ASX Announcement

25 May 2023

Adbri Limited – 2023 Annual General Meeting

In accordance with Listing Rule 3.13.3, attached is a copy of the prepared addresses and presentation to be given by the Chairman and the CEO at the Annual General Meeting of the Company to be held at 10.00am AEST today.

Authorised for release by Marcus Clayton, Company Secretary.

-ENDS-

For further information please contact:

Sarah McNally
General Manager Corporate Finance and Investor Relations
+61 477 999 238
sarah.mcnally@adbri.com.au

Jon Snowball
Domestique
Media Advisor
+61 477 946 068
jon@domestiqueconsulting.com.au

adbri.com.au

Adbri Limited ABN 15 007 596 018
Aurora Place, Level 9 88 Phillip Street
Sydney NSW 2000
+61 2 8248 9999
info@adbri.com.au

2023 Annual General Meeting
Thursday, 25 May 2023, 10am AEST

Chairman's Address – Raymond Barro

Before we come to the formal business of this Annual General Meeting, I will make some general comments on the Company's performance and the year under review. This will be followed by a presentation from our CEO, Mark Irwin.

2022 was a significant year for Adbri with the business celebrating 140 years since our story began. We have grown from Brighton Cement Works in South Australia into one of the country's leading manufacturers of cement, lime, concrete, aggregates, masonry products and industrial minerals supplying to customers in the construction, infrastructure, mining and retail sectors.

The past year has also been one of the most challenging in our long history. Our results were delivered against the backdrop of a difficult macroeconomic environment which included global economic instability resulting in inflationary pressures as well as wet weather events across Australia.

In spite of this, demand for Adbri's products remained strong with volume growth delivered across most product lines and price increases driving 8.4% growth in revenue year-on-year to $1.7 billion.

Adbri's full year statutory net profit after tax was $102.6 million, while underlying net profit after tax, excluding property profits and significant items, was $77.7 million.

Cost inflation was the major driver impacting performance, with volatile electricity, gas and diesel pricing experienced across the business. General inflationary pressures were also experienced as rising labour, steel and energy costs impacted repairs and maintenance and other contracted services. While this was a challenge on the cost input side, we were able to secure important prices increases across most of our products.

In October 2022, Adbri paid a fully franked interim dividend of 5 cents per share. Considering the capital required for the completion of the Kwinana Upgrade Project, which Mark will provide more detail on shortly, the Board decided not to declare a final dividend for the year. The Board continually reviews the Company's capacity to return funds to shareholders.

Let me be clear – as your Chairman of the Board and a fellow shareholder – our returns have not been to the standard we would like at Adbri.

In response, your Board has taken clear and decisive action. These actions included:

- implementing changes at a senior leadership level to ensure we have the right capability for our current market context;
- ensuring even greater pricing discipline in the face of some extreme cost pressures; and
- undertaking a comprehensive review of our Kwinana Upgrade Project to ensure shareholder capital deployed will support improved returns for all shareholders over the long term.

The leadership transition commenced in October, with Mark Irwin appointed Interim CEO taking over from the former Managing Director and CEO.

Mark has provided stability and has quickly adapted to the business – executing on an accelerated transformation program aimed at improving Adbri's resilience in the face of significant external headwinds. Mark has since transitioned from the interim position to become Adbri's Chief Executive Officer for a fixed term until 1 October 2024.

Dianne Mong, who has been with Adbri since early 2022, has also been appointed to the role of Acting Chief Financial Officer, taking over from Peter Barker as he approached the end of his six-month term as Interim CFO. Peter was appointed following the former CFO's resignation.

The Board is well progressed with the recruitment of a permanent CFO and is confident of an appointment in the not-too-distant future.

At the Board level we also welcomed Dean Jenkins as a new Non-executive Independent Director. You'll hear shortly from Dean as he seeks election to the Board.

On 28 February, Dr Vanessa Guthrie AO stepped down after 5 years of dedicated service. On behalf of the Board and fellow Shareholders, I thank Vanessa for her valuable contribution.

Samantha Hogg has since been appointed as Deputy Chair and Lead Independent Director.

Adbri remains committed to operating a sustainable business. We continue to build on our strong emissions reduction focus as we progress actions outlined in our Net Zero Emissions Roadmap that was released prior to last year's AGM.

