



# JAMES HARDIE'S USA INVESTOR/ANALYST TOUR

14<sup>th</sup> & 15<sup>th</sup> SEPTEMBER 2017  
DAY 1 PRESENTATIONS

# CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

This Management Presentation 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;
- 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 Asbestos Injuries Compensation Fund (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 conditions, such as changes in the US economic or housing recovery or changes in the market conditions in the Asia Pacific region, 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.

# CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

## (continued)

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 2017, 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 and the effect of currency exchange rate movements on the amount recorded in the Company’s financial statements as an asbestos liability; the continuation or termination of the governmental loan facility to AICF; 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; reliance on a small number of customers; a customer’s inability to pay; 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 on large format retail customers, distributors and dealers; dependence on residential and commercial construction markets; the effect of adverse changes in climate or weather patterns; possible inability to renew credit facilities on terms favorable to the Company, or at all; acquisition or sale of businesses and business segments; changes in the Company’s key management personnel; inherent limitations on internal controls; use of accounting estimates; 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.

# 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 (US 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;
- Adjusted EBIT margin;
- Adjusted net operating profit;
- Adjusted diluted earnings per share;
- Adjusted operating profit before income taxes;
- Adjusted income tax expense;
- Adjusted effective tax rate;
- Adjusted EBITDA;
- Adjusted EBITDA excluding Asbestos; and
- Adjusted selling, general and administrative expenses (“Adjusted SG&A”)

These financial measures are or may be non-US 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 US GAAP. These non-GAAP financial measures 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 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 US 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. This Management Presentation also includes financial measures and descriptions that are considered to not be in accordance with US 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 US GAAP, the Company provides investors with a table and definitions presenting cross-references between each US GAAP financial measure used in the Company’s Condensed Consolidated Financial Statements to the equivalent non-US GAAP financial measure used in this Management Presentation.

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 US GAAP measure, see the sections titled “Definition and Other Terms” and “Non-US GAAP Financial Measures” included in James Hardie’s Management’s Analysis of Results for the fourth quarter and twelve months ended 31 March 2017.



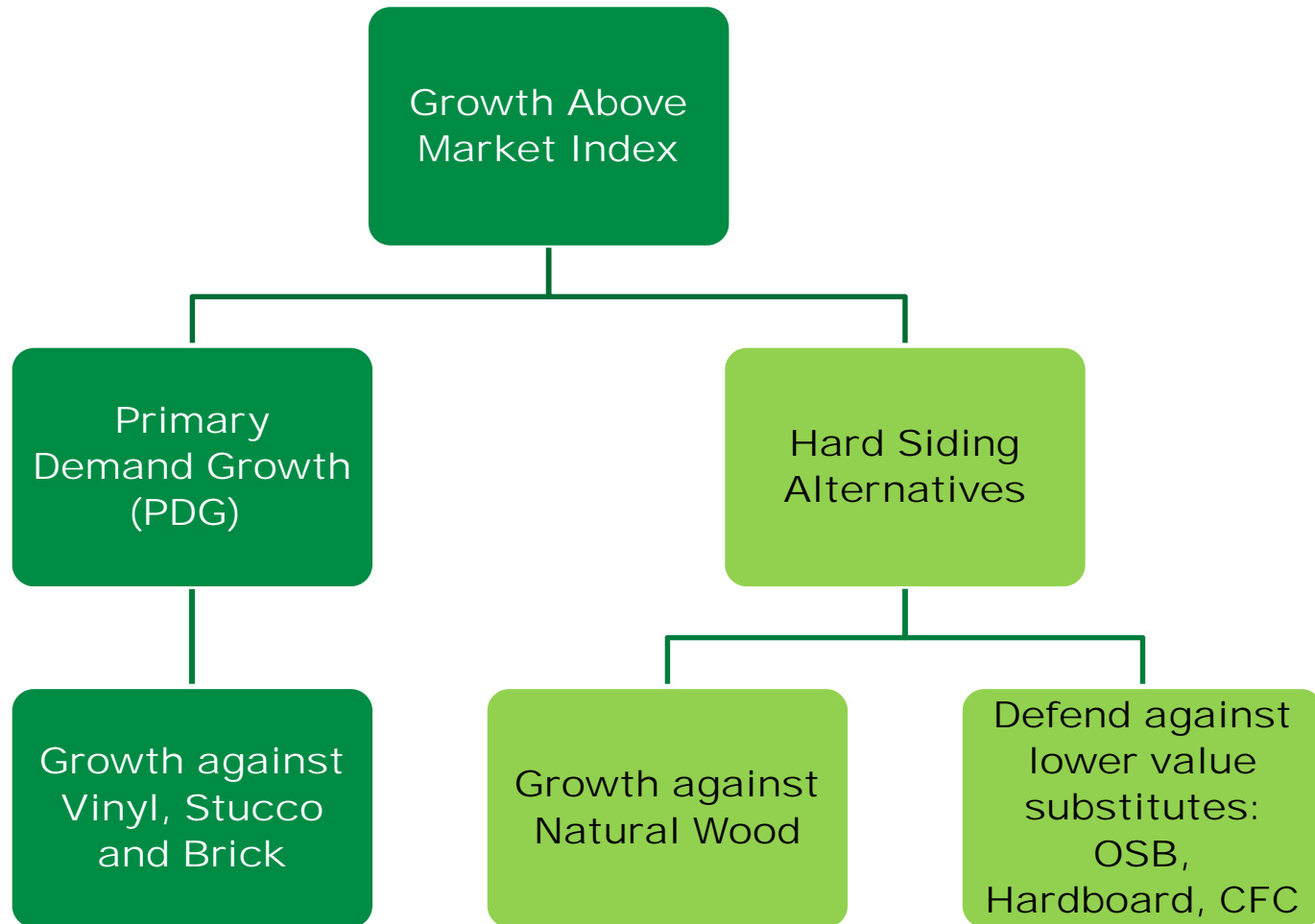
# JAMES HARDIE INVESTOR UPDATE

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

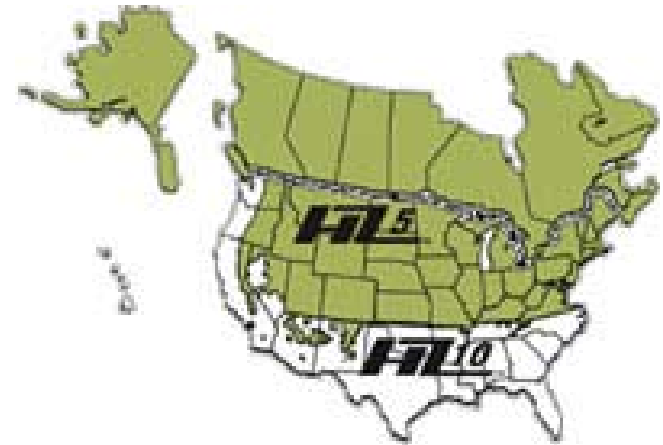
### **Repair & Remodel**

- 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

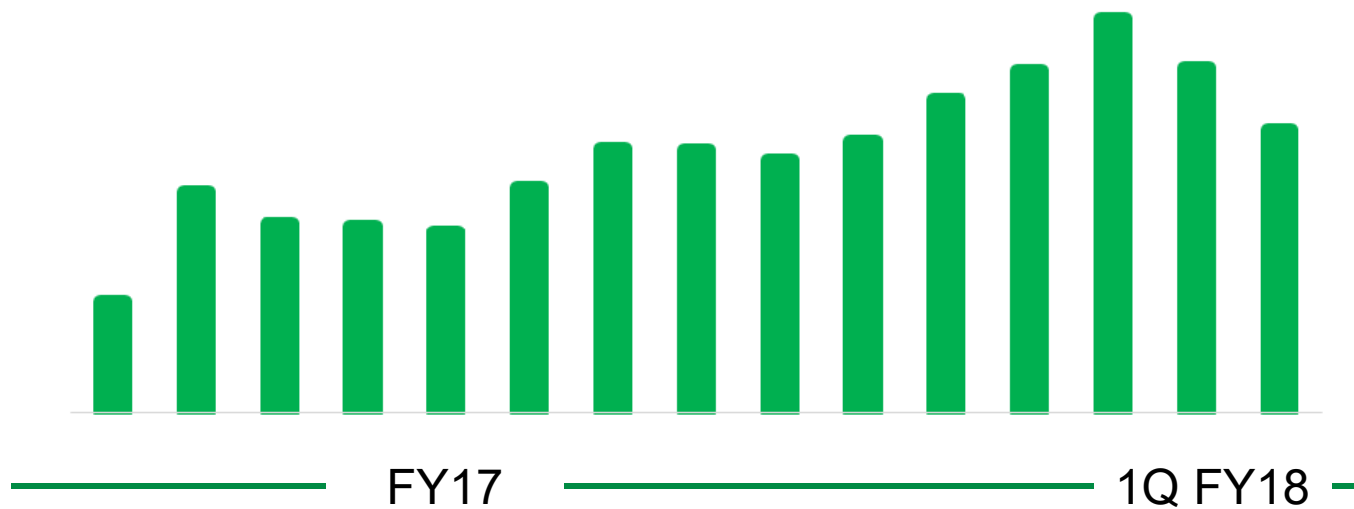


- Standard and sustainable systems
- Establish playbook and train employees
- Zero tolerance for unsafe behaviors

