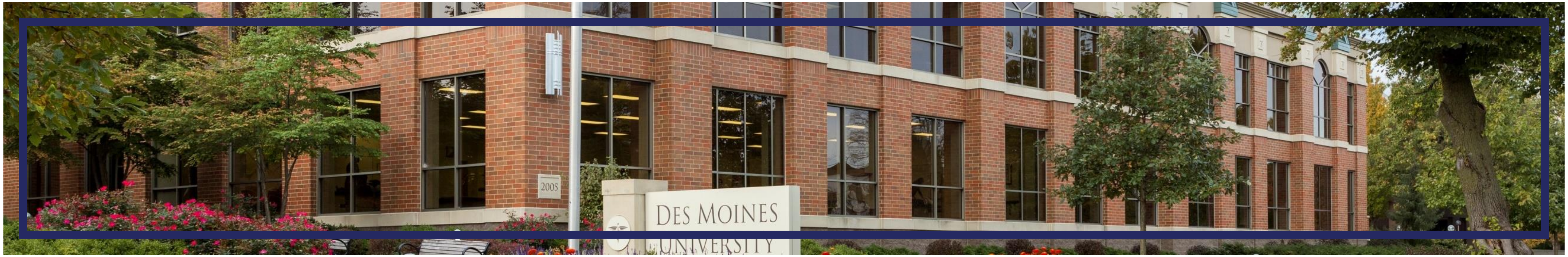


IBSTOCK PLC

PRELIMINARY RESULTS PRESENTATION | YEAR ENDED 31 DECEMBER 2016

DISCLAIMER

The information contained in this presentation has not been independently verified and this presentation contains various forward-looking statements that reflect management's current views with respect to future events and financial and operational performance. The words "growing", "scope", "platform", "future", "expected", "estimated", "accelerating", "expanding", "continuing", "potential" and "sustainable" and similar expressions or variations on such expressions identify certain of these forward-looking statements. Others can be identified from the context in which the statements are made.

These forward-looking statements involve known and unknown risks, uncertainties, assumptions, estimates and other factors, which may be beyond Ibstock plc's (the "Group's") control and which may cause actual results or performance to differ materially from those expressed or implied from such forward-looking statements. All statements (including forward-looking statements) contained herein are made and reflect knowledge and information available as of the date of preparation of this presentation and the Group disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements due to the inherent uncertainty therein. Nothing in this document should be construed as a profit forecast.

PRESENTING TODAY

Wayne Sheppard
CEO

Kevin Sims
CFO

Over 20 years' experience each at Ibstock	Deep industry knowledge	Managed though multiple cycles

AGENDA

Highlights & Overview	Financial review	Operating review	Outlook	Q&A
Wayne Sheppard	Kevin Sims	Wayne Sheppard	Wayne Sheppard	

HIGHLIGHTS 2016

Robust performance whilst investing for future growth

Improved profitability despite geopolitical events and UK supply chain destocking	**Invested for growth** at Leicester and Leighton Buzzard with main earnings benefits to come	**Derisked the balance sheet** by closing UK Defined Benefit pension scheme	**Reduced financing costs** from 2017 by refinancing debt arrangements

IBSTOCK PLC

OVERVIEW 2016

Financial Overview – year ended 31 December 2016

Group revenue up 5% to £435m	Adjusted **EBITDA up 4% to £112m**	**Net debt** to EBITDA improved to **1.2x after £59m of capex**	**ROCE at 19%** after £44m of capex on major projects – with returns to come	Continued **strong cash generation** of 88% EBITDA before major projects	**Final dividend of 5.3p** per share (FY 2016 7.7p per share)

Operational Overview

Good activity levels from the UK **new build housing** sector	**UK Clay volumes slightly ahead y-o-y** despite distributor/merchant destocking	**UK Concrete** products **performed well**	**Another year of progress in US** although unusually mild winter weather skewed results towards the first half	**Major capital projects:** • Roof tile plant delivered in Q4 • Brick plant on schedule

IBSTOCK PLC

AGENDA

Highlights & Overview

Wayne Sheppard

Financial review

Kevin Sims

Operating review

Wayne Sheppard

Outlook

Wayne Sheppard

Q&A

FINANCIAL HIGHLIGHTS
YEAR ENDED 31 DECEMBER 2016

Revenue	£435m	▲ 5%
Adjusted EBITDA[1]	£112m	▲ 4%
EBITDA margin %	26%	◄
ROCE[2]	19%	▼ 1%pt
Cash conversion[3]	88%	▲ 2%pt
Net Debt to EBITDA	1.2	▼ 0.2x
Final dividend	5.3	▲ 20%