This year, we reported for the first time our progress against our Net Zero Emissions Roadmap. Pleasingly, we achieved a 12% reduction in absolute operational emissions against our short-term 2024 target, set against a 30 June 2019 baseline. This bettered our target of 7%.

As a Board we continue to focus on having a diverse workforce. Although we have made significant progress at the Board and Executive level; our female workforce has remained relatively steady at 16%.

While we continue to focus on initiatives to improve gender diversity, we are broadening our diversity focus with key initiatives such as our driver academy recruitment program to encourage greater diversity within our industry.

On behalf of the Adbri Board, I would like to acknowledge Mark, the executive leadership team and all of our employees for their continual efforts. In the face of a difficult operating environment and significant change, they have remained focused on delivering for our customers, stakeholders and most importantly, you, our shareholders.

I would also like to acknowledge my fellow Directors for their continued counsel and contribution.

Adbri has operated successfully for 140 years through market cycles and challenging times. Your Board recognises that the past year has been a particularly testing period, saying this, we are focused on driving higher returns and creating value for our shareholders over the long-term.

In closing, I'd like to thank you, our shareholders, for your continued support. I will now hand over to Mark.

Chief Executive Officer Address – Mark Irwin

Good morning, Shareholders and guests.

I'm pleased to provide you with an overview of your Company's 2022 performance.

This is my first AGM as Adbri's Chief Executive Officer, and it is a pleasure to be with you all today.

As Raymond has mentioned, the past twelve months has been a period of significant change in your Company. Like many manufacturing businesses, Adbri has felt the pressure of rising costs. However, you will be pleased to know that our response to cost management and price increases of our products, is now paying off.

Since I joined in October, the executive leadership team has been focused on implementing an accelerated transformation program aimed at improving business resilience, transparency and financial performance as we build a better Adbri.

WORK SAFE, HOME SAFE

Safety remains of paramount importance at Adbri. We continually aim to embed a culture of 'Work Safe, Home Safe'. Disappointingly, our total recordable injury frequency rate, or TRIFR, increased to 7.9 in 2022, compared to 6.3 in 2021.

At every level we acknowledge this is too high, and while our injury severity rates have reduced significantly, the TRIFR for our contractor workforce remains stubbornly at elevated levels. We recognise we have more to do in delivering safety improvements and are actively working to that effect.

FY22 PERFORMANCE SNAPSHOT

As Raymond mentioned earlier, we have experienced difficult market conditions over the past year. Across the Group we faced higher operating costs, particularly for energy, while adverse weather events also had a detrimental impact on the business. However, we recognise our goal must be to build a business which can withstand such challenges.

Whilst our financial performance was in line with guidance provided to the market in October, revenue growth, as a result of price increases and increased volumes, was not able to fully offset the earlier, and more sudden, escalation in operating costs.

We did progress a number of strategic milestones, including:

- the growth of our concrete and aggregates footprint through the Zanows acquisition in south-east Queensland, and winning a number of infrastructure project supply contracts;
- an extension of our lime supply contract with Alcoa in Western Australia;
- the reshaping of our business model to make it more agile and efficient; and
- a reconfigured one-year extension of the Independent Cement & Lime, (ICL), cementitious materials supply agreement.

CEMENTITIOUS MATERIALS AND LIME

Cement and cementitious material volumes increased by 5% driven by demand from the residential sector in Victoria, and the industrial and mining sectors in South Australia and Western Australia.

Demand for domestically manufactured lime has recovered from the step down in the second half in 2021 as customers sought security of supply from local producers.

CONCRETE, AGGREGATES AND MASONRY

Concrete volumes were generally stable, whilst aggregate volumes increased 15%. The demand for concrete and aggregates from residential, commercial and industrial sectors was strong in the eastern states, along with supply of aggregates to infrastructure projects, including the Western Sydney Airport.

Nationally, masonry demand remained stable in 2022.

RESPONDING TO CLIMATE CHANGE

In 2022 we released our Net Zero Emissions Roadmap as we strive to be net zero by 2050.