Safety culture evolving from 2&10 to Zero Harm

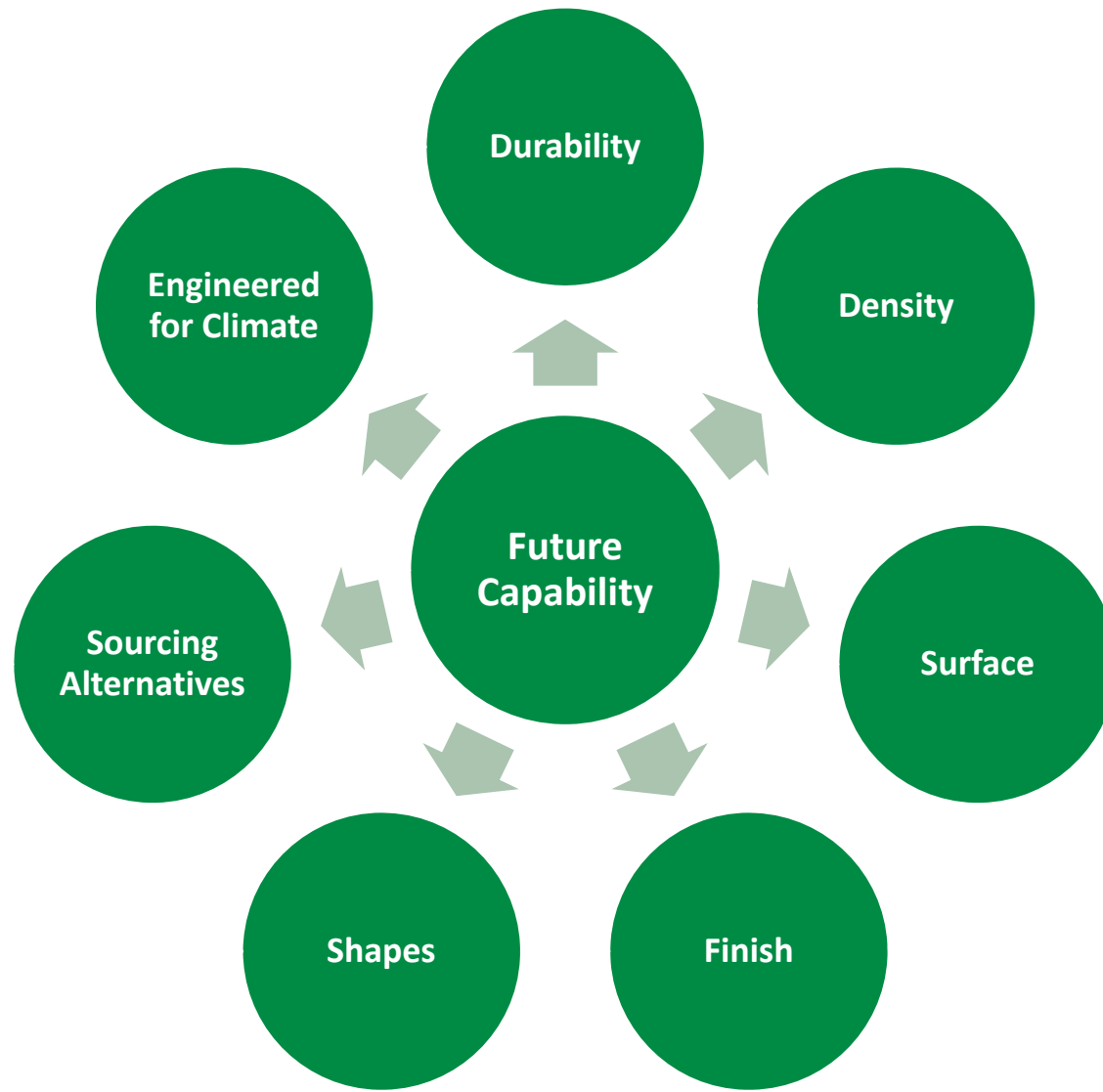
# DRIVE DELIVERED UNIT COST TRENDS

## Delivered Unit Cost



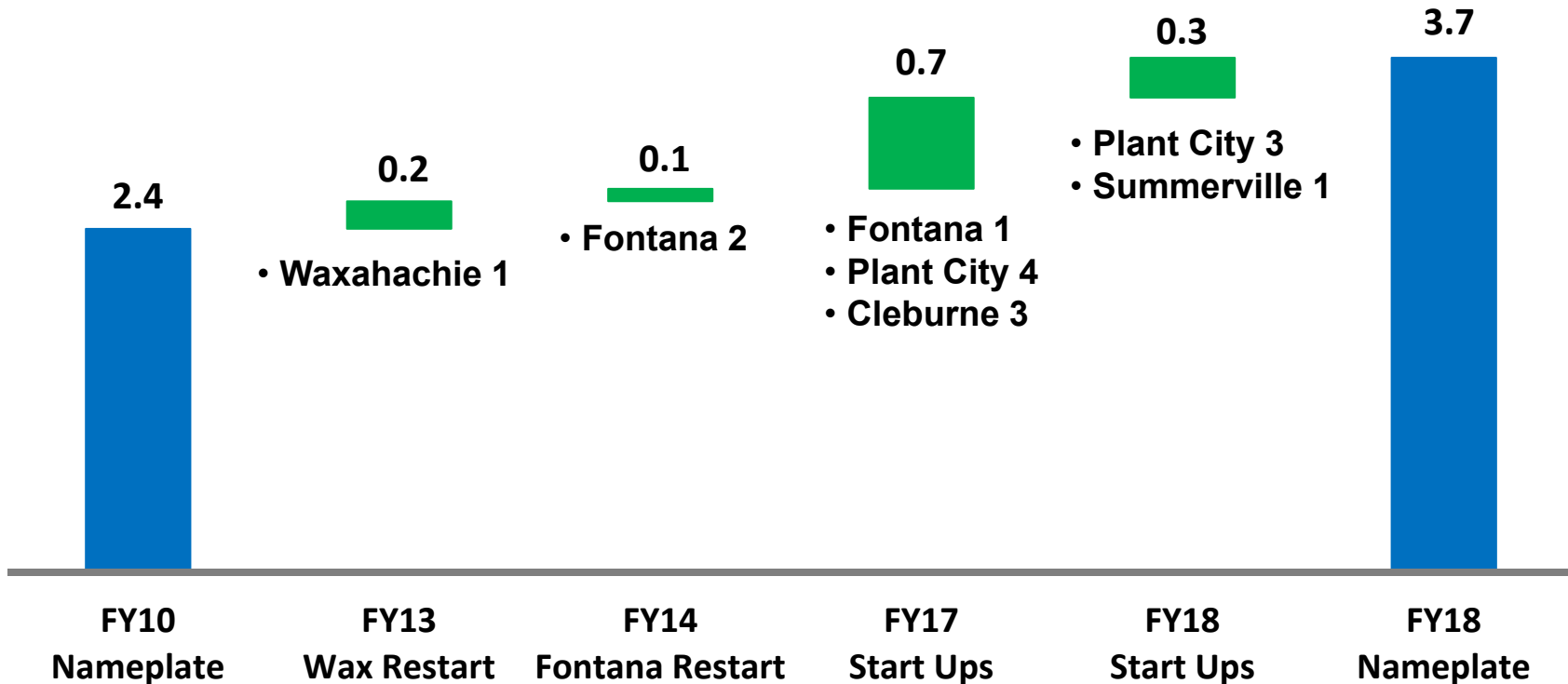
Improving delivered unit cost trend ... in a sustainable way

