ASX Announcement

28 February 2023

Results Presentation - Year ended 31 December 2022

We attach presentation slides being delivered by Adbri's CEO, Mark Irwin, and Interim Chief Financial Officer, Peter Barker, during briefings on the Company's financial results for the full year ended 31 December 2022.

Authorised for release by the Board.

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ADBRI
Building Australia since 1882

Results Presentation

Year ended 31 December 2022

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.

Agenda

1. FY22 headlines
2. Safety & sustainability
3. Market conditions
4. FY22 results
5. FY23 priorities and outlook
6. Q&A

FY22 headlines

Financial headlines

- Revenue increased to $1.7 billion, up 8.4% on the prior year, driven by price increases and volume growth across most product lines
- Statutory NPAT (attributable to equity holders of the company) of $102.6 million, down from $116.7 million in FY21, driven by higher operating costs as a result of inflation and weather events
- Underlying NPAT[1] decreased 0.9% to $118.0 million (FY21: $119.1 million). Excluding profits from property sales, underlying NPAT was $77.7 million, in line with the guidance range provided in October
- Net debt of $576 million (2021: $437 million) reflecting the Zanows acquisition and Kwinana Upgrade project, partially offset by surplus land sales
- Bank debt facilities increased by $50 million to $940 million with an average maturity profile of 4.3 years as at 31 December 2022. Key credit metrics remain well within banking covenant thresholds
- Considering the capital required for the completion of Kwinana Upgrade project, the Board has decided not to declare a final dividend. The Board continually reviews the Company's capacity to return funds to shareholders

Operating and strategic headlines

- Acceleration of business transformation
- Completion of Zanows acquisition, extending our vertically integrated footprint and network in South East Queensland
- Launch of Net Zero Emissions Roadmap, including new medium-term 2030 targets
- Birkenhead Type General Purpose (GP) cement verified as the lowest embodied carbon of any currently known Type GP cement in Australia[2]
- Cash sale proceeds of property, plant and equipment $96.8 million
- Quicklime supply agreement with Alcoa extended until October 2024, announced post year end

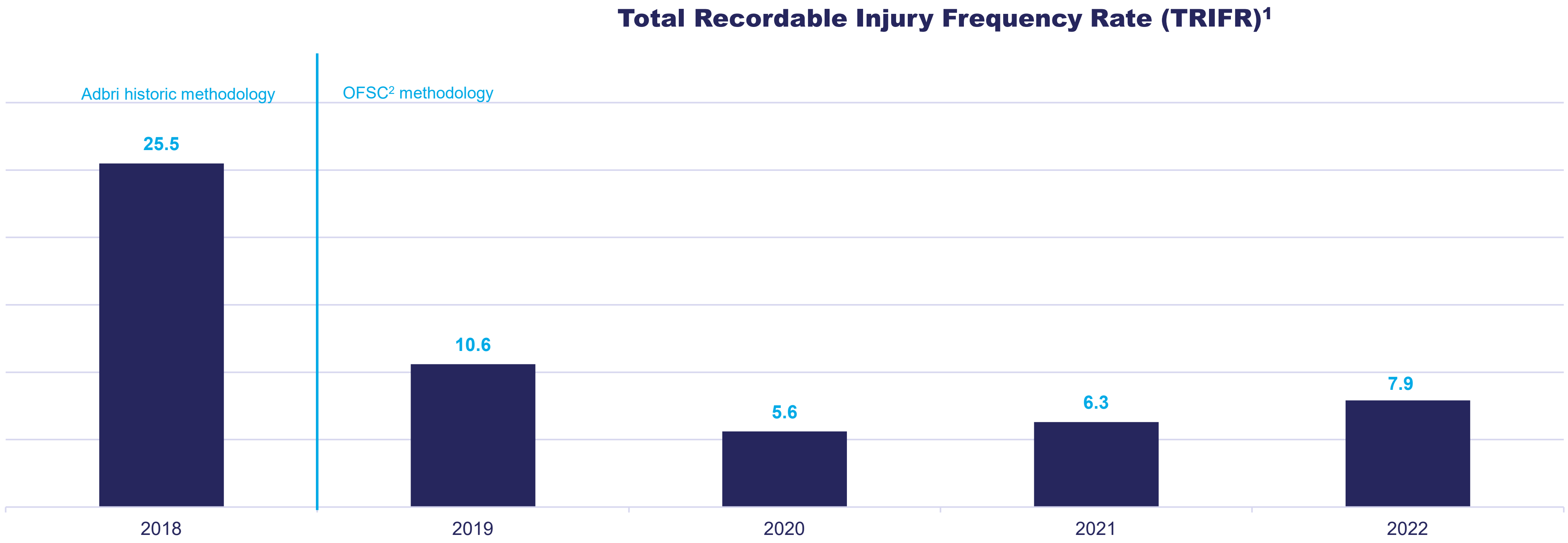
1. Underlying NPAT includes property profits and excludes significant items
2. Adbri Cement Environmental Product Declaration as at 18 November 2022

Safety & Sustainability

Mark Irwin

Chief Executive Officer

Safety



Safety

- TRIFR increased to 7.9 compared to 6.3 in 2021.
- 15% decrease in High Potential Incident Frequency Rate (HPIFR) from 9.6 per million work hours in 2021 to 8.2 per million work hours in 2022
- Adbri continues to prioritise safety and is implementing measures including engineering solutions, visible leaderships walks, critical control verifications and workplace inspections.
- Safety performance for employees continues to improve, but with 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

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."

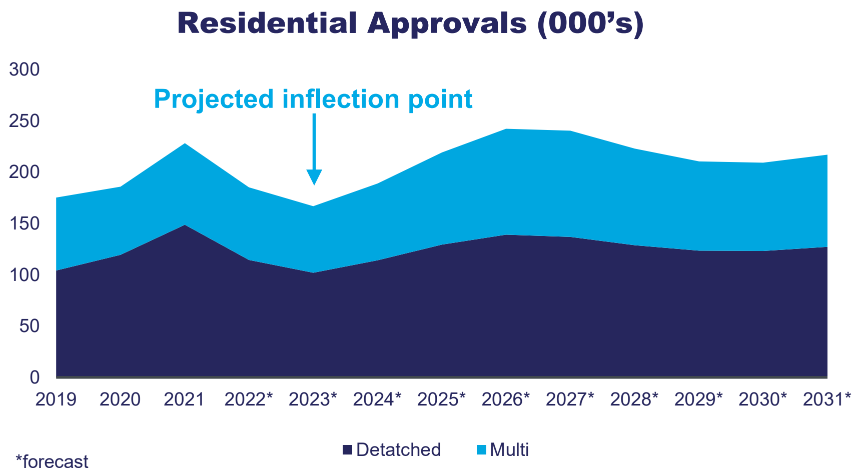
Market conditions

Mark Irwin

Chief Executive Officer

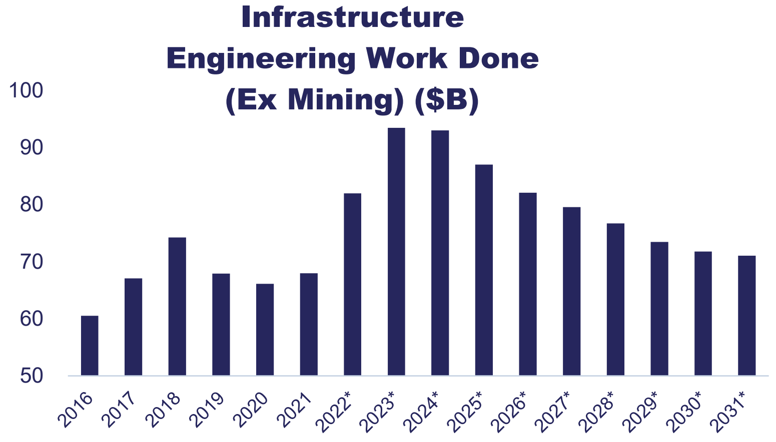
Operating conditions – demand environment

