ASX Announcement

ADBRI
Building Australia since 1882

29 August 2023

Results Presentation – Half Year ended 30 June 2023

We attach presentation slides being delivered by Adbri's CEO, Mark Irwin, and Chief Financial Officer, Jared Gashel, during briefings on the Company's financial result for the half year ended 30 June 2023.

Authorised for release by the Board.

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ADBRI
Building Australia since 1882

Results Presentation

Half year ended 30 June 2023

We acknowledge Aboriginal and Torres Strait Islander peoples as the Traditional Owners of the lands and waters of Australia.

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

Introduction

Agenda

1. Our business
2. 1H23 overview and highlights
    a. Safety and sustainability
    b. Financial performance
    c. Kwinana project update
3. 2H23 priorities and outlook
4. Q&A

Mark Irwin

Chief Executive Officer

Jared Gashel

Chief Financial Officer

Felicity Lloyd

Chief Sustainability and Innovation Officer

Dianne Mong

General Manager Finance

Our business

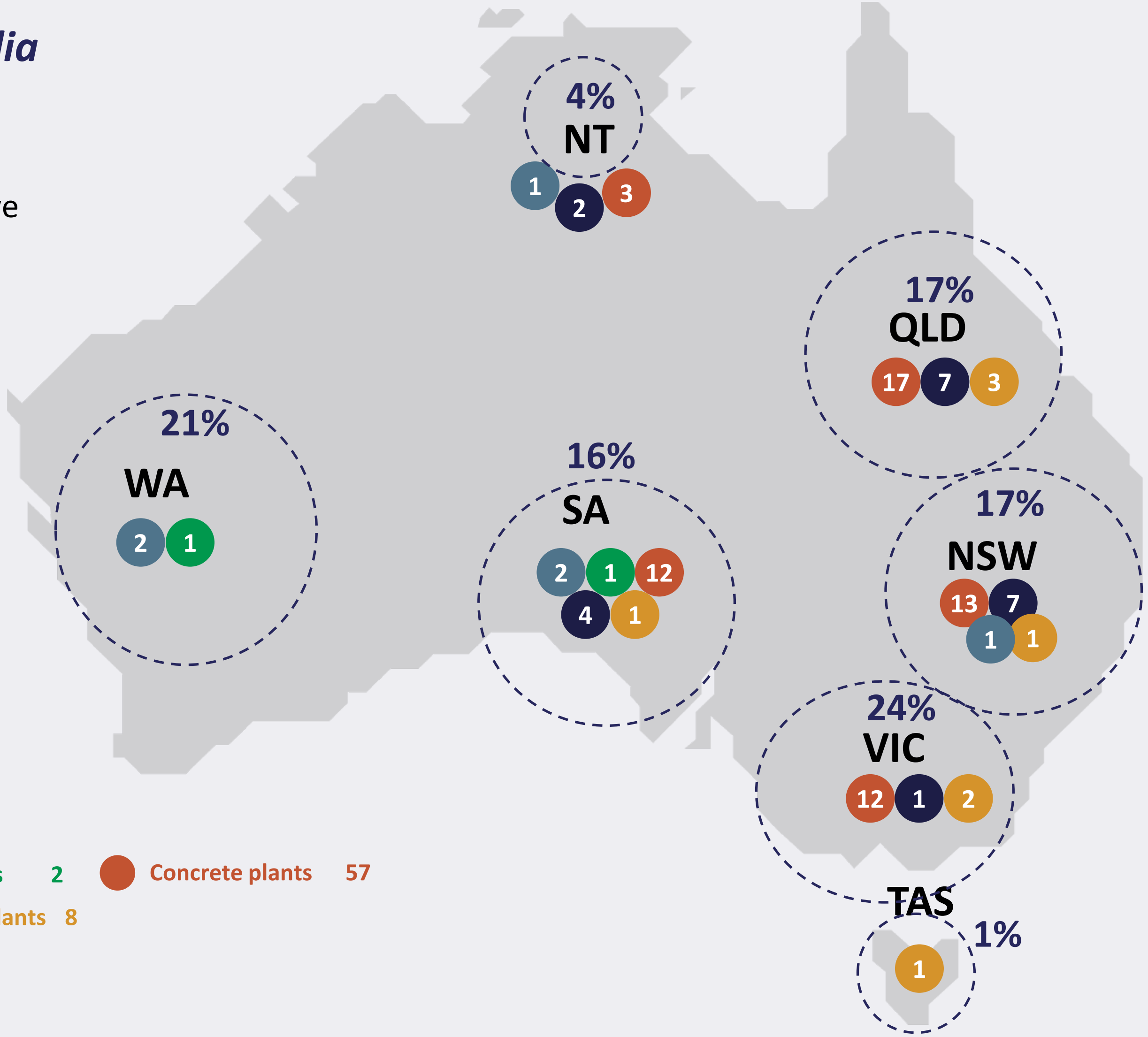
Mark Irwin

Chief Executive Officer

Our business

Building a Better Australia

Building a better Australia is what we do at Adbri. It's how we contribute socially and economically as a company and as individuals.

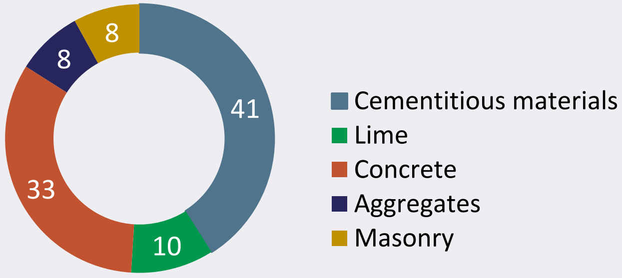


Fully-owned operations

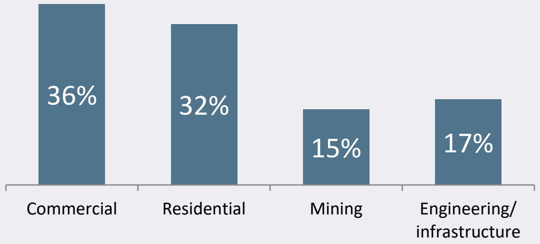
- Cement plants 6
- Lime plants 2
- Concrete plants 57
- Quarries* 21
- Masonry plants 8

Revenue by state %

Revenue by product %



Revenue by sector %



*Excludes tenements that exclusively supply internal cement and lime operations

Our strategic pillars

Safety

- We put safety first
- We care about each other's wellbeing
- We live by our Life Saving Rules
- Work Safe, Home Safe

Customer focus

- We deliver on our promises
- We are agile in meeting our customers' needs
- We build long-term partnerships that add value
- We act with integrity

Inclusivity

- We work together
- We embrace differences
- We respect and listen to each other
- We empower our people

Sustainable growth

- We create value for our investors and our communities
- We contribute to a sustainable future
- We learn and innovate
- We invest in our people