Note
(1) Adjusted EBITDA is earnings before interest, taxation, depreciation and amortisation after adjusting for exceptional items
(2) ROCE is adjusted EBITA as a proportion of net debt plus equity
(3) Cash conversion is the ratio of adjusted EBITDA after movement in working capital less maintenance capex to adjusted EBITDA

IBSTOCK PLC

P&L RECONCILIATIONS
YEAR ENDED 31 DECEMBER 2016

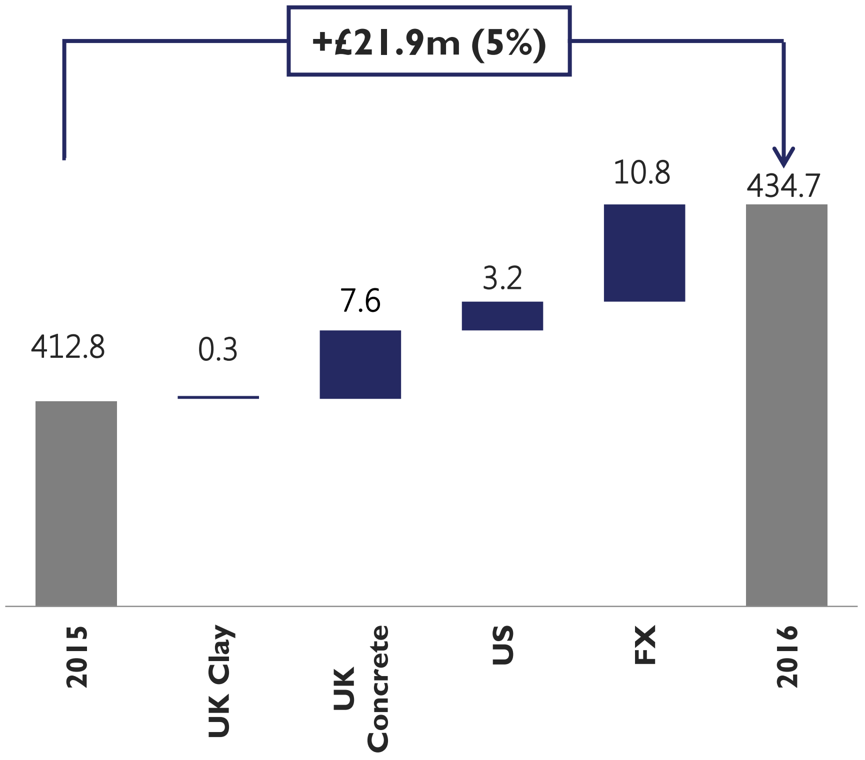
Statutory profit to Adjusted EBITDA (£m)	
Statutory profit 2016	**90**
Exceptional items[1]	(28)
Interest	3
Taxation	21
Depreciation	20
Amortisation	6
Adjusted EBITDA 2016	**112**
UK operating segment	*103*
US operating segment	*13*
PLC costs	*(4)*

Adjusted EBITDA (£m) to Adjusted EPS	
Adjusted EBITDA 2016	**112**
Depreciation	(20)
Amortisation	(6)
Fair value depreciation & amortisation	9
Cash interest charge	(5)
Taxation[2]	(17)
Adjusted Earnings 2016	**73**
Shares in issue 406.3m	
Adjusted EPS 2016	***18.1p***