- Strong demand across infrastructure, industrial and mining sectors is anticipated in 2023
- While the residential sector outlook is less clear due to higher interest rates and the end of the HomeBuilder scheme, demand is still expected to remain strong overall



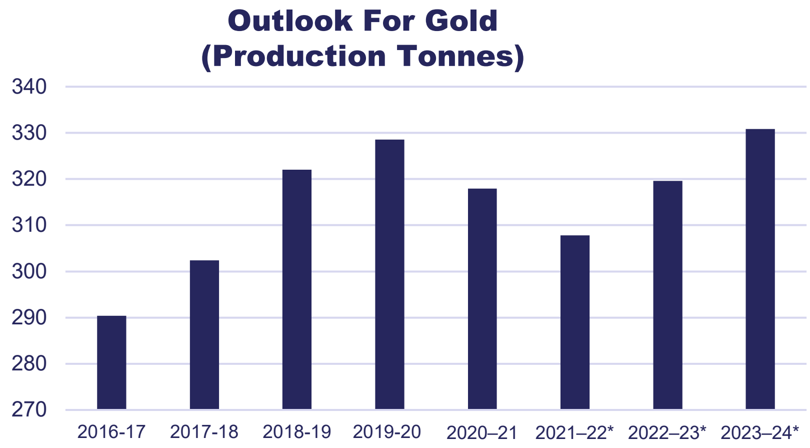
*forecast

Source: Macromonitor Australian Construction Outlook' December 2022



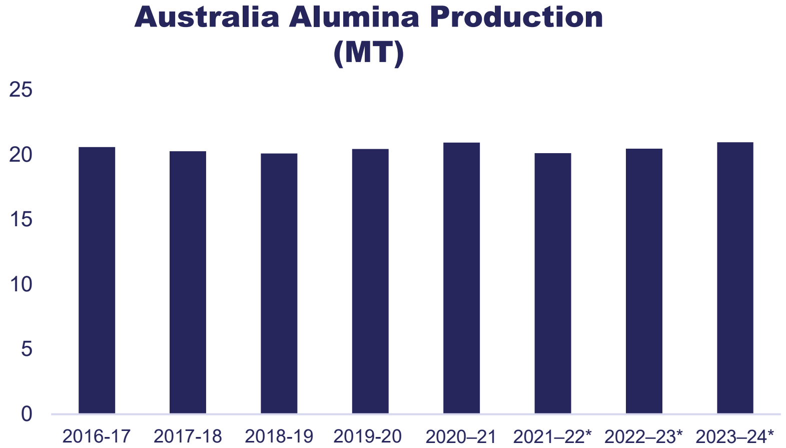
*forecast

Source: ABS and Macromonitor Australian Construction Outlook December 2022



*forecast

Source: Department of Industry, Science, Energy and Resources' "Resource and Energy Quarterly December 2022"



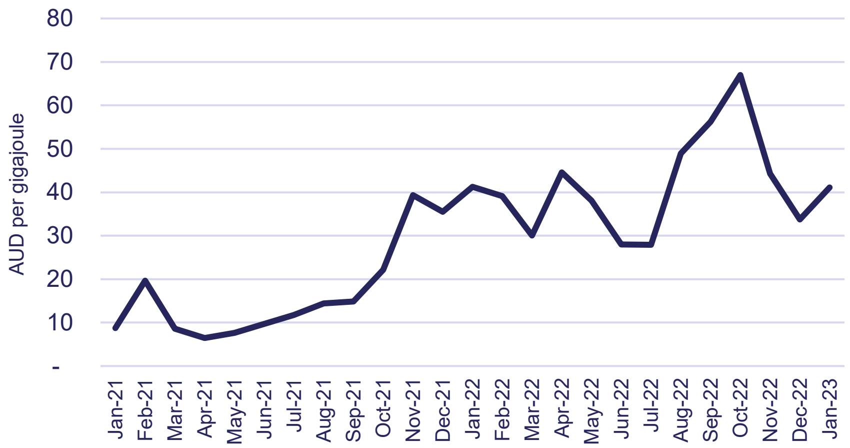
*forecast

Source: Department of Industry, Science, Energy and Resources' "Resource and Energy Quarterly December 2022"; World Bureau of Metals Statistics (2022) Department of Industry, Science, Energy and Resources (2022)

Operating conditions – cost drivers

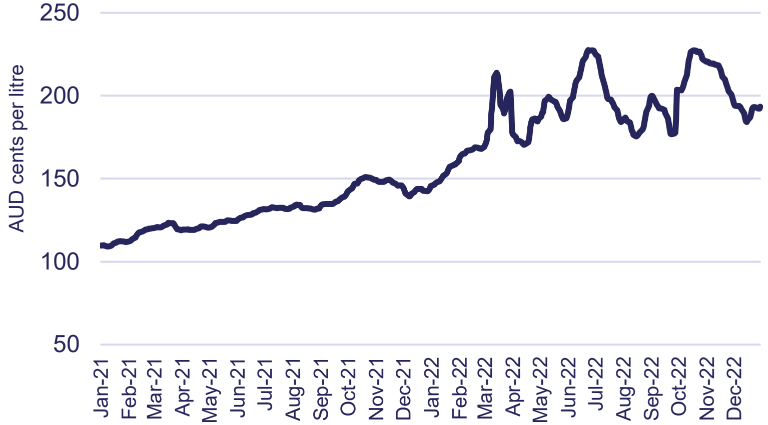
- Cost inflation, in particular energy and fuel, impacted operating costs
- Wet weather events on the eastern seaboard disrupted supply chains and production in our CAM division, and in a number of our joint ventures

Historical LNG Netback Prices



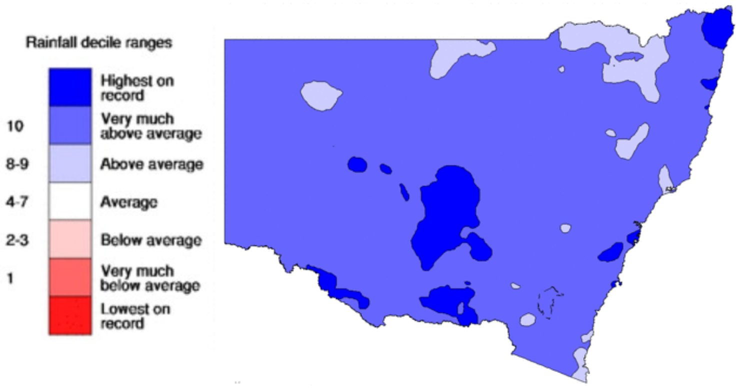
Source ACCC 2022 LNG netback price series

National Average Diesel TGPS*



Source: AIP historical diesel TGP data Dec 2022

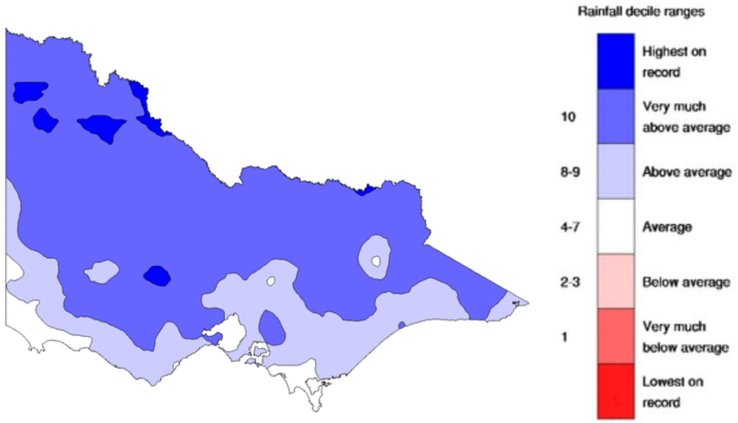
NSW Rainfall (2022)



