

Results presentation

Half year ended 30 June 2020

26 August 2020

Nick Miller - Chief Executive Officer
Theresa Mlikota - Chief Financial Officer

Who we are

Nick Miller

Chief Executive Officer



**Adbri has been
building a better
Australia since
1882**

**We're known for being Always
Ready to deliver high performance
cement, lime, concrete,
aggregates, concrete products
and industrial minerals on time.**

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

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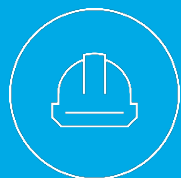
Safety

We care about each-other's wellbeing

We put safety first

Work Safe, Home Safe

We live by our Life Saving Rules



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



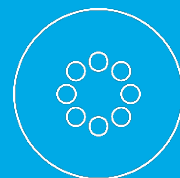
Inclusivity

We work together

We embrace differences

We empower our people

We respect and listen to each other



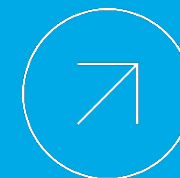
Growth

We create value for our investors and our communities

We contribute to a sustainable future

We learn and innovate

We invest in our people



Results summary and business review

Nick Miller

Chief Executive Officer

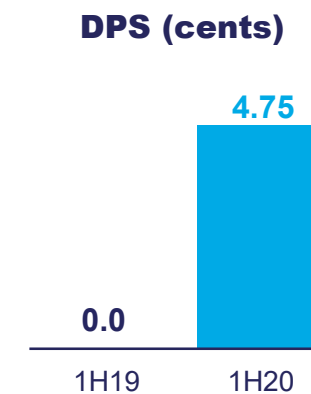
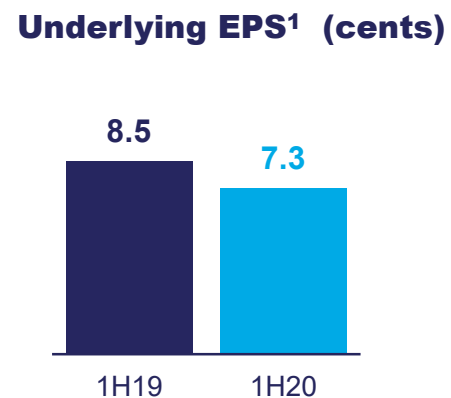
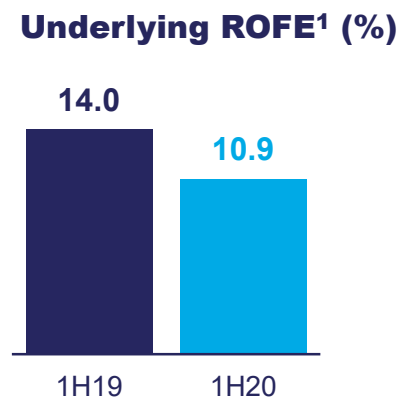
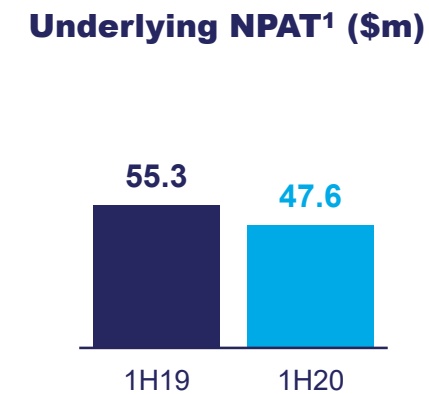
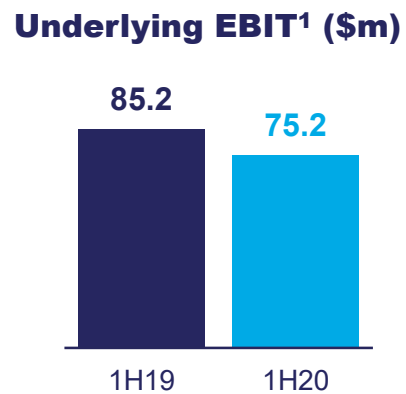
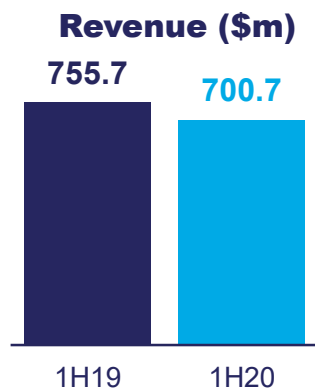


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Overview

- 1H20 earnings in line with expectations - underlying net profit after tax (NPAT) \$47.6 million
- Strong EBITDA margins reflect benefit of cost-out program, diversified business across construction and mining sectors and vertically integrated footprint
- Strong operating cash flow - \$116.3 million, up 160% on pcp
- Balance sheet remains strong - available funds of \$481.7 million
- Fully franked dividend of 4.75 cents per share declared – representing a payout ratio of 65% of underlying earnings
- Non-cash pre-tax impairment of \$20.5 million and restructuring provision of \$5.0 million incorporating Munster kiln 5 to be placed in care and maintenance in 2H21 following cessation of Alcoa contract
- Construction and mining sectors remain ‘open for business’ and all our sites remain operational
- Adbri well-placed to benefit from government stimulus supporting the construction sector:
 - Infrastructure: increased spending at State and Federal levels and fast-tracking ‘shovel-ready’ projects
 - Residential construction: HomeBuilder registrations exceeding government expectations and State government stimulus packages including grants and stamp duty relief
- 2020 Outlook
 - COVID-19 uncertainty led to withdrawal of earnings guidance in April 2020
 - Government announced stimulus measures will support future construction demand
 - Mining sector operating largely uninterrupted, with strong production outlook for gold, nickel, iron ore and alumina

Financial summary



¹ "Underlying" EBIT, NPAT, ROFE and EPS exclude significant items. Refer slide 20 for reconciliation of reported earnings

Safety

TRIFR*



- Total Recordable Injury Frequency Rate (TRIFR) declined to 11.6, a 28% reduction since December 2019 and 41% reduction since June 2019
- Benefits of the Safety 'Step Change' program implemented in 2019 evident through the business:
 - Focus on 'Life Saving' rules
 - Extensive training, particularly to improve truck driver skills awareness
 - Focus on lead indicators and 'high potential' incident investigation

*Total Reportable Injury Frequency Rate (TRIFR) is the number of recordable injuries per million man hours worked
Adbri TRIFR includes employees and contractors.