As Raymond mentioned, we reported our progress in our 2022 Sustainability Report, achieving a 5% reduction in our Scope 1 cement emissions intensity against our FY20 baseline, reflecting meaningful progress towards our 2030 medium-term target. This was largely attributed to the use of alternative fuels – a large part of our decarbonisation strategy.

ENVIRONMENTAL PRODUCT DISCLOSURES

Last year we also released our first, of a series of Environmental Product Disclosures to provide customers with transparent information about our product's environmental impacts.

Pleasingly, this EPD process confirmed that our Birkenhead operation produces the lowest verified embodied carbon Type GP cement currently available in Australia.

SAFEGUARD MECHANISM (SGM)

Cement, concrete and lime are essential in the transition to a low carbon economy and Adbri is focused on continuing to reduce our environmental footprint, in line with our Net Zero Emissions Roadmap.

Over the last ten months Adbri has engaged extensively on the Commonwealth Government's reforms to the Safeguard Mechanism.

Adbri has four facilities that are captured under the Safeguard Mechanism: Birkenhead and Angaston in South Australia, and Munster and Dongara in Western Australia.

As a result of the process of constructive engagement with the Federal Government, it is pleasing to see a number of the key changes to the reforms for cement and lime sectors including:

- access to reduced decline rates for hard-to-abate, value-added manufacturing;
- the ability to apply for support proceeds in the $400 million Government fund; and

- the commitment for a prompt review to examine the feasibility of a Carbon Border Adjustment Mechanism with a focus on cement and lime and steel.

We know that to achieve our net zero goal we can't do it alone and will continue to collaborate with partners, customers, suppliers and Government to effect change.

KWINANA UPGRADE

I now turn to the Kwinana Upgrade Project.

As advised in April, the detailed review of the Project has been completed with the cost estimate revised to between $385 million - $420 million.

This increase in project cost has been driven by a combination of external factors, including the escalating cost of construction, constraints on available labour and supply chain challenges. Furthermore, with the final design details of the purchased equipment being largely complete, structural and piping quantities have proven far greater than originally anticipated, further impacting on procurement and construction costs and hours.

The project itself remains on track for target commissioning in Quarter 2 2024, with the plant expected to be ramping up and operational from Quarter 3. We have also strengthened our project delivery team, adding experience and capability.

Whilst we are disappointed the cost is materially higher than initially forecast, the project continues to have a positive NPV and we remain confident it will support solid earnings over the long term.

The additional capital expenditure requirements for the Kwinana Upgrade will be funded from operating cash and debt facilities, within our banking covenants. We have also recently entered into a $100 million structured asset financing facility as we move to a lease model for plant and equipment.

ASSET RECYCLING

We are also continuing to actively execute on our asset recycling strategy to realise value for shareholders. This includes progressing negotiations for the monetisation of our Batesford site in Victoria, together with actively marketing our Badgerys Creek site in New South Wales and other surplus property across the Group.

In 2022, the disposal of non-core property, plant and equipment to our operational requirements generated cash proceeds of $96.8 million.

FY23 OUTLOOK

With the first Quarter of 2023 behind us, we continued to see strong demand for Adbri's products across key segments, consistent with last year. As a result of the combination of market forces and management initiatives, underlying Net Profit After Tax for the period ending April 2023 is significantly above January to April 2022.

Demand from the mining sector for cement and lime continues to be strong and is anticipated to remain strong for the remainder of the year.

The commercial and industrial, multi-residential and infrastructure sectors also continue to support strong demand for concrete and aggregates.

A backlog of residential works, attributed to the shortage of labour and wet weather, continues to underpin good order books for the near future, however, the outlook for the residential sector remains somewhat patchy in the medium term.

Pleasingly we have been awarded a contract to supply approximately 60,000 cubic metres of concrete to the M12 infrastructure project in Sydney, drawing on our vertically integrated business model.

Our Masonry business has seen some softening in retail sales; however, demand remains strong on the back of a good pipeline of work in the commercial sector.

While cost headwinds are expected to persist in 2023, particularly in the areas of energy, pleasingly as mentioned, we are seeing the positive impact of last year's price increases, as well as further pricing gains in 2023 across most product lines as we maintain strong pricing discipline. So while we are happy with our year to date performance and trading conditions, general economic conditions do remain somewhat uncertain and as a result, we will not be providing forward guidance.