Source: Bureau of Meteorology

Base period 1900 - Dec 2022

VIC Rainfall (2022)



Source: Bureau of Meteorology

Base period 1900 - Dec 2022

* TGPS = Terminal Gate Prices

FY22 Results

Mark Irwin

Chief Executive Officer

Peter Barker

Interim Chief Financial Officer

FY22 headlines

Revenue

$1.7b

Increased 8.4% from FY21 $1.6b

Underlying EBIT[1,2,3]

$179.2m

Increased 0.5% from FY21 $178.3m

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

Underlying ROFE[1,2,3,4]

9.5%

Decreased from FY21 10.6%

Underlying EPS[1,2,3]

18.1 cents

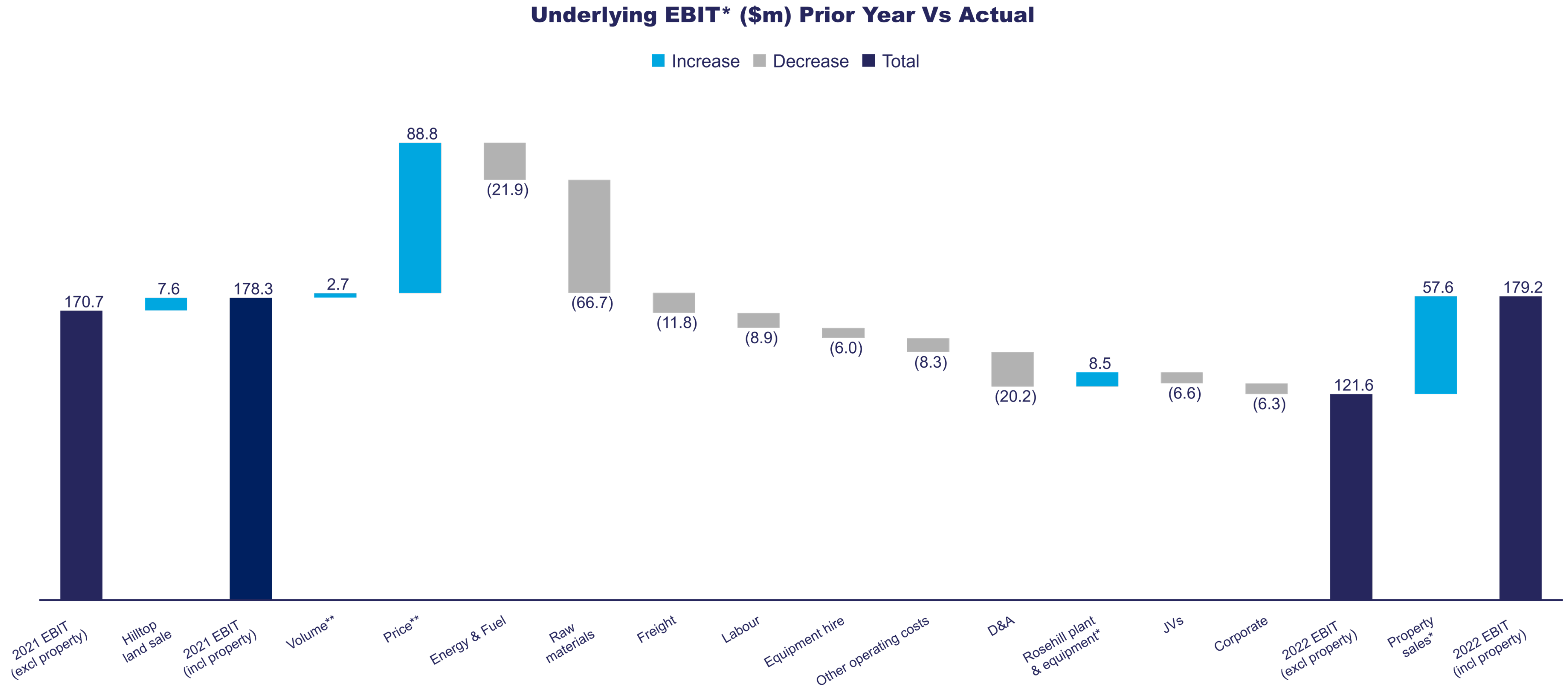
Inline with FY21 18.3 cents

FY22 Declared Dividend per share

Interim 5.0 cents
Final nil

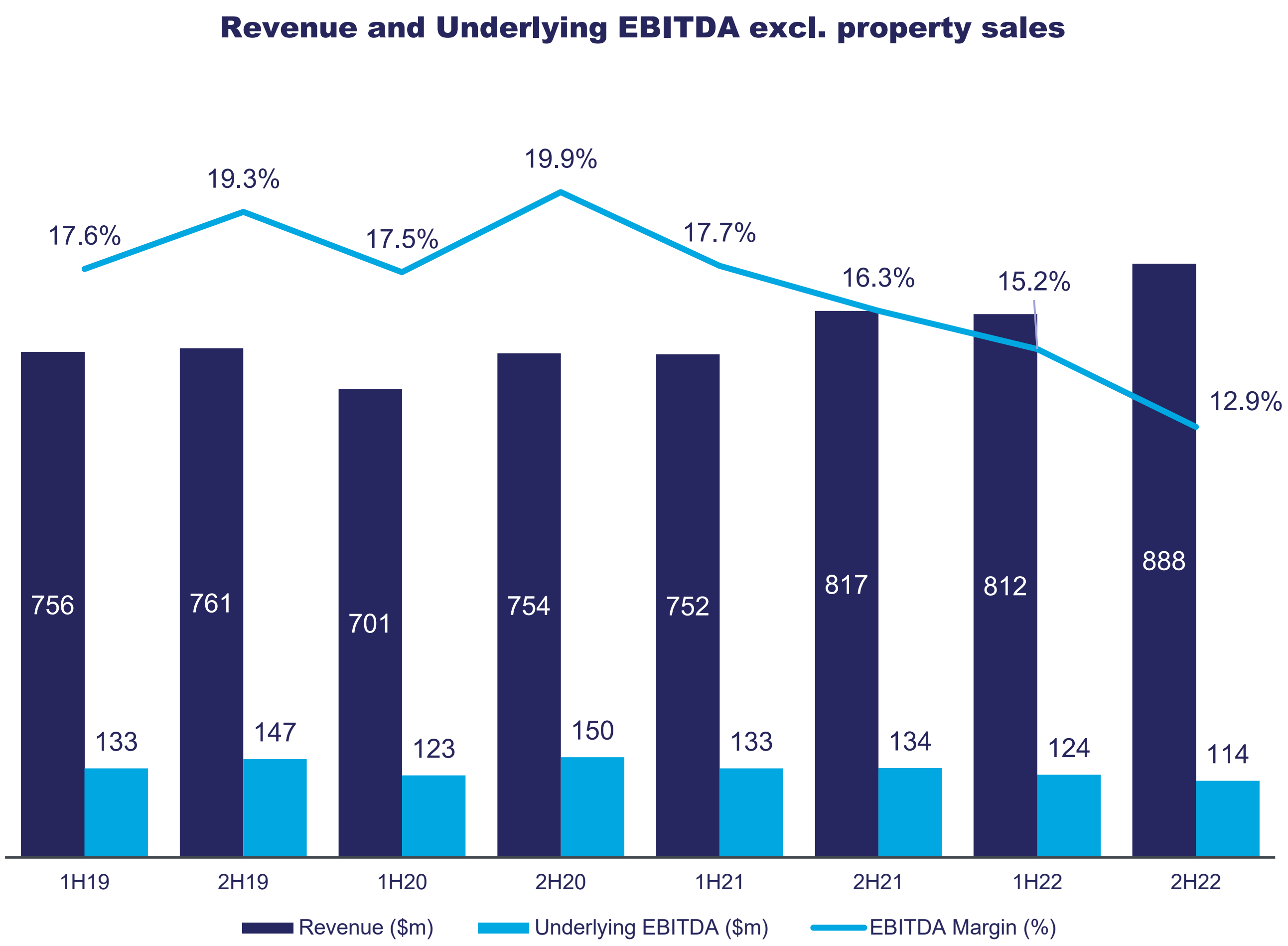
1. Underlying Earnings before interest and tax (EBIT), Net profit after tax (NPAT), Return on funds employed (ROFE) and Earnings per share (EPS) include property profits and exclude significant items. Refer slide 34 for reconciliation to reported earnings
2. Property profits relate to gain on Rosehill 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
4. Underlying return on funds employed – underlying EBIT/net debit + equity attribute to owners of the Company