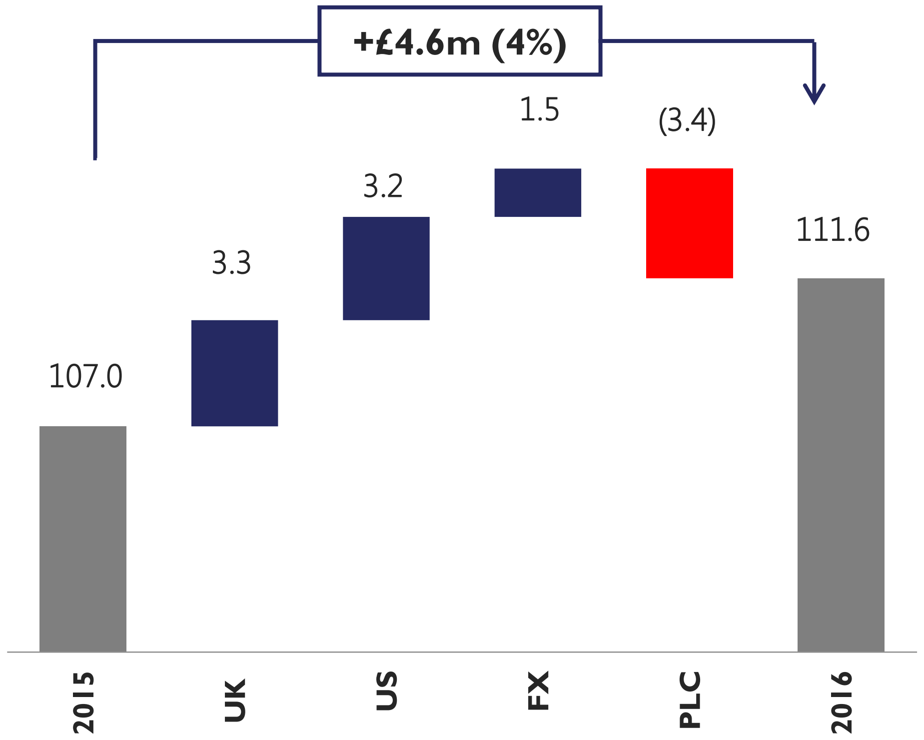
Note
(1) Exceptional items relate to the non-cash pension curtailment gain
(2) Taxation reflects fair value and non cash interest adjustments in the calculation of adjusted earnings

REVENUE & EBITDA BRIDGES

Revenue bridge (in £m)



EBITDA bridge (in £m)



US $ average exchange rate used in 2016 is 1.35 (2015: 1.53)

Incremental PLC costs relate to full year 2016 v two months in 2015

IBSTOCK PLC

HIGHLY CASH GENERATIVE

Year ended 31 December (£m)	2016	2015	Change	% change
Adj. EBITDA	**112**	**107**	**+5**	**4%**
Share-based payments	**2**	**-**	**+2**	
Capex (excl major projects)	**(15)**	**(9)**	**(6)**	
Δ in net working capital	**(1)**	**(6)**	**+5**	
Adj. EBITDA – capex – Δ in NWC	**98**	**92**	**+6**	**6%**
Cash conversion (%)[1]	*88*	*86*	*-*	
Major project capex[2]	**(44)**	**(6)**	**(38)**	
Cash from operating and investment activities[3]	**54**	**86**	**(32)**	**(38%)**
Net interest[4]	**(5)**	**(6)**	**+1**	
Tax	**(7)**	**(9)**	**+2**	
Post-employment benefits[5]	**(4)**	**(2)**	**(2)**	
Adj. free cash flow	**38**	**69**	**(31)**	**(44%)**

- Disciplined inventory control reflected in working capital
- Higher than average routine capex spend in 2016
- Cash tax in 2016 reduced by 2015 exceptional costs

Full Year Guidance 2017

- Major projects **c£23m** including new project **(Lodge Lane kiln)**
- Other capital expenditure spend **c£13m**
- Depreciation & Amortisation **c£27m**
- Cash interest charge **c£4m**
- Income statement effective tax rate **c22%**
- Post employment benefits c£7m

Note
(1) Cash conversion is the ratio of adjusted EBITDA after movements in working capital less maintenance capex to adjusted EBITDA
(2) Capex on major projects excludes expenditure in the year of £4m which was included in the equivalent 2015 disclosure
(3) Cashflow from operating and investing activities is defined as EBITDA adjusted for changes in working capital less cash flows from capex
(4) Estimated on an indicative basis for 2015
(5) Cash costs above P&L costs

FINANCIAL MANAGEMENT

New debt

Facilities	Amount (£m)	Margin Range p.a.
Term facility	0	n/a
Revolving facility	250	1.00% - 2.25%.
Total facilities	**250**	

Refinancing from **March 2017** (5 year term)

RCF facility blended interest rate

150 bps whilst leverage <1.75x

No debt repayments and includes accordion facility of £50m

Comfortably within covenants (interest cover 4.0x and debt leverage 3.0x EBITDA)

Pension scheme

UK scheme IAS 19R deficit of **£29m.** Gross liabilities of **£698m**

Consultation took place with active members in 2H 2016

Scheme **closed to future accrual** from **1st February 2017**

Complex accounting consequences - **non-cash income statement credit of £30m** recorded in 2016 statutory financials.

Deficit recovery plan continues (£7m p.a.)

