ASX Announcement

21 May 2021

Adbri Limited – 2021 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 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.

For further information please contact:

Darryl Hughes
General Manager Corporate Finance and Investor Relations
+61 417 814 290
darryl.hughes@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
Level 1, 157 Grenfell Street
Adelaide SA 5000
+61 8 8223 8000
info@adbri.com.au

2021 Annual General Meeting
Friday, 21 May 2021

Chairman's Address – Raymond Barro

Good morning and welcome to Adbri's 2021 Annual General Meeting. My name is Raymond Barro and I am the Chairman of your Company.

Your Company performed commendably in 2020, with reported profit of $93.7 million and underlying net profit of $115.6 million. These financial results were better than might reasonably have been expected given the challenges posed by the COVID-19 pandemic, significant bushfires, and weather events at the start of last year.

I remain confident that Adbri, its people and stakeholders will continue to have a great future underpinned by our strong financial position and the benefits of having a vertically integrated business that presents a balanced exposure to the mining and construction industries. Mining demand remained strong throughout the year and helped offset some of the effects of softer east coast construction.

Implementation of the "step-change" program and new technology continued to benefit our safety and environmental performances. Nick will talk more about this shortly.

On behalf of the Adbri Board and Management team, I would like to extend my gratitude to all of our employees and contractors who went to extraordinary lengths during the year to keep Adbri running safely and delivering for its customers and stakeholders, whether working from home or in their usual work location. Their dedication allowed us to continue satisfying customer demand for our products, while maintaining social distancing, hygiene, and other important safety protocols to manage the risk of COVID-19 infections.

Soft conditions in the east coast residential construction market persisted for much of 2020, with an adverse impact on demand for our cement and concrete products. The decline in housing approvals that started to manifest in 2019, continued until well into 2020, dropping approvals to levels not seen since mid-2013.

However, during the latter part of the year, stimulus measures such as the Federal Government's HomeBuilder program and various State Government initiatives saw this trend begin to reverse. Fortunately, conditions in mining were more robust and provided the Company with a buffer to offset slowing construction demand.

Overall, Group sales revenue decreased by 4% to $1.45 billion. Cost-out initiatives facilitated improved margins, notwithstanding cost headwinds and lower east coast demand.

Looking forward, the improvement in housing approvals, combined with the announcement of significant Government spending on infrastructure projects will provide a foundation for construction materials demand, complementing the strong demand from the mining sector. We also expect to benefit from cost efficiencies achieved during 2020 and further cost improvements in 2021.

Nick will discuss our 2020 operational performance in more detail shortly and will also provide an overview of current trading.

SUSTAINABILITY

The Group is committed to a sustainable future, and reconstituted the Board’s Safety, Health, Environment and Community Committee as the Safety, Health, Environment and Sustainability Committee in 2020 to better reflect its focus on sustainability.

We recognise that maintaining our social licence to operate is intrinsic to creating long-term value to all stakeholders – keeping our people, customers, and members of the public safe, providing employment to local communities, taxes to Local, State and Federal Governments, and materials that are essential to building a better Australia – in addition to providing shareholders a return for the use of their capital.

I am particularly pleased to report a significant improvement in safety outcomes in 2020, with a 47.2% reduction in the total recordable injury frequency rate.

Our 2019 Sustainability Framework sets 5-year sustainability targets focused on two key areas: first, fostering a sustainable and responsible business and second enhancing engagement with people and communities.

Today I'm pleased to announce Adbri's aspiration of net zero carbon emissions by 2050. We are committed to reducing carbon emissions for our low carbon future.

In 2019, we set a target to reduce greenhouse gas emissions by 7% over 5-years, against 2019 baselines. I am pleased to report that we reduced our greenhouse gas emissions by 2.3% in 2020.

We are reviewing our current target to assess medium and long-term emissions reduction options.

We are committed to delivering a roadmap ahead of our 2022 Annual General Meeting.

SHAREHOLDER RETURNS

Total fully franked dividends of 12 cents per share were paid for the 2020 financial year, representing a payout ratio of 68% of underlying net profit after tax. This is within the Board's target payout range of 65 – 75% of earnings and takes into account the Company's elevated capital requirements over the next three years, principally due to the final investment decision on the $199 million Kwinana Upgrade Project.

We anticipate completing the Kwinana Upgrade Project in mid-2023, and this will provide long-term value to shareholders by reducing costs and future stay-in-business capital requirements, while at the same time improving our environmental footprint.

Adbri's capital requirements are continually reviewed by the Board to preserve the Company's ability to deliver stable returns while maintaining the flexibility to pursue investment opportunities. Whenever the Board determines the Group has surplus capital, we endeavour to return it to shareholders in the most efficient method available.

BOARD COMPOSITION

Your Board is firmly committed to the Corporate Governance Principles and Recommendations of the Australian Securities Exchange's Corporate Governance Council, including maintaining an appropriate number of independent Non-executive directors.

Last month, we were delighted to announce the appointment of Michael Wright as an Independent Non-executive Director, which will restore the Board's majority independent composition, consistent with our commitment. Michael is an experienced director and executive. He has held leadership positions over a long and distinguished career at major mining services and multinational contracting businesses including Thiess and CIMIC Group. Michael will take up his position on the Adbri Board on the 25th of June.

The appointment of Michael followed the resignation of Zlatko Todorcevski in June 2020, with Dr Vanessa Guthrie taking on the responsibility of Lead Independent Director. Vanessa was subsequently appointed Deputy Chair in August 2020.

CONCLUSION

On behalf of my fellow Directors, I would like to thank Nick, his Executive team and all our employees for their continuing professionalism and dedication. We also extend our gratitude to our customers, joint venture partners, our suppliers and the communities in which we operate for their support.