Underlying profit drivers



*Includes property profits and excludes significant items. Property profits relate to gain on Rosehill land compulsorily acquired (pre-tax gain of $11.6 million), Moorebank and Kewdale sales, excludes pre-tax tax gain on disposal of plant and equipment of $8.6 million. Significant items are non-recurring items of revenue and expense, such as the costs related to impairment, restructuring and acquisitions.
** External customers only (excluding inter-divisional sales).

Earnings trend half-on-half



Strong demand

continued in the construction and mining sectors, despite significant disruption from wet weather events on the east coast of Australia

Revenue growth

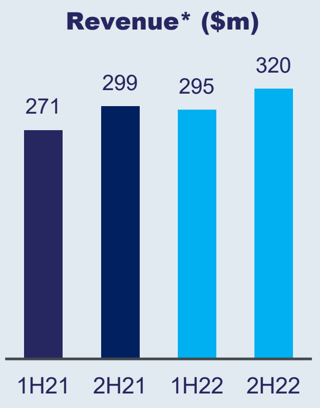
driven by strong demand across construction and mining sectors and improved pricing

Margin compression

due to cost inflation

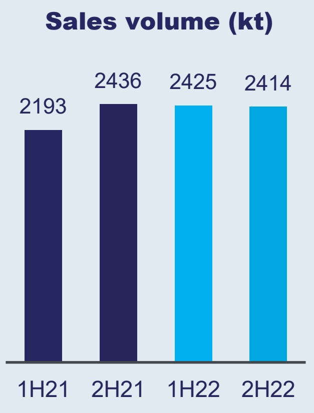
Cementitious materials

- Cementitious material revenue and sales volume driven by:
  - Mining continued to drive demand in South Australia, Northern Territory and Western Australia
  - Across all markets strong demand from the commercial, infrastructure and residential sectors
  - Wet weather and the loss of a supply contract impacted New South Wales sales volumes
- The average selling price of General Purpose (GP) cement increased by 9.1% across all of our markets, excluding our supply agreement with Independent Cement and Lime Pty Limited (ICL)
- Surging electricity prices, combined with near record gas prices on the short-term trading market, increased manufacturing costs
- ICL cement distribution contract across Victoria and NSW extended to end of 2023
- Kwinana Upgrade project review is largely complete and confirmed the project's robust economics due to strong operational cost savings. It will be commissioned and operational in 2024.



8%

Increase FY22 vs FY21



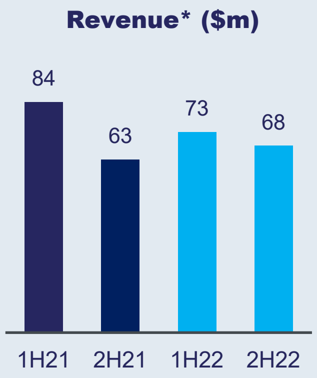
5%

Increase FY22 vs FY21

*Freight and royalties of $77.4 million in 2022 (FY21: $72.7 million) are not considered as core business and are excluded in the graph

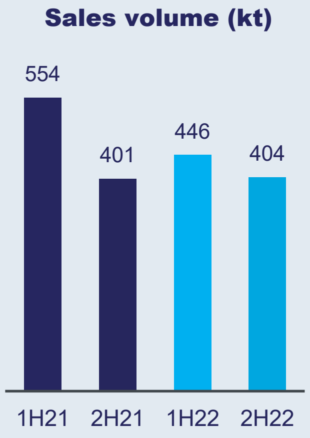
Lime

- The average selling price of quicklime in Western Australia increased by 13.6% compared with 2021, while South Australia remained stable
- Improved pricing outcomes were achieved as new contracts were secured, which reflects price parity to imports
- Extension of Alcoa quicklime supply contract to October 2024
- Revenue decrease reflects the reduction in the historical Alcoa supply volumes partly offset by growth in demand from non-Alumina customers
- Cost increases due to higher gas prices in Western Australia as we reduced our reliance on coal, and additional maintenance on Munster kiln 5



4%

Decrease FY22 vs FY21



11%

Decrease FY22 vs FY21

*Freight revenue of $32.4 million in 2022 (FY21: $27.9 million) is not considered as core business and is excluded in the graph

Concrete and Aggregates

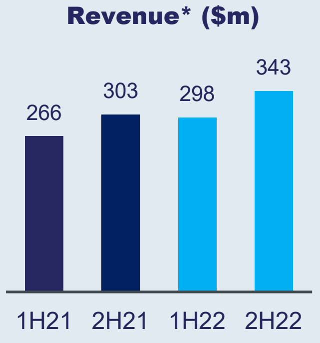
- Concrete and aggregates revenue increased 13% driven by strong demand, out-of-cycle price increases and contribution from the Zanows acquisition completed in April 2022

Concrete

- Concrete sales volumes are comparable to 2021 despite south-eastern Australia wet weather events
- 7.7% growth in concrete average selling price. However, reduced margins in 2022 due to cost inflation of inputs

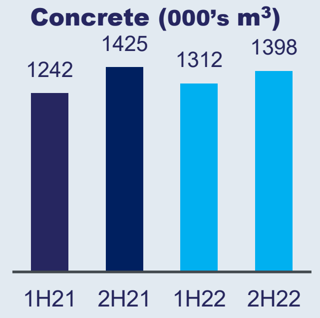
Aggregates

- Aggregate sales volumes were up 15% on 2021, driven by increased exposure to infrastructure projects in Queensland, South Australia and the Northern Territory
- Aggregate price increases were applied in the second half, however higher volumes of low-grade materials resulted in the average selling price remaining stable
- Batesford's contribution to earnings increased 8.6% to $3.8 million, driven by strong demand for agricultural lime and the benefit from price increases



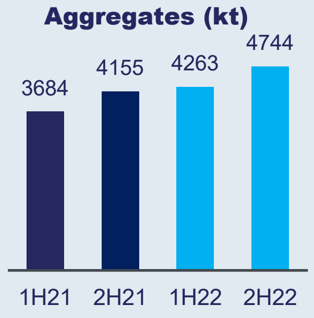
13%

Increase FY22 vs FY21



2%

Increase FY22 vs FY21



15%

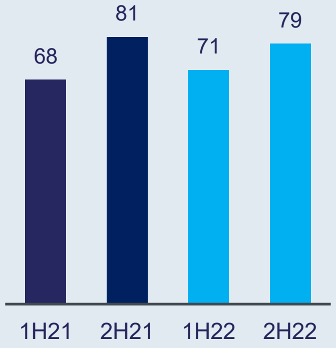
Increase FY22 vs FY21

*Freight, concrete testing and royalties of $43.5 million in 2022 (FY21: $34.3 million) are not considered as core business and are excluded in the graph