1HY23 overview and highlights

Mark Irwin

Chief Executive Officer

1H23 summary

Financial highlights

- Revenue increased to $926.4, up 14.0% on 1H22
- Underlying[1] EBITDA of $149.1 million, up 20.9% on 1H22, while Statutory EBITDA was $145.8 million, up 15.6% on 1H22
- Underlying NPAT of $52.1 million, up 12.8% on 1H22, while Statutory NPAT attributable to members of Adbri Limited of $49.8 million, up 3.5% on 1H22
- Underlying EBITDA margins increased to 16.1% from 15.2%
- Leverage[2] at 2.3 times
- The Board has decided not to declare a final dividend considering the capital required for the completion of Kwinana Upgrade project and elevated leverage

Half year ended 30 June ($m)	1H23	1H22	vs. pcp (%)
Revenue	926.4	812.4	14.0%
Underlying[1] EBITDA	149.1	123.3	20.9%
Statutory EBITDA	145.8	126.1	15.6%
Underlying NPAT	52.1	46.2	12.8%
Statutory NPAT	49.8	48.1	3.5%
Free cash flow[3]	(91.7)	(66.4)	(38.1%)

Operating and strategic highlights

- Safety performance improved with a TRIFR[4] of 6.4, a 19% improvement from 31 December 2022
- Implemented a decentralised business model
- Kwinana Upgrade Project is 51.3 % complete as at 31 July 2023, with $203 million invested
- Solid price traction across all product lines

We have delivered a strong first half with double digit revenue growth and improved earnings. We have refocused the business and implemented key initiatives which support a more resilient Adbri with strong cost and operational management disciplines.

1. Underlying measures exclude property (profit)/expense and significant items
2. Leverage ratio = (net debt/2)/underlying EBITDA
3. Operating cash flow plus investing activities
4. Total Reportable Injury Frequency Rate (TRIFR) is the number of recordable injuries per million of man hours worked, including employees and contractors

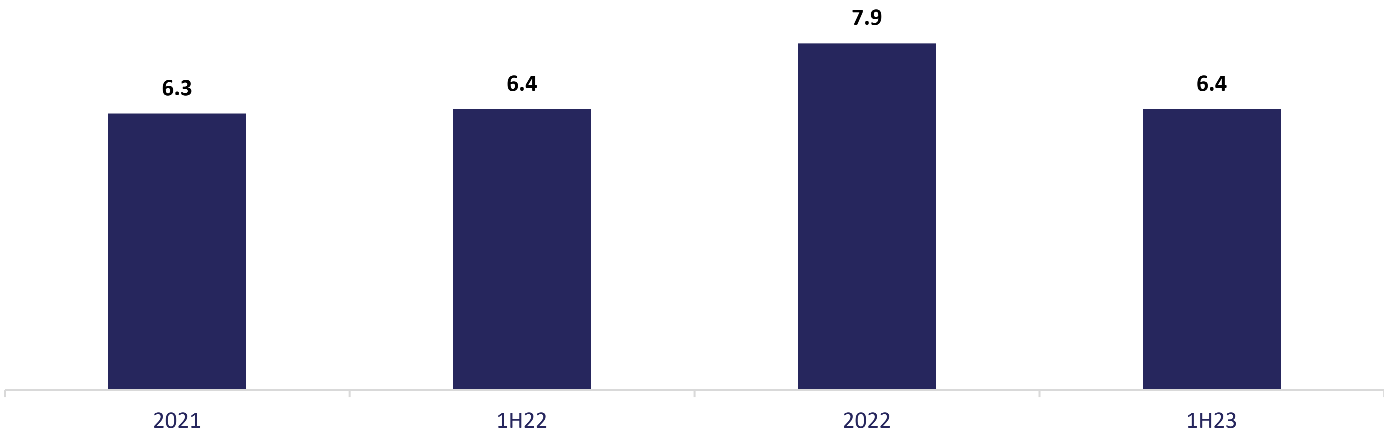
Safety and sustainability

Mark Irwin

Chief Executive Officer

Safety

19% improvement in Total Recordable Injury Frequency Rate since 2022



	1H23	FY2022	vs. 2022 (%)
TRIFR[5]	6.4	7.9	19%
	1H23	**1H22**	**vs. 1H22 (%)**
Lost Time Injuries (LTI) No.	3	5	40%
Visible leadership No.	829	460	80%
Critical control verification[6] No.	968	673	44%

Key activities driving performance

80% increase in visible leaderships since 2022

44% increase in critical control verifications since 2022

Key focus areas

- Psychological wellbeing – extending our programs beyond physical safety to include psychological health and safety
- Contractor engagement – improving the way we engage, inform and work with our contractors
- Embedding risk assessments culture and tools across all worksites
- Revitalising our Take 5 program across all sites

5. Total Reportable Injury Frequency Rate (TRIFR) is the number of recordable injuries per million hours worked. Adbri's TRIFR includes employees and contractors
6. Critical control verification is an activity-based audit to verify critical controls are in place against critical risks

Climate and sustainability 1H23 progress

Reduce emissions

Alternative fuels

- Applied to EPA South Australia to increase refuse derived fuel (RDF) usage at Birkenhead enabling up to 100% natural gas substitution in the calciner

Increased Supplementary Cementitious Materials (SCMs)

- Increased supply of Type GL lower embodied carbon cement

Create new products

– Futurecrete® – Launched the branding of our lower carbon concrete range

– Released Environmental Product Declarations (EPDs)

– We are proudly the lowest embodied carbon Type GP cement verified in Australia

Collaborate

- Engaged Government on the Safeguard Mechanism Reforms
- Continued collaboration on technology development aligned to our Net Zero Emissions Roadmap

Financial performance

Mark Irwin

Chief Executive Officer

Jared Gashel

Chief Financial Officer

1H23 headlines

Revenue

$926.4m

↗ 14%

from 1H22 $812.4m

Underlying[7] EBITDA

$149.1m

↗ 20.9%

from 1H22 $123.3m

Underlying[7] NPAT

$52.1m

↗ 12.8%

from 1H22 $46.2m

Statutory NPAT

$49.8m

↗ 3.5%

from 1H22 $48.1m

Underlying[7] ROFE[8]

8.1%

↗ 7.4%

from 1H22

Basic EPS

7.6 cents

↗ 2.7%

from 1H22 7.4 cents

7. Underlying measures exclude property (profit)/expense and significant items
8. Return on funds employed (ROFE) is underlying EBIT/((net debt + equity)/2)

Operational performance 1H23 vs 1H22

Significant increase in revenue

1H23 Revenue[9]

$926.4m

Revenue
14.0%
from 1H22
$812.4m

Cementitious materials

$319.5m

8.4%
from 1H22
$294.7m

2,466 kt
1.7%
from 1H22 2,425 kt

Lime

$75.6m

4.0%
from 1H22
$72.7m

414 kt
(7.3)%
from 1H22 446 kt

Concrete

$295.2m

23.1%
from 1H22
$239.8m

1,351 000's m^3
3.0%
from 1H22 1,312
000'sm[3]