On a personal note, I would also like to acknowledge the contribution of my fellow Directors and thank them for their wise counsel, their commitment, and their resolute efforts to support the management team during this unprecedented and challenging period.

Finally, I would like to thank you – our shareholders – for your continued support.

Adbri remains strong and competitive and is well placed to continue to prosper. We have a talented and committed team, the right strategy, as well as a strong balance sheet with ample liquidity allowing us to invest in growth opportunities.

Thank you for your continued support of Adbri.

That concludes my remarks, and I will now ask our Chief Executive Officer, Nick Miller, to give his address.

adbri.com.au

Adbri Limited
ABN 15 007 596 018
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+61 8 8223 8000
info@adbri.com.au

2021 Annual General Meeting
Friday, 21 May 2021

Chief Executive Officer's Address – Nick Miller

Good morning ladies and gentlemen.

It's my pleasure to again address you as your Chief Executive Officer and report on our performance for 2020. As Raymond has already mentioned, we were able to achieve better financial and operational outcomes than we anticipated earlier in the year, when we were first confronted by the COVID-19 pandemic, as well as by bushfires and floods.

ABOUT ADBRI

Adbri has a deep and rich history of delivering for its stakeholders since 1882, and we remain well positioned for growth as our efficiency initiatives continue to yield benefits and the economy recovers.

PURPOSE, PROMISE, PILLARS

Everything we do is driven by our purpose of "***Building a better Australia***", while our promise of being "***Always Ready***" underpins how we work. We are dedicated to delivering high performance products on time, every time. We assess everything through our four guiding pillars of Safety, Customer Focus, Inclusivity and Sustainable Growth.

The success of our proactive response to the challenges of 2020, especially the coronavirus pandemic, is a testament to the efforts and dedication of the entire Adbri team. Our people were safe, and we had no interruption to supply to our customers with all operations remaining open. Only one employee contracted COVID-19 from outside of the workplace.

Measures adopted included:

- Remote working for non-operational staff;
- Contactless loading and delivery;
- Control room duplication;
- Testing for site entry;
- Introduction of pandemic leave; and
- COVID-19 mock audits.

Before I go into greater detail on the 2020 operational and financial performance, I would like to update you on the Group's safety and sustainability performance.

CONTRIBUTING TO A SUSTAINABLE FUTURE HEALTH & SUSTAINABILITY

Operating a safe and sustainable business is a fundamental part of who we are.

I am pleased to report progress against our 5-year sustainability targets, with key results being a further improvement in the safety record across the Group and a reduction in greenhouse gas emissions.

The Group's Total Recordable Injury Frequency Rate (TRIFR) decreased from 10.6 at December 2019 to 5.6 at December 2020. A 47.2% reduction that reflects improvements achieved under the Group's Safety 'Step Change' program to address the risk of harm from high potential incidents. Specific areas of focus for 2020 were visible leadership, critical risk management, musculoskeletal care, and safe transport.

We also employ technology where it can help us improve safety and environmental management. For example, during 2020 we began trialling safety proximity devices and truck driver monitoring systems, and initiated enhanced monitoring of environmental performance.

The Group is actively reducing its carbon footprint by continuing to expand our use of renewable energy, alternate fuels and supplementary cementitious materials.

Pleasingly, in 2020, we were able to cut total scope 1 and 2 greenhouse gas emissions by 2.3% by further reducing our use of coal as a fuel source and replacing it with natural gas and through increased utilisation of RDF (refuse derived fuel). Coal now accounts for less than 20% of our energy needs. Over 55% of our electricity needs are supplied though renewables.

We continued to increase our use of alternative fuels in South Australia, with RDF representing 25% of our fuel source utilised at Birkenhead; up from 23% in 2019. During the year we received regulatory approval to increase through-put of RDF from 15 tonnes an hour to 25 tonnes an hour, which will enable further increases in RDF utilisation at Birkenhead.

As our Chairman announced today, Adbri's aspiration is net zero carbon emissions by 2050.

Our industry is recognised as hard to abate. Developments in technology will play a critical role in reducing the cement industry's process emissions. Partnerships across industry, government and research institutions are a key way for us to deepen our understanding of long-term options to reduce emissions.

As we assess medium and long-term options to reduce emissions we are committed to delivering a roadmap ahead of our 2022 Annual General Meeting.

OPERATING CONDITIONS

Demand, as you might expect, was subdued for much of the year – although I am encouraged by improvements during the latter part of 2020 and heading into 2021, as various government initiatives intended to create jobs and boost confidence and economic activity began to gain traction. These included significant stimuli for infrastructure projects and residential housing.

Non-residential construction and mining, two key end markets for Adbri, generally remained solid against the impact of COVID-19 throughout the year, given both were considered essential services and continued to operate largely without interruption. Nevertheless, overall demand was moderated by declines in single and multi-residential construction activity, and the lag time between the announcement of infrastructure projects and construction commencing, notwithstanding the large Government stimulus imperative. Although we experienced improved demand during the last quarter of the year, overall cement sales were down 5.3%.

Federal and State Governments engaged directly with industry in the design of economic stimulus initiatives, with a specific focus on the creation and retention of jobs. However, the significant gestation period between announcing major infrastructure projects and works commencing, means their impact on demand only began to manifest toward the end of 2020.

Housing approvals were subdued for much of the year, although things did improve following the HomeBuilder stimulus announcement. A surge in activity late in the year resulted in a 17.0% lift in approvals for the four months to December 2020, sufficient to provide for a 5.2% overall rise in approvals for the year. The experience varied from state-to-state.