# EXPAND PRODUCT CAPABILITY



# NORTH AMERICA MANUFACTURING CAPACITY

## Capacity Expansion Since Housing Downturn

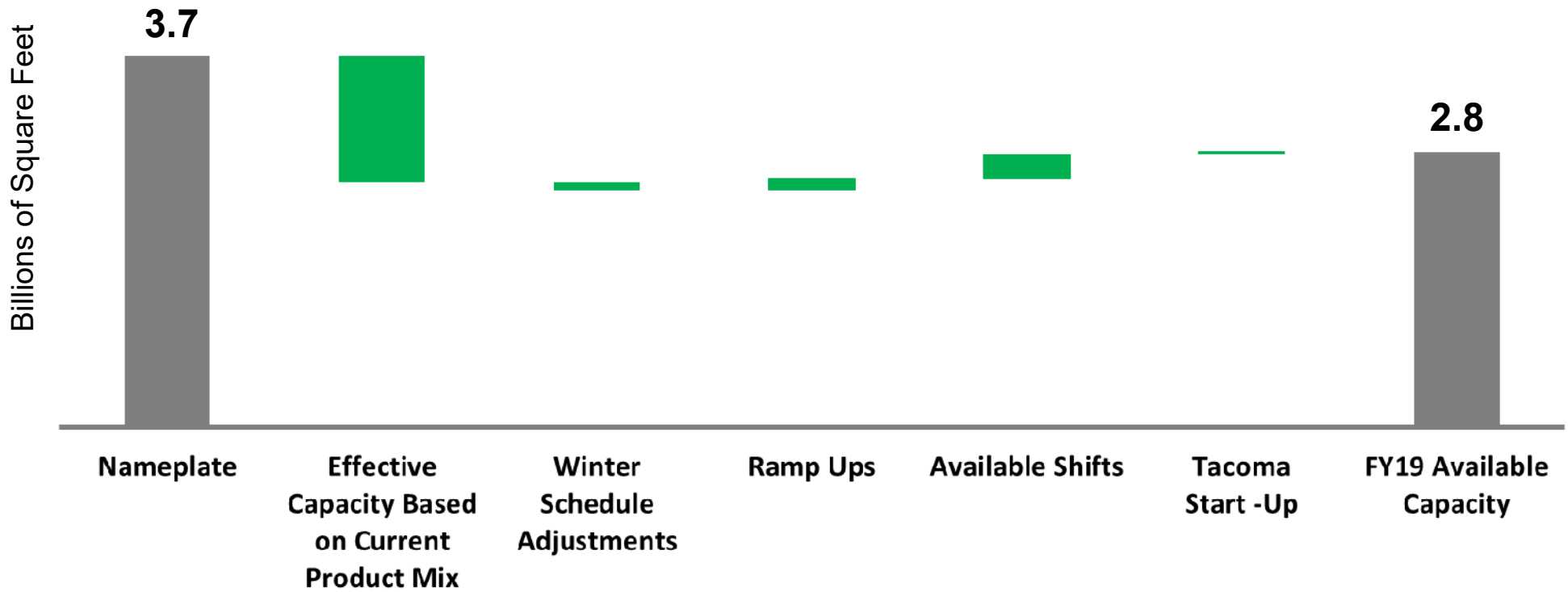


### Future capacity additions:

- 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



# EXTERNAL ENVIRONMENT & BUSINESS FUNDAMENTALS

Matthew Marsh, EVP & CFO

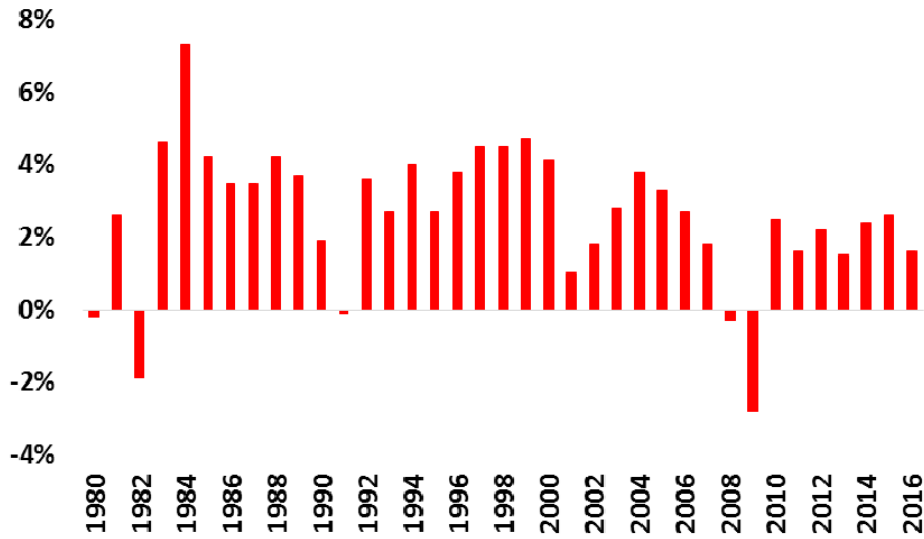


# AGENDA

- U.S. Economic Conditions
- Housing Environment
- North America Capacity

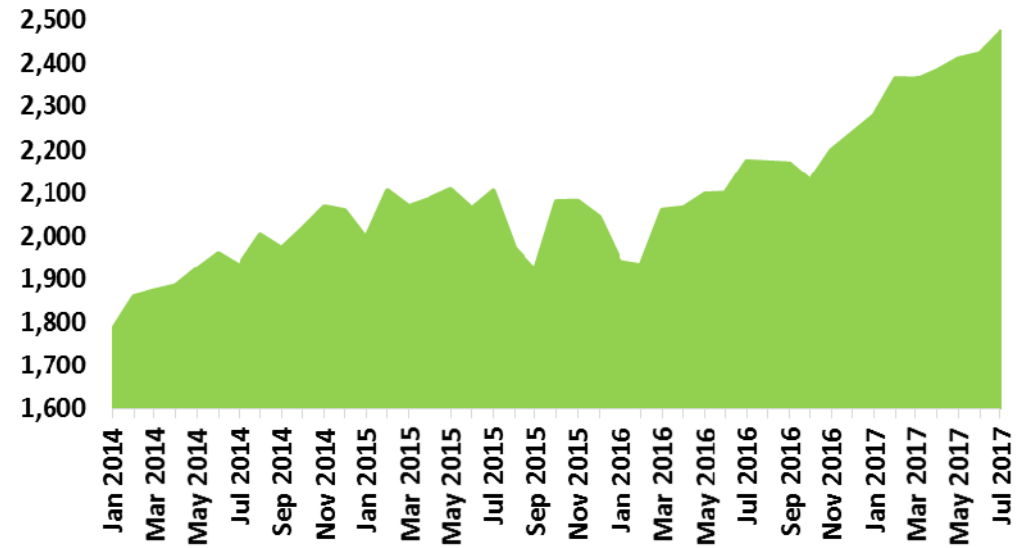
# KEY ECONOMIC INDICATORS STABLE

## GDP Growth



Source: Bureau of Economic Analysis

## S&P Index

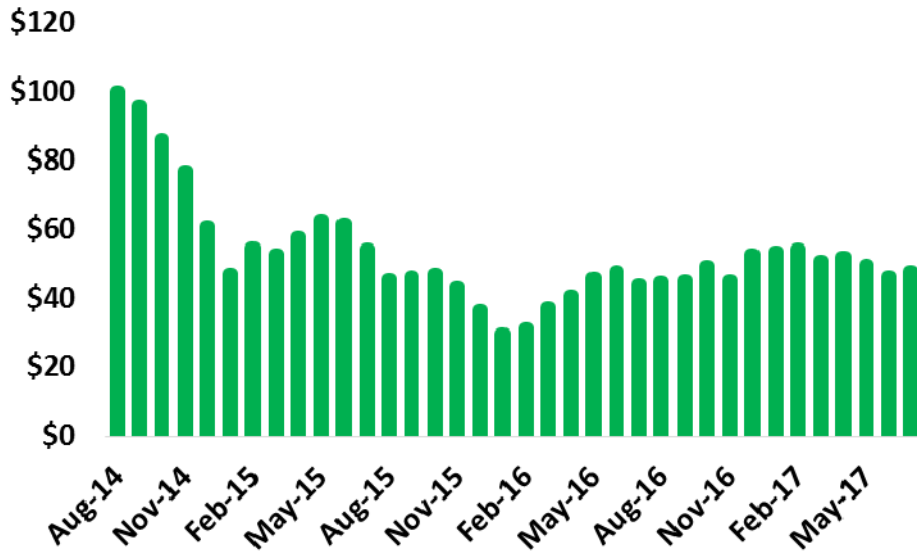


Source: Yahoo! Finance

GDP remains 2-3%. Market strong.

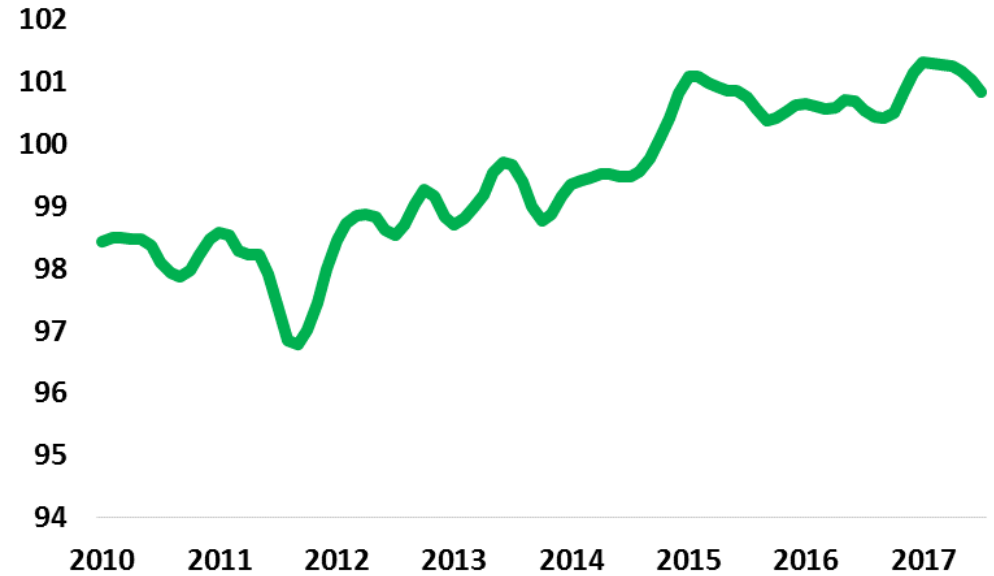
# KEY ECONOMIC INDICATORS STABLE

## Crude Oil USD\$/Barrel



Source: World Bank

## Consumer Confidence Index

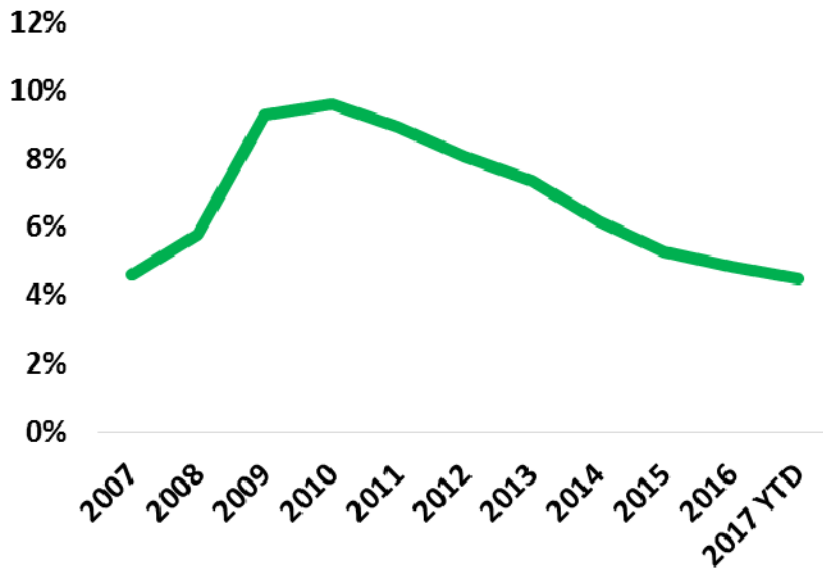


Source: OECD

Oil prices stable. Continued strength in consumer confidence.

