

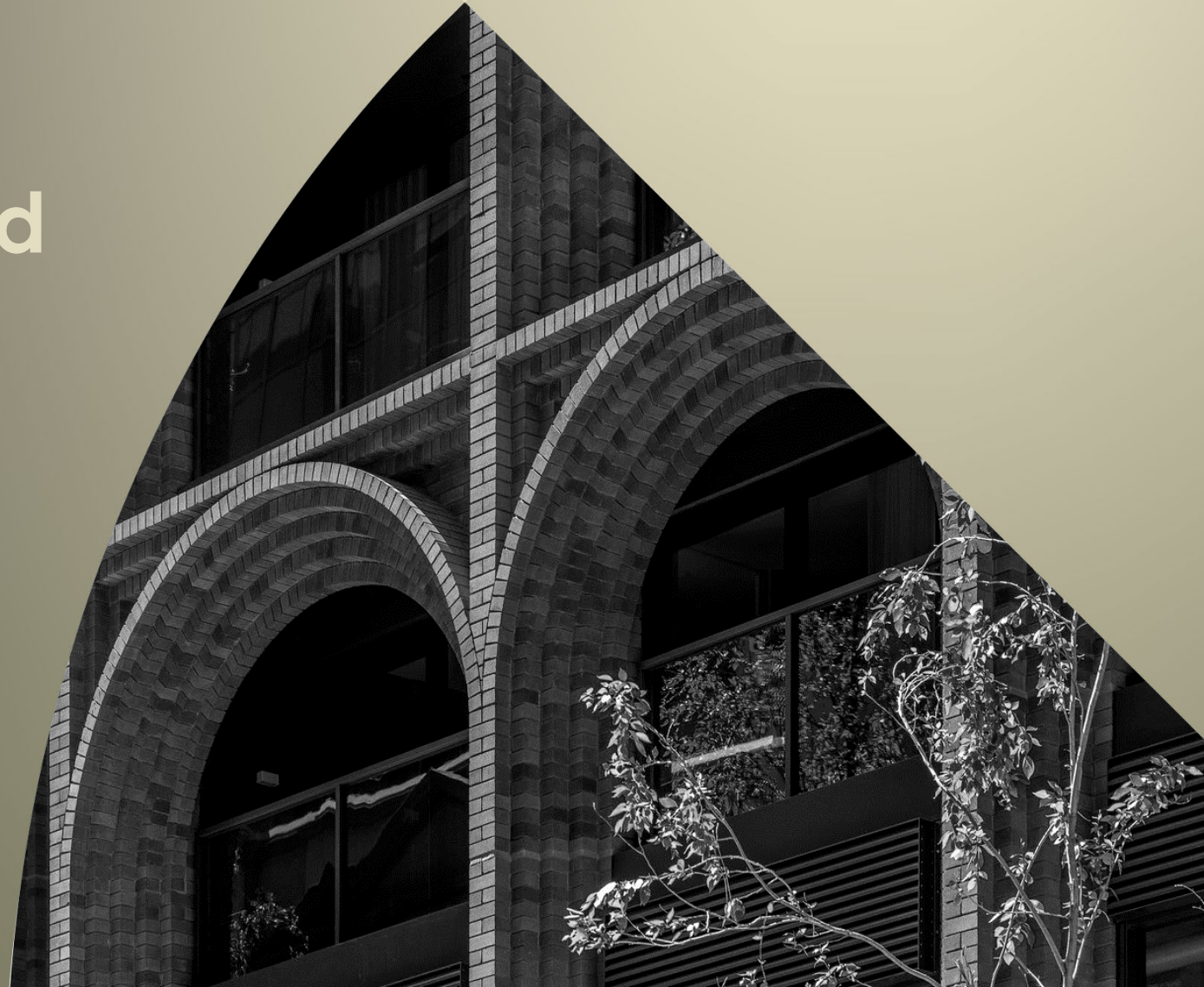


# Merger of Soul Patts and Brickworks

Creation of a new \$14b  
ASX-listed company

2 June 2025

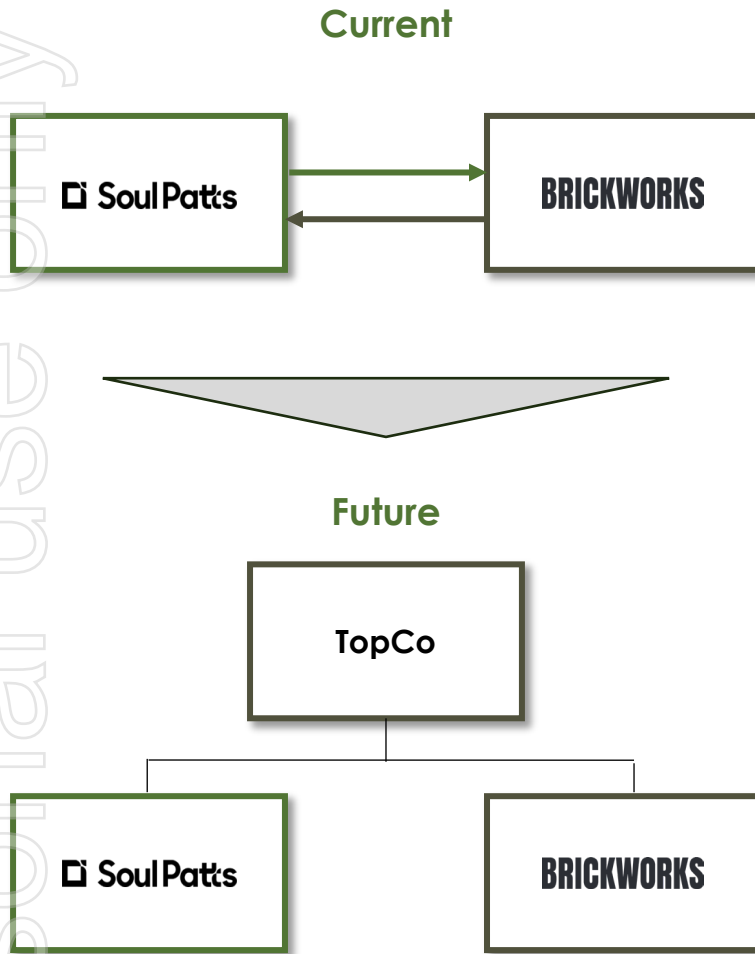
[SoulPatts.com.au](http://SoulPatts.com.au) | [Brickworks.com.au](http://Brickworks.com.au)