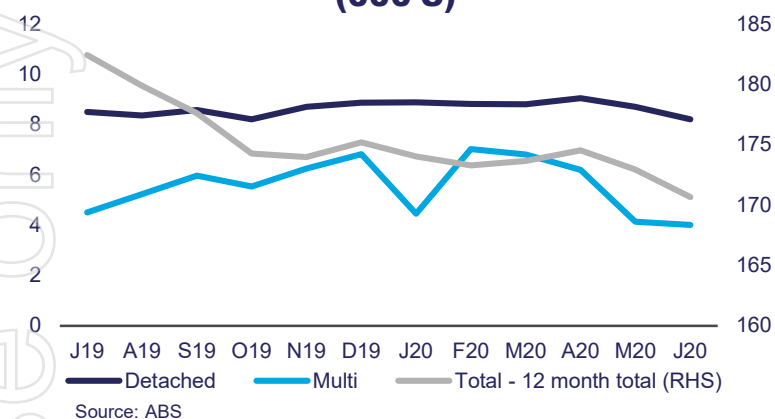


Managing through COVID-19

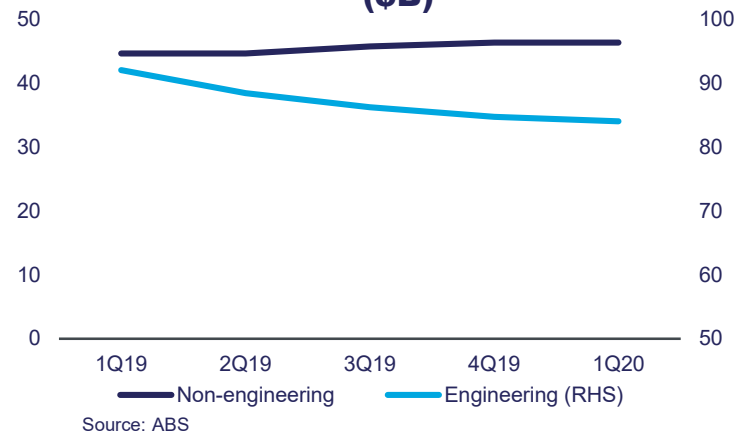
- Crisis Management Team continues to meet on a regular basis to manage the potential impacts of COVID-19
- Construction and mining sectors remain 'open for business'. Stage 4 restrictions in Victoria have placed constraints on activity in that state, since August 2020
- Measures in place to reduce risk of infections and provide business continuity:
 - Duplicate control rooms and teams
 - Social distancing measures in place within our sites and in our interactions with third parties
 - Hygiene and safety protocols in place and enforced
 - Workforce training rolled out across the Group
 - Senior leadership in all states, with Executive team geographically distributed
- Critical supply lines secured and continue to be monitored and managed
- Working closely with customers to tailor solutions that meet their needs and support their business during this uncertain period
- Engagement with government and industry bodies to develop and promote stimulus measures which support the economy and our sector
- Cost impacts of COVID-19 - \$4.2 million
- All sites remain operational
- Support from JobKeeper minor, only relating to Northern Territory concrete and aggregate business
- Adbri is resilient to a range of potential COVID-19 lockdown scenarios

Operating conditions

RESIDENTIAL APPROVALS (000'S)



NON-RESIDENTIAL WORK DONE (\$B)



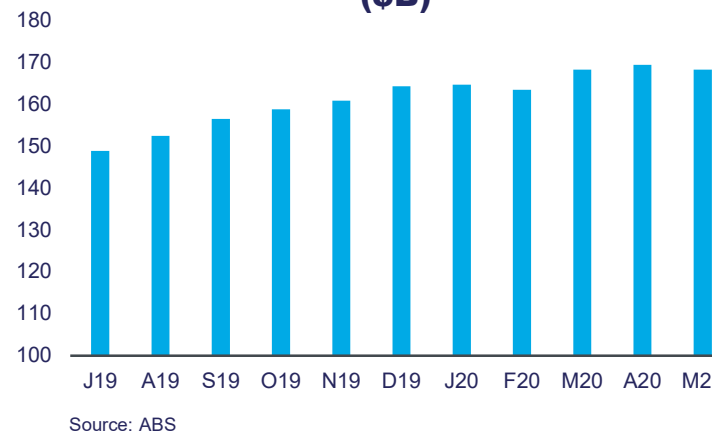
Construction

- Stimulus measures not yet reflected in underlying activity
- Residential demand declined as anticipated, June 20 approvals down 15.8% on June 19, 12-month approvals down 9%
- Engineering spend lower due to project delays
- Non-engineering / commercial work continues to benefit from strong demand

2020 GOLD PRICE (US\$/OZ)

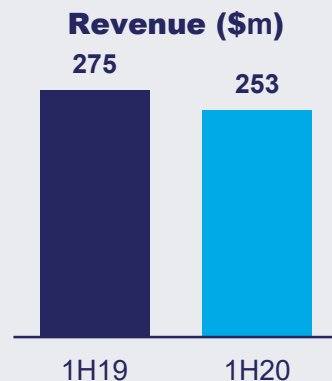


METAL AND MINERAL EXPORTS (\$B)



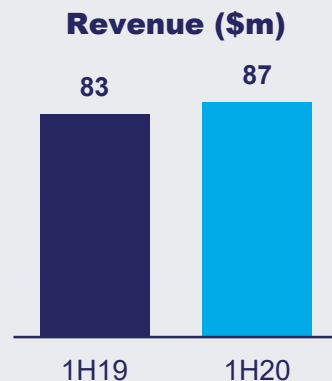
Mining

- Mining industry largely uninterrupted by COVID-19
- Demand outlook strong for gold, nickel iron ore and alumina, supporting demand for cement and lime
- Metal and minerals exports have continued to grow 21% for the 12 months to May
- Gold price continues to rise, exceeding US\$2,000/oz, supporting lime and cement demand



New South Wales and Queensland slowed on weaker residential demand, while Western Australia was buoyed by mining. Commercial work remained strong in Victoria

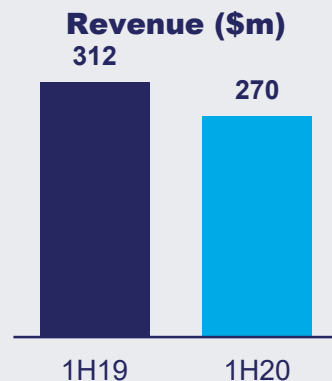
- Cement sales decreased 6.3% on pcp, while average cement price increased marginally
- New South Wales and Queensland slowed on weaker residential demand
- Clinker volumes declined 44% due to reduced Sunstate demand as Boral (shareholder) resumed supply from other parties
- Western Australia volumes up on pcp as a buoyant mining industry supports activity in the state. Commercial demand supported Victorian volumes
- South Australia moderated marginally following completion of Northern Connector and slower concrete market, increasing volume shipped to Victoria



Western Australian resource sector demand continues to grow from gold, nickel and alumina

- Lime volumes increased 3.8% compared to pcp, driven by gold and nickel customers. Resource sector remains buoyant with increased production outlook for both gold and nickel
- Successful in winning a number of non-alumina customer contracts, displacing imports
- Prices improved marginally driven by price indexation
- Volume recovery strategies under investigation to mitigate cessation of Alcoa contract in July 2021
- Asset specific impairment and restructuring provision recognised

Concrete and aggregates

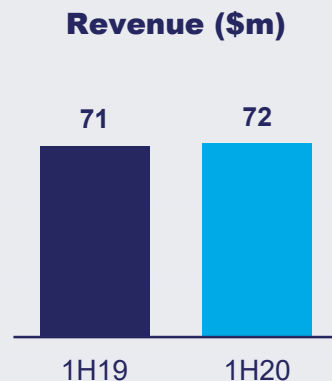


Weakness in the New South Wales and Queensland markets, offset strong Victorian concrete volumes. Project work in South Australia and new quarry in Queensland supported aggregate volumes

- Cost-out program largely offset impact of decline in volumes
- Concrete volumes declined 13.3% compared to pcp driven by New South Wales and Queensland. Slow start to 2020 as a result of bushfires, smoke and floods in January and February
- Victorian volumes were strong, supported by demand from commercial and industrial projects
- Aggregate volumes declined by 4.1% compared to pcp. Project work in South Australia and new Scotchy Pocket quarry supported volumes
- Pricing generally stable across geographies