CONCLUSION

In closing, I would like to express my gratitude to the Adbri team. It has been a challenging year, but our people have remained committed to delivering for our customers and partners and ensuring the long-term success of Adbri. Thank you.

Thanks also to the Board for your counsel and support. I look forward to continuing to work closely with you as we build a better Adbri.

And finally, to our shareholders, thank you for your continued support.

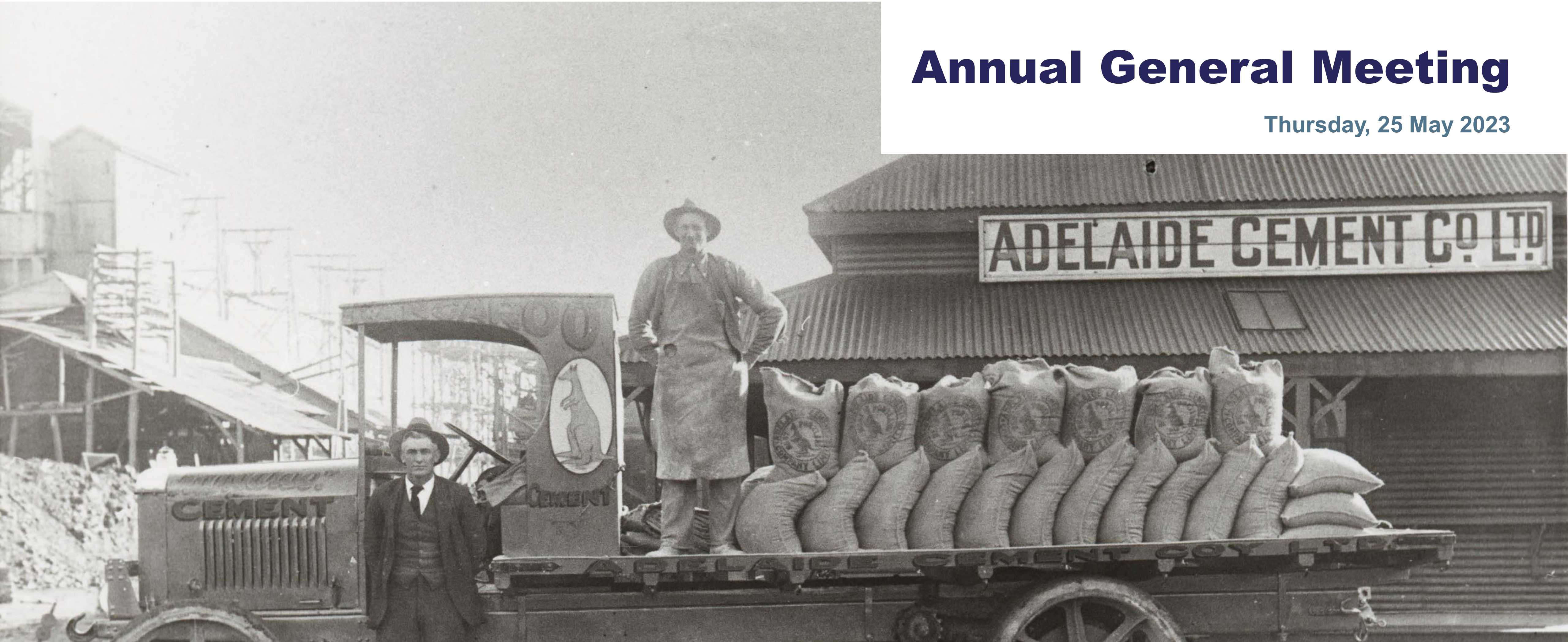
I look forward to progressing our transformation strategy that is focused on operational efficiency improvements and business simplification, while always keeping our eyes to the future.

I'd now like to hand back to our Chairman, Raymond Barro.

ADBRI
Building Australia since 1882

Annual General Meeting

Thursday, 25 May 2023



We acknowledge the Gadigal people of the Eora Nation, the traditional custodians of this land where we host today's meeting in Sydney.

We recognise their continuing custodianship of Country and culture and pay respect to their Elders past, present and emerging.