Aggregates

$75.7m

30.3%
from 1H22
$58.1m

4,797 kt
12.5%
from 1H22 4,263 kt

Masonry

$79.3m

11.2%
from 1H22
$71.3m

267 kt
(3.3)%
from 1H22 276 kt

9. Reference: Appendix 4D Note 2 Segment Reporting. Total revenue includes freight $75.1m ($71.6m 1H22), royalties $1.7m ($1.5m 1H22), and concrete testing $4.3m ($2.7m 1H22). Performance measures reported includes the Group's proportionately consolidated joint operations

Joint Ventures[10]

Improved joint venture performance

JV Total

Revenue
1H23 $246.5m
12.2% up from 1H22 $219.7m

EBITDA
1H23 $31.5m
8.6% up from 1H22 $29.0m

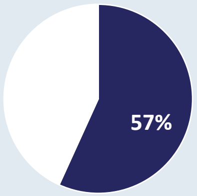
Earnings
1H23 $14.8m
1H22 $13.2m

Earnings up 12.1%

Independent Cement

Revenue
1H23 $128.3m
17.0% up from 1H22 $109.7m

Earnings
1H23 $8.4m
1H22 $7.9m

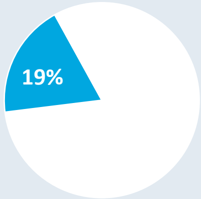


Earnings vs Total %

Mawsons

Revenue
1H23 $61.9m
8.8% up from 1H22 $56.9m

Earnings
1H23 $2.8m
1H22 $2.9m

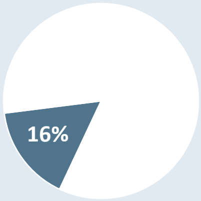


Earnings vs Total %

Sunstate Cement Ltd.

Revenue
1H23 $37.8m
8.6% up from 1H22 $34.8m

Earnings
1H23 $2.4m
1H22 $2.5m

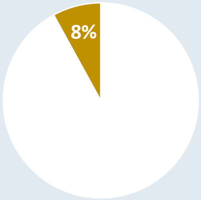


Earnings vs Total %

Other[11]

Revenue
1H23 $18.5m
stable with 1H22 $18.3m

Earnings
1H23 $1.2m
1H22 $(0.1)m



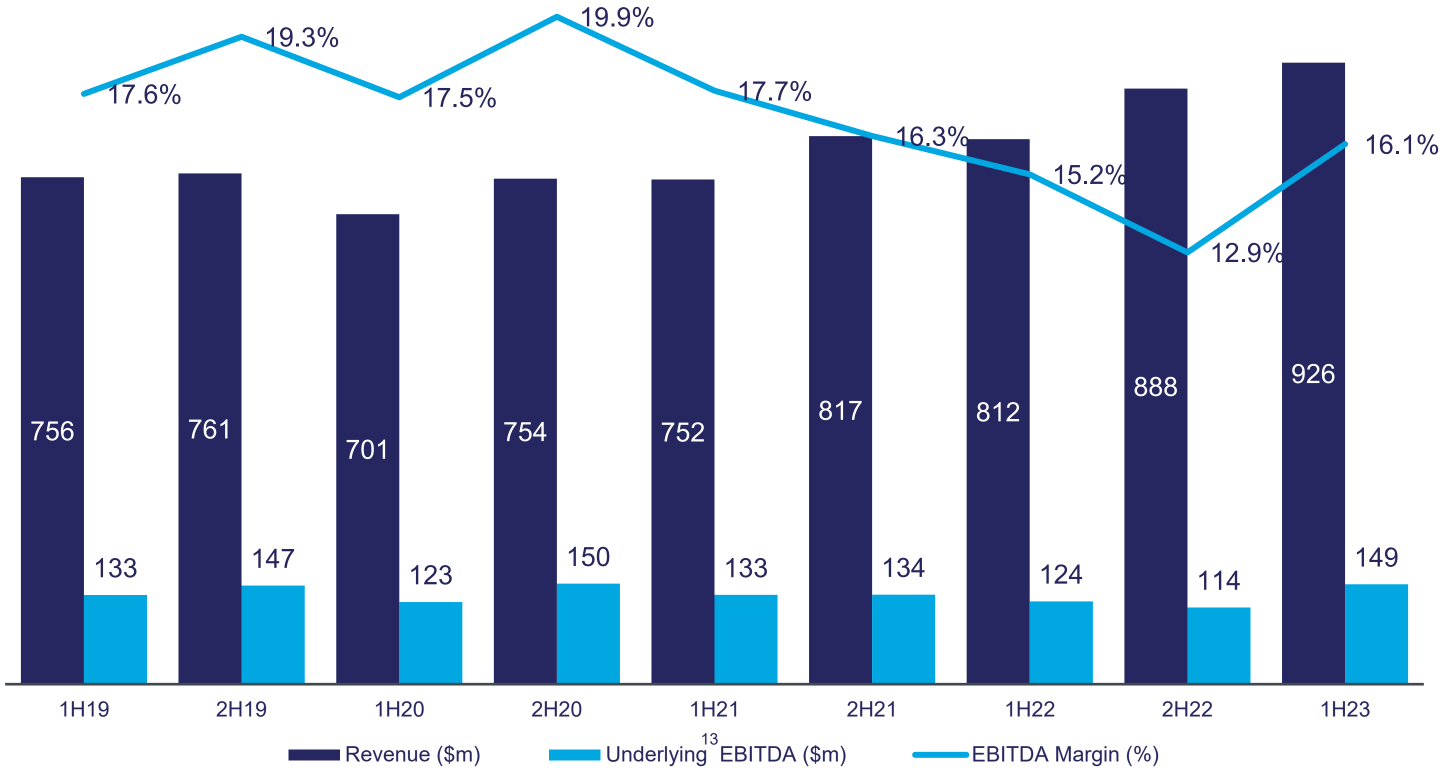
Earnings vs Total %

The Adbri Group 1H23 look through underlying EBITDA[12] is $165.8 million (vs. $139.1 million in 1H22)

10. Joint ventures are equity accounted for Adbri's share
11. Other = Aalborg, B&A Sands, and Peninsula
12. Look through underlying EBITDA = Underlying EBITDA $149.1 million – JV Earnings ($14.8 million) + JV EBITDA $31.5 million