ersonal use only

# A transformative merger

Soul Patts and Brickworks to be merged to create a leading ASX-listed company



Newly capitalised ASX-listed company to merge both Soul Patts and Brickworks



Removal of the cross-shareholding will simplify the corporate structure, support additional shareholder liquidity and significantly expand free float



Strong balance sheet to fund growth and new investment opportunities



TopCo to be governed by one Board and Executive Team with consistent corporate governance and capital allocation strategies



TopCo will be renamed Washington H. Soul Pattinson and Company Limited and will trade using the ASX ticker SOL

# Transaction overview

## Attractive transaction benefits to both SOL and BKW shareholders

Transaction structure	<ul style="list-style-type: none"><li>▪ A new ASX-listed company ("TopCo")<sup>1</sup> has been established to acquire both Soul Pattis ("SOL") and Brickworks ("BKW")</li><li>▪ The acquisitions of Soul Pattis and Brickworks will each occur through inter-conditional Schemes of Arrangements ("Schemes")</li><li>▪ Prior to Implementation, TopCo is expected to be capitalised with new equity<sup>2</sup></li><li>▪ Proposed Merger would remove ~148m shares currently cross-held between SOL and BKW<sup>3</sup></li><li>▪ SOL, BKW and new shareholders will own approximately 72%, 19% and 9% of the combined group respectively</li></ul>
Scheme consideration	<ul style="list-style-type: none"><li>▪ SOL shareholders will receive 1 TopCo share for every 1 Soul Pattis share held as at the Record Date</li><li>▪ BKW shareholders will receive 0.82 shares for every 1 Brickworks share held as at the Record Date ("Merger Ratio")</li><li>▪ Based on SOL's closing share price on \$36.93, the Merger Ratio implies an offer value of \$30.28 per BKW share. This represents for BKW shareholders a:<ul style="list-style-type: none"><li>– 10.1% premium to \$27.51 being the closing price of BKW shares on 30 May 2025</li><li>– 11.9% premium to \$27.07 being the 1-month VWAP of BKW shares on 30 May 2025<sup>4</sup></li><li>– 21.9% premium to \$24.84 being the 3-month VWAP of BKW shares on 30 May 2025<sup>5</sup></li><li>– 16.6% premium to \$25.97 being the post-tax Net Asset Value (NAV) per share<sup>6</sup></li></ul></li></ul>
Combined group	<ul style="list-style-type: none"><li>▪ Combined pro forma Net Asset Value of \$13.1b</li><li>▪ Pro forma market capitalisation of \$14.0b and free float of \$12.6b<sup>7</sup></li></ul>

1. Full legal name and ACN of TopCo: First Services Company Ltd ACN 687 534 023. Full legal name and ACN of SubCo: Second Services Company Pty Ltd with ACN 687 536 545

2. Prior to the Implementation of the Schemes and based on the funding required, TopCo will issue at least 34m shares, which based on SOL's share price \$36.93 as at close of trading on 30 May 2025, is at least \$1.25b. SOL may enter into derivative and hedging arrangements concerning TopCo shares, BKW shares and SOL shares and convertible bonds in connection with the implementation of the Proposed Merger and corporate structure generally

3. Based on SOL shares held by BKW of 94.3m and merger ratio of 0.82x applied to BKW shares held by SOL of 65.6m

4. VWAP is calculated based on market value traded on the ASX divided by the market volume traded on the ASX. VWAP is calculated from 30 April 2025 to 30 May 2025. Sourced from IRESS

5. VWAP is calculated based on market value traded on the ASX divided by the market volume traded on the ASX. VWAP is calculated from 28 February 2025 to 30 May 2025. Sourced from IRESS

6. As at 31 Jan 2025

7. Based on trading data as at 30 May 2025. Assumes c. 380m TopCo shares (post cancellation of cross holding and share issuance under TopCo capitalisation) trade at current SOL price (\$36.93). Free float defined as percentage of a company's issued share capital available for trading