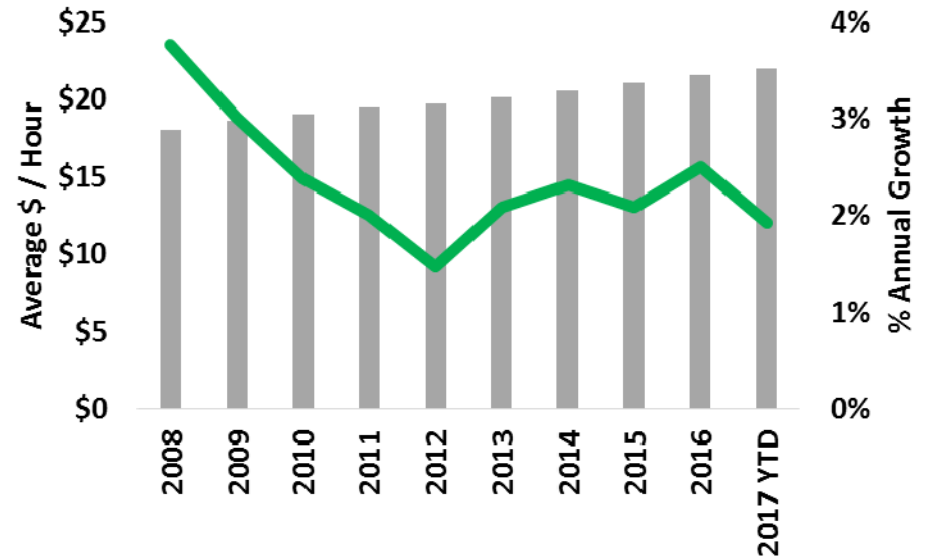
# KEY ECONOMIC INDICATORS STABLE

## U.S. Unemployment Rate



Source: Bureau of Labor Statistics

## Average Hourly Wage



Source: Bureau of Labor Statistics

U.S. returned to near full employment. Wage growth in line with inflation.

# POLITICAL ENVIRONMENT

- ( + ) Corporate Tax Reform**
- ↔ Infrastructure Bill**
- ↔ NAFTA**
- ↔ Mortgage Interest Deduction**
- ↔ Healthcare**
- ( - ) Immigration Policy / DACA**

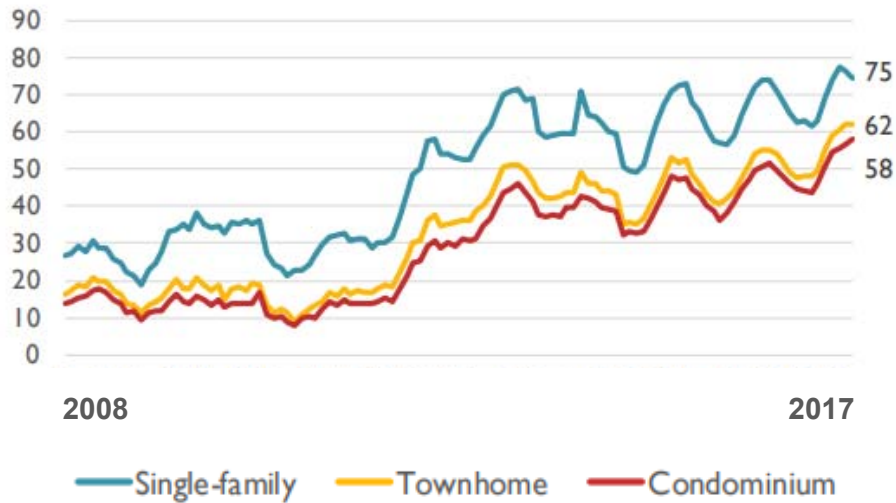
# U.S. NATURAL DISASTERS



- Hurricanes Harvey and Irma marked the first time two Atlantic Category 4 hurricanes have made U.S. landfall in the same year.
- Comparatively, Sandy ('12) and Katrina ('05) made landfall as Category 3s.
- Hurricane impacted area represents ~15% of JH NA volume.
- Plant City manufacturing operations were halted in anticipation of Hurricane Irma.

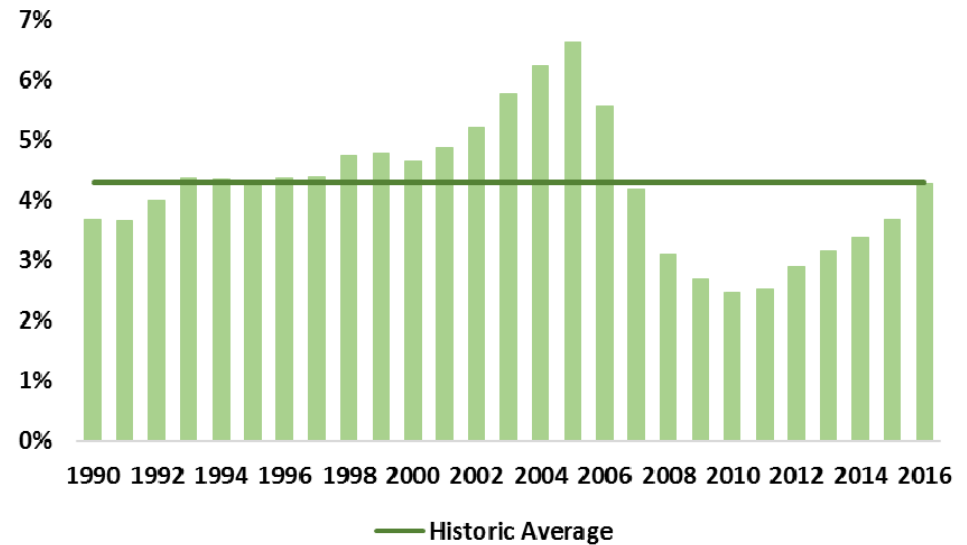
# SOLID CONFIDENCE & INVESTMENT IN HOUSING

## Real Estate Confidence Index



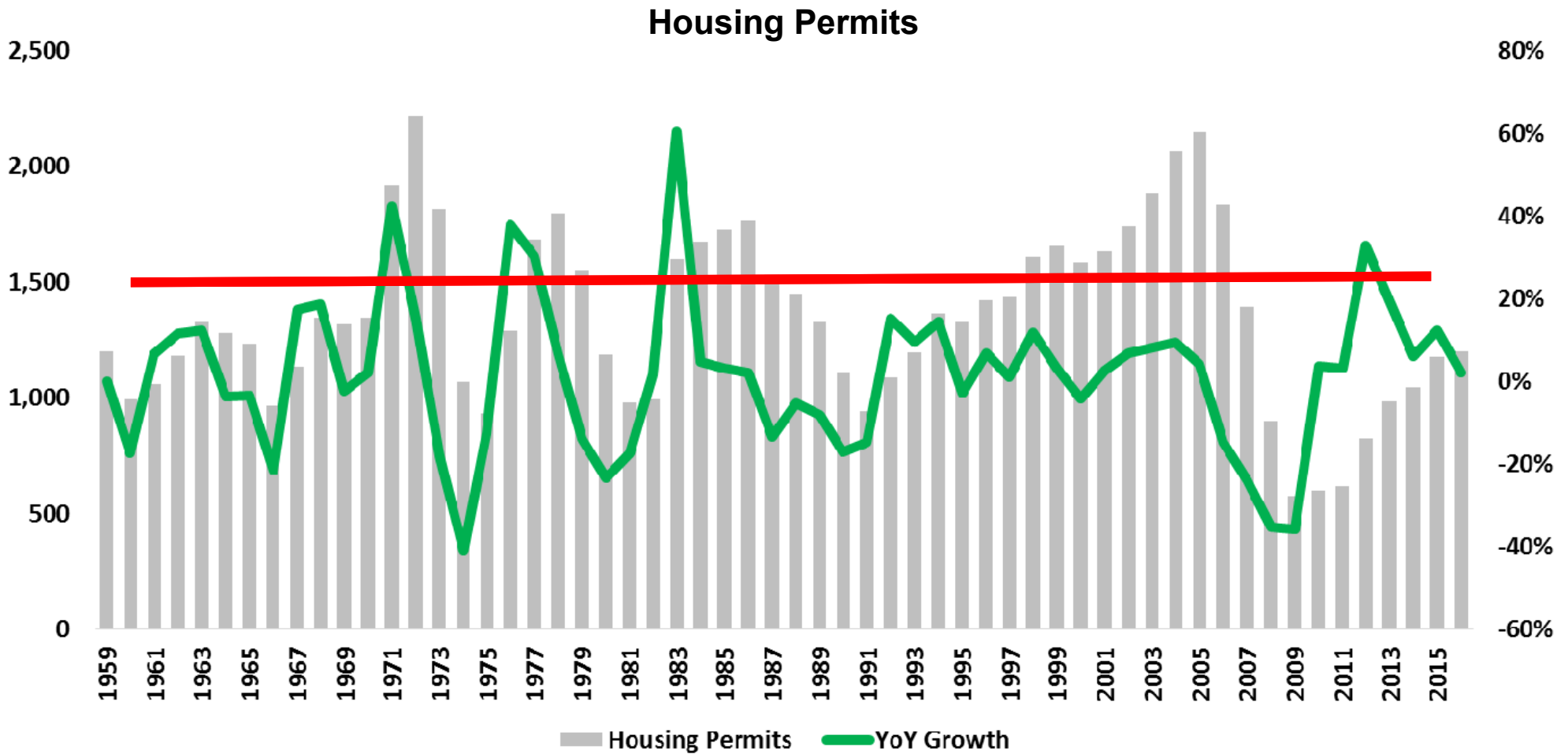
Source: National Association of Realtors, Realtors Confidence Survey, June 2017