Earnings trend half-on-half

Strong margin recovery



Margin recovery

due to traction of price increases and margin control

Revenue growth

driven by strong pricing discipline

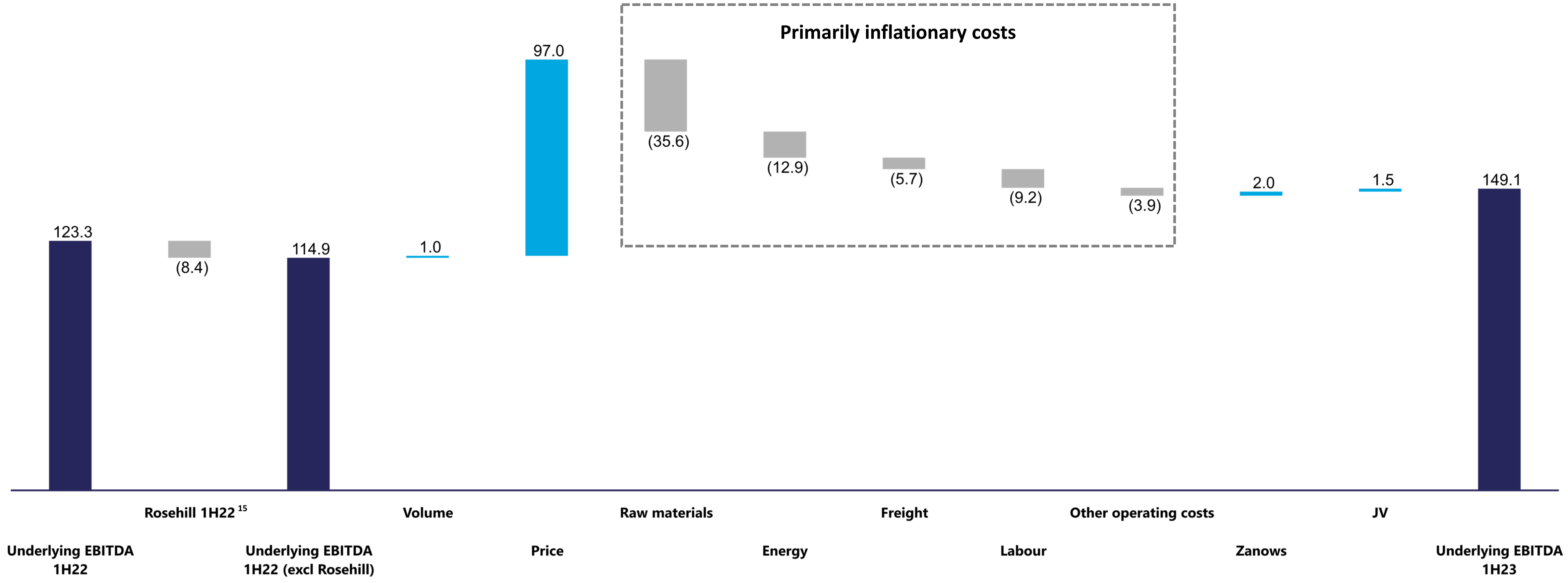
Strong demand

continued in the multi-residential, commercial, infrastructure, and mining sectors.

13. Underlying measures exclude property (profit)/expense and significant items

Underlying[14] EBITDA ($m) profit drivers

Improved earnings driven by price, partially offset by inflationary cost pressures



14. Underlying measures exclude property (profit)/expense and significant items
15. Gain on Rosehill plant and equipment sale in 1H22 was included in the1H22 underlying result

Cash Flow

Improved operating cash flow supporting investment in growth and long-term operational efficiencies

- Operating cash flow improvement primarily driven by increased profitability in 1H23
- Free cash outflow in line with expectations with significant investment in the Kwinana upgrade project as well as the annual Birkenhead kiln shutdown in 1H23
- 2H23 focus on cash generation

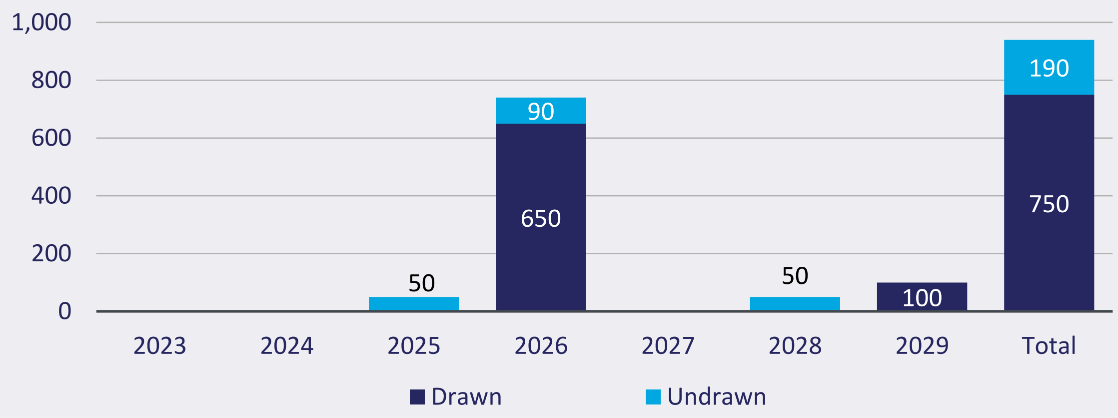
$m	1H23	1H22	FY22	FY21
Operating cash flow	**78.0**	**68.0**	**166.4**	**195.2**
Capital expenditure – Kwinana	(83.4)	(35.1)	(91.1)	(14.1)
Other investing activities	(86.3)	(99.3)	(127.1)	(155.7)
Free Cash flow[16]	**(91.7)**	**(66.4)**	**(51.8)**	**25.4**

16. Operating cash flow plus investing activities

Capital management

- Leverage ratio[17] of 2.3x (vs. 2.2x in 1H22)
- Fixed rate for 53% of total drawn bank facility debt
- Weighted average bank debt facility maturity of 3.8 years
- Significant bank covenant headroom
- Interest cover ratio[18] of 13.8x
- Liquidity of $364 million at 30 June:
  - $190 million of undrawn bank facilities
  - $69 million of undrawn asset financing facility
  - $105 million of cash and cash equivalents
- Total debt facility (drawn & undrawn) of $1.04 billion
  - $940 million bank debt facilities
  - $100 million asset financing facility

Unsecured bank debt facility maturity profile ($m)



	1H23	1H22
Borrowing	778.1	631.1
Cash and cash equivalents	(105.2)	(77.2)
Net debt	**672.9**	**553.9**
Underlying[19] EBITDA	149.1	123.3
Leverage ratio[17]	**2.3**	**2.2**