# TopCo funding

TopCo will be well-capitalised upon Scheme Implementation

## Overview

- Proposed Merger would remove ~148m shares currently cross-held between SOL and BKW<sup>1</sup>
- Prior to Scheme Completion, TopCo is expected to be capitalised with new equity<sup>2</sup> to be used to cover a significant portion of outstanding Brickworks debt, other liabilities (including the Soul Patts convertible bond), and transaction costs (including stamp duty)

## Share issuance

- Today TopCo has received commitments for \$550m of TopCo shares at nil discount to SOL's last close of \$36.93, fully underwritten by Aitken Mount Capital Partners as sole lead manager, conditional only on Scheme Implementation<sup>3</sup>
- It is currently expected that the remaining new TopCo shares will be allocated as follows:
  - to satisfy demand created through a repurchase of any of the existing \$450m SOL.AX Convertible Bonds for shares and to enable Convertible Bond investors to repay stock lending hedge arrangements<sup>4</sup>; and
  - to enable a global investment bank to use those TopCo shares as a hedge to satisfy demand for a potential new security exchangeable into TopCo shares (an Exchangeable Note)<sup>5</sup>
- It is not expected that there will be any other share issuances in addition to the new share issuances described above<sup>6</sup>

1. Based on SOL shares held by BKW of 94.3m and merger ratio of 0.82x applied to BKW shares held by SOL of 65.6m

2. Prior to the Implementation of the Schemes and based on the funding required, TopCo will issue at least 34m shares, which based on SOL's share price \$36.93 as at close of trading on 30 May 2025, is at least \$1.25b

3. 14.9m TopCo shares have been underwritten under the Placement by Aitken Mount Capital Partners at a nil discount to SOL's last close of \$36.93. Subject to Implementation under the Schemes occurring before the End Date for the Schemes

4. Shares will be issued to an Investment Bank to facilitate the transaction

5. Investment Bank may execute other hedge transactions or derivatives

6. Any repurchase of the Convertible Bonds, entry into derivatives and the issuance of the Exchangeable Note will be subject to, amongst other things, market conditions existing at the relevant time and terms of such transactions have not been agreed at the date of this announcement or as required due to employee share plan obligations. Soul Patts may enter into derivative and hedging arrangements concerning TopCo Shares, Brickworks shares and Soul Patts shares and convertible bonds in connection with the implementation of the Proposed Merger and corporate structure generally

# Transaction details

Soul Patts and Brickworks to be acquired by a newly capitalised ASX-listed company and merged under inter-conditional schemes of arrangement