Victoria remained stronger than anticipated for much of the year. This was despite the implementation of stage 4 Government restrictions that required customers to navigate staffing limitations on construction sites. The lifting of these restrictions late in the year allowed the decline in second half concrete volumes to be held to 4.4%.

Demand for cement grew in Western Australia in 2020, largely driven by development and expansion activities in gold and iron ore, while demand for lime continued to be buoyed by gold and nickel producers. The mining industry, which contributed 18% of Adbri's 2020 revenue, also helped spur a recovery in residential construction in WA. Overall, we manufactured and delivered approximately 600,000 tonnes of cement, and more than one million tonnes of lime to our mining customers.

In NSW, residential construction continued to trend down, particularly in the oversupplied multi-residential sector, and this kept demand for construction materials subdued for much of the year. Housing commencement numbers improved later in the year, due to the HomeBuilder stimulus program combined with low interest rates.

Lower residential construction also impacted volumes in the Queensland market, which was further disrupted by the expansion of downstream concrete capacity and increased competition in cement supply.

In South Australia, we benefited from spending on Defence, schools and road projects, as well as some residential subdivision work. However, the completion of infrastructure projects in 2019, notably the Northern Connector, did impact volumes. Completion of major project works in the Defence and airport sectors in the Northern Territory saw subdued market conditions there, although demand from the resources sector remained robust.

FINANCIAL PERFORMANCE

The Group's earnings performance reflects the significant cost and productivity improvements achieved under the cost-out and business improvement program. It also highlights the benefit of our balanced geographic and sector exposure that saw improving demand in the Western Australian market partially offsetting slowing demand in east coast markets. The cost-out program that delivered savings of $35.5 million in 2020 is ongoing and we are targeting another $20 million in 2021, or $10 million net of expected cost headwinds. I should also note that a small JobKeeper subsidy received in 2020 was repaid in full during the year.

Revenue, as Raymond mentioned, decreased 4.1% while Underlying Net Profit After Tax declined 6.0% to $115.6 million. This translated to an Earnings Per Share of 17.7 cents. Given the significant headwinds earlier in the year created by COVID-19 and weather events, this is a robust result, particularly in light of the prevailing operating conditions.

Cash flow from operations increased by 32.6% to $256.2 million, with improved working capital and lower income tax payments offsetting reduced distributions from joint ventures and higher interest payments. The strong operating cash flow and robust balance sheet supported the approval of dividends totalling 12 cents per share, which were fully franked.

Capex of $136.4 million, split $78.9 million to stay-in-business capex and $57.5 million for development, was $44.8 million higher than in 2019.

Major capex during the period included:

- Purchasing land at Badgerys Creek for a concrete plant to service the Western Sydney Aerotropolis;
- Completing the Pinkenba concrete plant in Queensland; and
- The Birkenhead dry-mix upgrade in South Australia.

Capex during 2021 is expected to be around $200 million, including commencement of the Kwinana Upgrade Project and a planned refurbishment of the MV Accolade, our limestone transport vessel.

The Group's balance sheet remains strong, with net debt reduced by $51.2 million to $372.1 million, representing a leverage ratio of 1.4 times underlying EBITDA and gearing of 30.5%, while interest cover was 13.3 times underlying EBITDA. These key credit metrics remain investment grade and within the Board's preferred target range of 1-2 times underlying EBITDA for leverage, and 25-45% for gearing. Return on funds employed of 10.9% exceeded the Company's cost of capital.

DIVERSIFIED PRODUCT, REVENUE AND GEOGRAPHY

Adbri has a nationwide network of assets and operations diversified by product, revenue and geography. This provides a balanced and diversified portfolio which has the effect of reducing the overall Company risk profile, without limiting opportunities for further growth in areas where full vertical integration has not yet been achieved. Our coast-to-coast spread of businesses allows us to strike a good balance between mining and construction, which are often counter-cyclical to one another.

The Group is the largest producer of concrete products and lime, the largest importer of cement and clinker, and is the number two supplier of cement and clinker to the construction industry in Australia. It is a top four player nationally in concrete and aggregates, and ranks No 1 or 2 in many local or regional markets.

STRATEGY

To further enhance shareholder value, our strategy is based on business improvement and growth across five areas:

- Right size, reduce costs and improve operational efficiency;
- Transform the lime business;
- Grow concrete and aggregates;
- Enhance capability in infrastructure; and
- Actively manage land holdings

OPERATIONAL EFFICIENCY

Our strategy is one of business improvement and growth. Specifically, we continue to actively address opportunities to permanently reduce our costs and improve our operational efficiency, while prudently investing to ensure continuing prosperity.

I mentioned the Kwinana Upgrade Project earlier – an important initiative to preserve our cost-competitive position, while providing attractive financial returns. When complete, it is anticipated to deliver annualised cash cost savings of circa $19.0 million in the first full year of operation, will reduce future capex requirements, and provide enhanced sustainability. It will also create local construction jobs.

TRANSFORM LIME

Lime is an important business for Adbri, contributing 12% of 2020 revenue. The Group maintains low-cost lime production facilities that are strategically located to supply the mining sector in Western Australia, South Australia and the Northern Territory. Disappointingly, after almost half a century of consistent and reliable supply of lime to Alcoa, we were informed by Alcoa that they would not be renewing their existing lime supply agreement. An immediate consequence was a decision to mothball Munster kiln 5 once the Alcoa contract is complete, and take an impairment and restructuring charge of $22.8 million pre-tax in 2020.

Having said that, the Group has since secured its next largest lime contract with South32 extending our supply contract with them by five-years from 2024 to 2029. We also secured a three-year contract with Northern Star for the supply of lime to the Kalgoorlie Super Pit.

The Group's preferred strategy is to increase its exposure to the growing lime market, and to remain a key supplier to the mining and infrastructure sectors. At its core, this would involve expanding the Group’s current strong local manufacturing footprint, providing customers with enhanced product options, while remaining competitive with imports.