US **£9m** of post retirement obligations recognised

AGENDA

Highlights & Overview
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Financial review
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Operating review
Wayne Sheppard

Outlook
Wayne Sheppard

Q&A

OPERATING SEGMENT REVIEW - UK

	2016	2015	% Growth
Revenue	£344m	£336m	2%
Adjusted EBITDA	£103m	£99m	4%
Adjusted EBITDA margin	29.8%	29.4%	

Clay brick performance

- **Continued growth** in sales to housebuilders
- Volumes **slightly higher y-o-y** despite merchant destocking
- Rigid **stock discipline** maintained
- Price increases in all channels, overall **price neutral due to change in channel mix**

Energy costs reduced in 2016 although expected to be less favourable in 2017

Strong performance from **concrete products** with **increases** in **sales and profitability**

Overall UK **margins maintained**

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MAJOR PROJECT

July 2016

New brick factory, Ibstock Leicestershire

£54m Capex project

Scheduled to be commissioned **2H 2017**

Addition of **100m soft mud brick capacity** (**13%** of current total Ibstock brick capacity, **5%** UK capacity)

High volume factory with **expansion potential**

Most **modern** and **efficient** brick plant in UK

Process flexibility to manufacture existing product range and develop new products

Margin enhancing

Benefits from 2018

February 2017

IBSTOCK PLC

MAJOR PROJECT

New concrete roof tile line – Leighton Buzzard

£8m
Capex project

New line now commissioned with commercial launch **1H 2017**

Manufactures large format **'metric tiles'**

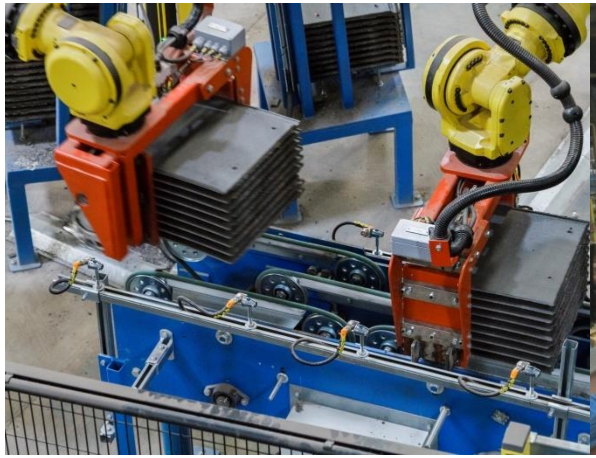
New products **reduce build costs** for users

Aesthetically superior to competing products

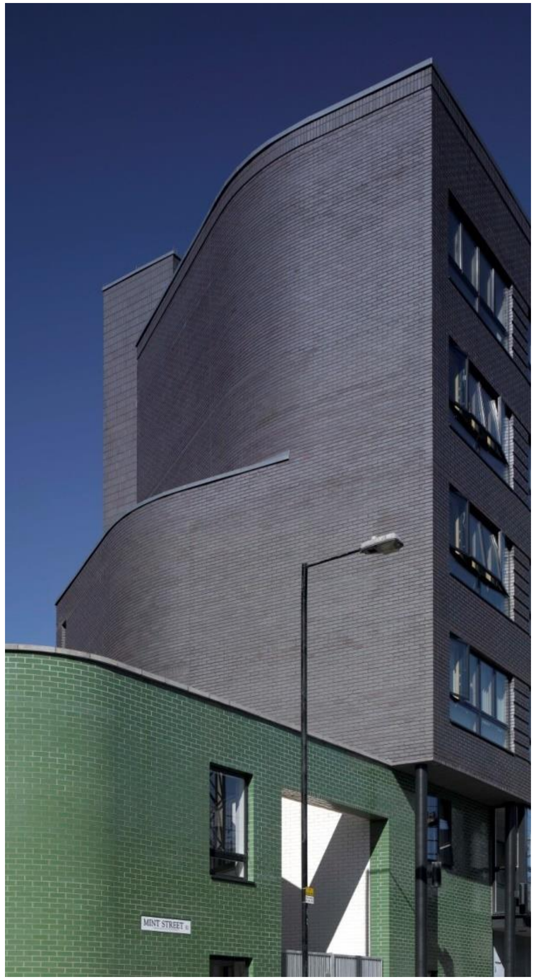
Forticrete becomes **full range supplier** to new housing sector

Anticipated **incremental 2017 EBITDA c£1m**

Full benefits in 2018



MAJOR PROJECT



New brick kiln – Lodge Lane (Cannock in Staffordshire)