Concrete products



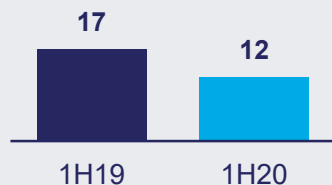
Retail demand was buoyant as the do-it-yourself and renovation market drove volumes

- Retail sector demand drove increased revenue along with a 121% increase in EBIT
- Higher retail margins and cost-out program offset overall decline in volumes
- Supply chain and logistics improved to meet increased demand from retail customers
- Architectural, environmentally-friendly 'brick initiative' gaining traction - recently secured "schools program" work in Victoria
- Outlook for D.I.Y and renovation market remains positive



Joint ventures

Earnings (\$m)



Joint venture earnings decline mainly attributable to lower Sunstate earnings



- Equity accounted contribution from joint ventures declined \$5.2 million driven by a \$5.1 million reduction from Sunstate. Offtake by Boral, our joint venture partner, declined following their resumption of supply from other parties
- Strong demand in Victoria offset weaker New South Wales volume, with Independent Cement and Lime earnings improving 7%
- Aalborg contribution declined \$0.6 million driven by COVID-19 export restrictions in Malaysia
- Mawsons option extended 5 years

Financial review

Theresa Mlikota

Chief Financial Officer



Income statement – underlying*

6 months ended 30 June	1H19 (\$m)	1H20 (\$m)	% Change pc Fav / (Unfav)
Revenue	755.7	700.7	(7.3)
Earnings before depreciation, amortisation, interest and tax	133.0	122.5	(7.9)
EBITDA margin (%)	17.6	17.5	
Depreciation and amortisation	(47.8)	(47.3)	1.0
Earnings before interest and tax	85.2	75.2	(11.7)
Net finance cost	(9.2)	(9.9)	(7.6)
Profit before tax	76.0	65.3	(14.1)
Tax (expense)	(20.7)	(17.7)	14.5
Net profit attributable to members	55.3	47.6	(13.9)
Basic earnings per share (cents)	8.5	7.3	(14.1)

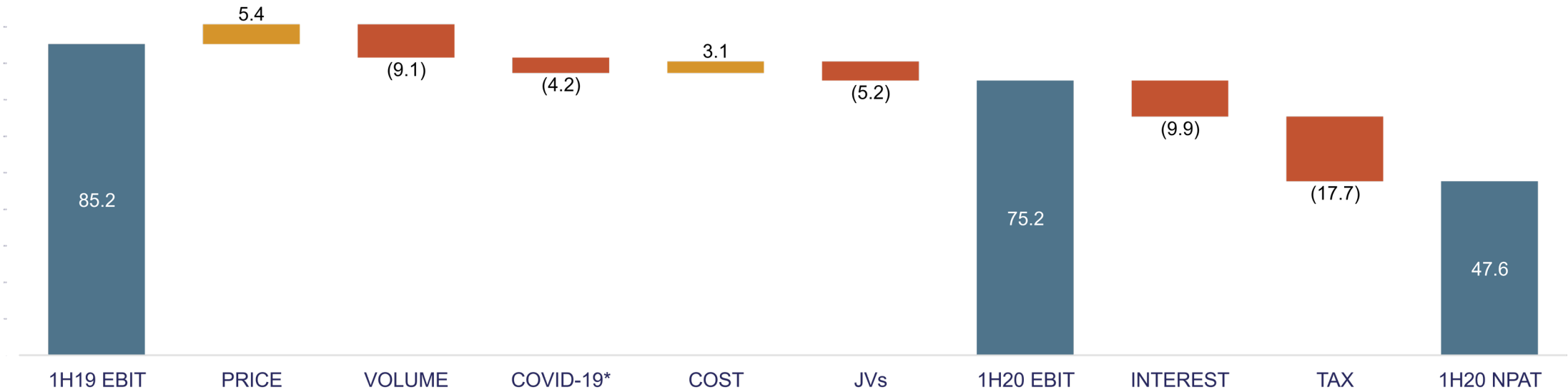
- Lower revenue
 - Stronger demand in Western Australia and relatively stable Victorian demand were offset by weaker demand, weather and bushfires in New South Wales and Queensland
 - Pricing generally stable
- Cost-out program delivering benefits
- EBITDA margin was stable despite lower revenue
- EBIT impacted by lower Sunstate earnings
- Interest expense increased as a result of facility fees on the expanded facilities and fully drawn debt to protect against COVID-19 uncertainty
- Tax expense decreased on lower earnings. Effective tax rate flat

* Underlying earnings exclude significant items. Refer slide 20 for reconciliation to reported earnings

Profit drivers



RECONCILIATION OF UNDERLYING EARNINGS (\$m)



* COVID-19 costs include direct costs associated with security, consumables, social distancing measures and increased cost of production caused by interrupted site shutdowns

Reconciliation of underlying profit

6 months ended 30 June

1H19 (\$m)

	Profit before tax	Income tax	Profit after tax
Underlying profit	76.0	(20.7)	55.3
Impairment	(96.1)	26.2	(69.9)
Doubtful debts	(0.7)	0.2	(0.5)
Corporate restructuring costs	(3.9)	1.2	(2.7)
Acquisition expenses	(0.1)	-	(0.1)
Statutory (loss) / profit	(24.8)	6.9	(17.9)

1H20 (\$m)

	Profit before tax	Income tax	Profit after tax
	65.3	(17.7)	47.6
	(20.5)	6.2	(14.3)
	(0.1)	-	(0.1)
	(5.9)	1.8	(4.1)
	-	-	-
	38.8	(9.7)	29.1

- Significant items affecting underlying profit
 - 2020 impairment primarily associated with Munster lime assets to be placed into care and maintenance in 2021
 - 2019 impairment reflecting updated outlook and strategy and reassessment of carrying values
 - Doubtful debt charges pertain to costs incurred to recover unpaid amounts in relation to financial discrepancies identified in 2017
 - Corporate restructuring costs include redundancy and one-off employment costs
- Additional item in 1H19 included:
 - Costs associated with acquisition of businesses such as stamp duty and legal costs

Balance sheet

As at	Dec 2019 (\$m)	Jun 2020 (\$m)
Cash and cash equivalents	116.8	481.7
Receivables	218.7	213.3
Inventories	155.2	150.5
Property, plant and equipment	1,033.7	1,038.9
Joint arrangements and associate	184.8	194.8
Other assets	444.5	436.3
Total assets	2,153.7	2,515.5
Payables	144.9	138.6
Borrowings	540.1	895.5
Lease liability	87.6	90.1
Provisions	100.5	102.8
Other	83.3	94.1
Total liabilities	956.4	1,321.1
Shareholders' equity	1,197.3	1,194.4

- Strong balance sheet position provides flexibility during period of uncertainty
- Net debt \$413.8 million – debt metrics are well within Board targets:
 - Leverage 1.5x
 - Gearing 34.6%
 - ND/ (ND + E) 25.7%
- Borrowings fully drawn to manage uncertainty with COVID-19, increasing cash held
- \$16.0 million cash benefit through reduction in working capital
 - Debtors days decreased 2 days to 46.7 days at June 2020
 - Inventory levels lower
 - Deferral of GST payments (as part of government support measures)