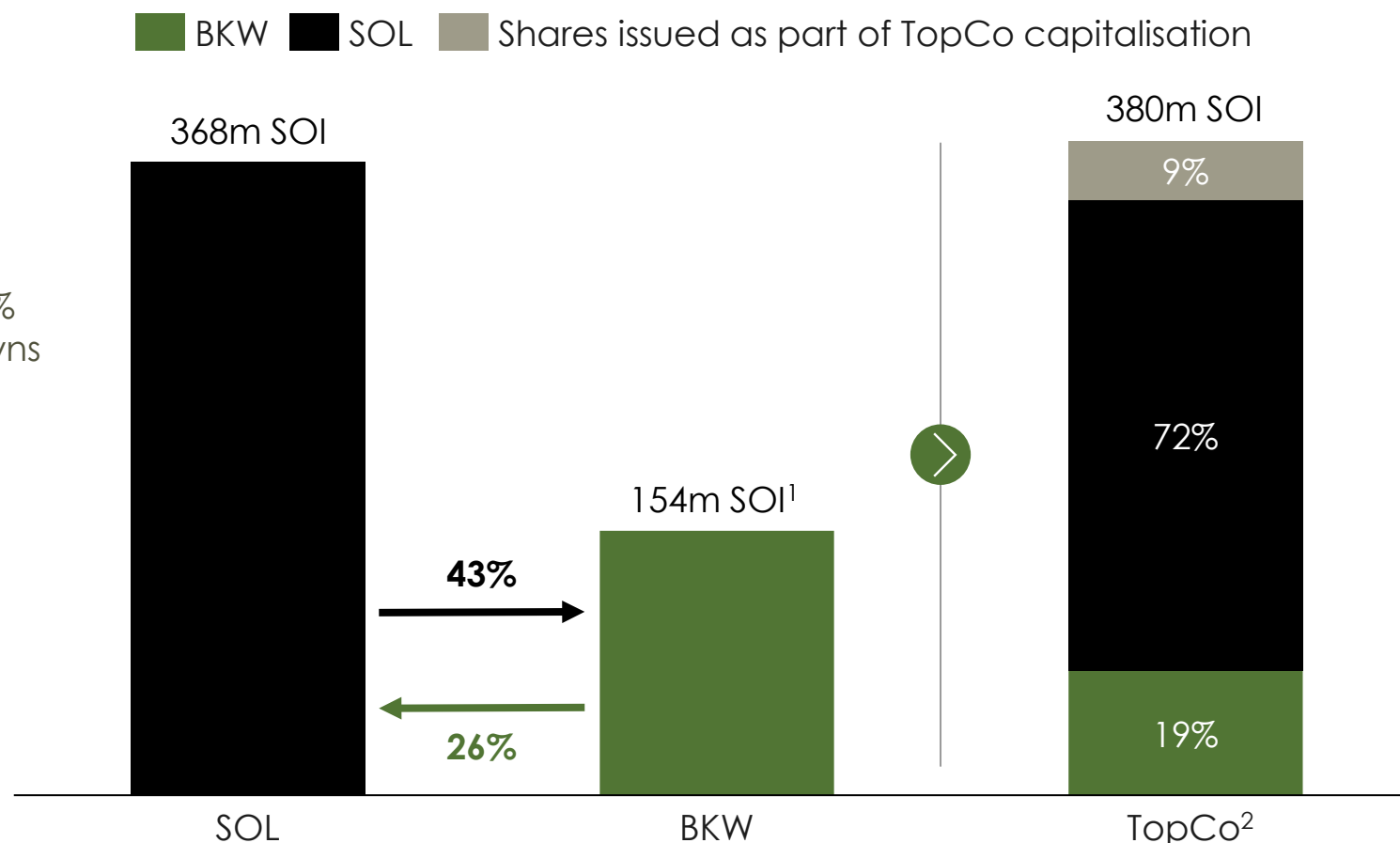
<b>Governance</b>	<ul style="list-style-type: none"> <li>Upon implementation of the Proposed Merger, the board of TopCo is anticipated to comprise eight members: <ul style="list-style-type: none"> <li>Rob Millner AO (Chair)</li> <li>David Baxby</li> <li>Tiffany Fuller</li> <li>Joe Pollard</li> <li>Todd Barlow</li> <li>Malcolm Bunday</li> <li>Bruce MacDiarmid</li> <li>Josephine Sukkar AM</li> </ul> </li> <li>TopCo's management team will be led by Todd Barlow</li> <li>Building Products will be governed by a dedicated subsidiary board</li> </ul>
<b>Board recommendation</b>	<ul style="list-style-type: none"> <li>The Proposed Merger is unanimously recommended by both the Directors of SOL and the Independent Directors of BKW, subject to: <ul style="list-style-type: none"> <li>The Independent Expert for the relevant company concluding, and continuing to conclude, that the Proposed Merger is in the best interests of SOL and BKW shareholders respectively</li> <li>No superior proposal emerging</li> </ul> </li> </ul>
<b>Permitted dividends</b>	<ul style="list-style-type: none"> <li>SOL intends to pay its FY25 final dividend in the ordinary course or just prior to Scheme Implementation</li> <li>BKW intends to pay a FY25 final dividend per BKW share equal to 0.82 multiplied by the SOL dividend in the ordinary course or just prior to Scheme Implementation</li> </ul>
<b>Key approval and conditions</b>	<ul style="list-style-type: none"> <li>Key conditions include: <ul style="list-style-type: none"> <li>Approval by the SOL and BKW shareholders of the relevant Share Scheme;</li> <li>The Independent Experts concluding that the Schemes are in the best interests of SOL and BKW shareholders;</li> <li>No prescribed events or material adverse changes occurring in respect of SOL or BKW;</li> <li>Confirmation from the ATO that it is prepared to issue class rulings for shareholders and no communication to the effect that the ATO will not be prepared to issue a requested private binding tax ruling in relation to TopCo; and</li> <li>Other conditions customary for a transaction of this nature</li> </ul> </li> </ul>
<b>Timing</b>	<ul style="list-style-type: none"> <li>Dispatch of the scheme booklets to shareholders and the scheme meetings are expected to occur in Second Half 2025. Further timing updates will be provided as required</li> </ul>

# Simplified company structure

The cross-shareholding will be removed, and TopCo will be capitalised with new shares

## Past

Cross-shareholding where SOL owns 43% of BKW and BKW owns 26% of SOL



## Future

One single company with:

- ✓ Clean capital structure
- ✓ Greater free float
- ✓ Increased liquidity
- ✓ Cross held shares cancelled

1. Assumes conversion of outstanding options

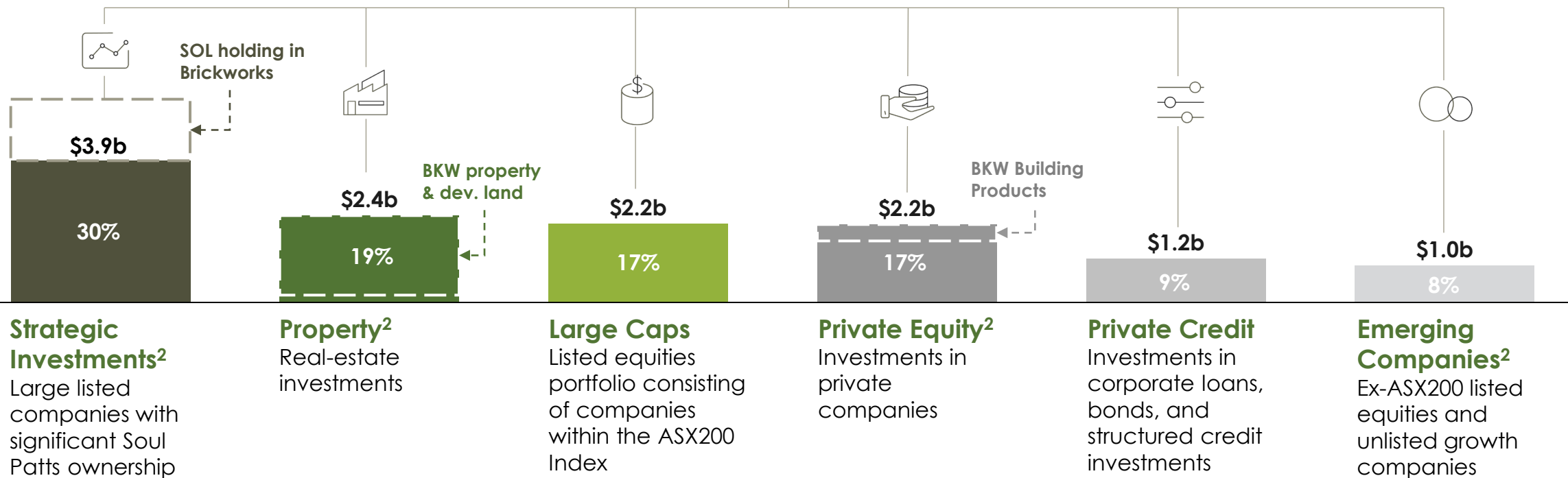
2. Assumes 1 TopCo share issued for every SOL share and 0.82 TopCo shares issued for every BKW share. Assume at least 34m TopCo shares issued as part of TopCo capitalisation