£8m Capex improvement project

Scheduled to commission Q4 2017

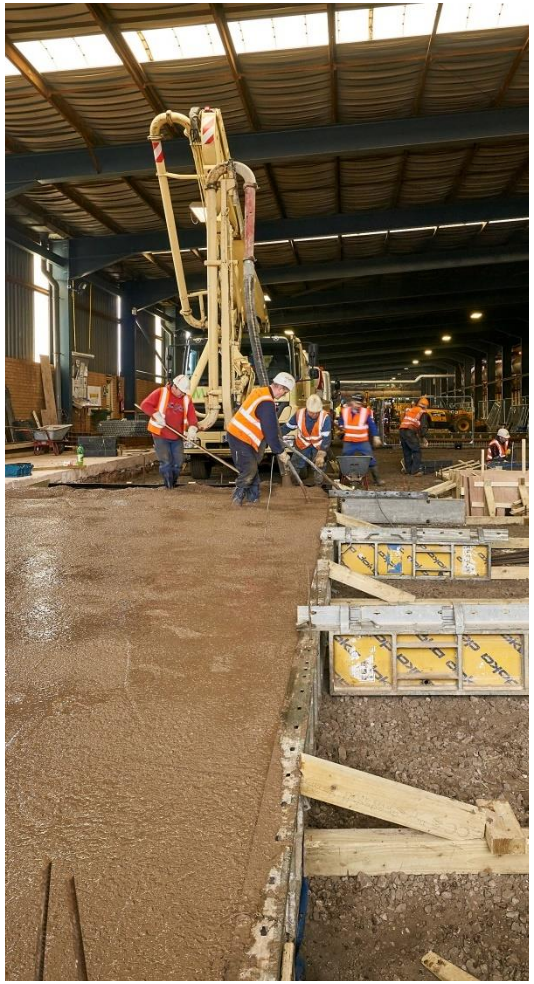
Lodge Lane factory manufactures **'blue bricks'**

Niche product range with **distinct visual aesthetics**

Replacement kiln **reduces costs** and **increases capacity** allowing displacement of Ibstock imports

Maintains Ibstock's leading position as a **full range supplier.** No disruption to volumes in 2017

ROCE enhancing returns commencing 2018



OPERATING SEGMENT REVIEW - US

	2016	2015	% Growth ($)
Revenue	**$122m** (£91m)	**$117m** (£77m)	4%
Adjusted EBITDA	**$17m** (£13m)	**$12m** (£8m)	40%
Adjusted EBITDA margin	13.8%	10.4%	

Growth in EBITDA:

Volumes broadly flat over the year after unusually strong start due to mild winter

Continuing benefits of **favourable energy costs**

Higher average prices benefiting from **favourable** product and **channel mix**

Good growth in both non-residential and single family residential projects supported performance