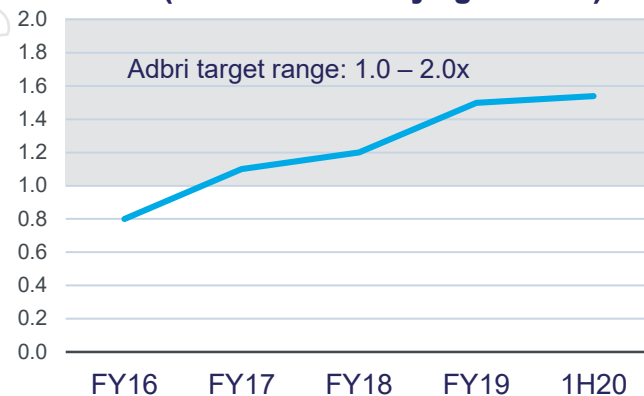
Operating cash flow

6 months ended 30 June	1H19 (\$m)	1H20 (\$m)
Net (loss) / profit before tax	(24.8)	38.8
Depreciation and amortisation	47.8	47.3
Impairment	96.1	20.5
Net income tax payments	(31.9)	(7.7)
Change in working capital	(33.7)	16.0
Net loss / (gain) on sale of assets	0.2	(0.8)
Other	(8.9)	2.2
Operating cash flow	44.8	116.3
Stay in business capex	(23.4)	(31.1)
Asset sales	0.6	2.0
Development capex	(21.0)	(42.1)
Dividends	(97.8)	(32.6)
Other	4.6	(2.8)
Net cash flow before debt funding	(92.2)	9.7

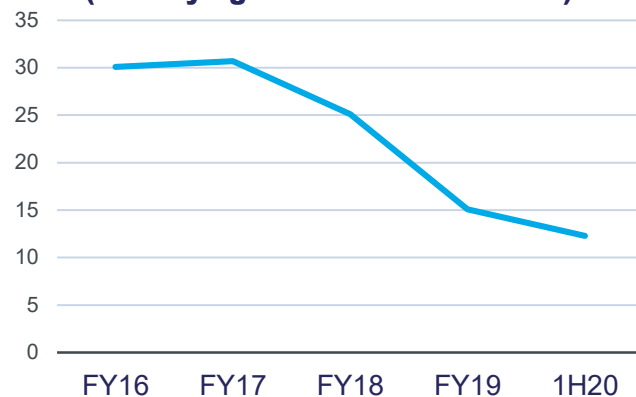
- Strong operating cash flow due to effective working capital management and lower tax payments that more than offset lower earnings
- Decline in impairment from \$96.1 million in 2019 to \$20.5 million in 2020
- Income tax payments declined due to lower earnings and deferral of income tax installments as part of government COVID-19 business support measures
- Deferred GST payment will be offset by expected income tax refund
- Capital expenditure increased with spending on development projects including land acquisitions
- Lower dividend payments in line with prior period earnings

Capital management

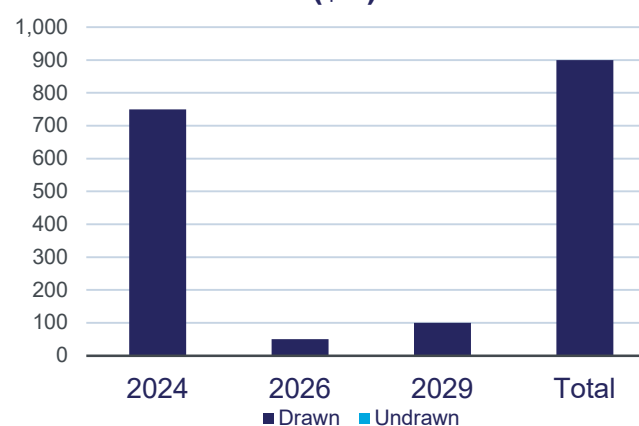
EBITDA leverage ratio
(net debt / underlying EBITDA)



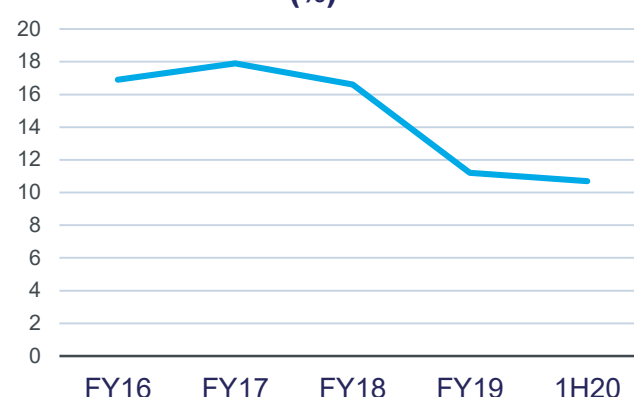
Interest cover
(underlying EBITDA / net interest)



Debt facility maturity
(\$m)



Underlying ROFE
(%)



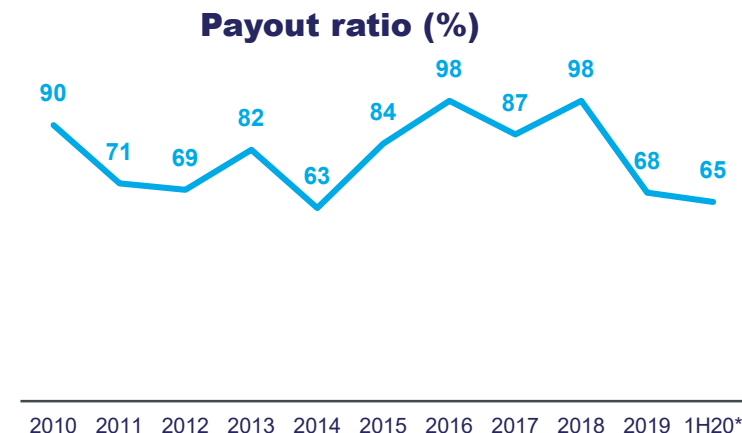
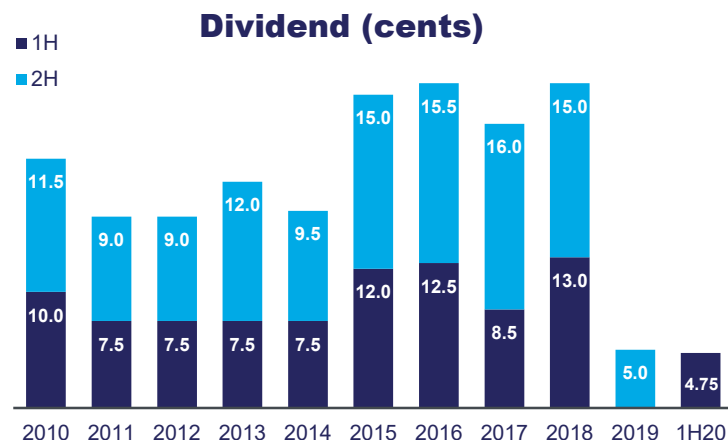
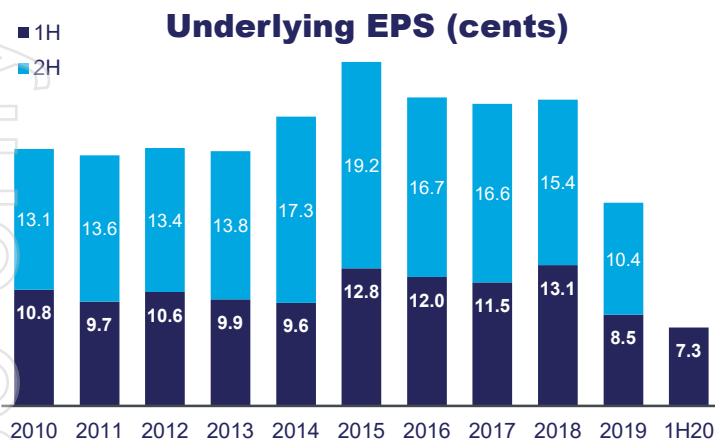
- Investment grade metrics and balance sheet flexibility maintained
- Leverage and gearing mid-range of Board target range
- Liquidity remains strong at \$481.7 million. No debt maturing until 2024
- Significant headroom within debt covenants*
 - Interest cover* > 3x, compares to 13.9x at June 2020
 - Leverage* < 55%, compares to 25.7% at June 2020
- Underlying ROFE remains above cost of capital