# A well-balanced portfolio

TopCo investors will be exposed to a well diversified, high-quality portfolio spread across multiple asset classes

**\$13.1b**  
TopCo Portfolio NAV (pre-tax)<sup>1</sup>



1. As at 31 January 2025

2. Net Asset Value Adjustments include removal of \$1,712m BKW holding from Strategic, \$2,212m added to Property, \$450m added to Private Equity, \$34m added to Emerging Companies

# Free float and liquidity

Removal of the cross-shareholding significantly increases shareholder liquidity

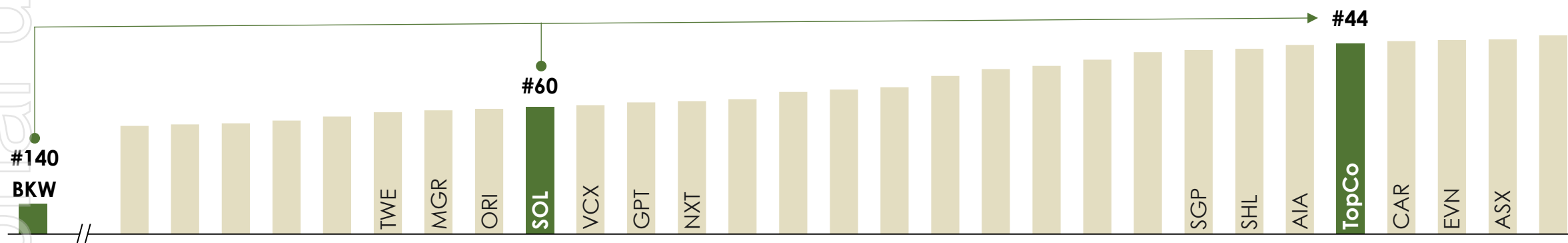
## Pro forma market cap<sup>1</sup>



## Pro forma free float adjusted market cap<sup>1</sup>



## Free float adjusted market cap (\$b)<sup>2</sup>

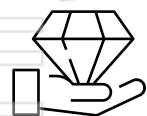


1. Based on trading data as at 30 May 2025. Assumes c. 380m TopCo shares (post cancellation of cross holding and share issuance under TopCo capitalisation) trade at current SOL price \$36.93. Pro forma market cap and free float adjusted market cap calculated based on 6-month average from 30 November 2024 to 30 May 2025 (inclusive). Sourced from Capital IQ
2. Ranking calculated based on 6-month average free float market capitalisation from 30 November 2024 to 30 May 2025 (inclusive). Sourced from Capital IQ



# Benefits to Soul Patts' shareholders

The Proposed Merger presents compelling benefits for SOL shareholders



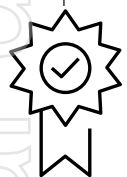
## Attractive financial outcomes

- Generate pre- and post-tax NAV accretion (on a per share basis) for SOL shareholders
- Deliver accretion to Net Cash Flow from Investments (on a per share basis)



## Portfolio rebalancing

- Increase portfolio weighting towards private markets and property, further diversifying portfolio



## Increase exposure to high quality assets

- Capitalise on structural tailwinds of ecommerce growth (through Industrial Property Portfolio), undersupply in housing (Building Products Business) and normalisation in interest rates



## Further financial flexibility

- Create further opportunities for new investments

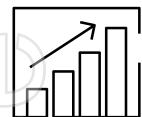
# Benefits to Brickworks' shareholders

The Proposed Merger presents compelling benefits for BKW shareholders



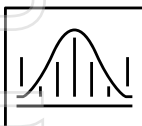
## Implied premium

- Receive an implied value of \$30.28 per BKW share, representing a premium of 10.1% to the closing price, a 11.9% premium to 1-month VWAP, and a 21.9% premium to 3-month VWAP (based on market close as at 30 May 2025)
- Receive 16.6% premium to post-tax NAV of \$25.97<sup>1</sup>



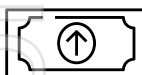
## Value creation

- Generate post-tax NAV accretion (on a per share basis) for BKW shareholders
- Deliver cash flow accretion (on a per share basis)