Continued margin improvement

AGENDA

Highlights & Overview
Wayne Sheppard

Financial review
Kevin Sims

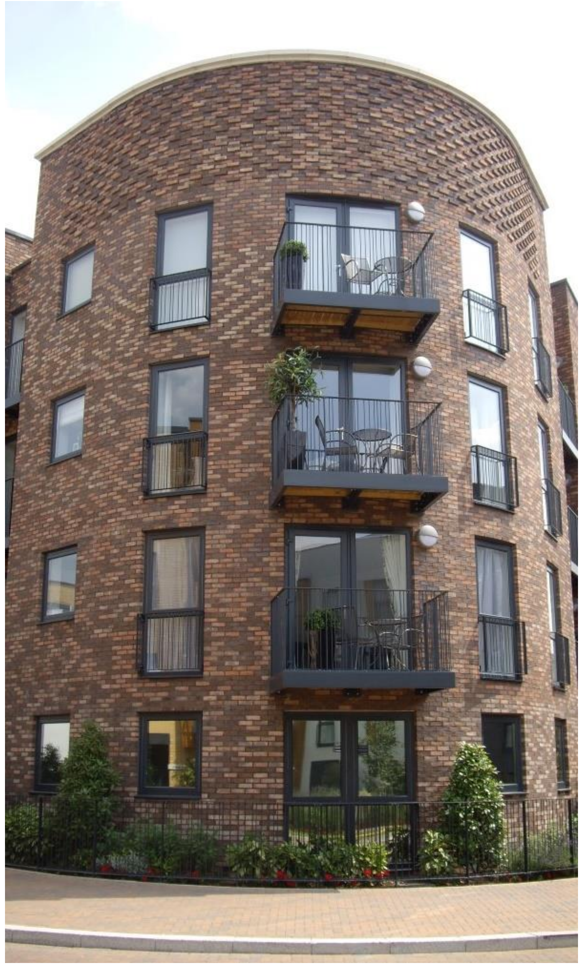
Operating review
Wayne Sheppard

Outlook
Wayne Sheppard

Q&A

IBSTOCK PLC

CURRENT TRADING

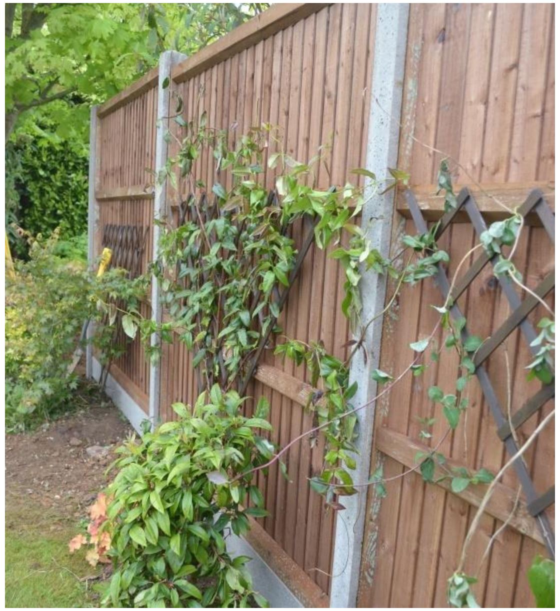


UK Clay

- Good start to the year
- Sales volumes ahead of 2016 across all channels
- Prices agreed by channel are in line with expectations

UK Concrete and US Clay

- UK concrete trading has begun the year in line with expectations
- US has got off to a good start aided by mild weather



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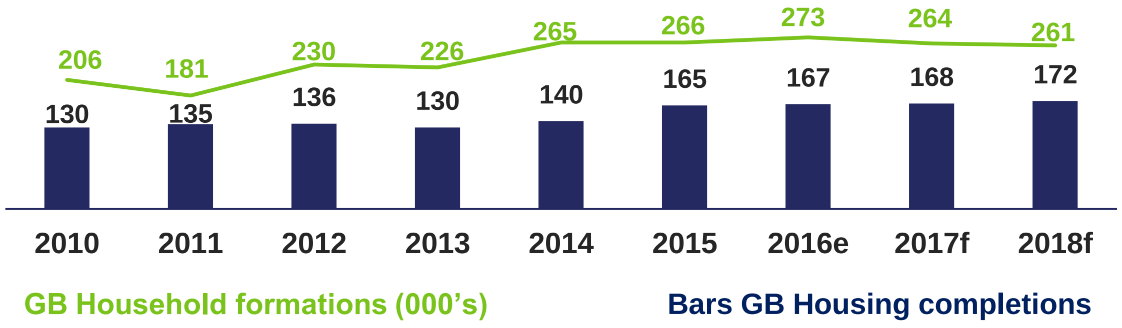
FUNDAMENTALS REMAIN IN PLACE

UK Housing Dynamics

Strong demand for new housing



Continued shortage of new housing from long term underbuilding

Mortgage availability remains good

Government committed to **increasing housing supply**

Supportive Government policies (particularly Help to Buy) remain in place

UK Government Housing White Paper February 2017

"We need to build many more houses, of the type people want to live in, in the places they want to live."

Theresa May (Prime Minister)

"This country doesn't have enough homes… For decades, the pace of house building has been sluggish at best. As a result, the number of new homes has not kept pace with our growing population."

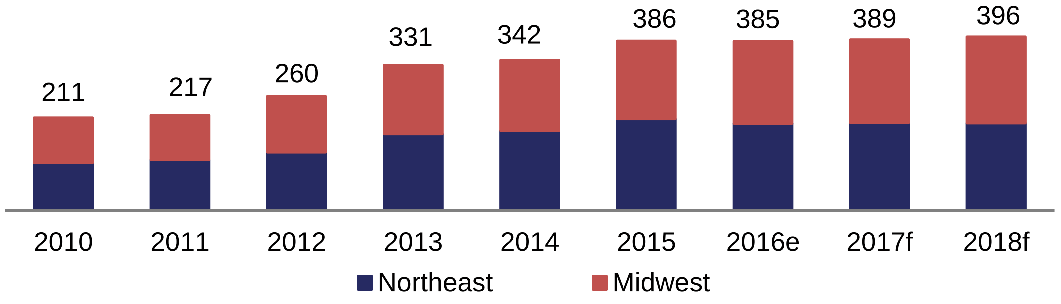
Sajid Javid (Secretary of State Communities and Local Government)

Sources :- GB Household formations – UK Govt: Housing Completions – Construction Products Association