* Debt covenants may not align with financial statements

Debt covenants:

- Interest cover is underlying EBITDA / net interest, calculated on a 12-month rolling basis
- Leverage is net debt / (net debt + equity)
- EBITDA and interest exclude equity earnings, unwind of discounts, capitalised interest and interest on leases
- Debt excludes lease liabilities

Long-term value to shareholders



* % of underlying

Long-term earnings

- Long-term earnings reflect robust business model and diverse portfolio of assets
- Recent softness in residential construction impacting earnings
- Geographic spread of operations and products well placed to participate in stimulus measures

Capital returned to shareholders

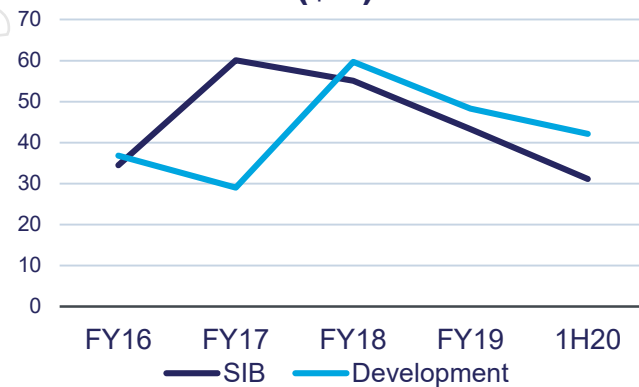
- Strong balance sheet and cash flows underpin payment of an interim dividend to shareholders
- Dividends utilised to return excess capital to shareholders
- Payouts have reflected capital position and future capital needs

Dividend policy

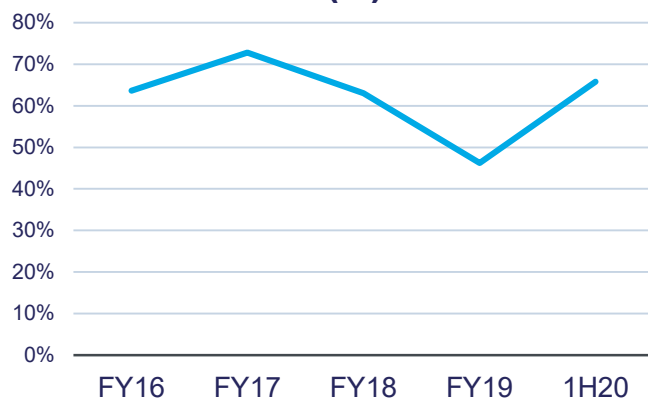
- Board dividend policy 65-75% of earnings, subject to future capital needs
- Interim 2020 dividend of 4.75 cents per share represents a payout ratio of 65% of underlying earnings and 107% of reported earnings
- Balanced capital structure to maximise value to shareholders
- Franking account in excess of \$100 million

Capital expenditure

Capital expenditure (\$m)



SIB capital to depreciation (%)



Investing for growth

- Re-investment in asset base increased
 - Growth capex aligned with vertical integration strategy
 - Increased maintenance capex program spend to preserve earnings generation
- Kwinana cement milling project in final feasibility. Decision likely in 2H20

Major Projects in 2020

- Acquisition of land at Badgerys Creek in Western Sydney aerotropolis precinct for future concrete plant following rezoning process
- Pinkenba concrete plant was commissioned and is now fully operational
- Upgrade to the Birkenhead drymix plant

2020 spend outlook

- Capital expenditure expected to be in line with \$130 million previously indicated (excluding Kwinana project)

Strategy and outlook

Nick Miller

Chief Executive Officer



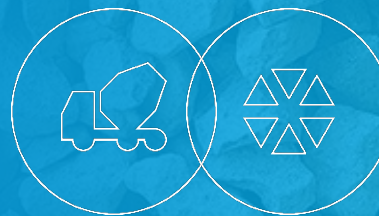
Business improvement and growth strategy

Ongoing cost
reduction and
operational
improvement

Lime volume
recovery



Downstream
diversification



Increased
exposure to
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 improvement and cost reduction

Leverage strategic position as largest importer and second largest producer of cement and clinker to deliver savings

Cost-out measures remain on-track to deliver \$30 million target

Progress

- Cost saving initiatives identified across all parts of business
- 'On-track' to deliver \$30 million in incremental cost savings during 2020, subject to impact of COVID-19 on operations
- Formal tracking and reporting of initiatives through to executive, monitoring delivery of savings
- Implemented savings include:
 - Quarry materials procurement
 - Operational efficiency to align staffing levels to demand and overtime management
 - Capital investment to drive long-term savings such as the Birkenhead drymix plant and transport capabilities in targeted areas
 - Single fuel agreement that consolidates bulk buying across Group
 - Changes made towards shared services model across a range of back-office functions
 - Renegotiate existing supply arrangements, including gas and electricity
- Advanced EPA approval for higher levels of RDF usage at Birkenhead

Lime volume recovery

Adbri's Western Australian lime production and transport infrastructure assets are uniquely placed to service customers

Opportunity

- Adbri's lime operations remain resilient despite non-renewal of contract by Alcoa beyond June 2021
- Decision to place Munster kiln 5 into care and maintenance in 2H21 to align capacity to post-Alcoa demand. Future incremental demand will met out of kiln 6 latent capacity
- Strategies to mitigate possible loss of earnings from Alcoa contract in 2021 are still being formulated
- Lime business has unique position accessing low cost mineral resources secured through State Agreement Act and long-term statutory approvals
- Lime operations remain cost competitive against imported product and uniquely positioned to deliver reliable and high quality product efficiently into mining markets
- Operations and logistics capabilities strategically located to supply mining customers in Western Australia, South Australia and the Northern Territory

Vertical integration

Downstream integration and diversification continue to provide significant strategic revenue and cost benefits via the 'pull-through' of cement and aggregate volumes

Opportunity

- Pursue opportunities to in-fill existing operations by greenfield investment coupled with acquiring high quality concrete and aggregate businesses
 - Land acquired at Badgerys Creek to develop concrete plant servicing growth area in western Sydney
 - Pinkenba Concrete plant commissioned in 1H20, providing capability to supply the Brisbane CBD market
 - Scotchy Pocket now fully operational, supplying Adbri concrete plants on the Sunshine Coast, in addition to external customers
 - Purchased land adjacent to Sellicks Quarry, South Australia, in July 2020
 - Focus on building out south-east Queensland aggregate footprint
- Explore complementary adjacent industries to maximise 'pull-through' value of high margin products

Infrastructure spending to remain a key driver of construction demand

Adbri offer a fully integrated construction materials product offering into all of Australia's major markets