## Diverse portfolio

- Gain direct access to a more diverse portfolio of combined assets delivering cyclical protection and a strong cash flow generation profile



## Consistent dividends

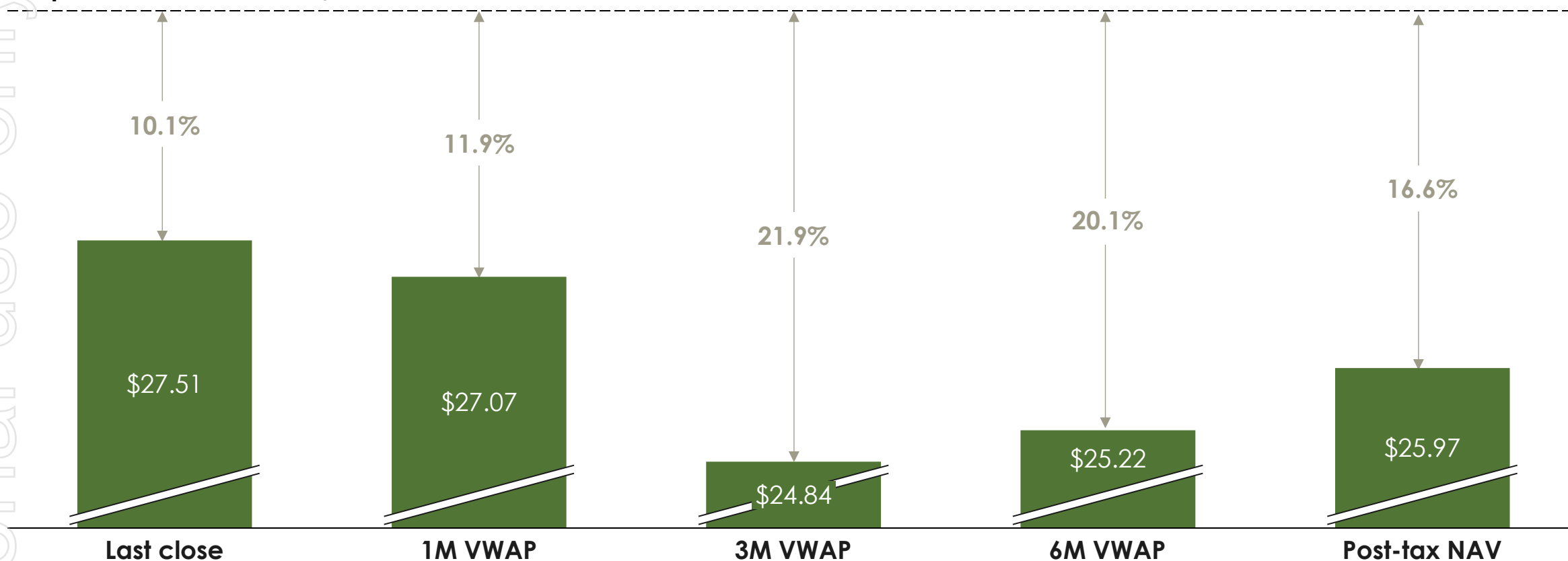
- Ongoing dividend stability, continuing Brickworks' consistent payment of dividends over the past 48 years
- Soul Pattinson having consistently paid a dividend every year since inception in 1903 and has had 24 years of consecutive ordinary dividend growth