## Residential Fixed Investment as % of GDP



Source: Federal Reserve Economic Data, Federal Reserve Bank of St. Louis

# GROWTH OF NEW HOUSING CONTINUES

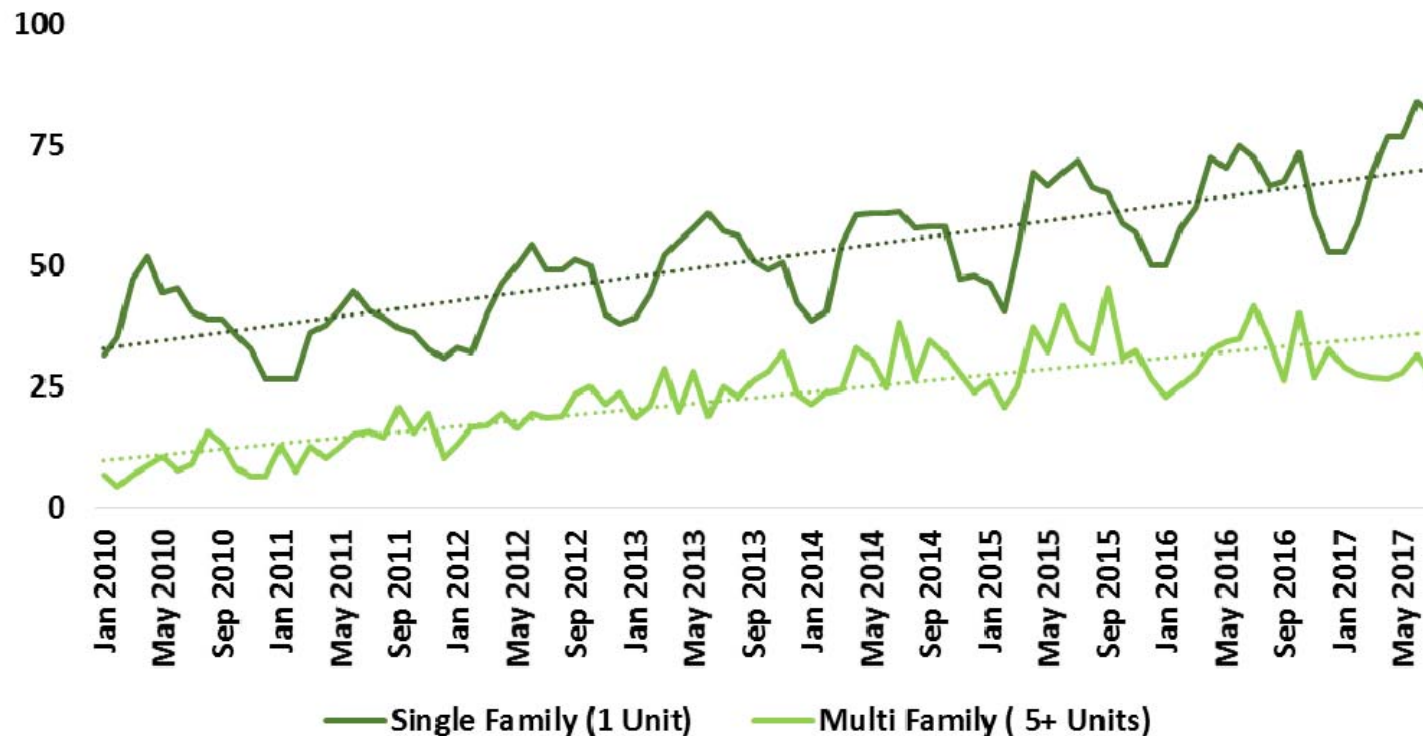


Source: U.S. Census Bureau



# GROWTH ACROSS NEW CONSTRUCTION SEGMENTS

Housing Starts by Segment  
*Thousands of Starts*

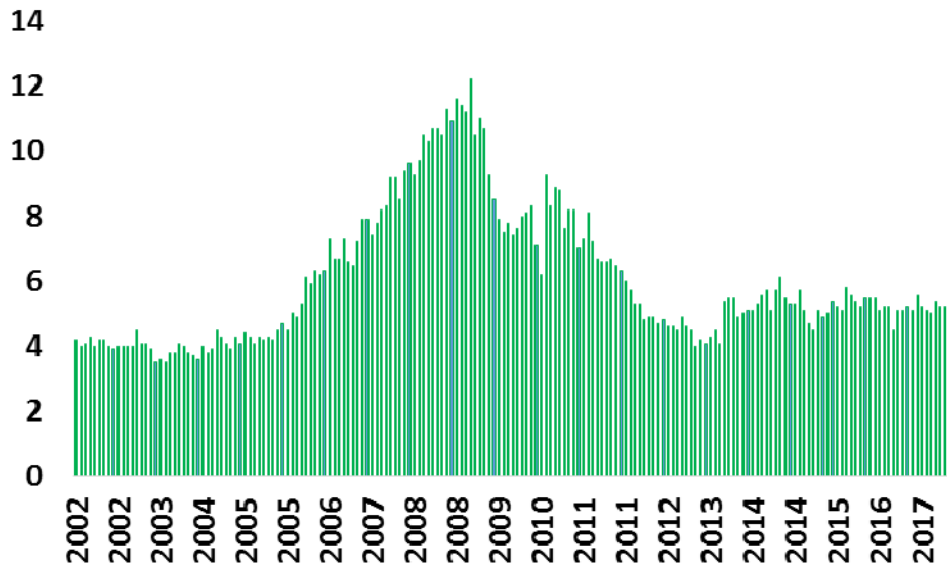


Source: U.S. Census Bureau

Positive growth in all segments. Single-family continues to outpace multi-family.

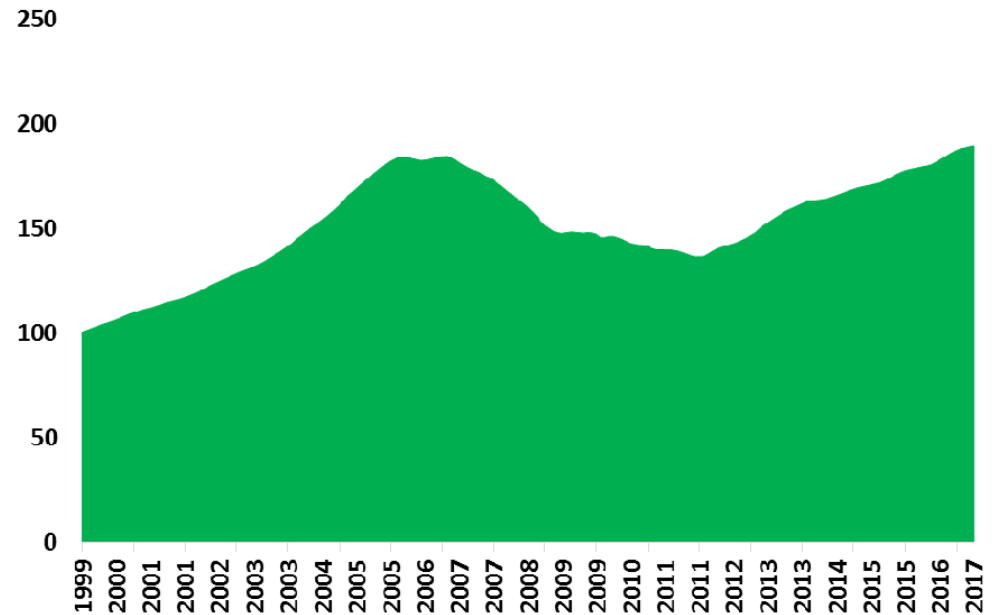
# DEMAND EXCEEDING SUPPLY

## U.S. Housing Supply # Months Supply



Source: Federal Reserve Economic Data,  
Federal Reserve Bank of St. Louis

## Case-Shiller Home Price Index

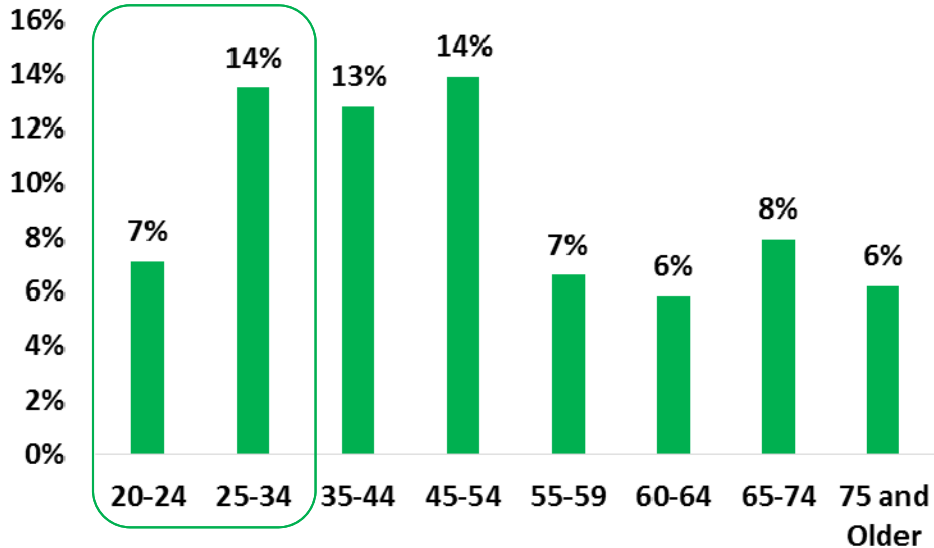


Source: Core Logic Case-Schiller  
Home Price Index

Supply remains tight. Prices continue to escalate.