In strengthening our manufacturing footprint, we expect to achieve superior customer outcomes through stable and reliable local manufacturing, decreasing supply chain disruption risk.

The Group is currently evaluating several exciting high-grade opportunities including Kalgoorlie, Bunbury and Kwinana. Each of these are being assessed for the potential to secure long-term demand and provide value-accretive growth.

GROW CONCRETE & AGGREGATES

The Group continues to identify opportunities to grow its concrete and aggregate business, expanding its vertically integrated footprint in the construction materials market. Growth through acquisition, as well as greenfield or brownfield opportunities are considered as part of the strategic review process to identify potential attractive investments that enhance the Group's vertically integrated model.

We are well advanced with plans to build a new concrete plant on land we acquired at Badgerys Creek to service the growing Western Sydney market centred on the Western Sydney Aerotropolis. It represents a great example of how we are leveraging our footprint to grow our concrete and aggregates business.

ENHANCE CAPABILITY IN INFRASTRUCTURE

An important component of Federal and State Government responses to COVID-19 has been the announcement of unprecedented infrastructure spend to stimulate economic activity and create jobs. The outlook for Government infrastructure spending remains very strong and will likely be fast-tracked by all levels of government.

Adbri increased its infrastructure exposure during 2020, including supply of materials for the construction of schools, upgrades to the Melbourne tram network, along with road, airport and Defence projects. Major infrastructure projects tend to have longer lead times and one consequence of the Group's increased exposure to the infrastructure sector is a longer identifiable earnings pipeline.

To maximise its participation in these projects, Adbri has established a dedicated infrastructure team to enhance its capabilities with a focus on winning bids of the right scale that can be serviced by its cost-competitive fully integrated operations.

ACTIVELY MANAGE LAND HOLDINGS

The Group also actively manages its land holdings to realise value from assets which may be surplus to requirements. Our current focus is on two sites in Geelong. At Hilltop, the remaining silos from the old Geelong cement plant have been demolished and environmental rehabilitation of the site undertaken. Development opportunities are being considered and discussions are being held with potential development partners.

Pleasingly the Western Geelong Growth Area, of which Batesford Quarry forms part, has recently been gazetted by the Victorian Government as a future development area. This is a positive step forward for the Group, and in parallel with the ongoing operation of the quarry, we will actively manage this land holding to realise value for shareholders.

2021 OUTLOOK

Trading commenced strongly for the first four months of 2021. Demand from the mining sector remains robust due to the strong production outlook for gold, nickel, iron ore and alumina. Demand for construction materials is also healthy, as the increase in housing approvals that started in response to Federal and State government stimuli in the second half of 2020 translates into commencements. Demand is also reflecting the move of planned infrastructure projects into the construction phase.

The second half will be negatively impacted by volume losses, after the conclusion of the Alcoa lime contract is complete and the commencement of a competing cement import terminal in New South Wales. Pressure from input cost inflation is expected to continue in 2021, although we expect the Group's continuing cost reduction and operational improvement initiatives to compensate.

Notwithstanding these external challenges, we do remain confident in the longer-term fundamentals for growth in the Australian economy, and the ability of the Company to deliver value for its shareholders.

At this stage we do not intend to provide specific guidance, due to the inherent uncertainty associated with COVID-19 and the timing of major infrastructure projects.

In conclusion, I would like to sincerely thank our shareholders, Board of Directors, employees, customers, contractors, suppliers and joint venture partners for their significant support, flexibility and dedicated efforts during 2020, and acknowledge their collective contribution to a robust result.

The Company's business model provides a counter-cyclical balance between mining and construction, which has been the avenue for stable margins over the long-term. The Group's balance sheet remains in good shape to build out our vertically integrated footprint, and the demand outlook continues to improve.

Thank you.

Annual General Meeting

ADBRI
Building Australia since 1882

21 May 2021

We acknowledge the Gadigal people of the Eora Nation, the traditional custodians of this land where we host today's meeting in Sydney and pay our respects to the Elders both past, present and emerging.

Raymond Barro
Chairman

Introduction and Address

Nick Miller
Chief Executive Officer

Address

About Adbri

ADBRI

Adbri has been building a better Australia since 1882.

We're known for being always ready to deliver high performance products on time, every time. We provide cement, lime, concrete, aggregates, concrete products and industrial minerals that last the test of time.

We have a portfolio of respected brands and a national footprint.

What we stand for

ADBRI

Our Purpose

Building a better Australia

Our Promise

alwaysready

Safety

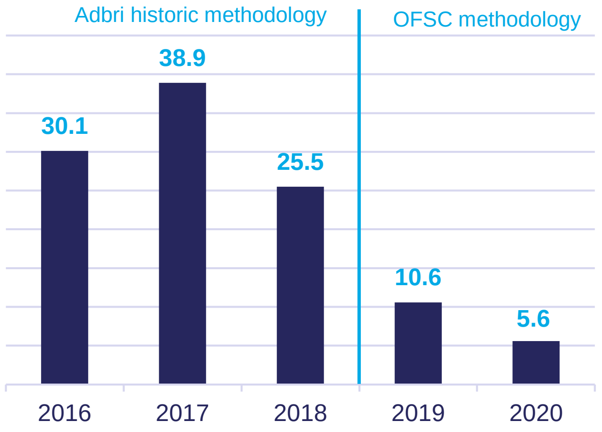
Customer Focus

Inclusivity

Sustainable Growth

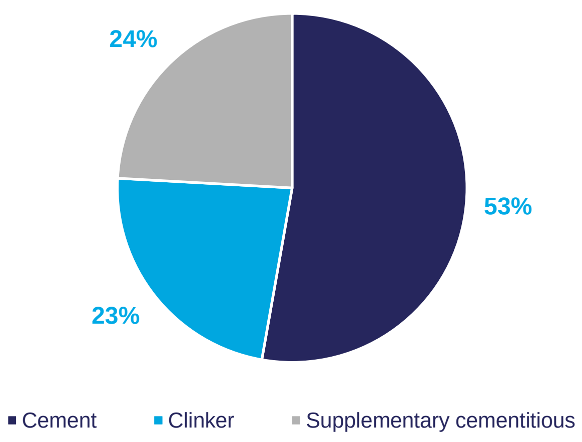
Contributing to a sustainable future

TRIFR(1)