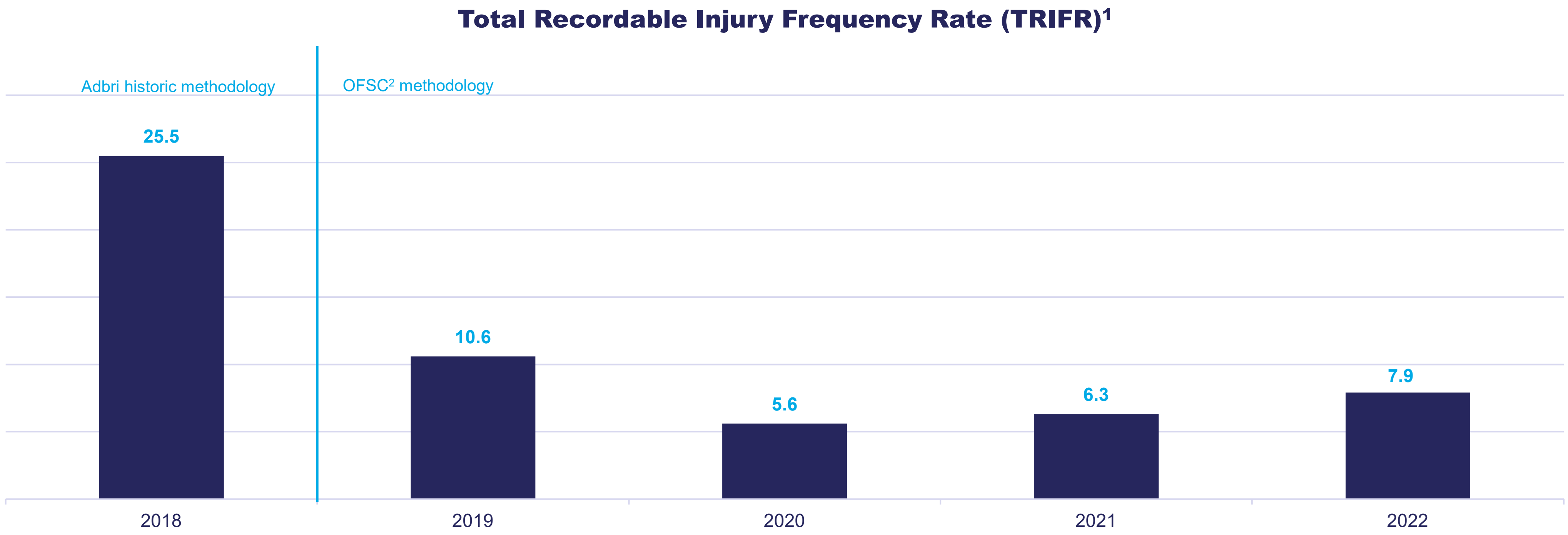
Introduction and Address

Raymond Barro
Chairman

Address

Mark Irwin
Chief Executive Officer

Work Safe, Home Safe



Safety

- Adbri continues to prioritise safety and is implementing measures including engineering solutions, visible leaderships walks, critical control verifications and workplace inspections to improve performance.
- Safety performance for employees continues to improve, but there is a clear need to improve safety performance of contractors.

1. Total Reportable Injury Frequency Rate (TRIFR) is the number of recordable injuries per million hours worked. Adbri's TRIFR includes employees and contractors
2. Office of the Federal Safety Commissioner

FY22 Performance Snapshot

Revenue

$1.7b

Increased 8.4% from FY21 $1.6b

Underlying EBIT[1,2,3]

$179.2m

Increased 0.5% from FY21 $178.3m

Strategic milestones

- Completion of Zanows' acquisition, extending our vertically integrated footprint and network in South East Queensland
- Quicklime supply agreement with Alcoa extended until October 2024, announced post year end
- Acceleration of business transformation strategy, including reshaping of business model
- Extension of ICL cementitious materials supply contract

Underlying NPAT[1,2,3]