1. As at 31 Jan 2025

# BKW shareholders will receive an implied premium

The implied value represents strong premia for a merger of this nature

Implied value received: \$30.28<sup>1</sup>



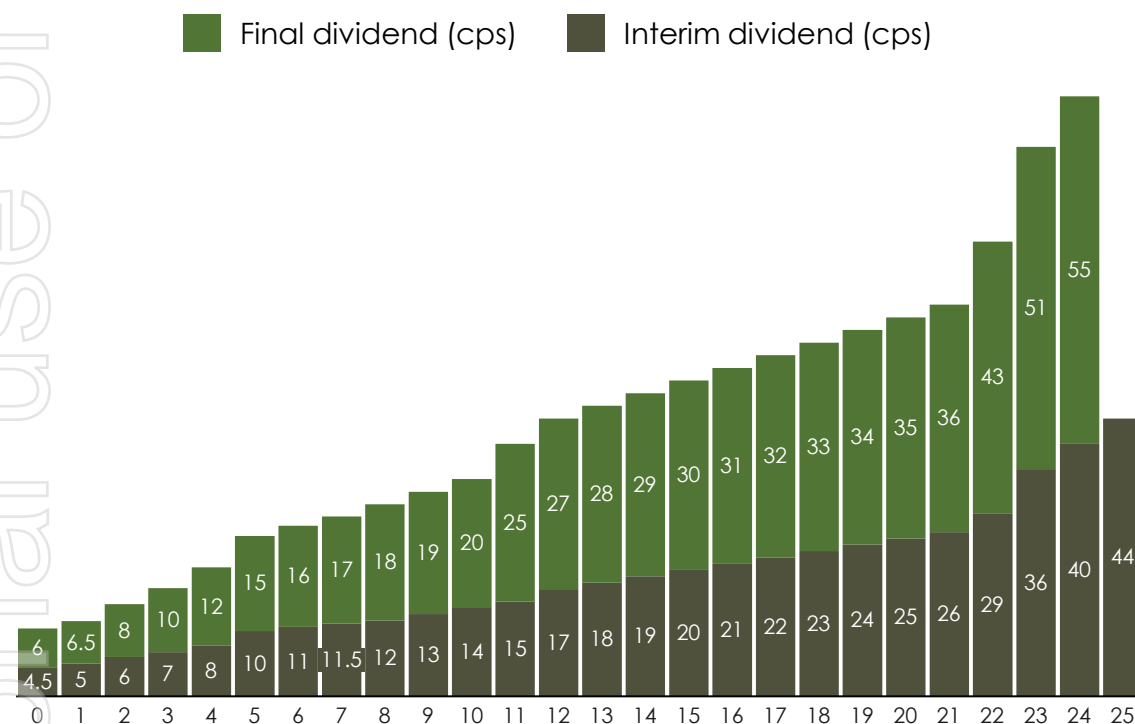
Source: IRESS  
1. As at 30 May 2025

# Consistent dividend and returns outperformance

BKW shareholders will gain exposure to Soul Patt's history of dividend and portfolio growth

## Continued dividend growth

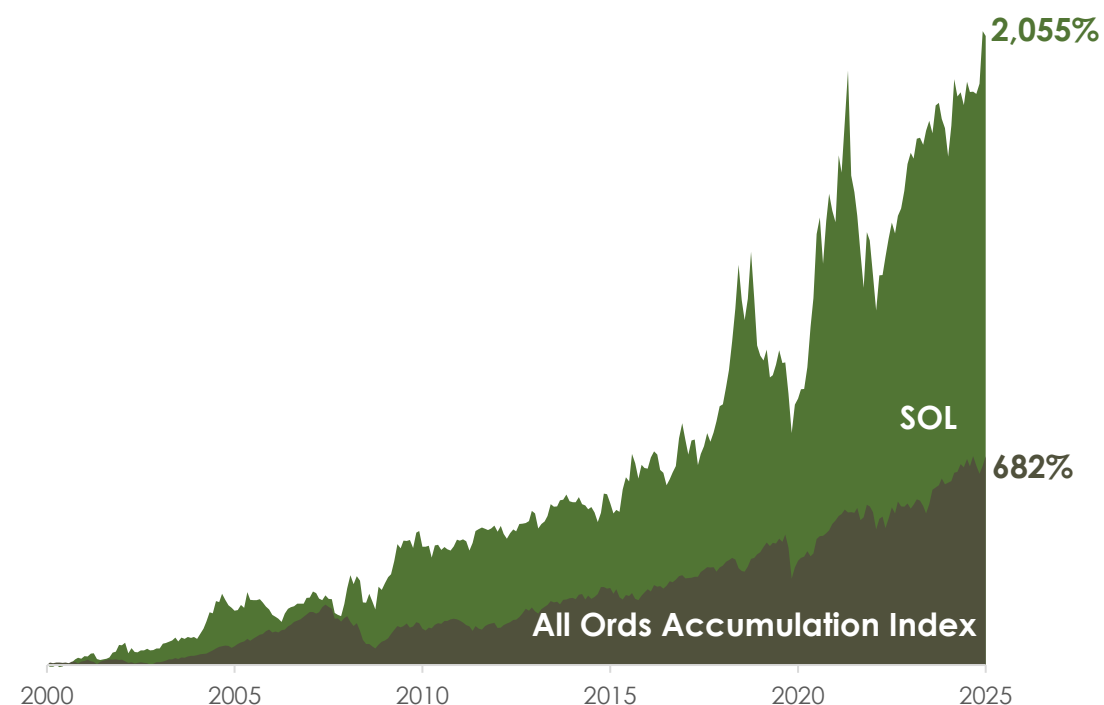
Since 2000, ordinary dividend has increased at a 9.8% CAGR excluding 105 cps in special dividends



Source: Bloomberg  
1. 30 May 00 to 30 May 25

## Consistent long-term outperformance

An investment in SOL returned 3.01x the All Ordinaries Accumulation Index over the past 25 years<sup>1</sup>



# Recap

A transformational merger that mutually benefits both sets of shareholders



Newly capitalised ASX-listed company to merge both Soul Patt's and Brickworks



Removal of the cross-shareholding will simplify the corporate structure, support additional shareholder liquidity and significantly expand free float



Strong balance sheet to fund growth and new investment opportunities



TopCo to be governed by one Board and Executive Team with consistent corporate governance and capital allocation strategies

Transformational  
merger that  
mutually benefits  
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shareholders