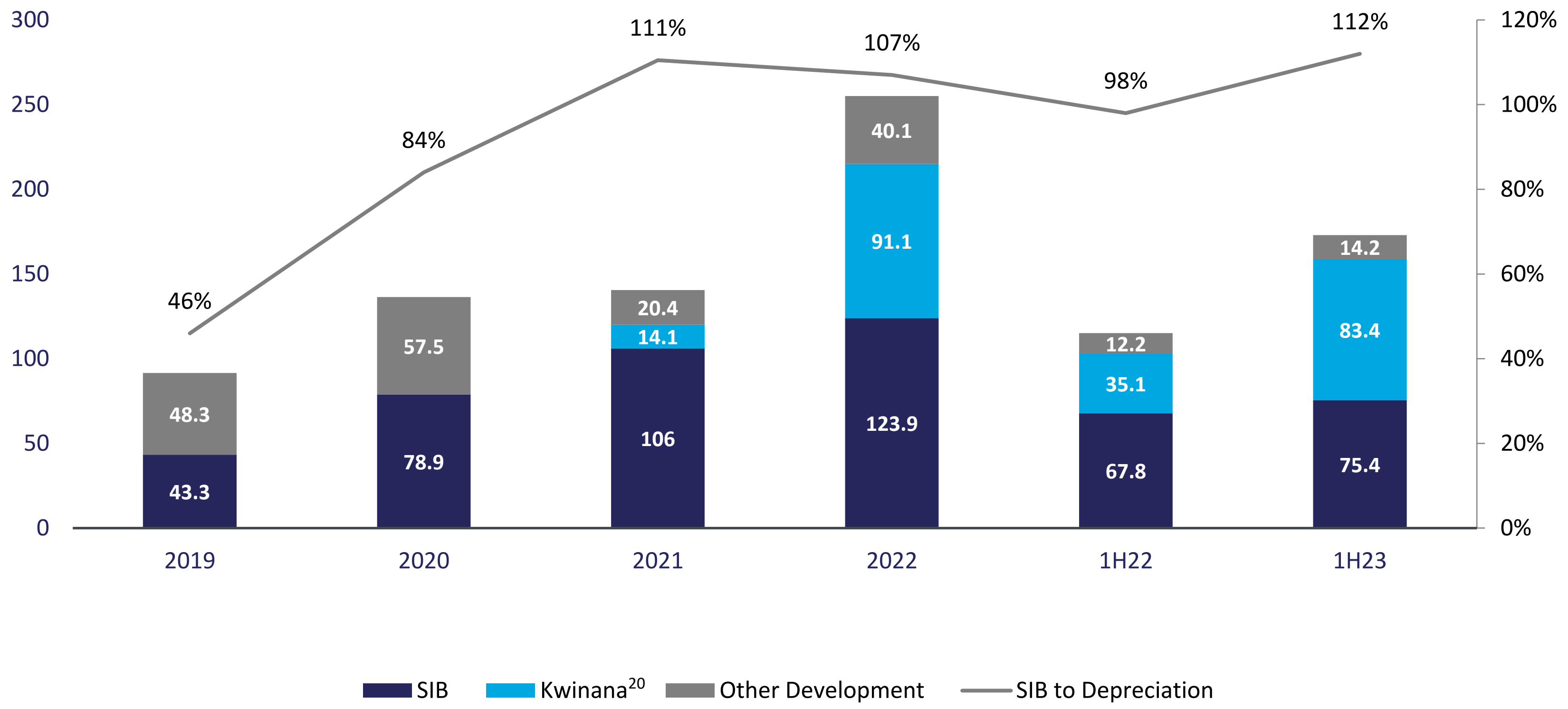
17. Leverage ratio = (net debt/2)/underlying EBITDA
18. Interest cover = underlying EBITDA for the 6 month period (excludes property and significant items) / net finance costs
19. Underlying measures exclude property (profit)/expense and significant items

Capital expenditure

Increase investment in the business to support long-term earnings growth

- Capital expenditure of $173 million, a $57.9 million increase on 1H22, largely due to the spend on the Kwinana Upgrade project
- Increase in stay-in-business (SIB) capex mainly attributed to the Birkenhead maintenance and construction of Rosehill concrete batching plant

Capital expenditure ($m) to Depreciation (%)



20. Kwinana Upgrade project spend to 31 July 2023 $203 million per slide 8, spend to 30 June 2023 $188.6 million

Kwinana Upgrade Project

Project targeting key commissioning commencing in Q2 2024

- As at 31 July 2023, $203 million has been invested

- Project 51.3% complete as at 31 July 2023, and key metrics being:
  - Engineering 83% complete
  - Procurement 98% complete
  - On site construction 29% complete

Mill feed building structural works are 37% complete

Silo A and B pre-assembly in progress

Project is 51.3% complete

Kwinana Upgrade Project – Schedule

Q2 2023
- Bulk earthworks and piling completed
- Commissioned high voltage transformer unit

Q3 2023
- Executed $105m contract with SIMPEC

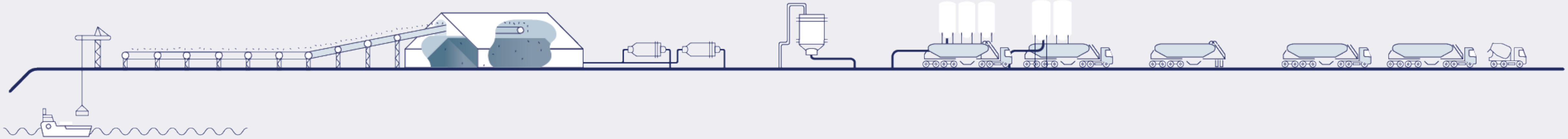
Q4 2023
- Automated material sampler (PoLab) commissioning (existing plant)

Q1 2023
- Milling area construction completed

Q2 2024
- Clinker shed construction completed
- Silo construction completed
- Key commissioning commences

Q3 2024
- Mill 3 and 4 commissioned and operational
- Blender commissioned and operational

Q4 2024
- Munster cement production ceases
- Shutdown of existing Mill 2 (Kwinana)
- Freemantle Port conveyor commissioning planned



2H23 priorities and outlook

Mark Irwin

Chief Executive Officer

2H23 priorities

Cement & Lime

- Progress Kwinana Upgrade project
- Optimisation review of our lime operations to improve asset performance and customer offerings
- Complete negotiations for multi-year agreement with ICL
- Deliver ongoing improvement to Birkenhead via increase alternative fuels usage and progressing feed study to increase milling capacity and improve blending capability

Concrete, Aggregates & Masonry

- Growing supply to match demand in both concrete and aggregates
- Continued growth of masonry contracting business
- Launch a branding campaign of lower embodied carbon products

Property & Corporate

- Settlement of surplus land in Geelong, Victoria and Karratha, Western Australia
- Continue to progress sale process of Badgerys Creek land, New South Wales
- Progress Batesford, Victoria land options
- Review land portfolio across the Group
- Consolidate and rationalise Adelaide and Sydney office footprint

2H23 outlook

- We expect demand for our products to remain strong throughout the second half of the year with trading conditions similar to the first half, notwithstanding a slight softening in the residential and retail sectors
- The benefits of price increases and cost discipline are expected to continue in 2H23, in an environment of continued elevated inflationary pressures, and as such we anticipate 2H23 EBITDA to be moderately higher than 1H23
- From a capital expenditure perspective, we expect total spend for the year to be between $330 million and $350 million

