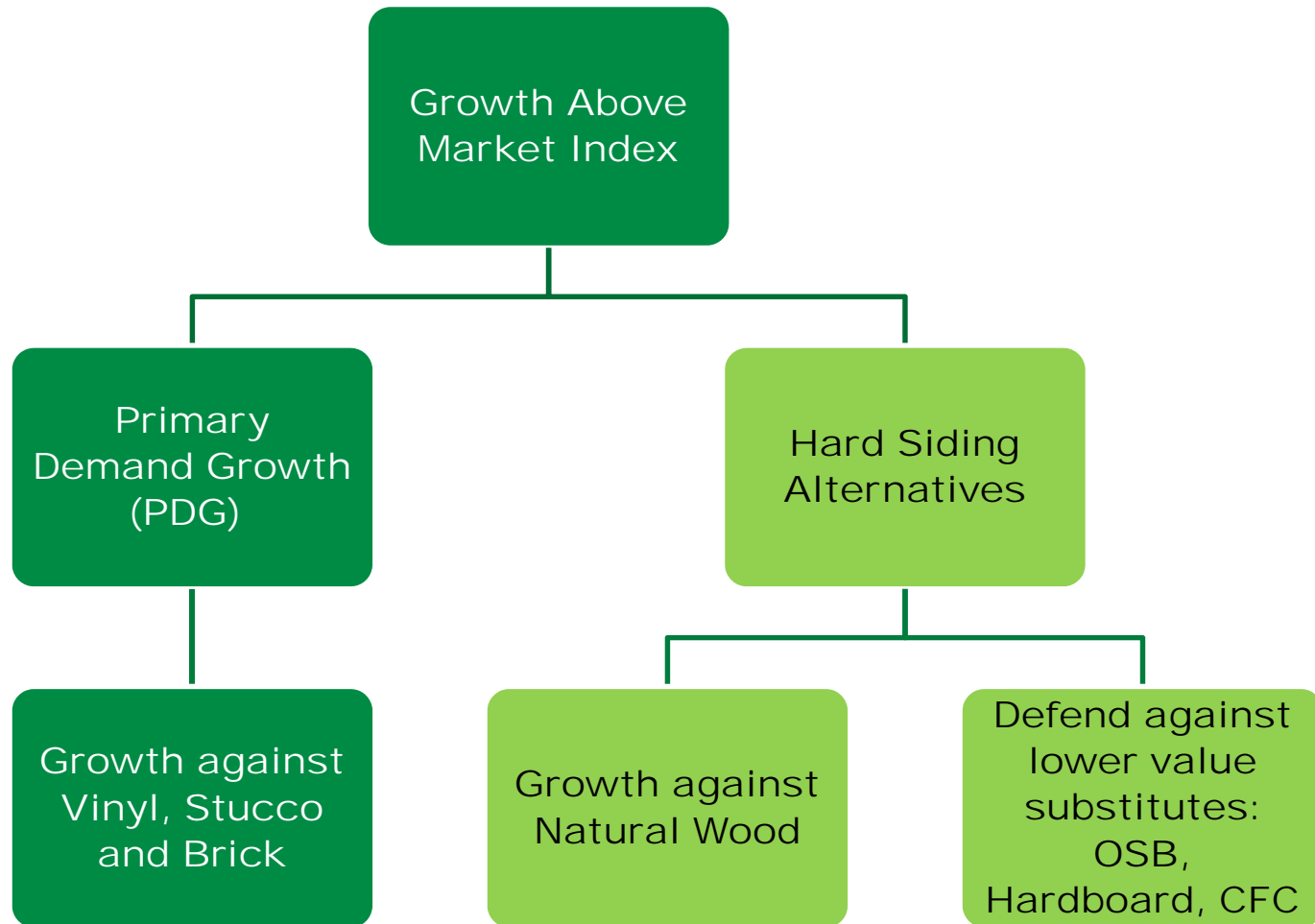
# JAMES HARDIE INVESTOR UPDATE

Louis Gries

# AGENDA

- NA FC Organic Growth Strategy & Returns
- Beyond FC in North America
- Organization Capability to Deliver

