

20 March 2024

Alcoa supply contract update

Adbri Limited (Adbri or the Company) (ASX:ABC) and Alcoa of Australia Limited (Alcoa) have agreed to amend the Company's quicklime supply agreement to cater for changing demand.

Under the new arrangement Cockburn Cement Limited (Cockburn Cement) will supply Alcoa on revised terms until the end of April 2024. The previous arrangement was due to expire at the end of October 2024. As a result of this revision, Adbri expects lower lime volumes in 2024 and beyond.

As outlined in the Company's FY23 Investor Presentation¹, Adbri is reviewing its lime operations with consideration to the evolving lime outlook and the changing demand profile from customers.

Notwithstanding lower lime volumes, Adbri currently expects demand for the balance of its products to remain strong and broadly in line with FY23, with pricing and cost discipline to support margin expansion in FY24.

Adbri's Chief Executive Officer Mark Irwin said:

"The Western Australian lime market is important to Adbri, and we are taking steps to ensure we are aligned with the needs of our customers. An ongoing lime operations review has identified a number of opportunities for Cockburn Cement. This includes the potential to adopt a hybrid supply model, which may involve a mix of locally manufactured product and imported lime, enabling us to deliver additional product grades to the marketplace. We will investigate the feasibility of this model within the footprint of our Munster facility, utilising existing infrastructure such as silo and storage facilities, while continuing to leverage the site's valuable rail access."

-ENDS-

Authorised for release by the Board.

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¹ Released to the ASX on 27 February 2024.