Questions

Appendices

Reconciliation of underlying profit measures to statutory results

As at 30 June 2023 ($m)	1H23				1H22			
	Statutory	Significant items	Property (profit)/expense	Underlying[22]	Statutory	Significant items	Property[21] (profit)/expense	Underlying[22]
Revenue	**926.4**	**-**	**-**	**926.4**	812.4	-	-	812.4
Earnings before interest, tax, depreciation and amortisation (“EBITDA”)	**145.8**	**3.1**	**0.2**	**149.1**	126.1	8.8	(11.6)	123.3
Depreciation and amortisation	(67.0)	-	-	(67.0)	(55.1)	-	-	(55.1)
Earnings before interest and tax (“EBIT”)	**78.8**	**3.1**	**0.2**	**82.1**	71.0	8.8	(11.6)	68.2
Net finance cost	(10.8)	-	-	(10.8)	(10.1)	-	-	(10.1)
Profit before tax	**68.0**	**3.1**	**0.2**	**71.3**	60.9	8.8	(11.6)	58.1
Income tax expense	(18.3)	(0.9)	(0.1)	(19.3)	(12.8)	(2.6)	3.5	(11.9)
Net profit after tax	49.7	2.2	0.1	52.0	48.1	6.2	(8.1)	46.2
Attribute to:								
Members of Adbri Ltd (NPAT)	**49.8**	**2.2**	**0.1**	**52.1**	48.1	6.2	(8.1)	46.2
Non-controlling interest	(0.1)	-	-	(0.1)	-	-	-	-
Net profit attributable to members (NPAT)	**49.7**	**2.2**	**0.1**	**52.0**	48.1	6.2	(8.1)	46.2

21. Property profits relate to gain on Rosehill land compulsorily acquired
22. Underlying measures exclude property (profit)/expense and significant items

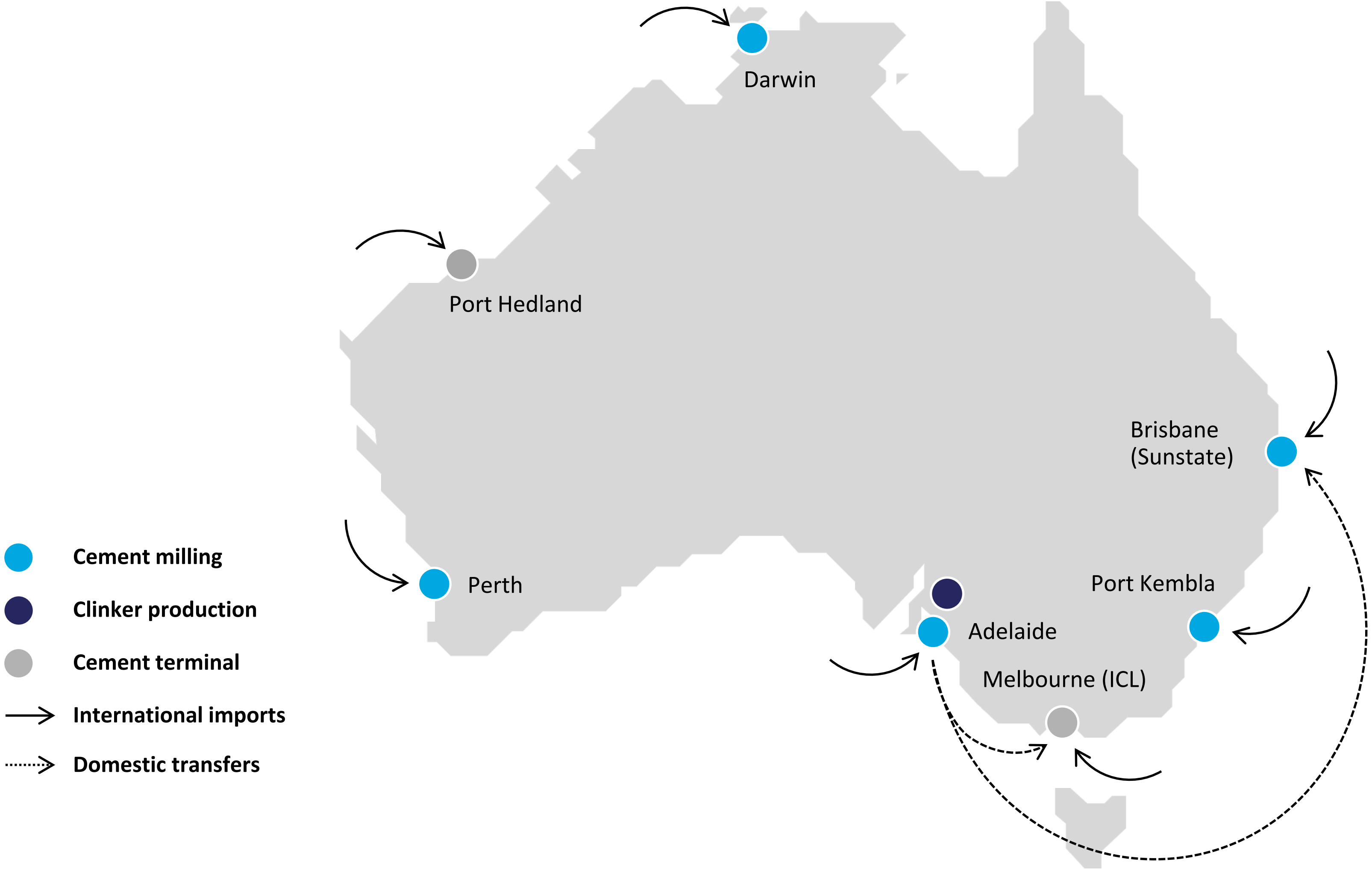
Cementitious materials production, import and distribution

In 2022 Adbri:

- Imported 2.7 million tonnes of cementitious materials
- Sold 4.8 million tonnes of cementitious materials

In 1H 2023 Adbri:

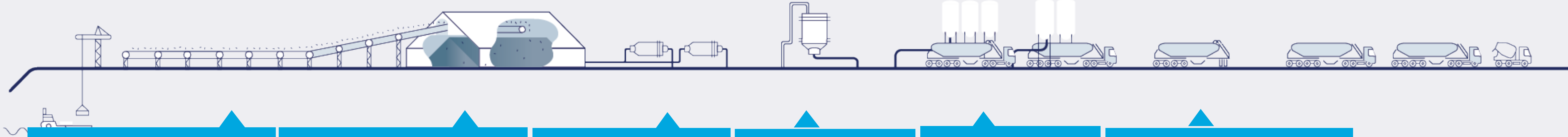
- Imported 1.3 million tonnes of cementitious materials
- Sold 2.5 million tonnes of cementitious materials[23]



23. Sale of cementitious materials encompasses both end product and for use in the production of clinker and cement to both joint ventures and third parties

Kwinana Upgrade Project overview

The KWUP consolidates Adbri's Western Australian cement operations to one site at Kwinana. It is projected to generate $21 million per annum savings, compared to the Munster cement operations, and be built at a project cost of between $385-$420 million[24]. Key commissioning is targeted to commence in Q2 2024 and operational in Q3 2024.