$118.0m

Decreased 0.9% from FY21 $119.1m

Underlying NPAT excl. property sales

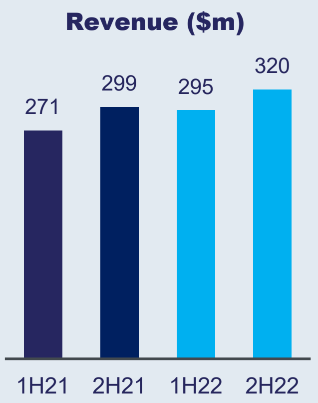
$77.7m

Decreased 31.2% from FY21 $113.0m
In line with the guidance range of $75m-$85m provided in October 2022

1. Underlying Earnings before interest and tax (EBIT), Net profit after tax (NPAT), Return on funds employed (ROFE) and Earnings per share (EPS) include property profits and exclude significant items.
2. Property profits relate to gain on Rosehill land compulsorily acquired, sale of Moorebank and Kewdale land, and exclude post-tax gain on disposal of plant and equipment of $5.9million related to Rosehill compulsory acquisition, which is included in statutory and underlying profit
3. Significant items are non-recurring items of revenue and expenses, such as the costs related to impairment, restructuring and acquisitions

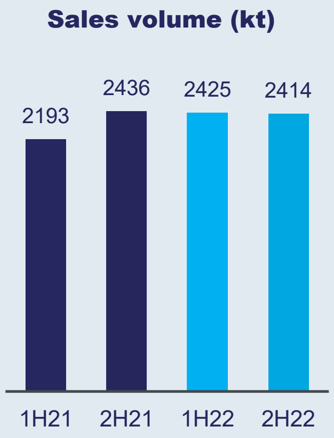
Cementitious Materials and Lime

Cementitious materials



8%

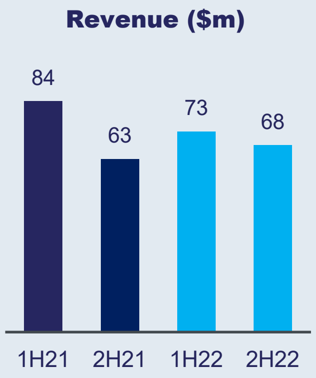
Increase FY22 vs FY21



5%

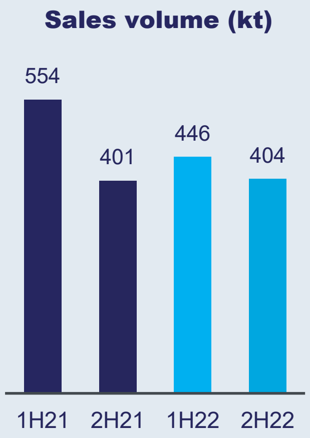
Increase FY22 vs FY21

Lime



4%

Decrease FY22 vs FY21



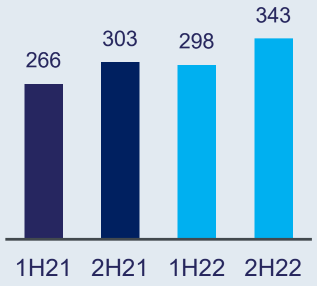
11%

Decrease FY22 vs FY21

Concrete, Aggregates and Masonry

Concrete & Aggregates

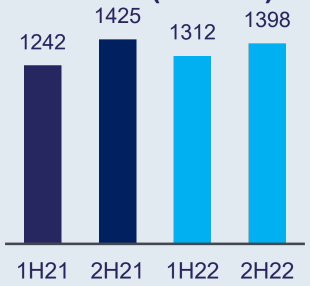
Revenue ($m)



13%

Increase FY22 vs FY21

Concrete (000's m^3)



2%

Increase FY22 vs FY21

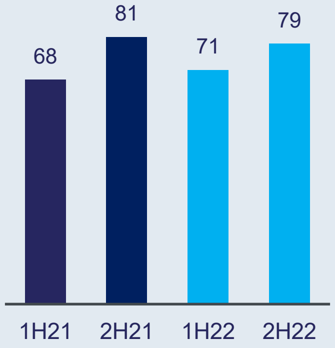
Aggregates (kt)

15%

Increase FY22 vs FY21

Masonry

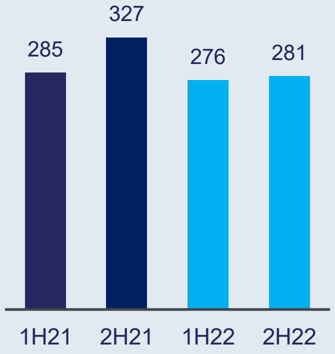
Revenue ($m)