# SHARE GROWTH IN NORTH AMERICA



# HOMEOWNER VALUE PROPOSITION

- Curb, porch & deck appeal
- Fire & abuse
- Low maintenance
- Affordable

# MARKET DEVELOPMENT TO CONVERT VINYL

## Segment / Target / Position Basics

### **New Construction**

- Geography
- Category of home
- Builder profile
- Better home ↔ Better builder ↔ Better development

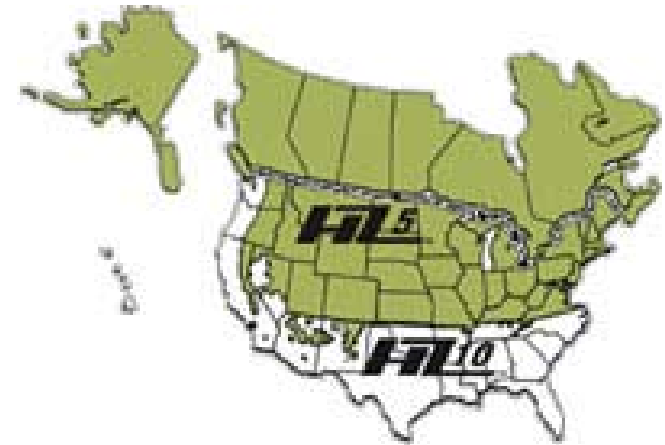
### **Repair & Remodel**

- Geography
- Neighborhoods
- Value proposition direct to home owner

# DEFEND AGAINST LOWER VALUE SUBSTITUTES

## Homeowner Value Proposition

- Engineered for climate durability
- Lower maintenance
  - Substrate
  - Surface finish
  - Full exterior wrap



## Keys to defend against discounting

- Channel partners
- Homeowner awareness
- Contractor alignment

# SAFETY AT THE FOREFRONT

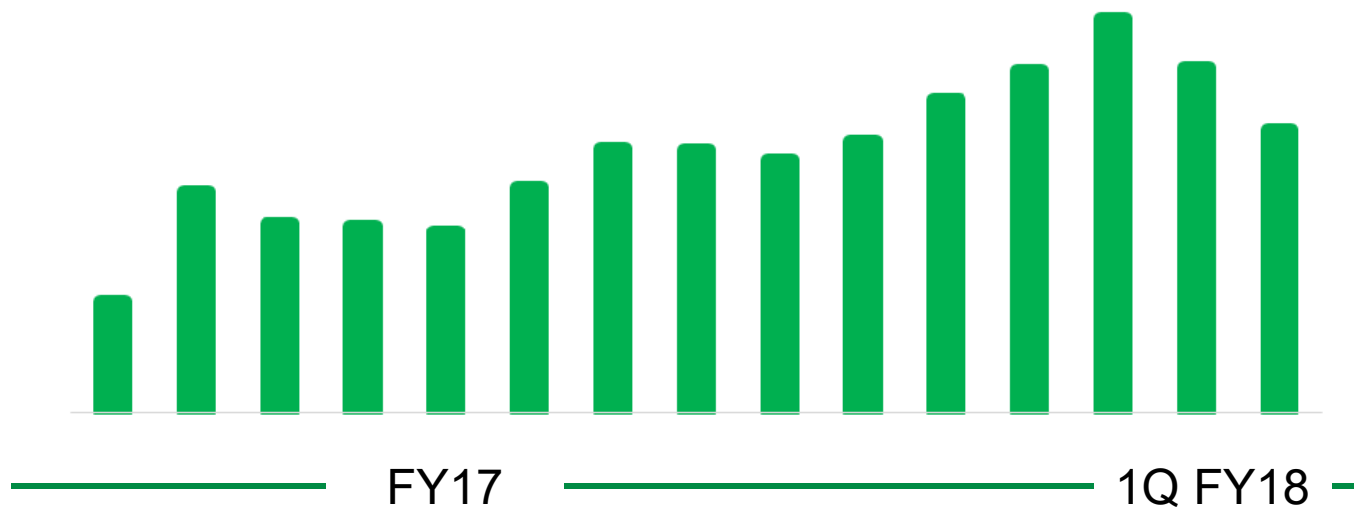


- Standard and sustainable systems
- Establish playbook and train employees
- Zero tolerance for unsafe behaviors