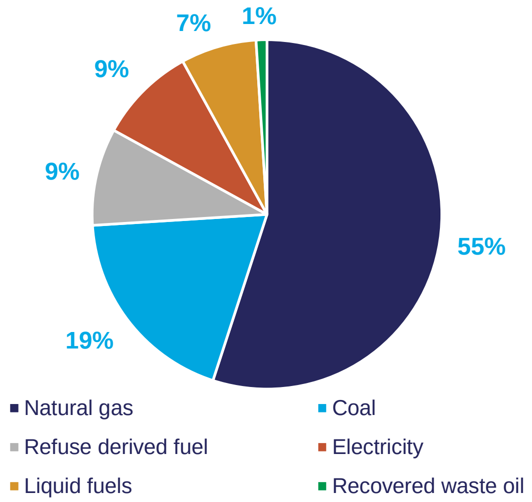


CARBON EMISSIONS (MILLION TONNES)

CEMENTITIOUS MATERIALS



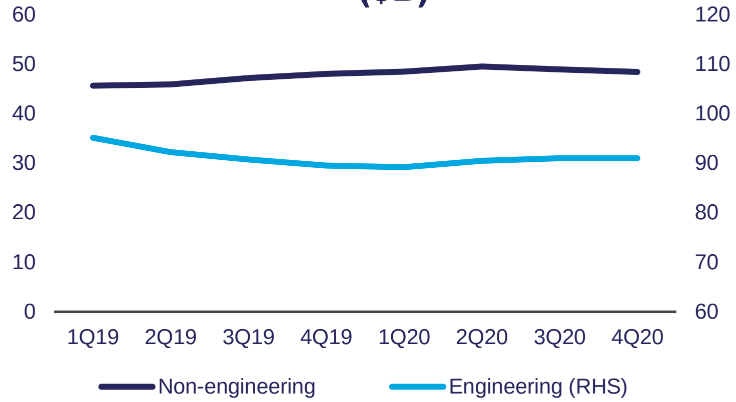
ENERGY BY SOURCE



(1) Total Reportable Injury Frequency Rate (TRIFR) is the number of recordable injuries per million man hours worked. Adbri's TRIFR includes employees and contractors. OFSC methodology utilised from 2020, including 2019 comparative

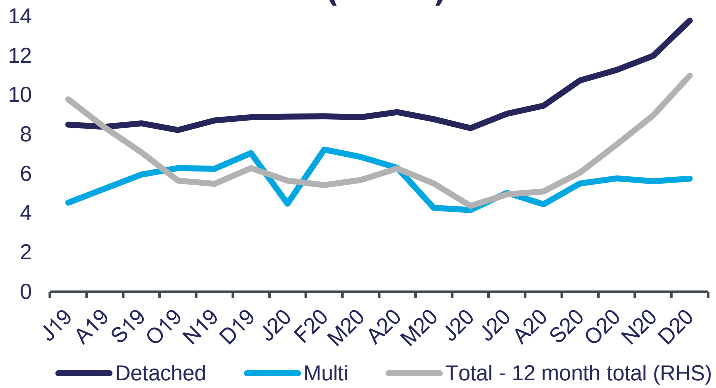
Operating conditions

NON-RESIDENTIAL WORK DONE ($B)



Source: ABS

RESIDENTIAL APPROVALS (000'S)



Source: ABS

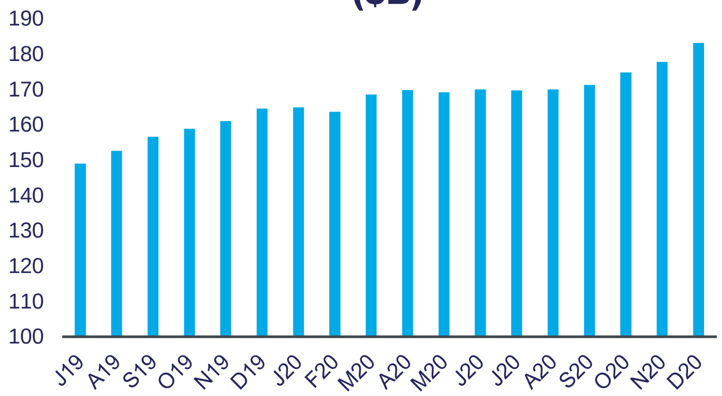
Construction

- Housing approvals increased by 5.2% year on year driven by HomeBuilder stimulus and state-based Government incentives
- Lower demand for concrete and cement in 2020 was driven by an oversupply of multi-residential dwellings and weather events in NSW, the completion of infrastructure projects in SA and NT and increased competition in QLD
- Government stimulus is expected to support increased demand for construction materials for infrastructure works at the Local, State and Federal level

2020 GOLD PRICE (US$/OZ)

Source: LBMA

METAL AND MINERAL EXPORTS ($B)