Masonry

- Revenue largely in line with 2021
- Sales volumes were down on 2021
- Price increases in both the first and second half, achieved an overall 6.4% growth in average selling price
- Cost increases, in particularly fuel, pallets and raw materials, more than offset price increases
- The contracting part of the Masonry business continued its strong growth throughout the year with revenue increasing 55.3% on pcp

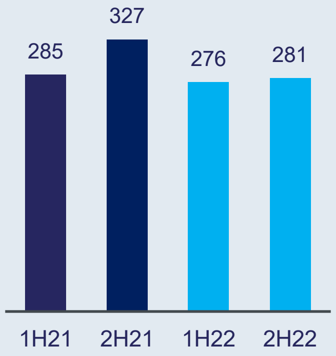
Revenue* ($m)



1%

Increase FY22 vs FY21

Sales volume (Kt)



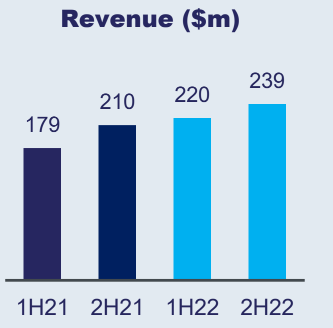
9%

Decrease FY22 vs FY21

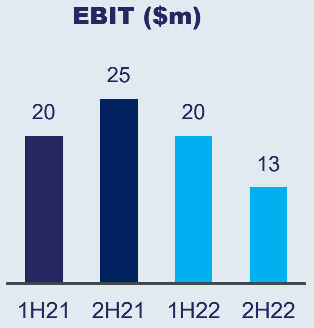
* Property sale of Moorebank $45.5 million is excluded from EBIT to reflect underlying result excluding property sales

Joint Ventures*

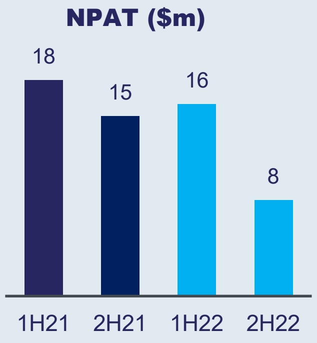
- Revenue up on pcp due to the inclusion of B&A Sands for the full year. Full year earnings contribution by JVs $24.0 million (FY21: $33.3 million)
- ICL's contribution to earnings decreased 8.4%, largely due to increased product, cartage and finance costs
- Sunstate's contribution to earnings decreased 21.1%. Increased demand in South East Queensland markets more than offset by inflationary cost pressures
- Mawsons' contribution to earnings decreased 70.3%, driven by higher fuel costs, repairs and maintenance and wet weather
- The contribution to earnings from B&A Sands, trading as Metro Quarry Sands, was a small loss, largely due to increased repairs, maintenance and stripping costs and one-off acquisition costs.



18%
Increase FY22 vs FY21



26%
Decrease FY22 vs FY21



28%
Decrease FY22 vs FY21

*Joint ventures are equity accounted

Income statement – Underlying

Year ended 31 December ($m)	2022	2021	vs. pcp (%)
Revenue	1,700.3	1,569.2	8.4%
Earnings before depreciation, amortisation, interest and tax	295.3	274.2	7.7%
Depreciation and amortisation	(116.1)	(95.9)	(21.1%)
Earnings before interest and tax	179.2	178.3	0.5%
Net finance cost	(20.6)	(19.1)	(7.9%)
Profit before tax	158.6	159.2	(0.4%)
Tax expense	(40.7)	(40.1)	(1.5%)
Underlying NPAT (incl. property)	118.0	119.1	(0.9%)
Underlying NPAT (excl. property)	77.7	113.0	(31.2%)
Basic earnings per share (cents)	18.1	18.3	(1.1%)
EBITDA margin (incl. property) (%)	17.4	17.5	
EBITDA margin (excl. property) (%)	14.0	17.0	

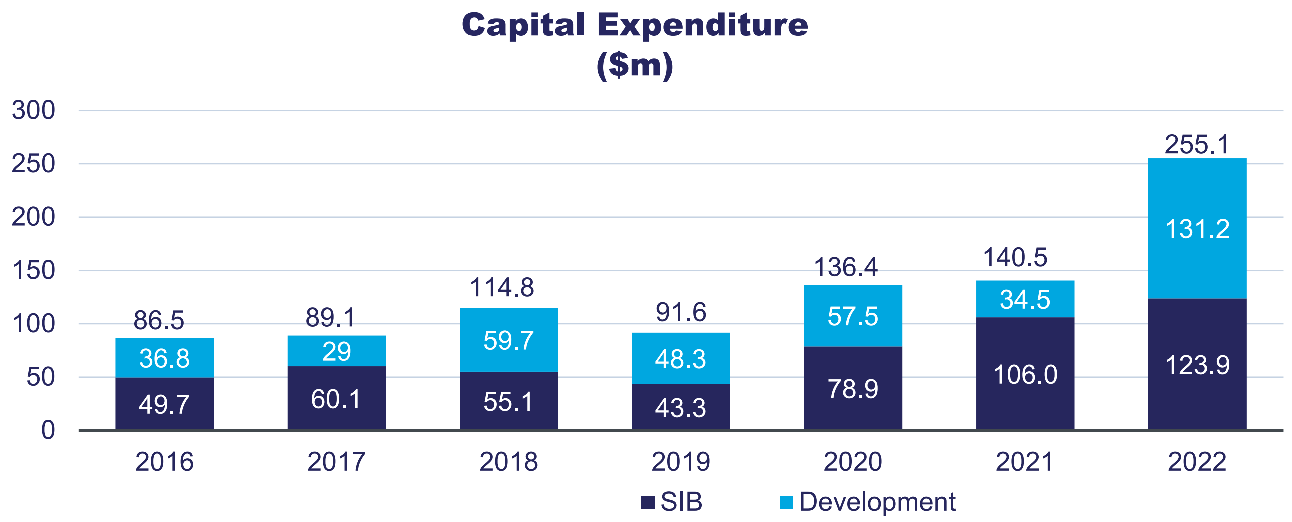
- Revenue increase largely driven by price increases introduced during the year
- Cost inflation and impact of wet weather more than offset price and volume increases
- Depreciation increase reflects recent uplift in capital investment and acquisitions