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## I. Appendix



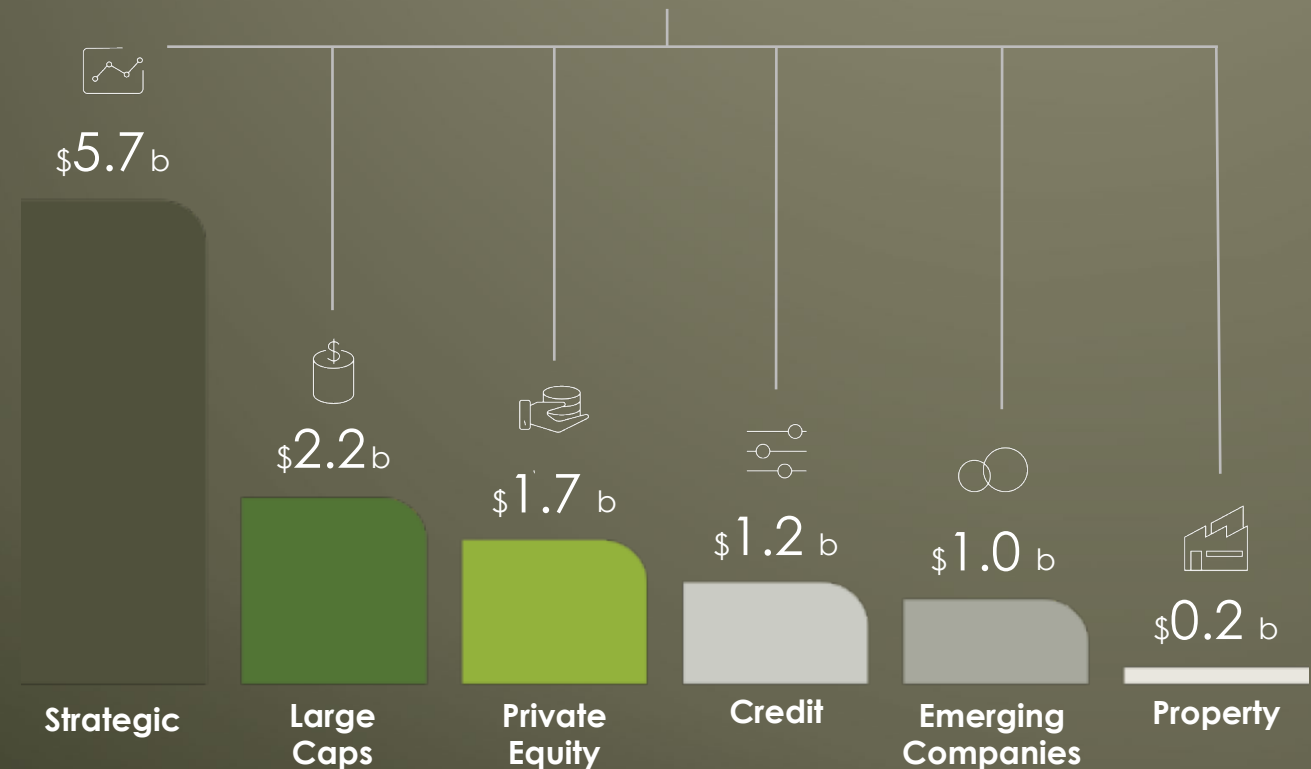
# A diversified investment house that is unique in Australia

Our aim is to grow shareholder wealth through a diversified range of investments that perform throughout market cycles.

- 200+ actively managed investments
- Targeting high quality risk-adjusted returns
- 122 years of consistent dividend payments
- Consecutive dividend increases since 2000
- 25-year Total Shareholder Return of 13.0% p.a.
- ASX top 50 by market capitalisation

# \$12.1 b

Total Portfolio  
Net Asset Value (pre-tax) <sup>1</sup>



<sup>1</sup> Total Portfolio Net Asset Value (pre-tax) also includes Net Working Capital valued at \$0.1 billion

# Brickworks is an ASX-listed conglomerate and one of Australia's largest and most trusted brick manufacturers

Brickworks has a diversified corporate structure that comprises of four divisions – Building Products Australia, Building Products North America, Property and Investments

Since listing in 1962, Brickworks comprises a diversified portfolio of attractive assets, that has delivered stability of earnings and long-term growth.

48 years

of constant  
dividend payments

11.2%<sup>1</sup>

Total Shareholder  
Return per annum  
for the last 25 years

ASX top 200

Company  
by market  
capitalisation

## Segment overview

<b>Building Products Australia</b>	<ul style="list-style-type: none"><li>▪ Leading manufacturer and distributor of building products across all Australian states</li><li>▪ Comprises of 19 operating manufacturing sites and a vast network of company-owned design centres, studios and resellers across the country</li><li>▪ The portfolio includes key brands such as Austral Bricks, Austral Masonry and Bristle Roofing</li></ul>
<b>Building Products North America</b>	<ul style="list-style-type: none"><li>▪ Leading brickmaker in Midwest, Northeast and Mid-Atlantic regions of the USA</li><li>▪ Comprises of 8 currently operating brick manufacturing sites, complemented by company-operated distribution outlets, design studios and an extensive reseller network</li></ul>
<b>Property</b>	<ul style="list-style-type: none"><li>▪ Consists of holdings in two Joint Venture Property Trusts with Goodman Group – Industrial JV Trust and Brickworks Manufacturing Trust</li><li>▪ The Industrial JV Trust aims to develop surplus operational land into industrial property and benefit from annuity style income from developed assets</li><li>▪ The Brickworks Manufacturing Trust comprises a portfolio of 13 manufacturing plants tenanted by Brickworks' Australian Building Products businesses</li></ul>
<b>Investments</b>	<ul style="list-style-type: none"><li>▪ Consists of a 25.7% interest in Soul Patts (ASX:SOL), a diversified investment house, and a 12.9% interest in FBR (ASX:FBR), a robotics company developing an automated bricklayer</li></ul>

<sup>1</sup>Total shareholder return to 31 Jan 2025, assuming dividends re-invested



# BRICKWORKS

## LIMITED

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