ASX Announcement



17 October 2022

Leadership Transition and Trading Update

Leading construction materials and lime producer Adbri Limited ("Adbri" or "the Company") (ASX: ABC) today advises that Chief Executive Officer and Managing Director Nick Miller will be leaving the role.

Mr Miller will step down as a Director and the Board will work with him to transition his executive responsibilities in an orderly manner.

The Board has determined that it is an appropriate time for a change in leadership and the Board thanked Mr Miller for his service, particularly during the challenges of Covid-19.

Experienced senior executive Mr Mark Irwin has been appointed as interim CEO and will start in the role tomorrow.

Adbri Chair, Raymond Barro, commented: "On behalf of the Board, I would like to thank Nick for his contribution to Adbri over the past few years, particularly for his leadership through the challenges presented by COVID-19.

"We welcome Mark Irwin as interim CEO. Mark brings considerable experience to Adbri from senior executive roles within some of Australia's leading listed industrial companies, including OZ Minerals, BHP, Asciano, Transfield and GrainCorp.

"Mark's immediate priorities upon joining will be driving our commercial performance in all end markets to improve margins and offset cost pressures, while accelerating our cost reduction and operational efficiency initiatives. He will also focus on our capital deployment to ensure efficiency and effectiveness in the current environment, in order to deliver the best returns for shareholders."

Mr Irwin will be engaged on a fixed annualised salary of \$1.35 million for a period of six months.

Deputy Chair and Lead Independent Director, Vanessa Guthrie, added: "The Board is confident that Mark's significant commercial, strategic and operational experience, including having led large commercial functions, transactions and projects, makes him the right person to lead the Company through the current uncertain market conditions."

"Changing market dynamics means Adbri needs to increase focus on driving efficiencies and costs to improve margins. Mark is well-placed to drive this disciplined agenda given his executive track record, while continuing to deliver on our previously outlined Net Zero Roadmap."

Adbri will soon commence an extensive recruitment process for a permanent CEO.

ASX Announcement



Update on trading

Despite the actions taken to address inflationary pressures, these measures have not offset external headwinds. Earnings have continued to be impacted by ongoing wet weather conditions affecting volume and cost, and an escalation of input and operational costs.

The Company expects to record an underlying net profit after tax (excluding property and significant items) of \$75 – \$85 million for the full year ended 31 December 2022.

The demand environment has remained robust, however extreme rainfall events and ongoing inflationary headwinds, particularly energy and diesel costs, have continued to impact margins. While Adbri has implemented out-of-cycle price increases, they have not met ongoing cost inflation.

The Company is implementing a number of immediate measures in response to the current operating conditions including:

- a critical review of expenses to deliver further additional cost reductions;
- · focusing on operational efficiency improvements;
- reviewing key supplier and customer contracts for repricing opportunities; and
- accelerating its strategy to divest surplus land to realise value and recycle capital.

The Board believes that the appointment of Mark Irwin as interim CEO will accelerate Adbri's ability to deliver these initiatives in the current environment.

Adbri retains substantial balance sheet flexibility, with access to liquidity to fund its operations and capital investment priorities (including the Kwinana project), having previously extended its banking facilities.

Authorised for release by the Board.

ASX Announcement



Mark Irwin biography

Mark is an experienced public company executive with over 20 years' senior executive experience working for some of Australia's best-known industrial companies, including OZ Minerals, BHP, Asciano, Transfield and GrainCorp. He has significant commercial and strategic experience in mergers and acquisitions, large-scale projects and enterprise-wide-transformations.

This experience ranges from leading teams focused on business growth and transformation, with his most recent career history including large scale project development and multiple company acquisitions. This included the construction of a \$1 billion copper mine, as well as leading key project studies in Australia and overseas. Prior to that, Mark had key leadership roles in Transfield's mining and industrial sector and drove the business transformation of the operating divisions at Asciano. Mark has ASX-listed CEO experience from his time in the agricultural sector leading GrainCorp during a period of significant industry change.

For further information please contact:

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

Jon Snowball Domestique Media Advisor +61 477 946 068

jon@domestiqueconsulting.com.au

adbri.com.au

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