FUNDAMENTALS REMAIN IN PLACE

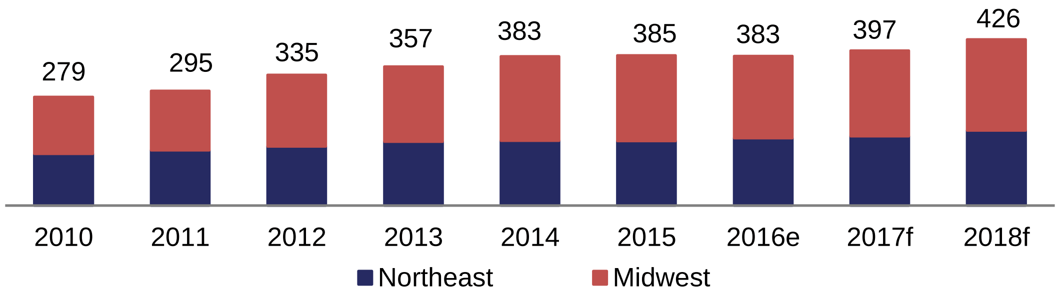
US Market Dynamics

Steady recovery in housing starts in Glen-Gery's key markets (Starts 000's)



- Single family units in key markets are expected to be up c7% in 2017. Low inventory and increased new household formation will drive the need for more starts
- Weighing on the forecast for 2017 is the multi-family sector, expected to be down c5% after five years of double digit growth within Glen-Gery's markets

Continued recovery in commercial markets (000's sq.ft)



- Commercial construction is expected to increase c4% in 2017 within Glen-Gery's markets. Key sectors for Glen-Gery are education, retail, healthcare and Government
- The Northeast and Mid-Atlantic expecting c3% increase in 2017, primarily from New York, Pennsylvania, Maryland and Virginia
- The Midwest market is forecasted to increase c4% in 2017 driven by growth in Illinois, Indiana, and Ohio

Source :- Dodge Data and Analytics

IBSTOCK PLC

SUMMARY AND OUTLOOK

Expectations for another year of progress are maintained (subject to political and economic uncertainties)

Long term **fundamentals supporting UK housing** remain unchanged

UK Clay - increase in activity levels compared to 2016 in the weeks to date of 2017

UK Concrete to benefit from **new roof tile capacity**, a strong housing market and resilient housing RMI levels

US Clay expected to show **further progress in 2017**

Major capital projects progressing to plan with **main earnings benefits to come**

Continue to appraise **opportunities for value creating organic or acquisitive investments** as they arise

Group remains strongly **cash generative and well prepared for growth**

AGENDA

Highlights & Overview
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Financial review
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Outlook
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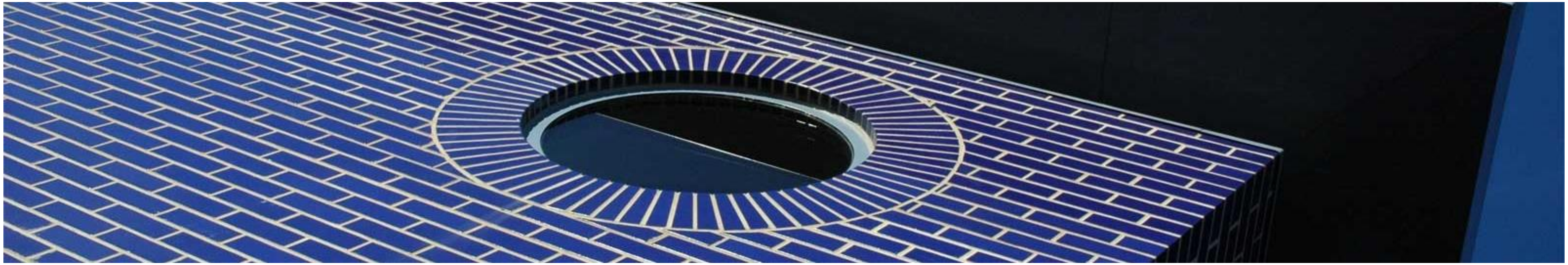


HIGHLIGHTS 2016

Robust performance whilst investing for future growth

Improved profitability despite geopolitical events and UK supply chain destocking	**Invested for growth** at Leicester and Leighton Buzzard with main earnings benefits to come	**Derisked the balance sheet** by closing UK Defined Benefit pension scheme	**Reduced financing costs** from 2017 by refinancing debt arrangements

IBSTOCK PLC

APPENDIX | ADDITIONAL FINANCIAL INFORMATION

INCOME STATEMENT YEAR ENDED 31 DECEMBER 2016

Income statement			
	Year ended 31 Dec 2016 £m	**Year ended 31 Dec 2015[1] £m**	**Statutory period ended 31 Dec 2015 (10 months trading)**
Revenue	**435**	**413**	**358**
Operating profit pre-exceptional	86	81	80
Add exceptional items[2]	28	75	75
Operating profit	**114**	**156**	**155**
Net finance costs	(3)	(7)	(68)
Adjusted Profit before tax	**111**	**149**	**87**
Adjusted Taxation	(21)	(17)	7
Adjusted profit after tax	**90**	**132**	**94**