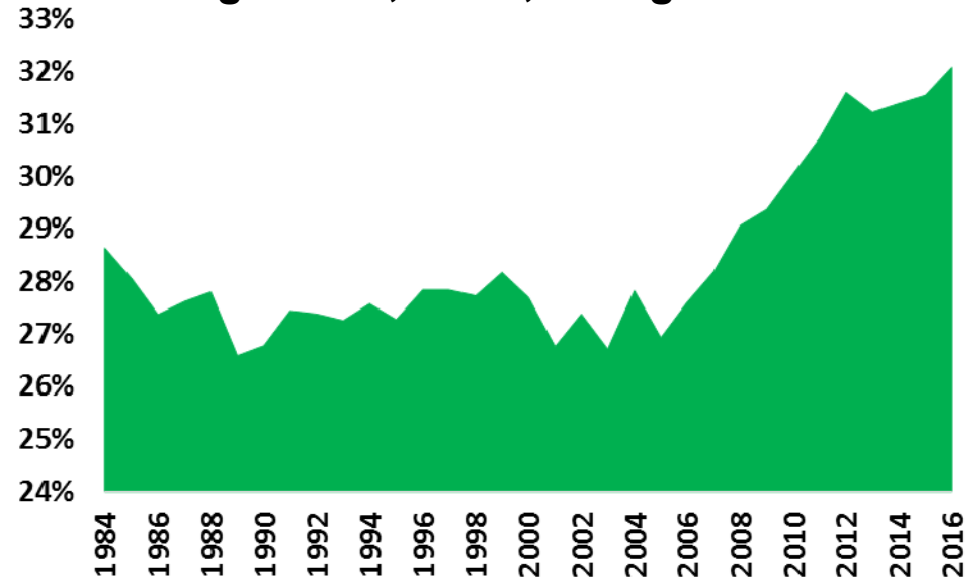
# NEW OCCUPANT POPULATION EXISTS

## U.S. Population by



Source: U.S. Census, American Community Survey

## Young Adults, 18-34, Living at Home

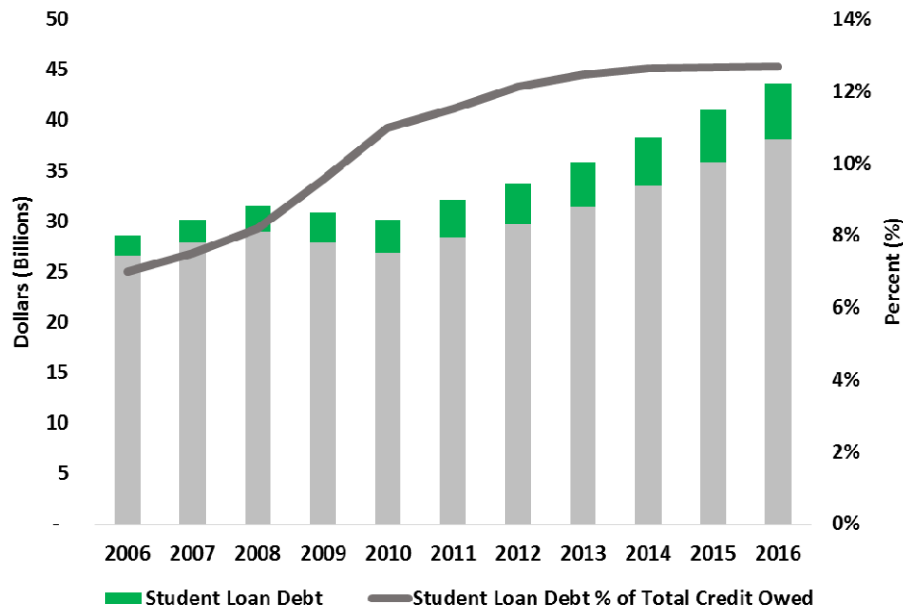


Source: U.S. Census

New residence eligible population living at home

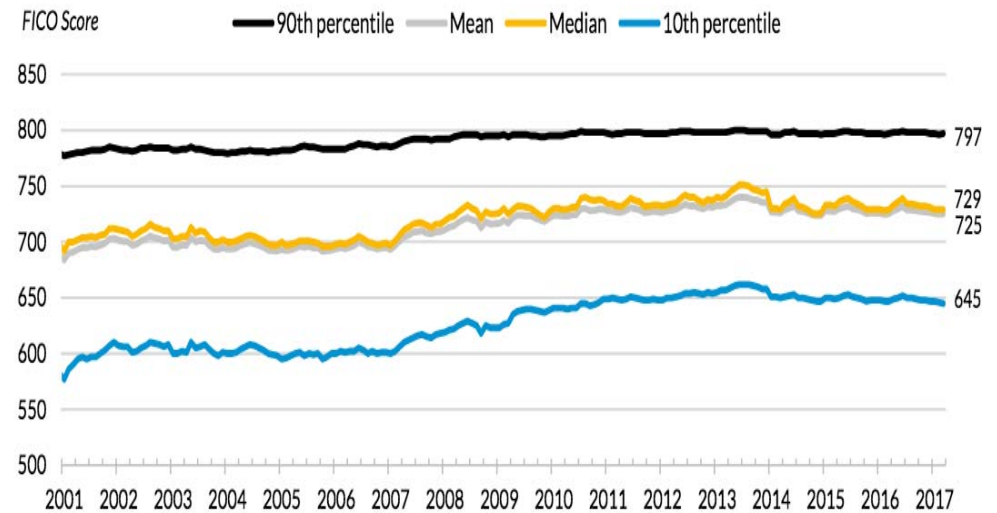
# AFFORDABILITY REMAINS SIGNIFICANT HEADWIND

## Outstanding Credit & Student Loan Debt



Source: Federal Reserve Economic Data

## Borrower FICO Score at Origination

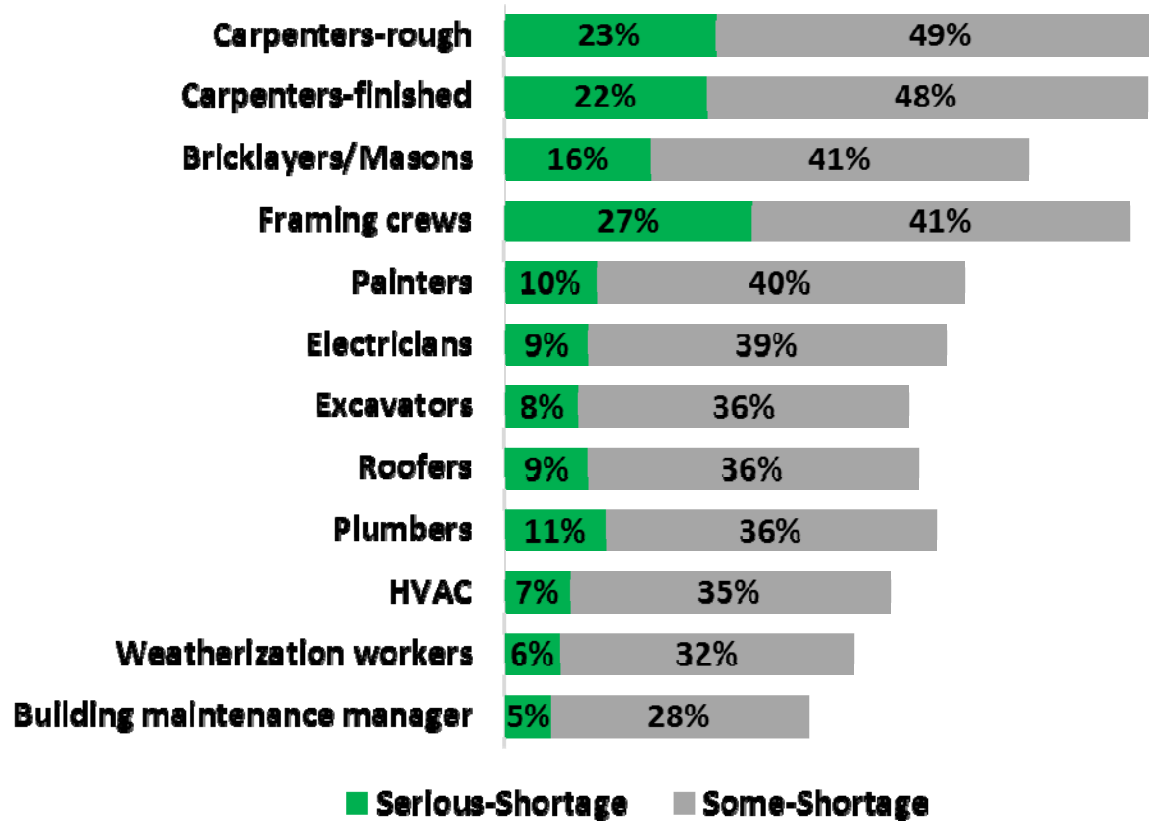


Source: Urban Institute, CoreLogic, eMBS, HMDA, SIFMA

Student debt continues to rise. Financing eligibility remains elevated.

# AVAILABILITY OF LABOR CONTINUED CONCERN

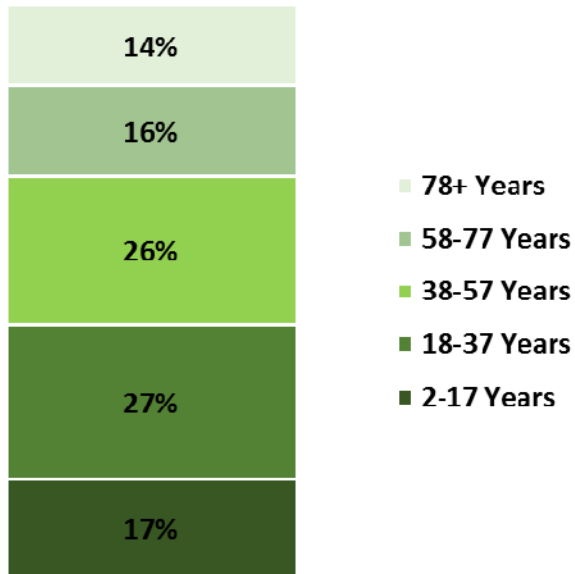
## % Builders Reporting Labor Shortages 2016