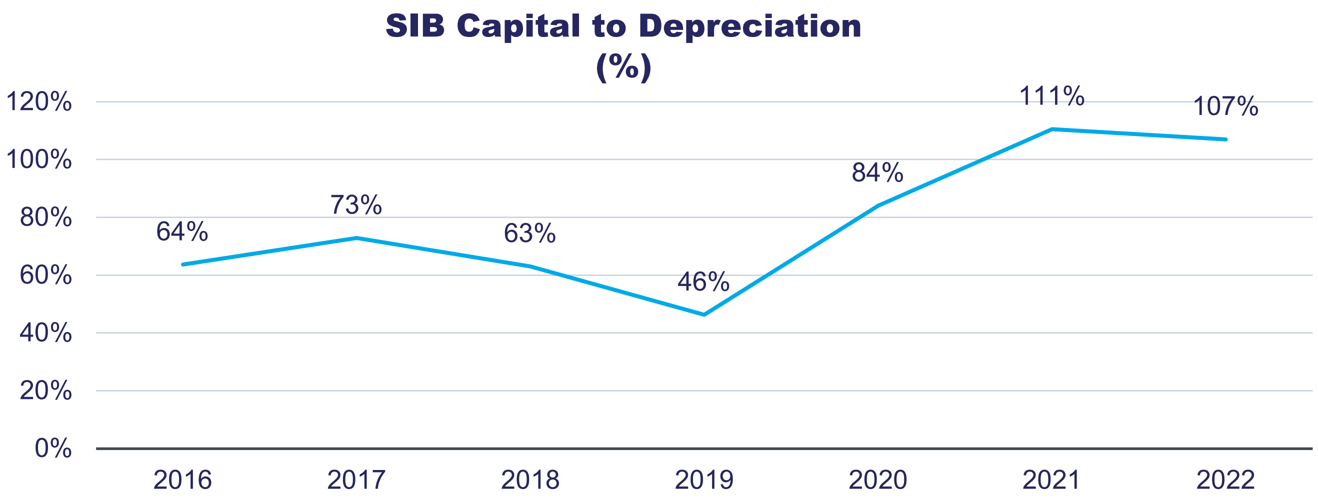
Balance sheet

Year ended 31 December ($m)	2022	2021
Cash and cash equivalents	139.9	124.7
Receivables	248.5	223.4
Inventories	172.9	153.9
Property, plant and equipment	1,218.5	1,088.2
Intangibles	307.8	282.1
Joint arrangements and associate	226.5	215.0
Other assets	211.3	195.6
Total assets	**2,525.4**	**2,282.9**
Payables	215.9	187.2
Borrowings	716.3	562.1
Lease liabilities	82.8	81.5
Provisions	101.0	100.5
Other liabilities	106.3	82.6
Total liabilities	**1,222.3**	**1,013.9**
Shareholders' equity	**1,303.1**	**1,269.0**

- Robust balance sheet and liquidity during a period of significant capital investment to drive future returns
  - Liquidity of $359.9 million, including undrawn bank facilities of $220.0 million and cash of $139.9million
- Working capital well managed
  - Increase in receivables is mainly driven by higher revenue
  - Effective credit management
- Increase in total assets reflects M&A activity and investment in the business
- Increase in borrowings due to the Zanows acquisition and Kwinana Upgrade project spend
- Increase in other liabilities include deferred tax liabilities which increased due to accelerated depreciation deductions

Capital expenditure





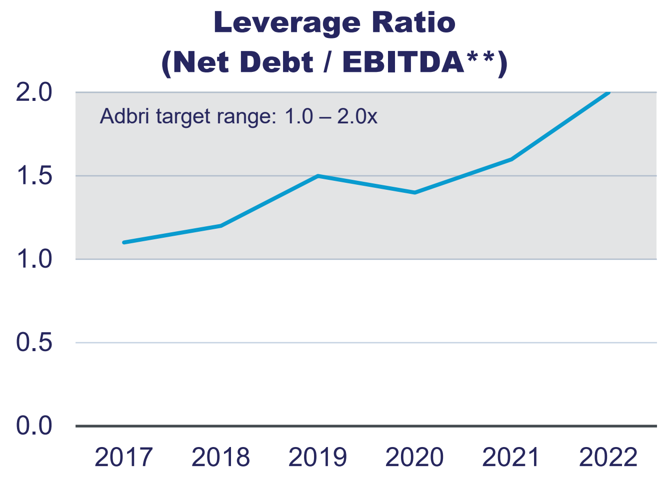
- Capital expenditure of $255.1 million, a $114.6 million increased on FY21, largely due to the spend on the Kwinana Upgrade project
- Increase in stay-in-business (SIB) capex mainly attributed to the Birkenhead maintenance and replacement of the compulsory acquired Rosehill concrete plant

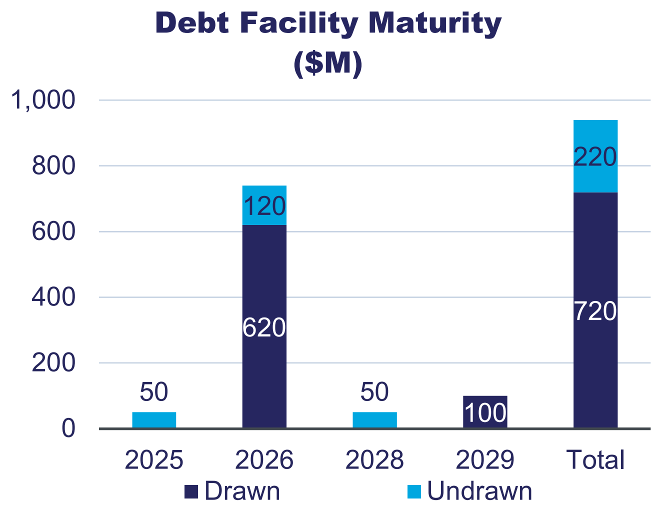
Operating cash flow

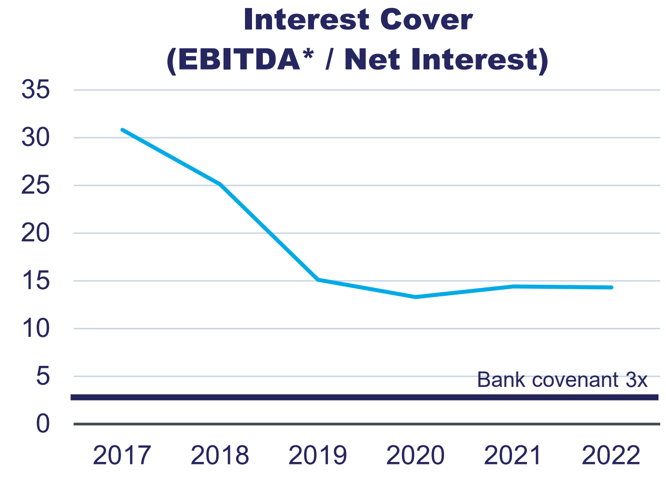
Year ended 31 December ($m)	2022	2021
Net profit / (loss) before tax	**136.6**	**155.8**
Depreciation and amortisation	119.2	95.9
Impairment	6.3	-
Net income tax payments	(19.1)	(34.7)
Change in working capital / provision / tax	(13.9)	(22.7)
Net loss / (gain) on sale of assets	(65.6)	(7.0)
Other (non-cash add backs including remediation, capitalised interest)	3.0	7.9
Operating cash flow	**166.4**	**195.2**
Stay-in-business capex	(123.9)	(106.0)
Development capex	(131.2)	(34.5)
Asset sales/cost reimbursement	96.8	2.9
Business acquisition	(56.8)	-
Dividends	(78.3)	(83.2)
Other (lease payments, JV loans, shares issued)	(11.1)	(38.7)
Net cash flow before debt funding	**(138.1)**	**(64.3)**

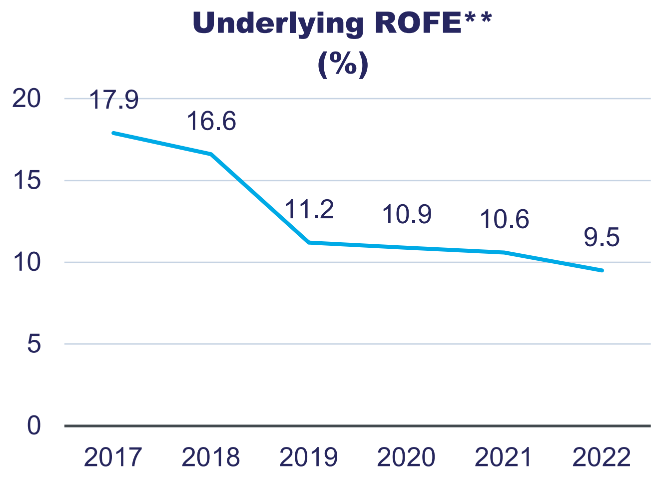
- Decrease in operating cash flow driven by lower earnings and an increase in working capital
- Assets sales comprise of $96.8 million received from Sydney Metro for the compulsory acquisition of the Rosehill land and cost reimbursement, the sale of the Group's masonry plant site at Moorebank in New South Wales and a land sale at Kewdale, Western Australia
- Business acquisition payment of $56.8 million for Zanows' Concrete and Quarries completed on 1 April 2022