Opportunity

- Existing pipeline of infrastructure projects is being fast-tracked by government to stimulate the economy
- Focus on projects where Adbri has a fully integrated and cost competitive position
- Broad geographic spread of operations means Adbri is well placed to supply into all of Australia's major markets
- Rebranding strategy supports identity as a national supplier and service provider
- Business development capabilities enhanced through recent recruitment and customer engagement
- Tendering pipeline remains very strong
- Recently secured school, rail, road, airport and defence projects

Actively manage land holdings

Active management of excess land is anticipated to provide value to shareholders

Opportunity

- Excess land provides an opportunity to deliver value to shareholders
- Alternate divestment strategies are actively considered to ensure maximum value is extracted
- Batesford Quarry operation is included in the Western Geelong Growth Area. Hearings completed on the draft Precinct Structure Plan and being deliberated by Geelong City Council. Northern section of quarry currently under consideration for rezoning to higher value use
- Demolition of silos at the Geelong Hilltop land has been completed, development alternatives and marketing strategies are being formulated

Construction and mining remain 'open for business'

Government stimulus measures across infrastructure and residential construction will support materials demand in the short to medium-term

Population growth and expansion of the mining sector will continue to drive long-term demand for Adbri's products

COVID-19 continues to impact the economy, creating ongoing uncertainty

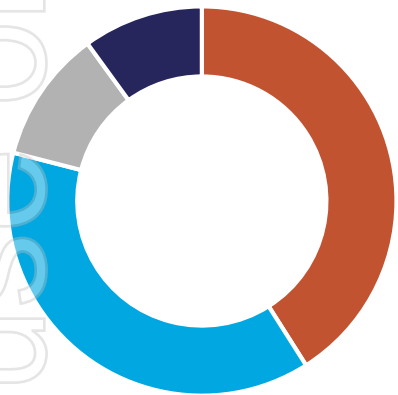
- Earnings guidance remains withdrawn
- Construction and mining largely uninterrupted during COVID-19 - Adbri sites remain operational
- Mining sector demand remains strong. Production outlook for gold, nickel, iron ore and alumina remains positive
- Residential demand expected to benefit from HomeBuilder and state based stimulus measures. Registrations have exceeded government expectations, with uptake in activity pronounced in WA, SA and regional Victoria
- Focus on 'shovel ready' infrastructure spending is expected to improve construction demand outlook into 2021
- July trading strong. August trading weaker, impacted by stage 4 restrictions in Victoria and soft NSW market
- Cost-out program 'on-track'
- Capital expenditure expected to be in line with \$130 million previously indicated (excluding Kwinana project)
- Strong balance sheet and cash flow provide flexibility to take advantage of opportunities through period of uncertainty

Appendices



Economic diversification

FY2019
Revenue by product



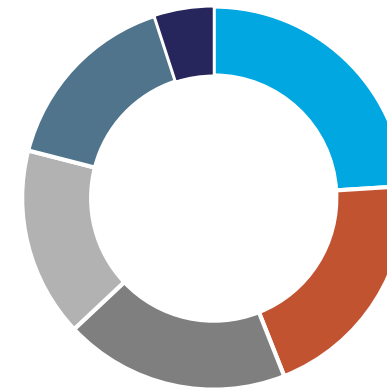
- 41% Concrete and aggregates
- 38% Cement
- 11% Lime
- 10% Concrete products

FY2019
Revenue by market



- 50% Non-residential & engineering
- 32% Residential
- 18% Mining operations

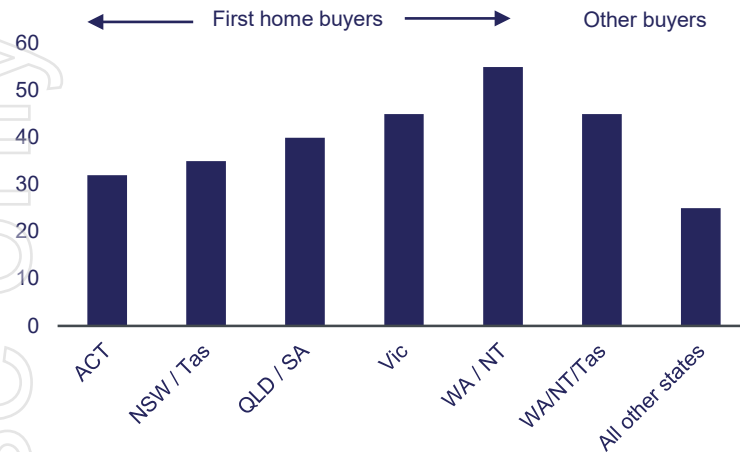
FY2019
Revenue by state



- 24% Victoria
- 20% New South Wales
- 19% Western Australia
- 16% South Australia
- 16% Queensland
- 5% Other

Projections

Residential incentives (\$'000's)

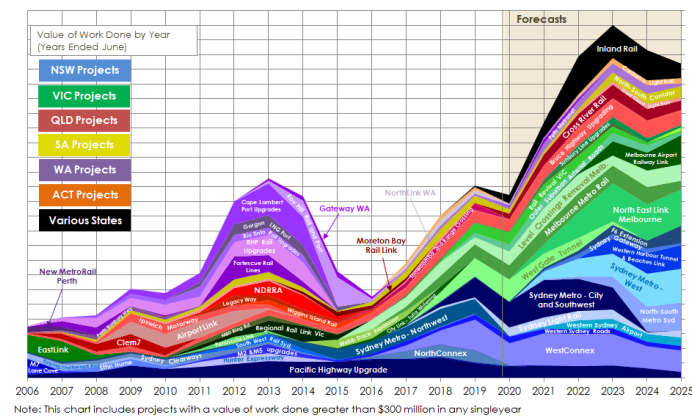


Government residential incentives

- Significant government incentives are encouraging enquiries for residential construction
- Federal government measure requires near-term start of build

Source: Citi Group, government websites (30 June 2020)

Major transport infrastructure projects - Australia

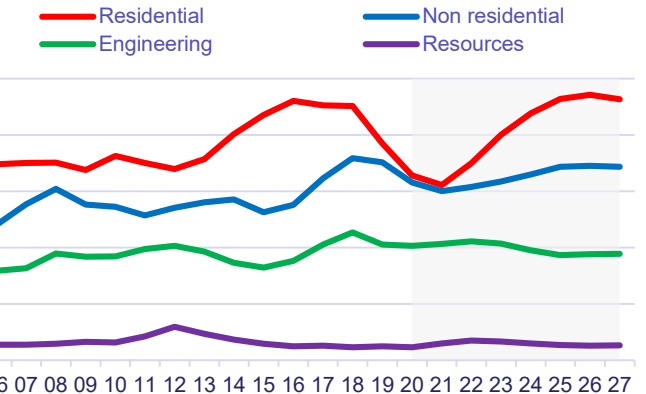


Pipeline of infrastructure investment

- Substantial pipeline of transport infrastructure projects to double spending in next 5 years
- Focus on fast-tracking job creating projects
- Government considering capacity of industry to deliver projects, adapting project requirements to increase participation of tier 2 and 3 contractors

Source: Macromonitor (August 2020)

Cement demand by sector (mt)