1%

Increase FY22 vs FY21

Sales volume (Kt)



9%

Decrease FY22 vs FY21

Responding to Climate Change

	Targets	Baseline	FY22 result	FY22 progress
Short-term target FY24	7% absolute reduction in operational emissions by FY24	FY19 2,387 ktCO_2e	2,106 ktCO_2e 12% below baseline	In FY22, we achieved and exceeded our short-term absolute emissions reduction target. This is due to a combination of operational improvements including increased RDF usage, as well as state grid decarbonisation and production decrease.
	50% kiln fuel to be sourced from alternative fuel in South Australia	FY19 23%	37% 13% remaining to reach FY24 target	A 12% increase from FY21 was primarily achieved via increased use of RDF at Birkenhead's operation. We commenced a trial in late 2022 for increased use of RDF at Birkenhead which if approved by the SA EPA, will help us to continue to towards our alternative fuel target.
	24% supplementary cementitious materials as a proportion of final cementitious product	2019 21%	22% 2% remaining to reach 2024 target	A 2% increase in SCM usage was recorded in 2022.
Medium-term targets FY30	20% reduction in cement Scope 1 emissions intensity (kg CO_2e net/tonne) by FY30	FY20 557 kg CO_2e net/tonne[1]	537 kg CO_2e net/tonne 5% below baseline	A 5% emissions intensity reduction in our cement products was achieved largely via increased RDF usage at Birkenhead.
	10% reduction in lime Scope 1 emissions intensity (kg CO_2e/tonne) by FY30	FY20 1,100 kg CO_2e/tonne	1,114 kg CO_2e/tonne 1% above baseline	Positive intensity progress was made via increased fuel efficiency at multiple facilities. This was offset by changing fuel composition at other assets. Fuel usage is being reviewed and our planned coal exit by 2024 will positively influence our lime intensity.
	100% zero emissions electricity supply by FY30	FY20 0%	0%	Our procurement function is currently assessing the electricity agreements across the portfolio (120+ locations).

1. Adbri's previously reported cement intensity target, defined as 'per tonne cement' is equivalent to 'per tonne cementitious material'. This metric and our calculation methodology remains aligned with the Global Cement and Concrete Association (GCCA) target which defines cement and cementitious material interchangeably. GCCA defines cementitious material as "all clinker produced by the reporting company for cement making or direct clinker sale, plus gypsum, limestone, cement kiln dust and all clinker substitutes consumed for blending, plus all cement substitutes."

Informing Customer Choice – Environmental Product Disclosures

Safeguard Mechanism (SGM)

- Adbri has four facilities that are captured within the SGM – Birkenhead and Angaston in South Australia and Munster and Dongara in Western Australia – which produce a combination of cement and lime
- Adbri's production of both cement and lime are important sovereign capabilities, and are both critical materials for the economy as it transitions to a low carbon future
  - Cement goes into the foundations of wind turbines, pumped hydro dams, electricity transmission, distribution and sub-stations and the mining sector, which provides key minerals for a low carbon economy such as copper
  - Lime is essential for critical mineral processing, water treatment and production of highly recyclable aluminum products
- The cement and lime sector is among the hardest to abate as the manufacturing processes involves an unavoidable chemical reaction which releases CO_2. Therefore, we are engaging directly with Government and industry on safeguard mechanism reforms
- Adbri welcomes the recent changes in the Government's policy including:

Reduced emissions decline rates for hard-to-abate, value-added manufacturing

$400 million of additional funding for industries providing critical inputs to the clean energy industries, including cement and lime

A review into the feasibility of a Carbon Border Adjustment Mechanism with a focus on cement, lime and steel

Kwinana Upgrade

80 tonne slag bin being installed at Kwinana Upgrade project

Asset Recycling Update

FY23 Outlook

Performance

- Underlying Net Profit After Tax for the period ending April 2023 is significantly above January to April 2022.