Source: NAHB

# REPAIR & REMODEL REMAINS STABLE GROWTH SEGMENT

## Age of Housing Stock



Source: U.S. Census Bureau, American Housing Survey

**Average Age = 41 Years**

## Repair & Remodel Project Growth



Source: Hanley Wood

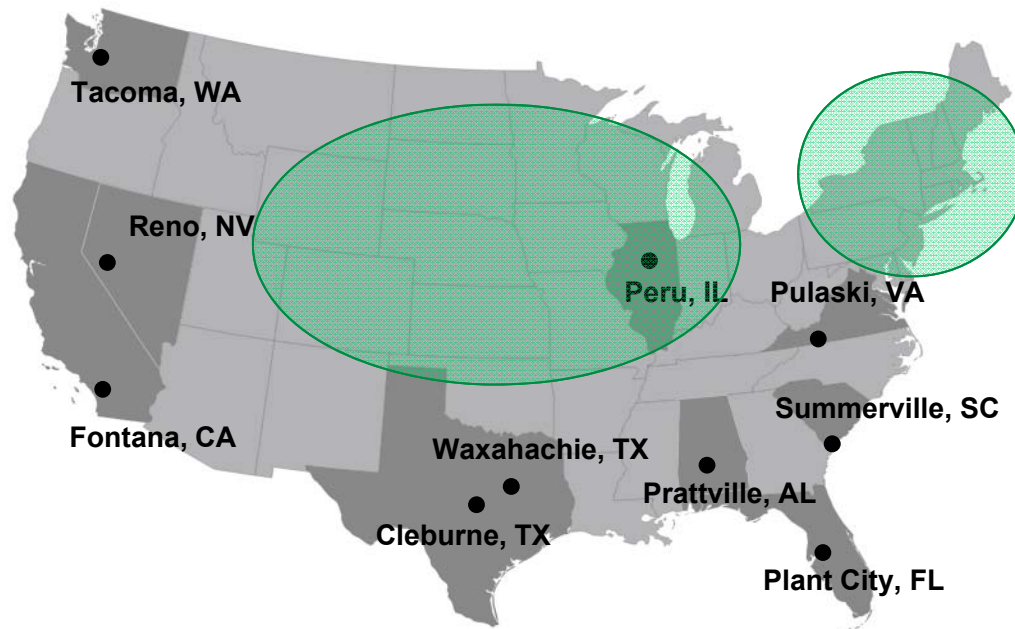
**Repair & remodel projects continue to grow at ~5% annually**

# HISTORIC MARKET SHARE



**JH wins against wood-look alternatives**

# DEMAND TO DETERMINE FUTURE CAPACITY

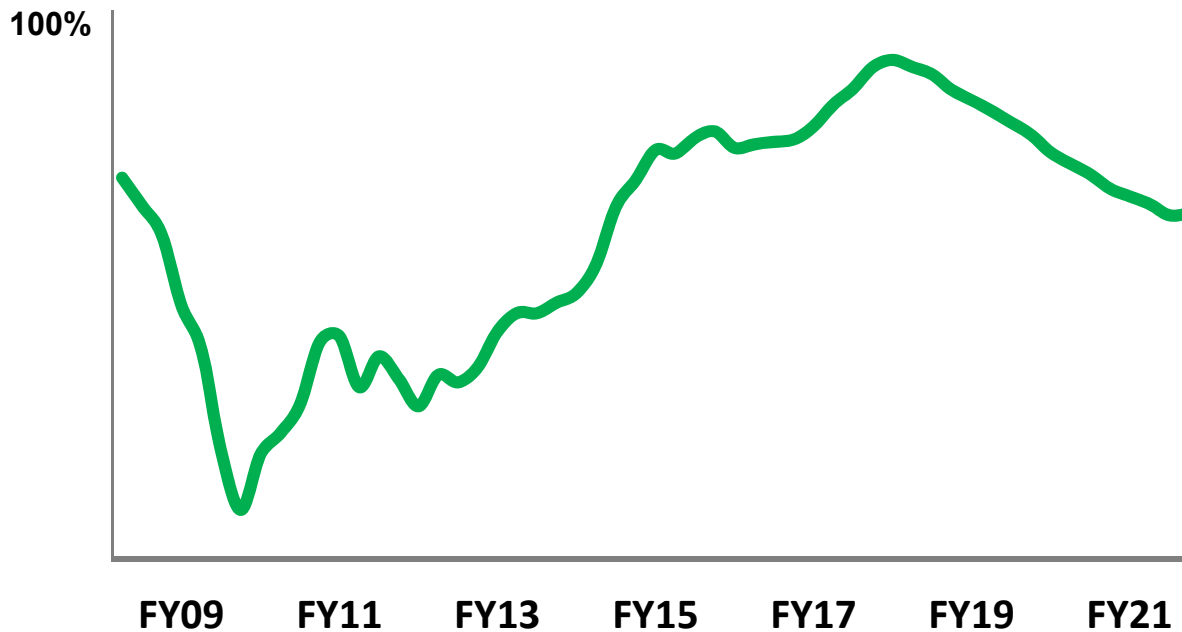


Future capacity decisions based on:

- **Geographic demand**
  - Location
  - Product mix
- **Optimal delivered unit cost**
  - Materials sourcing
  - Efficient freight
- **Skilled labor availability**



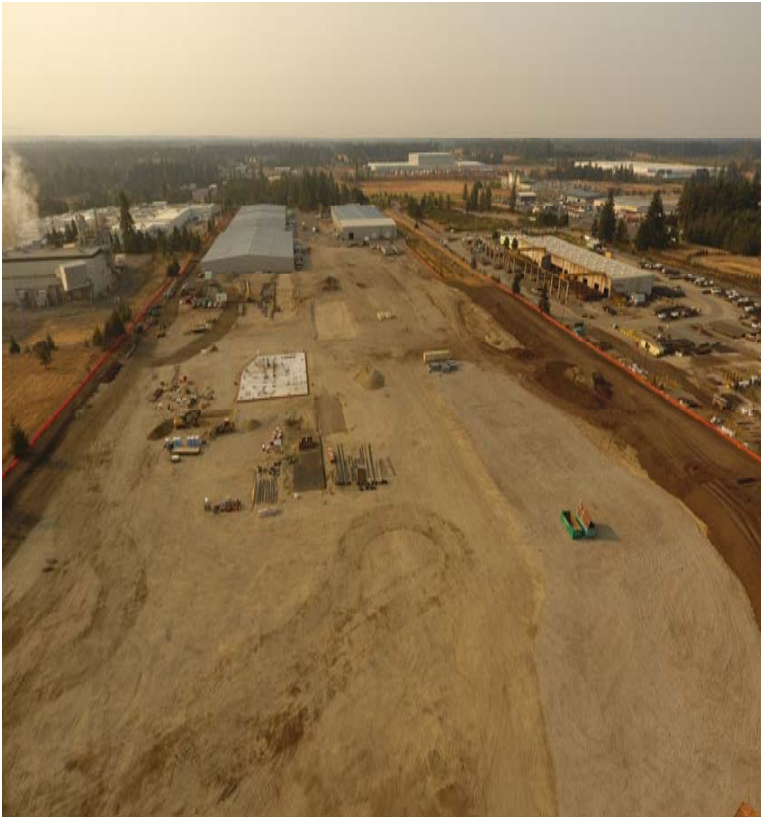
# HISTORIC & FUTURE CAPACITY UTILIZATION



- Protect 20% growth
- 85% utilization trigger
- Capacity adds to keep supply ahead of demand

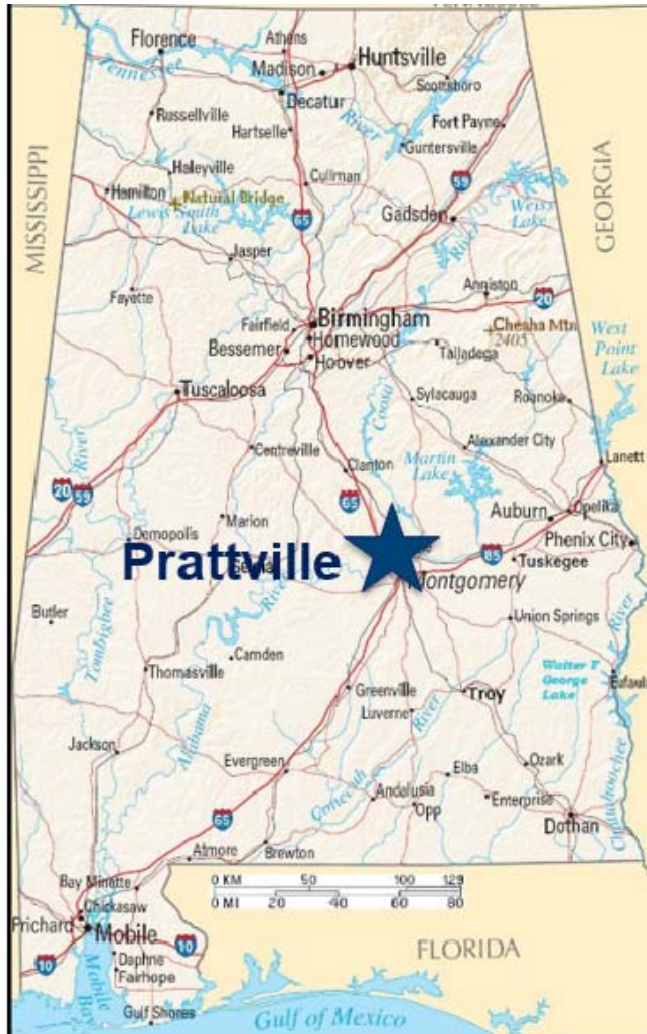
Current gross hours utilization ~94%

# TACOMA, WASHINGTON



- Currently under construction
- Expected commissioning Q1 FY19
- Nameplate capacity - 300 mmsqft/year
- Plank, Backer, Heritage, ColorPlus® Technology
- ~130 employees at full production
- Site benefits
  - Low input cost
  - Proximity to growing markets