Safety culture evolving from 2&10 to Zero Harm

# DRIVE DELIVERED UNIT COST TRENDS

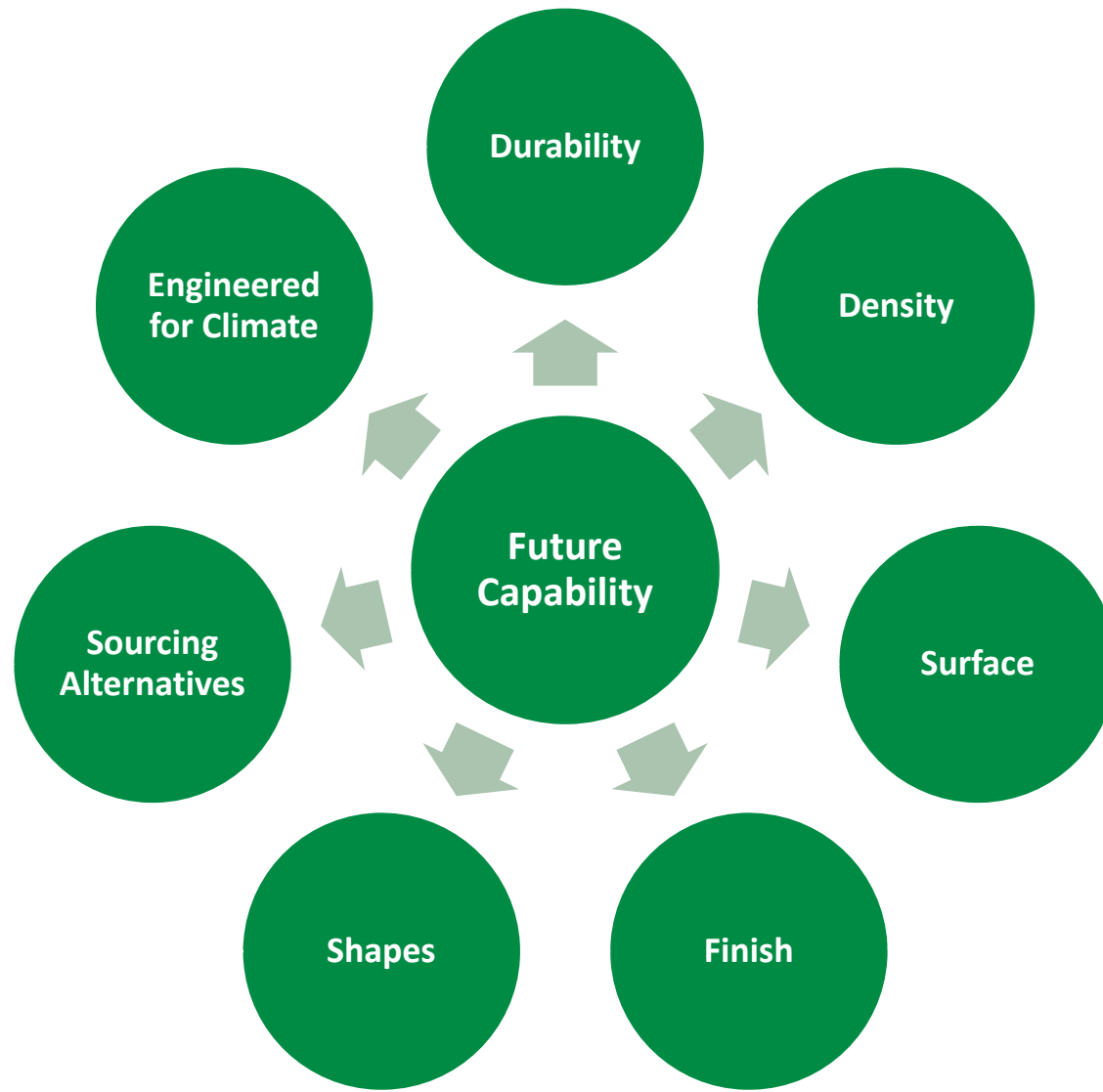
## Delivered Unit Cost



Improving delivered unit cost trend ... in a sustainable way

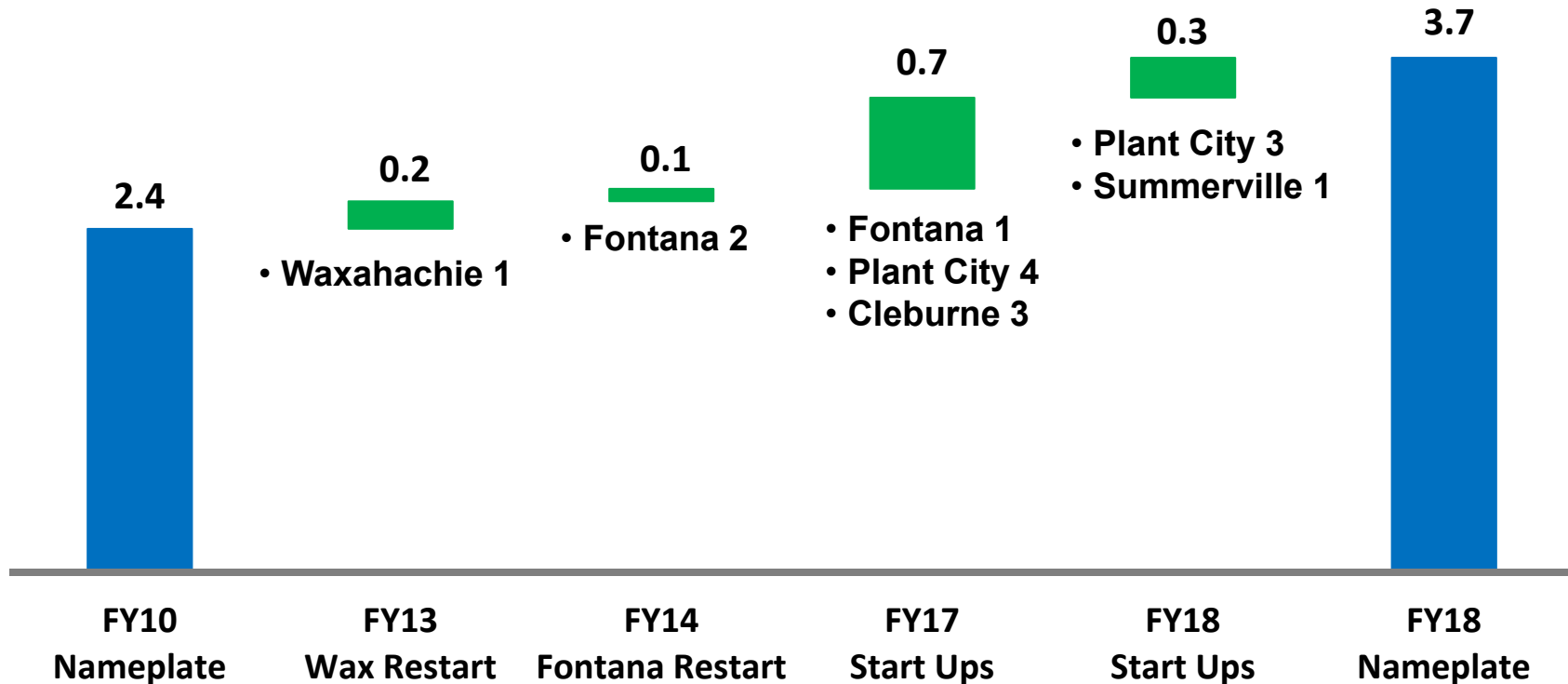


# EXPAND PRODUCT CAPABILITY



# NORTH AMERICA MANUFACTURING CAPACITY

## Capacity Expansion Since Housing Downturn

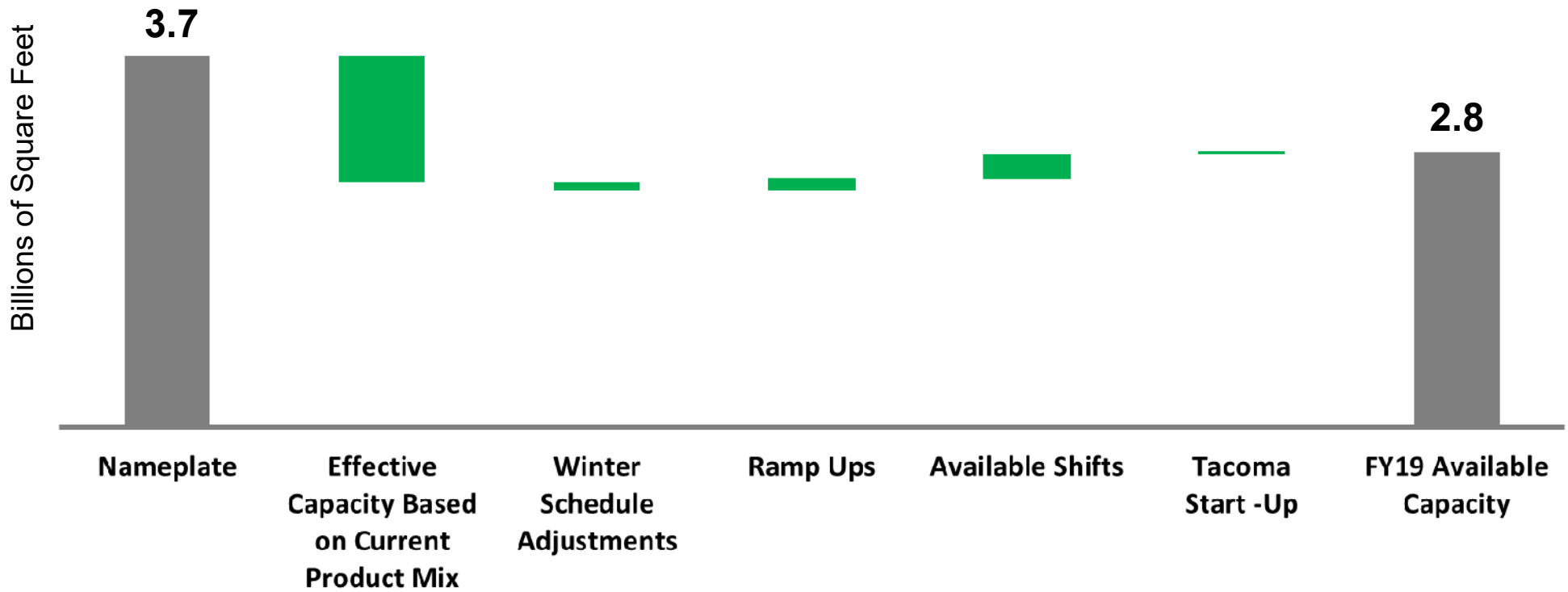


### Future capacity additions:

- FY19 & FY20 greenfield additions: Tacoma (300 mmsf) + Alabama (600 mmsf)

# FY19 CAPACITY OUTLOOK

## FY19 Capacity





# BEYOND CURRENT NORTH AMERICA ORGANIC GROWTH STRATEGY

# INTERNATIONAL



- Steady share gains in APAC
- Reset game plan in Europe
- Further expansion with GDP per capita bias