Capital management









- Balance sheet flexibility was maintained with:
  - Weighted average tenor 4.3 years
  - Bank debt facility increased to $940 million
- Net debt $576.4 million
- Leverage and gearing within Company credit metrics target range
- Interest cover and gearing banking covenants have significant headroom
- Underlying Return on Funds Employed of 9.5% lower reflecting investments in Kwinana Upgrade project and the Zanows acquisition

* Underlying EBITDA incl property
** Underlying return on funds employed (ROFE) is underlying EBIT/net debt + equity attributable to owners of the company.

Outlook

Mark Irwin

Chief Executive Officer

Safeguard Mechanism – Reforms under consideration

- Adbri recognises the importance of decarbonising, and continues to work towards our goal of Net Zero Emissions by 2050
- 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 aluminium products
- We are engaging directly with Government and industry on safeguard mechanism reforms
- Adbri believes that in order to protect sovereign capability, and our transition to a low carbon future, any reforms must recognise:
    - Ability to opt-in to the industry average baseline from 1 July 2023
    - A level playing field for domestic manufacturers compared to imports (i.e. imports not avoiding the reforms), to avoid off-shoring of emissions to the ultimate detriment of the environment
    - Funding support for the development of at scale, commercially viable emission reduction technology

FY23 priorities and outlook

2023 Priorities

- The Board is prioritising the appointment of permanent CEO and CFO and has engaged an external recruitment firm who is well progressed.
- Adbri's leadership team is implementing an accelerated transformation program aimed at improving business resilience in the context of difficult macroeconomic circumstances. Key components of the transformation strategy include:
  - operational efficiency improvements;
  - business simplification;
  - workplace training and diversity;
  - acceleration of our strategy to divest surplus assets such as land to realise value and recycle capital; and
  - implementing our NZE Roadmap.

2023 Outlook

Strong demand for Adbri's products is expected to continue across the commercial and industrial, multi-residential and infrastructure segments. While residential construction activity is forecast to decline due to the conclusion of the HomeBuilder scheme and the rising interest rate environment, a backlog of residential works, attributed to the shortage of trades and wet weather, will continue to underpin good order books in 2023. Demand from the mining sector is anticipated to remain strong as Australia continues to supply the critical minerals needed for the energy transition.

The Company anticipates cost headwinds to persist in 2023. However, the strong demand for products and the benefits of price increases should rebuild resilience and margin.

Questions

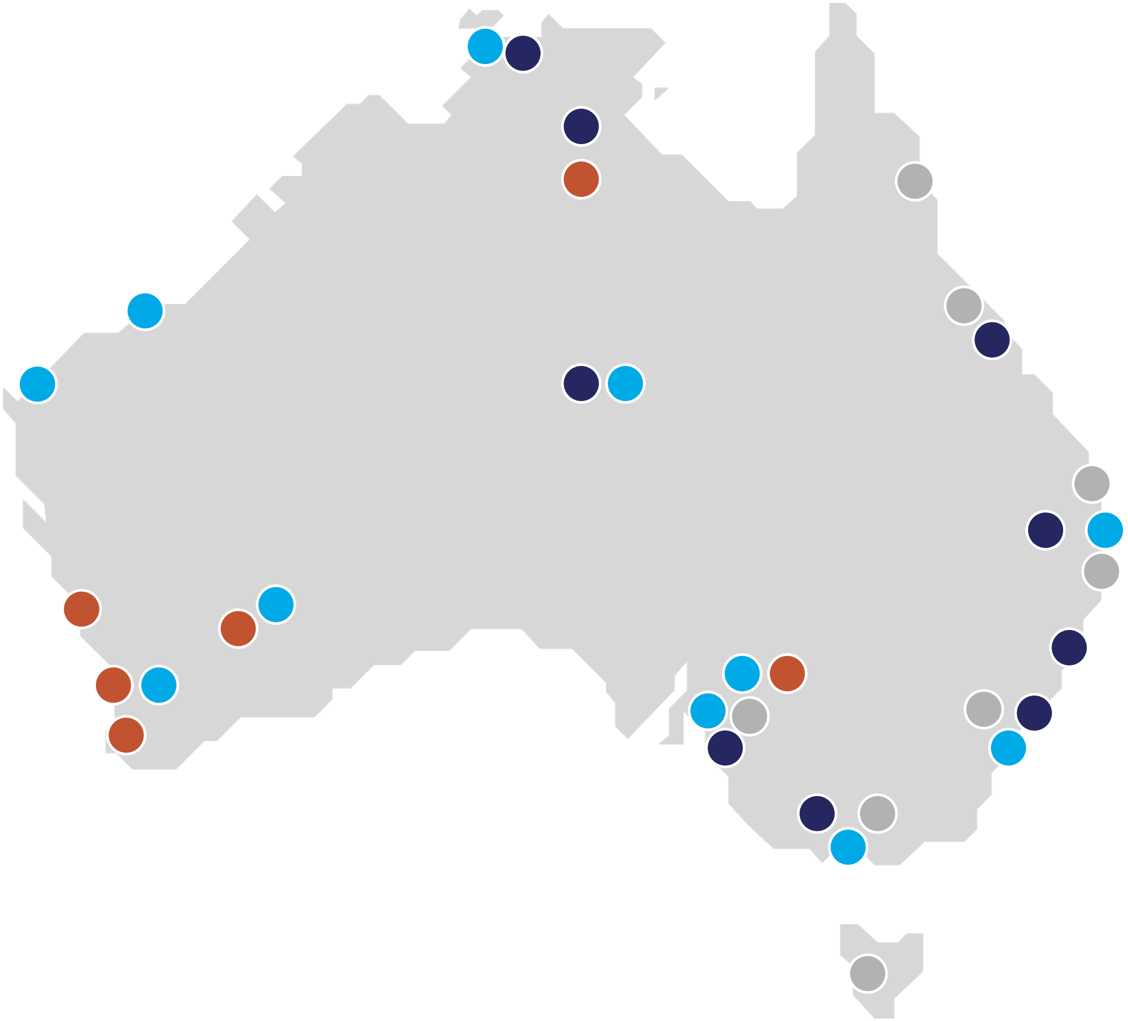
Building Australia since 1882

Appendices

Geographic diversification

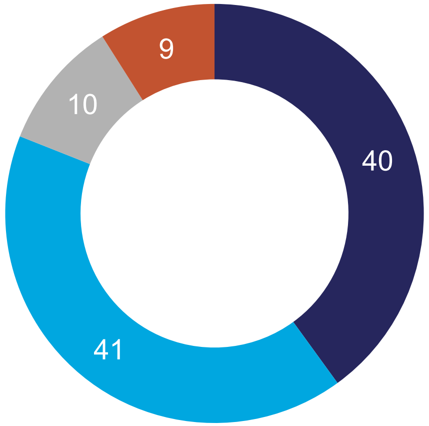
Operations

- Cement
- Lime
- Concrete and aggregates
- Masonry



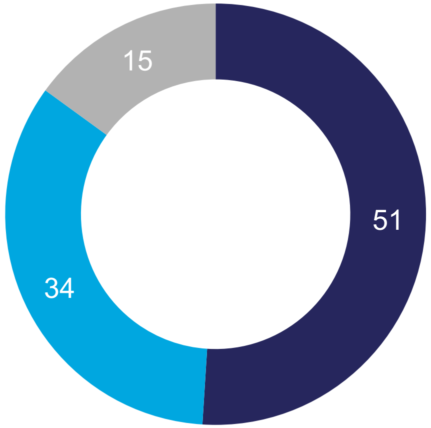
Economic diversification

FY22
Revenue by product (%)