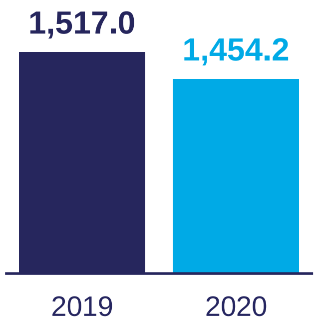
Source: ABS

Mining

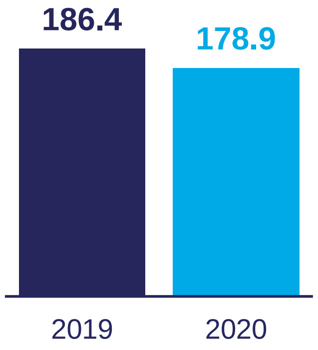
- Mining activity continued largely unabated
- Demand for cement from the mining sector continued to grow, largely driven by development / expansion activities in gold and iron ore
- Lime demand continued to be buoyed by demand from gold and nickel producers

Financial summary

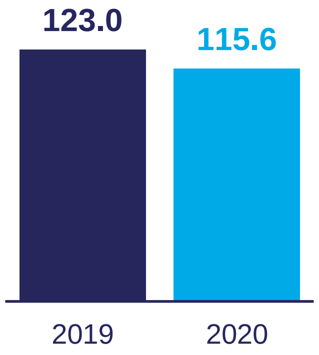
Revenue ($m)



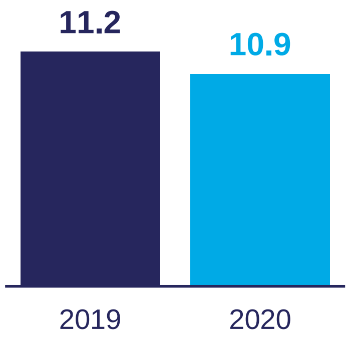
Underlying EBIT[1] ($m)



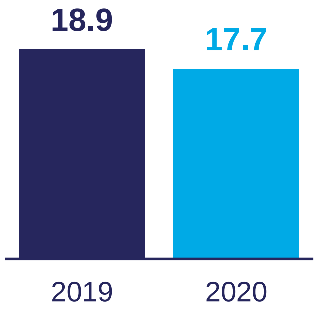
Underlying NPAT[1] ($m)



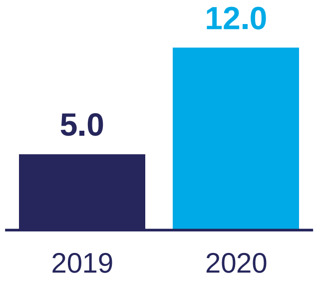
Underlying ROFE[1] (%)



Underlying EPS[1] (cents)

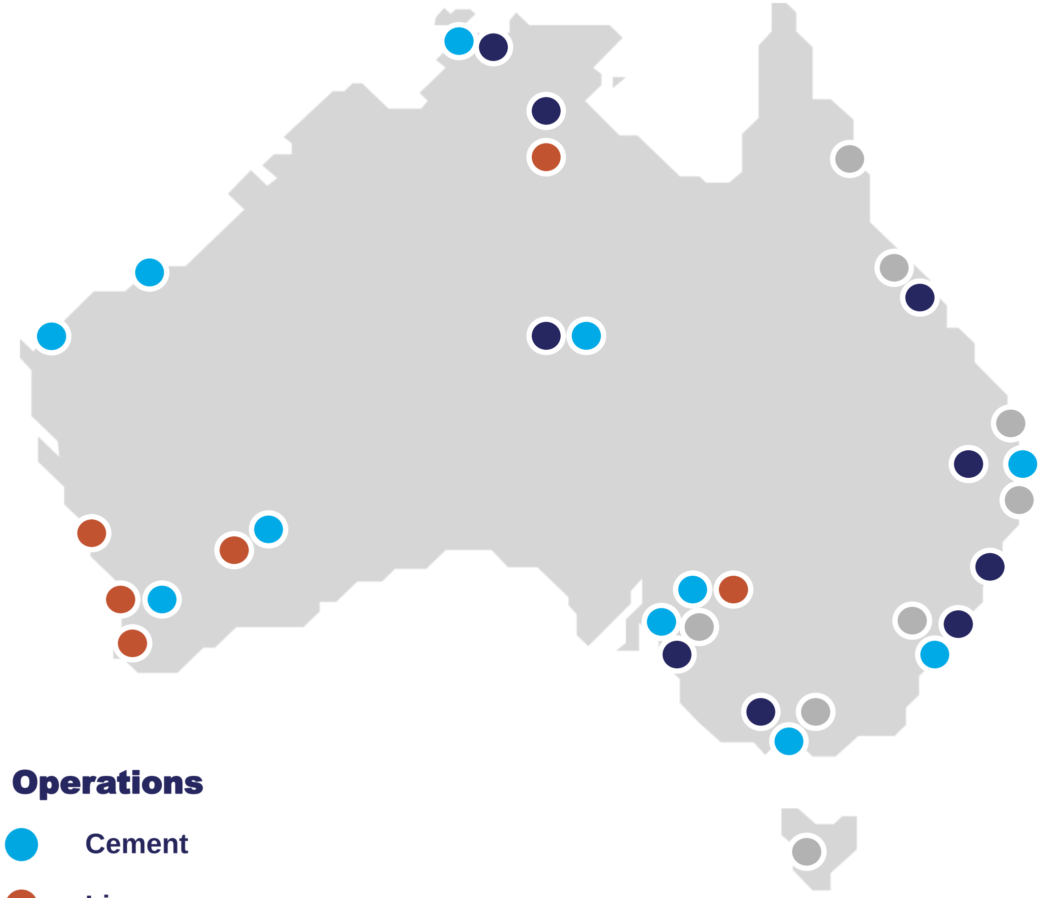


Declared / Approved DPS (cents)