# PRATTVILLE, ALABAMA GREENFIELD



- Anticipate ground breaking Q3 FY18
- Expected commissioning Q1 FY20
- Minimum nameplate capacity – 600 mmsqft/year
- Plan for diverse product capability
  - Plank, Trim, Backer, Heritage, ColorPlus® Technology
- ~200 – 275 employees at full production
- Site benefits
  - Low input cost
  - Skilled manufacturing workforce
  - Proximity to growing markets
  - Rail accessibility

## KEY MESSAGES

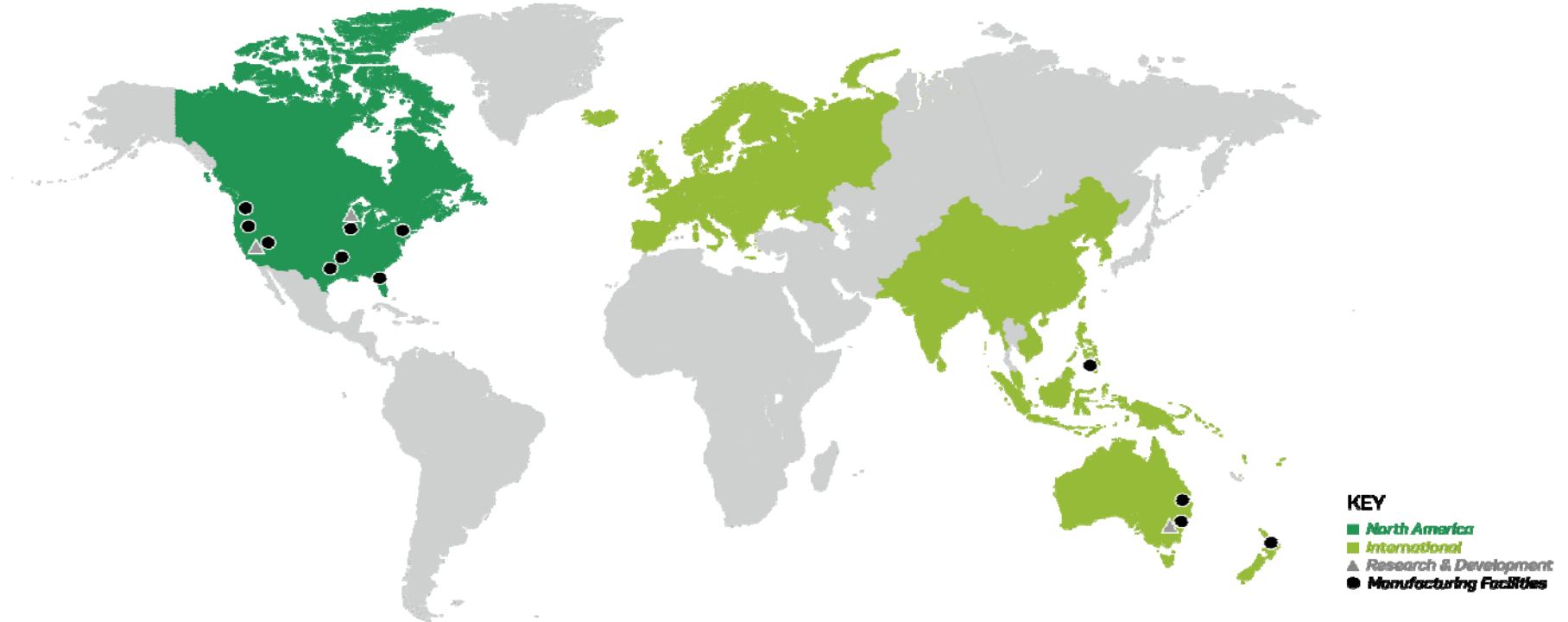
- U.S. economy strong
- Housing recovery slow but steady
- Capacity in place to support growth



# GROWTH THROUGH INTERNATIONAL

Jack Truong

# INTERNATIONAL BUSINESS IN CONTEXT- FY 2017



## NORTH AMERICA FIBRE CEMENT

NET SALES	SALES VOLUME	AVERAGE NET SALES PRICE
<b>US\$1,493M</b> ↑ 12% from 2016	<b>2,215mmsf</b> ↑ 12% from 2016	<b>US\$665</b> per msf ↓ 1% from 2016
GROSS PROFIT	EBIT <sup>2</sup>	EMPLOYEES
↑ <b>3%</b> from 2016 GROSS MARGIN ↓ <b>3.1PP</b> from 2016	<b>US\$344M</b> ↓ 2% from 2016	<b>2,390</b> ↑ 14% from 2016

## INTERNATIONAL FIBRE CEMENT

NET SALES	SALES VOLUME <sup>3</sup>	AVERAGE NET SALES PRICE
<b>US\$412M</b> ↑ 8% from 2016	<b>487mmsf</b> ↑ 3% from 2016	<b>US\$775</b> per msf ↑ 6% from 2016
GROSS PROFIT	EBIT <sup>2</sup>	EMPLOYEES
↑ <b>21%</b> from 2016 GROSS MARGIN ↑ <b>3.9PP</b> from 2016	<b>US\$95M</b> ↑ 21% from 2016	<b>943</b> ↑ 6% from 2016

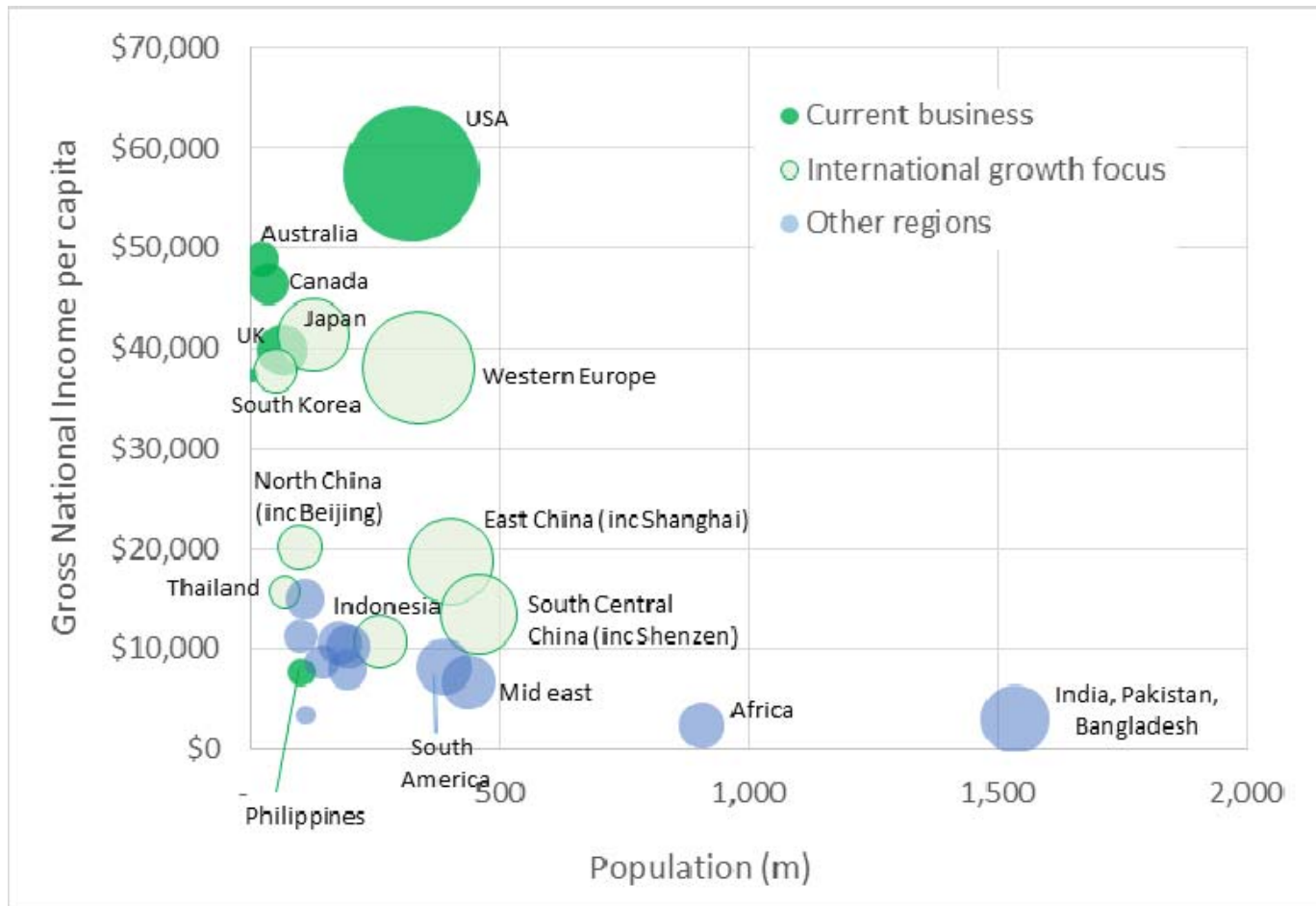
<sup>2</sup>Unless otherwise stated for fiscal years 2011 through to 2017, Adjusted EBIT graphs and editorial comments refer to EBIT that may exclude asbestos, asset impairments, ASIC expenses, non-recurring stamp duty and/or New Zealand weathertightness claims.

<sup>3</sup>Excludes Australian Pipes business sold in the first quarter of fiscal year 2016.

## GROWTH ABOVE MARKET IN APAC & EUROPE

- Continue to focus on gaining share in new home construction and repair & renovation segments
- Expand product portfolio from cladding, linings and ceilings to facades, floors and decking
- Invest in consumer insights, local R&D and manufacturing to better serve our end-use customers

# EXPANDING OUR FOOTPRINT IN EUROPE AND ASIA



Our business has a strong platform in:

- USA
- Canada
- Australia
- New Zealand
- the Philippines
- the UK

Our international growth expansion will be in

- Western Europe
- China (region specific),
- Southeast Asia

Note: Bubble size: Total GDP (PPP)

Source: Company information, CIA world factbook





**James Hardie**