# NON-FIBER CEMENT IN NORTH AMERICA

## Target Building Materials

**Differentiated Product or Business Model**

**Organic Growth Potential with Defendable Moats**

## Searching Across

**Growth Segments**

**Close Adjacencies**

**Large Market Size**

## Leverage James Hardie

**Capabilities**

**Assets**

**Continue to explore options in North America where we have a strong presence to leverage in a large market**



# ORGANIZATIONAL CAPABILITY TO ENABLE

# MANAGEMENT TEAM



**Louis Gries**  
CEO  
39 Years; 26 JH Years



**Sean Gadd**  
EVP, Markets &  
Segments  
22 Years; 13 JH Years



**Jack Truong**  
President, International  
27 Years; <1 JH Years



**Matthew Marsh**  
CFO and EVP  
20 Years; 4 JH Years



**Zean Nielsen**  
EVP, NA Sales &  
Marketing  
20 Years; <1 JH Years



**Ryan Kilcullen**  
EVP, Operations  
14 Years; 10 JH Years



**Kirk Williams**  
CHRO  
18 Years; <1 JH Years



**EVP, Manufacturing**  
*Open*



**Chief Technology  
Officer**  
*Open*





# FY17/18 SUPPLY ISSUES & RAMIFICATIONS

# SUPPLY ISSUES & RAMIFICATIONS

- Focus has shifted to building on traction in manufacturing now that demand / supply equation has returned to balance
- Recapturing lost ground in the market ... significant effort is required
- Improving delivered unit cost trend with network stabilization

## KEY MESSAGES

- Zero Harm safety commitment
- Manufacturing reset
- Regain market traction lost during supply shortage period
- International growth
- Non-FC opportunity scans
- Management team build
- Broad-based organizational capability build