Conveyor

- **The fully enclosed conveyor reduces duplication of materials handling and increases discharge rate from shipping**
- **Provides for reduced stevedoring, port and truck costs**
- **Improves local amenity and air quality**

Clinker shed

- **110kt new capacity**
- **Reduces onsite material handling with consolidation at one site**
- **Reduces mobile plant maintenance**
- **Reduces product changeover losses**
- **Live stockpile monitoring**

Milling

- **Increases production capacity to 1.5Mt per annum, a 0.4Mt increase**
- **Energy efficient mills contributes to a lower carbon footprint**
- **Surplus capacity enables utilisation of off-peak energy**
- **Automation of operations rationalises duplicated resources**

Blending Plant

- **21kt discharge across 4 multideck weighbridges capable of accommodating triple road train**
- **Improves loading efficiency**

Silos

- **60tph blending capacity**
- **Internal cement transfer to existing silos and packing plant**
- **Automated material sampling, optimising quality control**

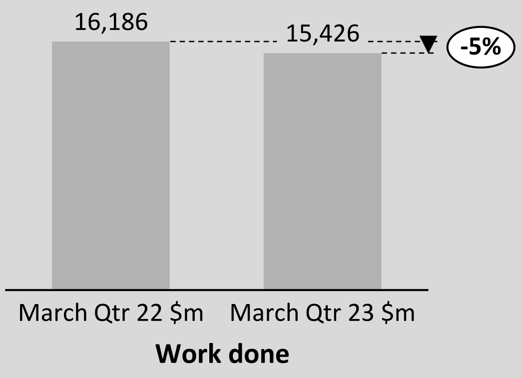
Transport

- **Only final product is transported by road**
- **Eliminates truck movements between the two facilities**

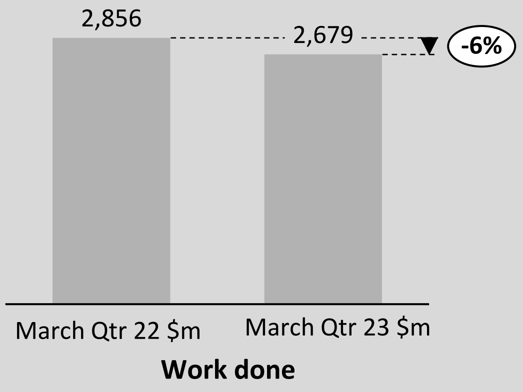
24. Excluding capitalised interest and accounting adjustments

Market activity

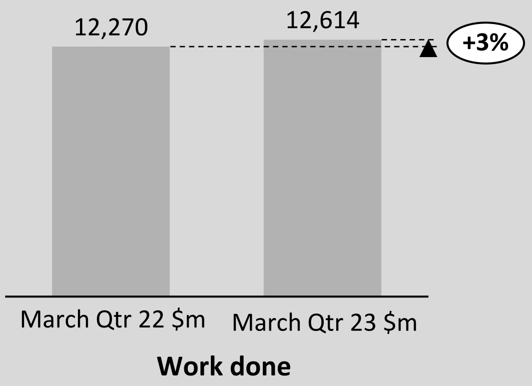
New residential building



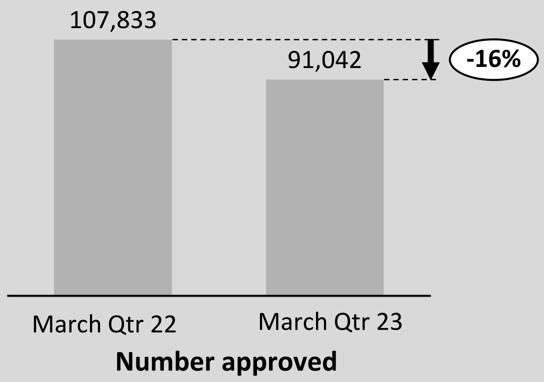
Alterations and additions to residential building



Non-residential building



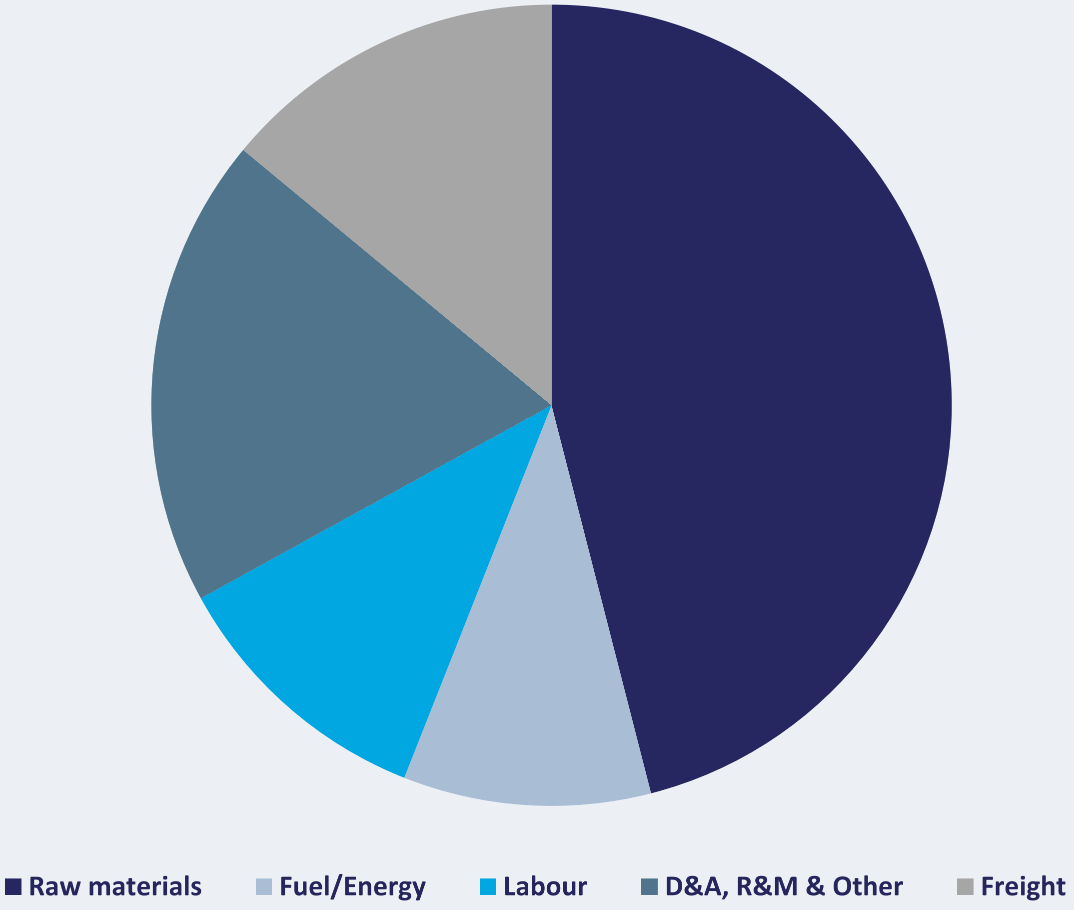
Residential Approvals



Source: ABS – Building Activity, Australia March 2023 report

Operating conditions – cost environment

Major components of COGS and freight costs 1H23 (%)