(1) "Underlying" EBIT, NPAT, ROFE and EPS exclude significant items. Refer page 55 of the 2020 Annual Report for a reconciliation of underlying earnings to reported earnings

Diversified product, revenue and geography



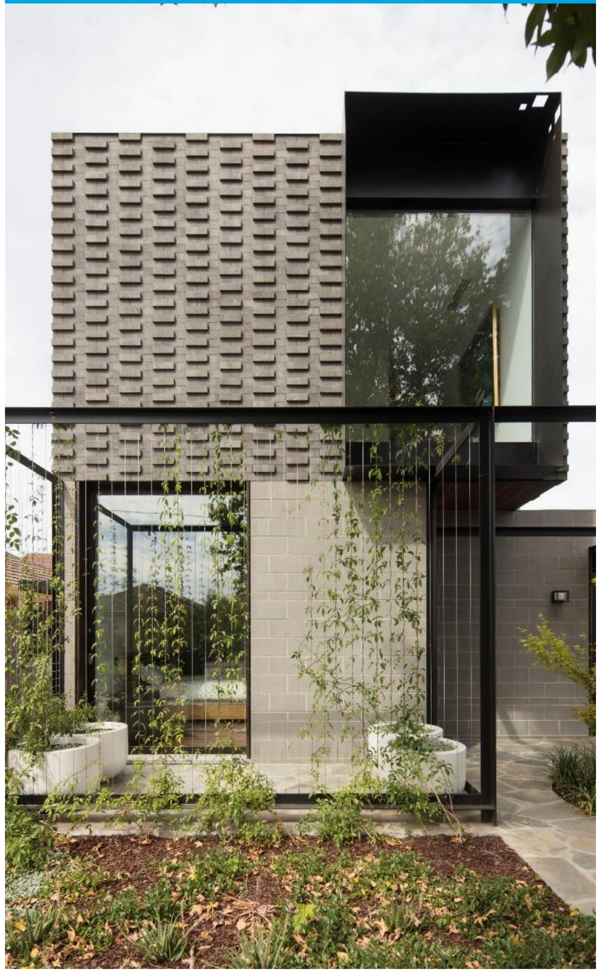
Operations

- Cement
- Lime
- Concrete and Aggregates
- Concrete Products

Cement and Lime

Concrete and Aggregates

Concrete Products



Business improvement and growth strategy

ADBRI

Right size, reduce costs and improve operational efficiency

Transform the Lime business

Grow Concrete & Aggregates

Enhance capability in infrastructure

Actively manage land holdings

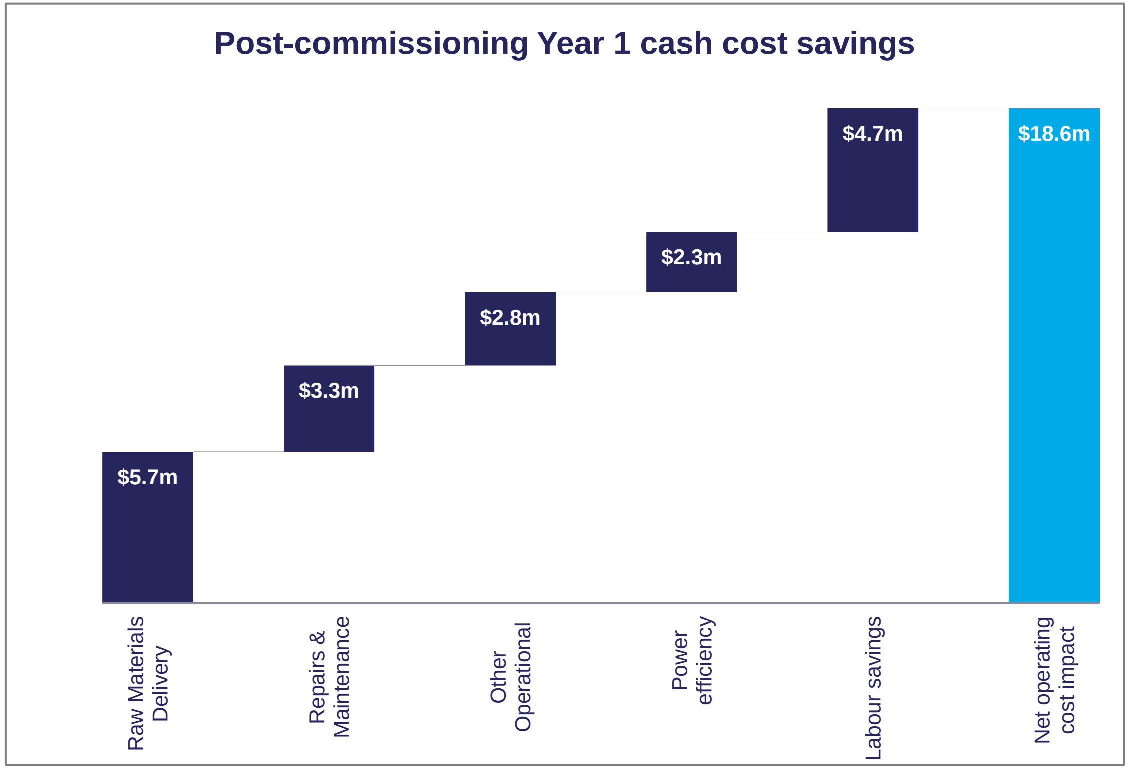
Operate in a **safe and sustainable** manner for the **long-term benefit** of our **shareholders,** our **customers,** our **team members** and the **community**