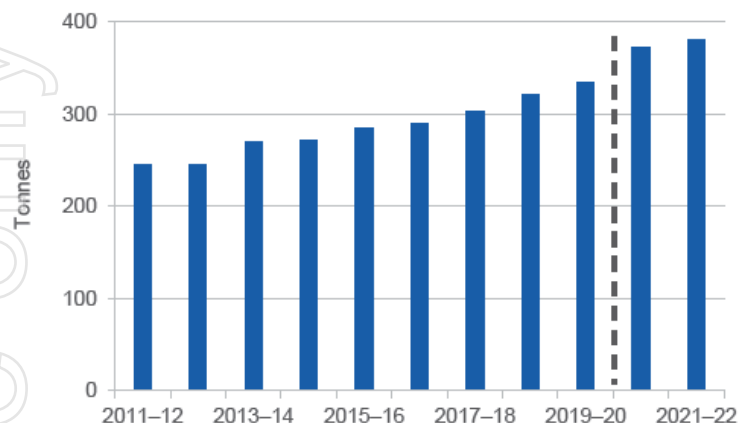
Demand fundamentals remain strong

- Initial decline in cement demand following reduction in residential construction
- Stabilisation forecast in 2021 as government stimulus measures take effect

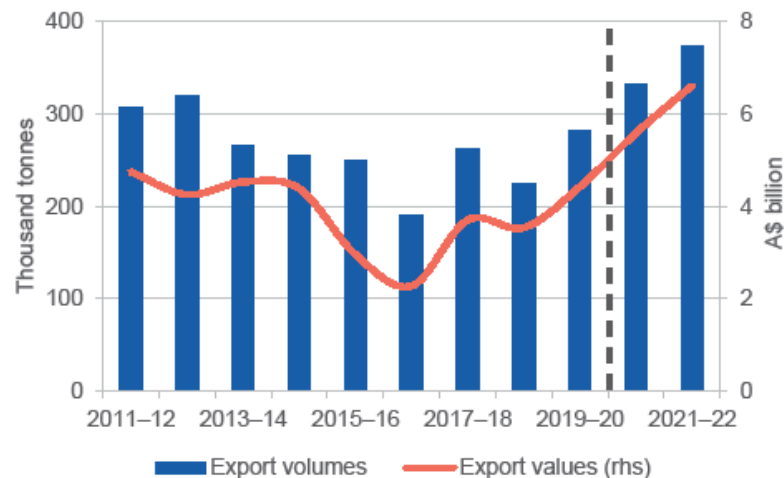
Source: Macromonitor (August 2020)

Projections

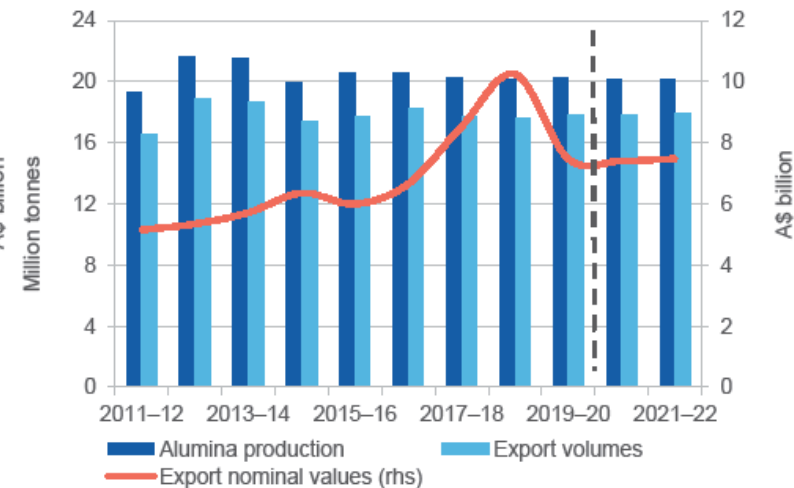
Australian gold production outlook



Australian nickel outlook



Australian alumina outlook



Price for gold supports growth

- Australian gold production expected to grow on the back of favourable price outlook
- Gold production expansion from the extension of Gwalia, commissioning of Karlawinda
- Cement and lime demand expected to benefit

Source: Department of Industry, Science, Energy and Resources
Resources and Energy Quarterly, June 2020

Nickel projects

- Nickel production expansion expected to be driven by demand from use in batteries
- Demand growth expected from Mt Keith and Yakabindie

Source: Department of Industry, Science, Energy and Resources
Resources and Energy Quarterly, June 2020

Stable outlook for Alumina

- Outlook for Australian alumina production stable despite subdued near-term global demand driven by COVID-19

Source: Department of Industry, Science, Energy and Resources
Resources and Energy Quarterly, June 2020

Net finance cost

6 months ended 30 June	1H19 (\$m)	1H20 (\$m)
Interest charges	8.6	9.8
Unwind of discount on leases	1.5	1.5
Unwinding of the discount on restoration provisions and retirement benefit obligation	0.5	0.3
Interest capitalised in respect of qualifying assets	(0.4)	(0.4)
Total finance expense	10.2	11.2
Interest income	(1.0)	(1.3)
Net finance cost	9.2	9.9
Interest cover (underlying EBITDA times) ¹	19.7	12.4

- Higher interest charges due to fully drawn debt position to manage COVID-19 uncertainty
- Interest income on high cash balances did not offset increased interest expense, due to low deposit rates
- Interest cover remains strong and well above banking covenant

¹ EBITDA for interest cover excludes significant items

Reported profit

6 months ended 30 June	1H19 (\$m)	1H20 (\$m)	% Change pc Fav / (Unfav)
Revenue	755.7	700.7	(7.3)
Earnings before depreciation, amortisation, impairment, interest and tax	128.3	116.5	(9.2)
Depreciation and amortisation	(47.8)	(47.3)	1.0
Impairment	(96.1)	(20.5)	78.7
Earnings / (loss) before interest and tax	(15.6)	48.7	412.2
Net finance cost	(9.2)	(9.9)	(7.6)
Profit / (loss) before tax	(24.8)	38.8	256.5
Tax (expense) / credit	6.9	(9.7)	(240.6)
Minority interest	-	-	-
Net profit / (loss) attributable to members	(17.9)	29.1	262.6
Basic earnings / (loss) per share (cents)	(2.7)	4.5	266.7