Sales Volume

- Strong demand for Adbri's products across key segments, consistent with last year
  - Demand from the mining sector for cement and lime respectively continues to be strong and is anticipated to remain strong for the remainder of the year.
  - The commercial and industrial, multi-residential and infrastructure sectors also continue to support strong demand for concrete and aggregates. A backlog of residential works, attributed to the shortage of labour and wet weather, continues to underpin good order books for the near future, however, the outlook for the residential sector remains somewhat patchy in the medium term.
  - Our Masonry business has seen some softening in retail sales; however demand remains strong on the back of a good pipeline of work in the commercial sector.

Pricing

- Positive impact of last year's price increases, as well as further pricing gains in 2023 across most product lines as we maintain strong pricing discipline.

Costs

- Cost headwinds are expected to persist in 2023, particularly in the areas of energy.

Macro economic conditions

- General economic conditions remain somewhat uncertain.

Mark Irwin

Chief Executive Officer

Formal Items

Financial Report, Directors’ Report and Auditor’s Report

To receive and consider the Financial Report, Directors’ Report and the Auditor’s Report for the financial year ended 31 December 2022.

Note: There is no requirement for Shareholders to vote on this item.

Item 2

Adoption of Remuneration Report

To consider and, if thought fit, pass the following resolution as a non-binding ordinary resolution:

“To adopt the Remuneration Report for the financial year ended 31 December 2022.”

The Remuneration Report is set out on pages 27 to 47 of the 2022 Annual Report.

Note: This resolution is advisory only and does not bind the Directors or the Company.

Adoption of Remuneration Report

Proxy Instructions

	%
FOR	94.71
OPEN	0.98
AGAINST	4.31

Item 3

Re-election of Ms Emma Stein

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That Ms Emma Stein, being a Director of the Company who retires by rotation under rule 7.1(d) of the Company’s constitution and, being eligible, is re-elected as a Director of the Company.”

Item 3

Re-election of Ms Emma Stein

Proxy Instructions

	%
FOR	37.44
OPEN	61.10
AGAINST	1.46

Item 4

Re-election of Mr Raymond Barro

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That Mr Raymond Barro, being a Director of the Company who retires by rotation under rule 7.1(d) of the Company’s constitution and, being eligible, is re-elected as a Director of the Company.”

Item 4

Re-election of Mr Raymond Barro

Proxy Instructions

	%
FOR	34.92
OPEN	61.07
AGAINST	4.01

Item 5

Election of Mr Dean Jenkins

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Mr Dean Jenkins, being a Director appointed since the last Annual General Meeting, and holding office only until the conclusion of this Annual General Meeting in accordance with rule 7.1(c) of the Company's constitution and, being eligible, is elected as a Director of the Company."

Item 5

Election of Mr Dean Jenkins

Proxy Instructions

	%
FOR	38.53
OPEN	61.11
AGAINST	0.36

ADBRI
Building Australia since 1882

Annual General Meeting

Thursday, 25 May 2023

adbri.com.au

Adbri Limited
ABN 15 007 596 018
Level 1, 157 Grenfell Street
Adelaide SA 5000

adbri.com.au

Disclaimer

This presentation has been prepared by Adbri Limited ACN 007 596 018 for information purposes and for the purposes of the 2023 Annual General Meeting only. The information in this presentation is current as at 25 May 2023. It is in summary form and is not necessarily complete. It should be read together with the annual report (including audited financial statements) for the year ended 31 December 2022, which was released to the ASX on 28 February 2023.

The presentation contains forward looking statements or statements of opinion. These may include statements regarding the company's intent, belief or expectations regarding the Company's business and operations, market conditions, results, outlook, strategy and financial condition. No representation or warranty is made regarding the accuracy, completeness or reliability of the forward looking statements or opinion, or the assumptions on which either is based. All such information is, by its nature, subject to significant uncertainties outside of the control of the Company, and actual results, circumstances and developments may differ materially from those expressed or implied in this presentation.

To the maximum extent permitted by law, the Company and its officers do not accept any liability for any loss arising from the use of the information contained in this presentation. The information included in this presentation is not investment or financial product advice. Before making any investment decision, you should seek appropriate financial advice, which may take into account your particular investment needs, objectives and financial circumstances. Past performance is no guarantee of future performance.