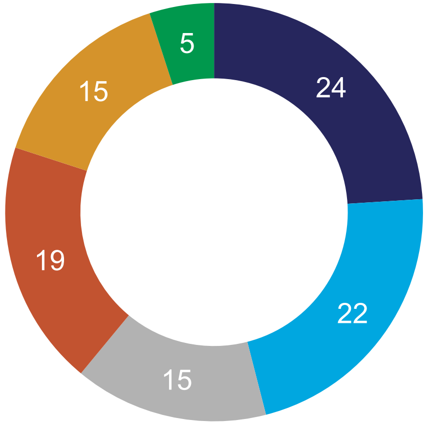
- Concrete and aggregates
- Cementitious materials
- Lime
- Masonry

FY22
Revenue by market (%)



- Non-residential & engineering
- Residential
- Mining

FY22
Revenue by state (%)



- Victoria
- Western Australia
- New South Wales
- Queensland
- South Australia
- NT & Tasmania

Cementitious materials production, import and distribution

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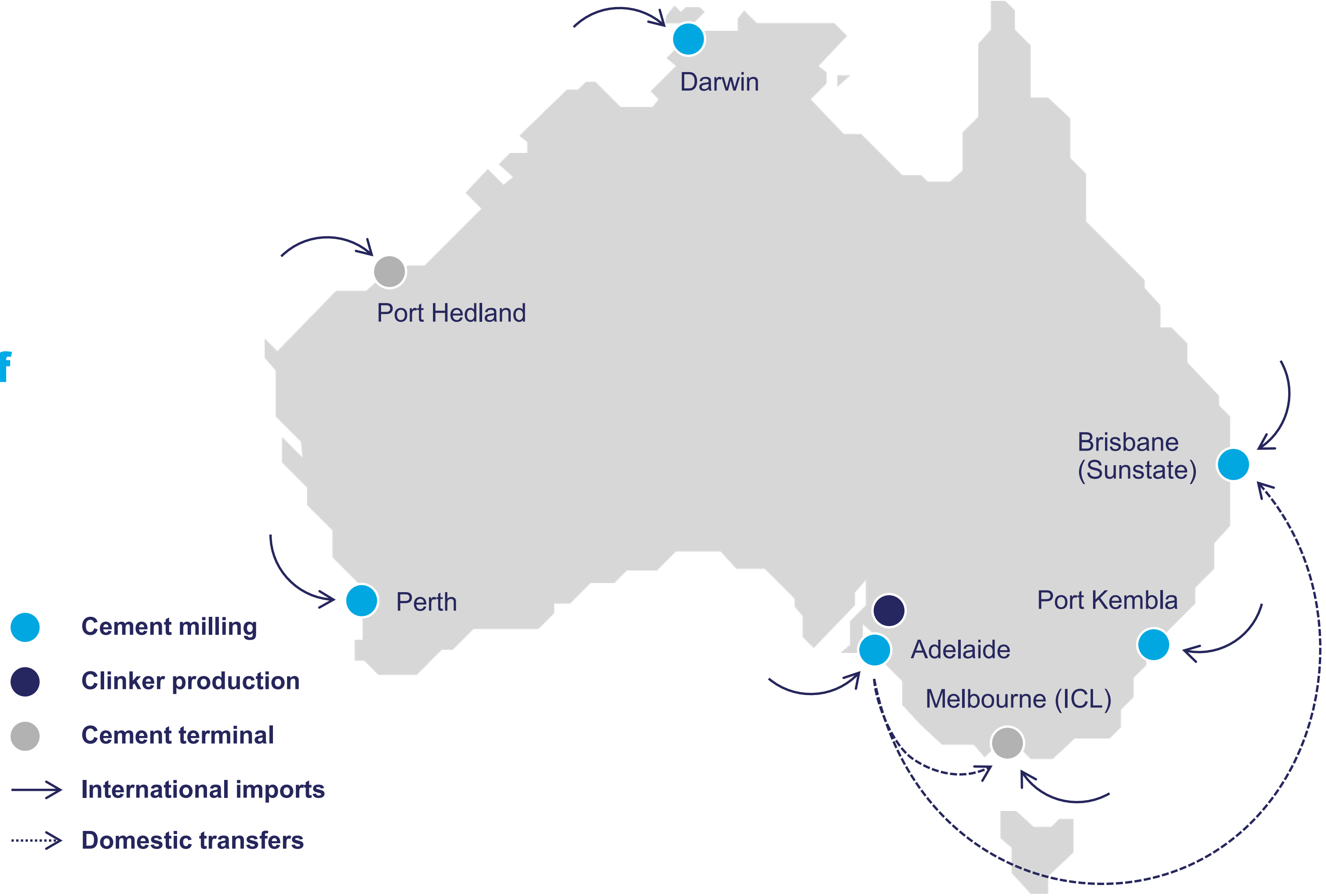
In 2022 Adbri:

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

In 2021 Adbri:

- Imported 2.6 million tonnes of cementitious materials
- Sold 4.6 million tonnes of cementitious materials*



* 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

Reconciliation of underlying profit measures to statutory results

As at 31 December ($m)	2021			2022		
	Profit before tax	**Income tax**	**Profit after tax**	**Profit before tax**	**Income tax**	**Profit after tax**
Statutory profit	**155.8**	**(39.1)**	**116.7**	**136.6**	**(34.1)**	**102.5**
Change in loss provision	(3.3)	1.0	(2.3)	1.3	(0.4)	0.9
Corporate restructuring & strategy costs	5.9	(1.8)	4.1	4.8	(1.5)	3.3
Acquisition expenses	0.8	(0.2)	0.6	3.8	(1.1)	2.7
Joint venture acquisition cost*	-	-	-	2.7	(0.8)	1.9
Impairment/Write off	-	-	-	9.4	(2.8)	6.6
Underlying profit (including property profits)**	**159.2**	**(40.1)**	**119.1**	**158.6**	**(40.7)**	**117.9**
Property profits**	-	-	-	(57.6)	17.3	(40.3)
Minority interest	-	-	-	0.1	-	0.1
Underlying profit (excluding property profits)**	**159.2**	**(40.1)**	**119.1**	**101.1**	**(23.4)**	**77.7**

* Amount included in share of net profits of joint ventures and associates accounted for using the equity method

** 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 $5.9 million related to Rosehill compulsory acquisition, which is included in statutory and underlying profit

Adbri brands

Concrete, Aggregates and Masonry

HY-TEC
CENTRAL PRE-MIX CONCRETE
Penrice Quarry & Mineral
DIRECT MIX CONCRETE
SOUTHERN QUARRIES
PENINSULA QUARRIES
ZANOWS' CONCRETE & QUARRIES
adbri MASONRY

Cement and Lime

Adelaide Brighton Cement Ltd
MCI
COCKBURN CEMENT
Northern Cement LIMITED
swan CEMENT

Joint ventures

MAWSONS
BATESFORD QUARRY GEELONG
METRO QUARRY SANDS

Joint ventures

Sunstate Cement Ltd.
aalborgportland CEMENTIR HOLDING
Independent Cement

Joint ventures

Burrell Mining Services

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