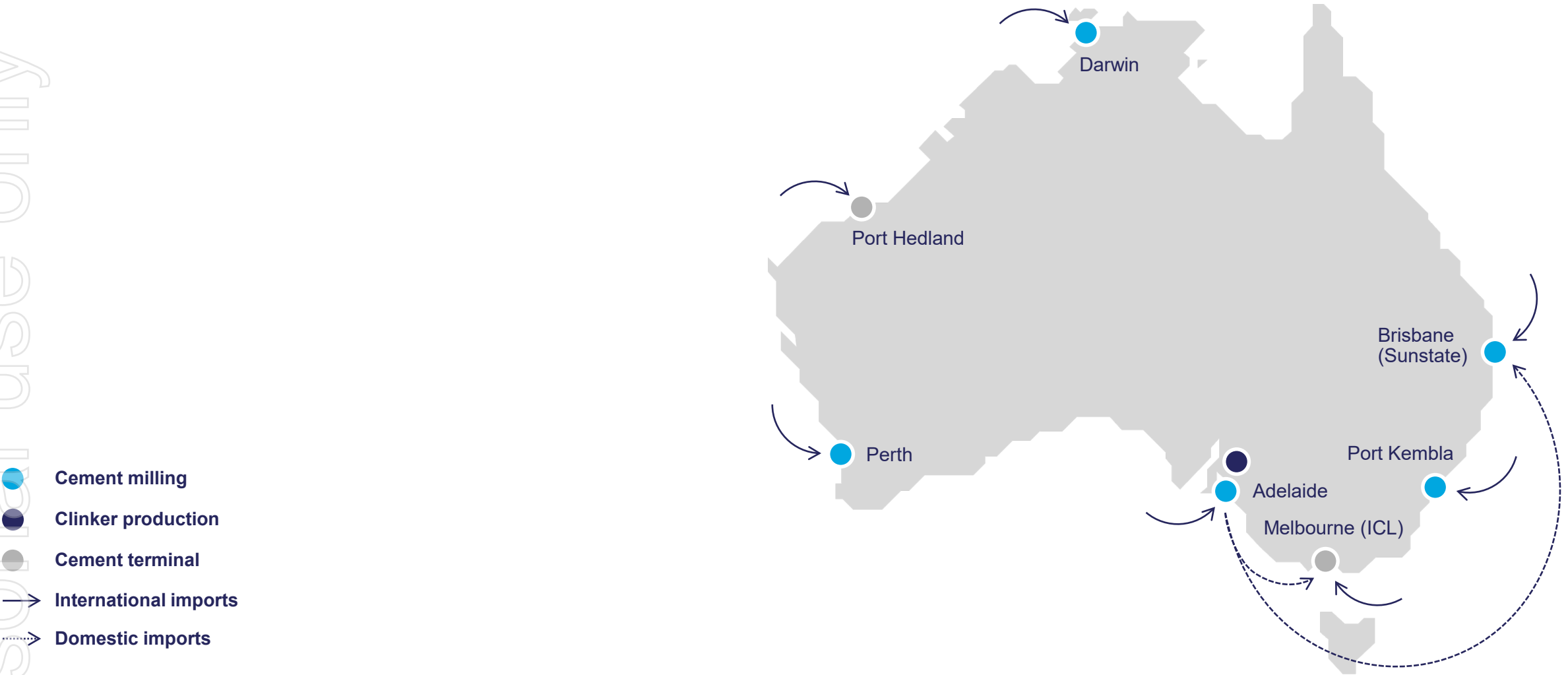
- Reduced demand, particularly in New South Wales and Queensland impacted revenue for the period
- EBITDA margins improved as cost-out program delivered benefits
- Depreciation and amortisation flat
- Impairment declined from \$96.1 million to \$20.5 million
- Interest costs increased as a result of fully drawn debt facilities to manage uncertainty through the COVID-19 period
- Reported income tax rate of 25% is lower than the expected range of 27-28% due to the proportion of post-tax joint venture income. Prior comparator period income tax expense impacted more heavily by impairment charge

Working capital

As at	Dec 2019 (\$m)	Jun 2020 (\$m)	Variance (%)
Trade and other receivables	218.7	213.3	(2.5)
Inventories: Cement and Lime	98.8	95.2	(3.6)
Concrete and Aggregates	25.0	25.5	2.0
Concrete Products	31.4	29.8	(5.1)
Total inventory	155.2	150.5	(3.0)
For the 6 months to 30 June	2019 (\$m)	2020 (\$m)	Variance (%)
Bad debt expense	0.6	0.4	(33.3)

- Debtor collections improved during the period, with days sales outstanding reducing from 49.1 at December 2019 to 46.7 at June 2020
- Inventory balances declined across all divisions due to heightened focus on production and demand management
- Bad debt expense has declined 33% following tightening of credit processes in response to COVID-19 and construction industry remaining largely 'open for business'

Cement production, import and distribution

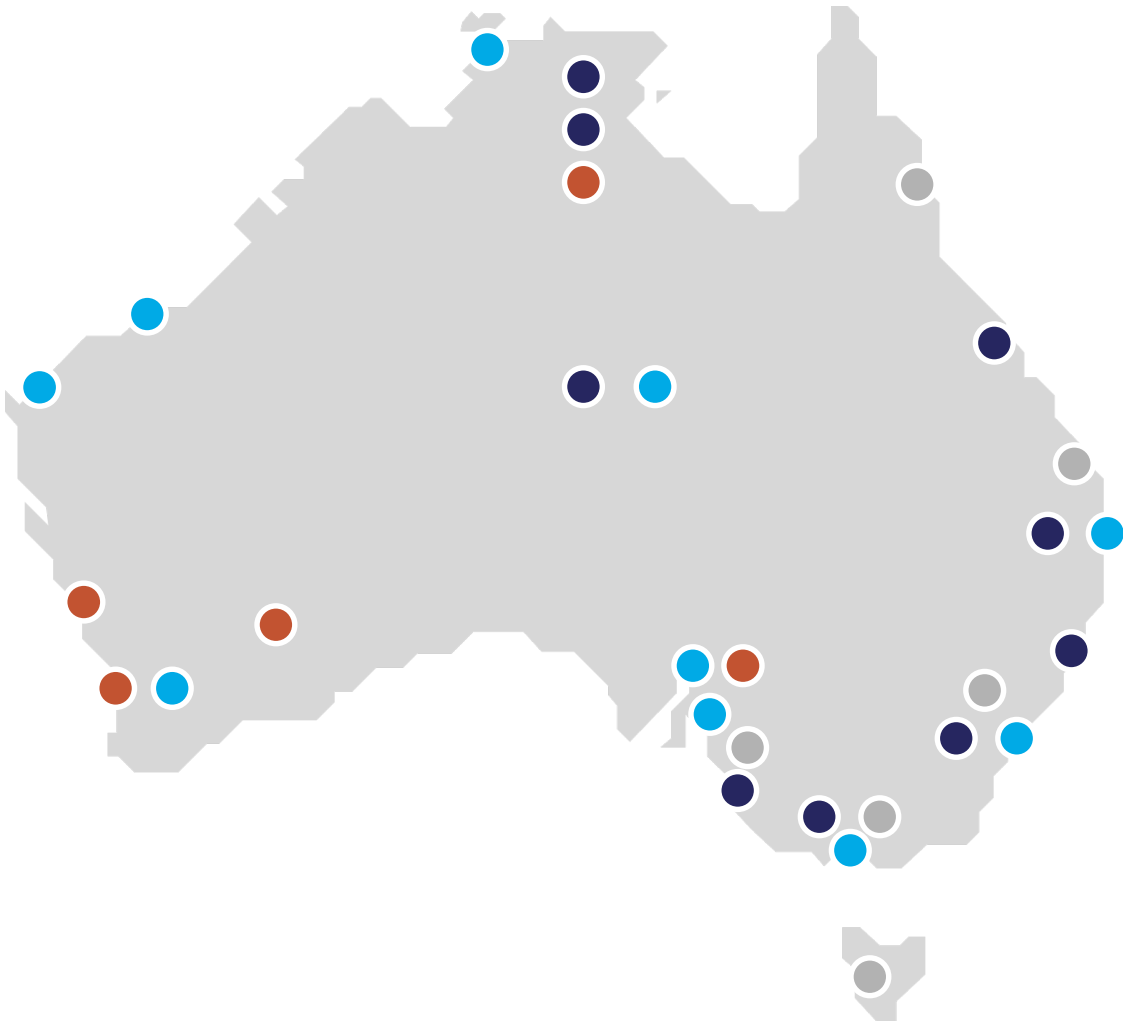


Geographic diversification



Operations

- Cement
- Lime
- Concrete and Aggregates
- Concrete Products



Adbri brands



Concrete and Aggregates

Cement and Lime

Concrete Products



Northern Cement



adbri MASONRY

Joint ventures

Joint ventures

Joint ventures



Independent
Cement



Disclaimer

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