Operational efficiency - Kwinana Upgrade

Key Metrics

- Capex - $199.0 million
- Year 1 cash cost savings post-commissioning of ~$19.0 million
- Net present value in excess of $125.0 million
- Internal rate of return in excess of 15%
- Reduces greenhouse emissions by ~20%
- Circa 130 construction jobs over 2 years

Artist impression, Kwinana Upgrade



Transform Lime

High-Grade Options – subject to feasibility studies

<table>
<tr><th>Site</th><th>Capacity 000's t</th><th>% Avail. Lime</th><th>Est. Capex $m</th><th>Target Market</th></tr>
<tr><td>Kalgoorlie Kiln</td><td>200</td><td>90</td><td>80</td><td>Au, Ni, rare earths</td></tr>
<tr><td>Bunbury Kiln</td><td colspan="4">Assessment of the Dongara expansion feasibility has been ruled out from present considerations. This option has been replaced with consideration of a Bunbury based alternative.</td></tr>
<tr><td>Kwinana Kiln</td><td>100</td><td>90</td><td>15</td><td>Alumina</td></tr>
</table>

- Management are progressing the development of feasibility studies for several exciting high-grade prospects for our lime business including:
  - The development of a lime kiln operation in Kalgoorlie with raw material supply to be drawn from our high quality Rawlinna deposit, currently in care and maintenance
  - Exploring limestone supply options for the reactivation of a lime kiln operation at our Kwinana site
  - Progression of the feasibility studies has ruled out for present consideration the Dongara facility expansion previously included as an option. An alternate location (Bunbury) is being considered. Options consider the development of our various associated land holdings as part of the feasibility study

Grow Concrete & Aggregates - vertical integration

Greenfield and brownfield projects in conjunction with potential acquisitions provide growth opportunities across our vertically-integrated and diversified business model

Western Sydney Aerotropolis

- Acquisition in 2020 of Badgerys Creek land provides opportunity to service growing Western Sydney market centred on the Western Sydney Aerotropolis
- Planning schemes for the region are well advanced, supporting the construction of a new concrete plant

Enhance capability in infrastructure

State and Federal stimulus measures focused on infrastructure add to existing backlog of projects over near and medium-term

Forrestfield Airport Link, Perth WA

Opportunity

- State and Federal Government COVID-19 stimulus measures include spending on infrastructure projects to assist in job creation
  - Mix of “shovel ready” and major projects to support short and longer-term activity in the construction sector
  - Pipeline of projects is strong, with Adbri focus on tenders that can be serviced by cost-competitive, fully integrated operations
  - Adbri’s integrated operations are well placed for announced infrastructure spending in east coast metro markets, regional Victoria through Mawsons and metro and regional markets in SA and the NT
- Additional resourcing, to enhance capabilities servicing infrastructure, recruited throughout 2020. Team now complete, bidding tender pipeline and engaging with customers
- Supply volumes to infrastructure projects anticipated to grow as successful tenders transition to construction activity

Actively manage land holdings

Opportunity

Land value realisation opportunities are extensive

Land activities focused on properties in Geelong region

- Hilltop land: Remaining silos from the Geelong cement plant were demolished in 2020. Planning concepts progressing and discussions with potential development partners underway
- Batesford quarry: Western Geelong Growth Area, of which the quarry forms part, has been gazetted as a future development area

Maximise value of surplus land for shareholders

Land Value

Potential Realisation Opportunities[4]

	NON-STRATEGIC SURPLUS LAND	FUTURE OPERATIONS	STRATEGIC SURPLUS LAND	EXISTING OPERATIONS
Strategy	Divest	Fast track DA to accelerate vertical integration	Develop higher value options	Develop higher value options
Horizon	2 – 3 years	2 – 5 years	5 – 10 years	10 – 20 years
Potential Value Realisation	> $50 million[1]	> $100 million[2]	> $300 million[1]	> $200 million[3]

(1) Potential value realisation from disposal of land deemed surplus to existing operational requirements
(2) Potential value realisation from development of acquired land for future operations and/or partial disposal
(3) Potential value realisation from development of land currently in use at existing operations which may become surplus to operational requirements
(4) Please refer to the disclaimer at the end of this presentation

2021 Outlook

ADBRI

HomeBuilder supporting demand in 1Q21, expected to continue into 2H21

Construction and mining sectors activity continues to improve

COVID-19 creates ongoing uncertainty which requires active management

- Construction materials demand remains robust in 1H21 supported by HomeBuilder and State Government stimulus, 2H21 less certain due to timing of infrastructure projects
- Strong Government stimulus and support for construction and mining sectors remaining ‘open for business’
- Mining sector demand underpinned by strong production outlook in gold, nickel, iron ore and alumina
- Increased competition may place downward pressure on pricing, although pricing was stable in 2020 and has improved slightly in 1Q21 assisted by mix
- 2H21 earnings expected to be lower following cessation of Alcoa lime contract as well as the loss of cement sales from NSW competitor – after-tax impact ~ $16.0 million
- Cost-out program, targeting $20.0 million in savings, offset by $10.0 million in cost headwinds
- COVID impacts expected to be lower in 2021 due to one-off items in 2020
- Capex for 2021 expected to be in the order of $200.0 million, including ~ $75.0 million for Kwinana Upgrade and ~$40.0 million in development capital
- Surplus land sales - $20.0 – 30.0 million in proceeds over the next 2 years
- Kwinana Upgrade Project is expected to deliver ~ $19.0 million in EBITDA savings in its first year of operation post-commissioning mid 2023
- Trading largely in line with expectations, despite the impact of various State lockdowns during the year to date
- At this stage, we do not intend to provide specific guidance due to the inherent uncertainty associated with COVID-19 and the timing of major infrastructure projects.

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Annual General Meeting

ADBRI
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21 May 2021