Inflationary cost pressures across the business in 4 key areas:

1. Raw materials

- Increase of 15.3% vs. 1H22
- Elevated inflationary pressure across most input materials particularly clinker and cement additives

2. Fuel and Energy

- Increase of 24.3% vs. 1H22
- Primarily driven by natural gas prices in South Australia and Western Australia

3. Labour

- Increase of 7.6% vs. 1H22
- Main drivers are salary & wages indexation, and overtime engaged reflecting increased demand

4. Freight and distribution

- Increase of 9.2% vs. 1H22
- Primarily from double digits rate increase from concrete lorry own drivers and aggregates tipper haulers

Sustainability

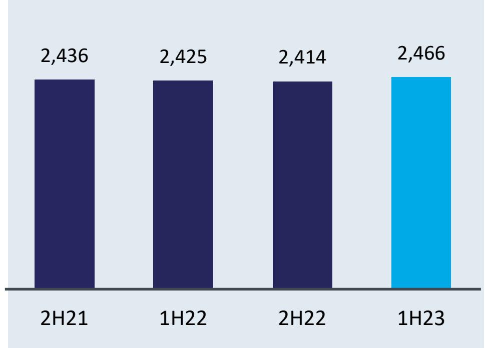
Trending towards our goal of net zero emissions by 2050

Targets		FY22 Result[25]	1H23 Trend[26]	Progress: Half year ended 30 June 2023
Our short-term 2024 targets	7% absolute reduction in operational emissions by FY24 vs FY19	2,106 ktCO2e **12% below baseline (2,387 ktCO2e)**		Total Scope 1 and 2 emissions continue a positive trend downwards, influenced by coal phase out and continued use of Refuse Derived Fuel (RDF), in addition to grid decarbonisation
	50% kiln fuel to be sourced from alternative fuel in South Australia	37% **14% above baseline (23%)**		Ongoing use of RDF at our Birkenhead facility and completion of trials to enable increased use of RDF to further replace fossil fuels as a kiln fuel
	24% Supplementary Cementitious Materials (SCMs) as a proportion of final cementitious product	22% **1% above baseline (21%)**		Type GL cement deployment is being accelerated which will increase the use of SCMs and reduce net cement emissions intensity
Our medium-term 2030 targets	20% reduction in cement Scope 1 emissions intensity (kg CO2e net/tonne) by FY30 vs FY20 baseline	537kgCO2e net/tonne **5% below baseline (557kgCO2e net/tonne)**		During the period, more clinker was produced than sold (showing an increased emissions intensity), however cement emissions intensity is positively influenced by SCM usage and alternative fuels (shown above)
	10% reduction in lime Scope 1 emissions intensity (kg CO2e/tonne) by FY30 vs FY20 baseline	1,114kgCO2e/tonne **1% above baseline (1,000kgCO2e/tonne)**		Significant reductions in coal use in Western Australia due to availability of fuel mix
	100% zero emissions electricity supply by FY30	0%		Progressed investigation of solutions at Kwinana, Birkenhead and other key sites including potential wind and waste-to-energy opportunities. Required facilities are purchasing renewable energy certificates in line with Government requirements.

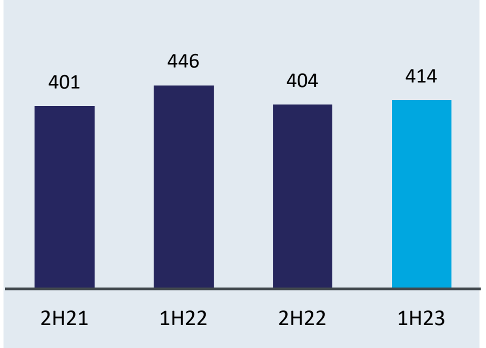
25. As reported in the 2022 Sustainability Report
26. Progress against our key targets will be published in the Annual Sustainability Report

Operational performance – historical sales volumes

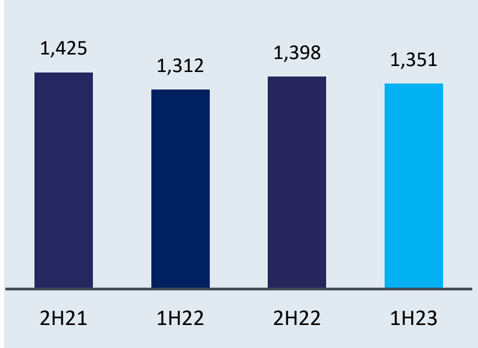
Cementitious materials (kt)



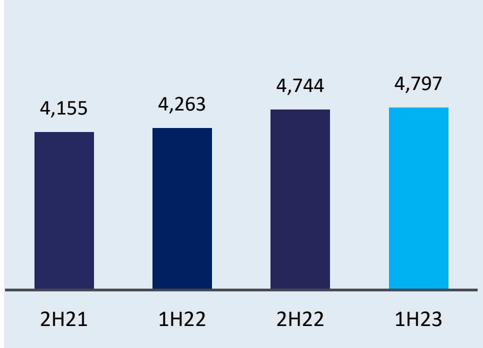
Lime (kt)



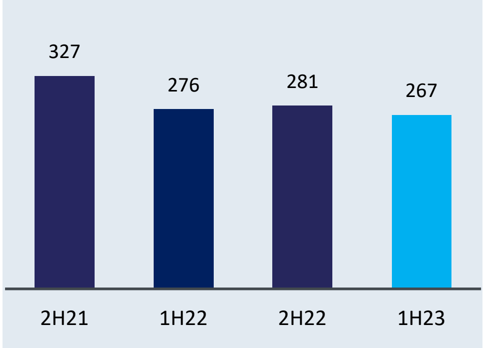
Concrete (m3)



Aggregates (kt)



Masonry (kt)



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Disclaimer

This presentation has been prepared by Adbri Limited ACN 007 596 018 for information purposes only. The information in this presentation is current as at 30 June 2023. It is in summary form and is not necessarily complete. It should be read together with the Appendix 4D half year report ended 30 June 2023, which was released to the ASX on 29 August 2023.

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