(1) Figures for December 2015 are based on normalised interest and taxation levels for the twelve month period and do not reconcile directly to the statutory financial statements
(2) Main exceptional items represent the pension curtailment gain in 2016; and negative goodwill, costs associated with the IPO and acquisition expenses in 2015

BALANCE SHEET AS AT 31 DECEMBER 2016

Balance Sheet		
	31 Dec 2016 £m	31 Dec 2015 £m
Assets		
PP&E	392	347
Intangible	123	128
Non-current assets	**515**	**475**
Inventories	89	83
Trade receivables	52	59
Other	2	1
Current assets	**143**	**143**
Total assets	**658**	**618**
Payables	(81)	(79)
Other liabilities excl debt & pension	(77)	(86)
Net assets	**500**	**453**

APPENDIX | ADDITIONAL BACKGROUND INFORMATION

KEY INVESTMENT HIGHLIGHTS

IBSTOCK PLC

Market leadership positions	Structural demand growth	Industry structure	High barriers to entry	Strong customer service ethic	Multiple growth options	Long-standing management	Outstanding financial performance
#1 in UK bricks	Strong household formations with supportive UK government policy	Three UK brick manufacturers c90% of capacity	Vertically integrated business model with planning and capital barriers	High quality, broad product range and strong customer relationships	Additional capacity, product innovation and strategic development	Highly experienced and extensive through-the-cycle track record	High operational gearing, strong returns and cash flow

A LEADING PROVIDER OF CLAY AND CONCRETE BUILDING PRODUCTS

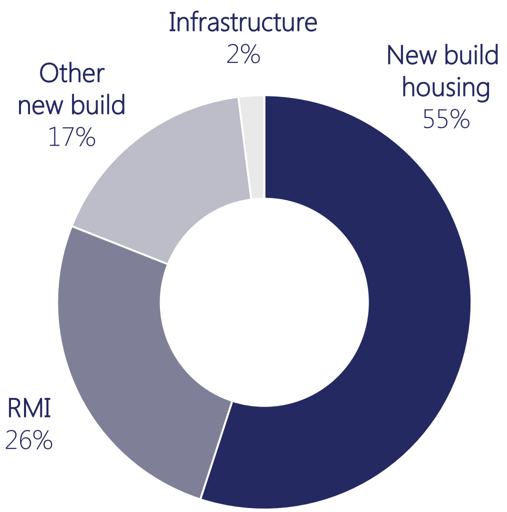
	UK			US
	IBSTOCK	SUPREME	Forticrete	Glen-Gery
Revenue (FY 16) % of Group	**£254m 58%**	**£52m 12%**	**£38m 9%**	**£91m 21%**
Market position[1]	UK #1 in clay bricks	UK #1 in fencing and lintels	Market leader in cast stone and niche tiles	A leading clay brick manufacturer in Northeast and Midwest

Note
(1) Market positions based on Company estimates of 2016 capacity, other than Forticrete's cast stone market share, which is based on FY15 revenue and Glen-Gery's market share which is based on Company estimates of 2016 shipments

A LEADING PROVIDER OF CLAY AND CONCRETE BUILDING PRODUCTS

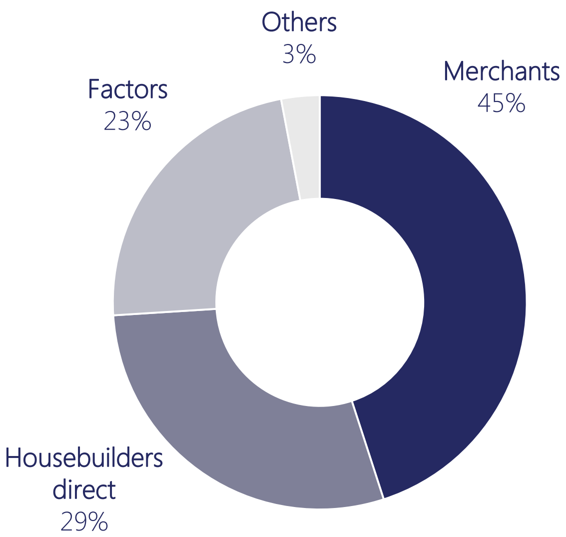
End market

Group revenue by end market (FY 16)

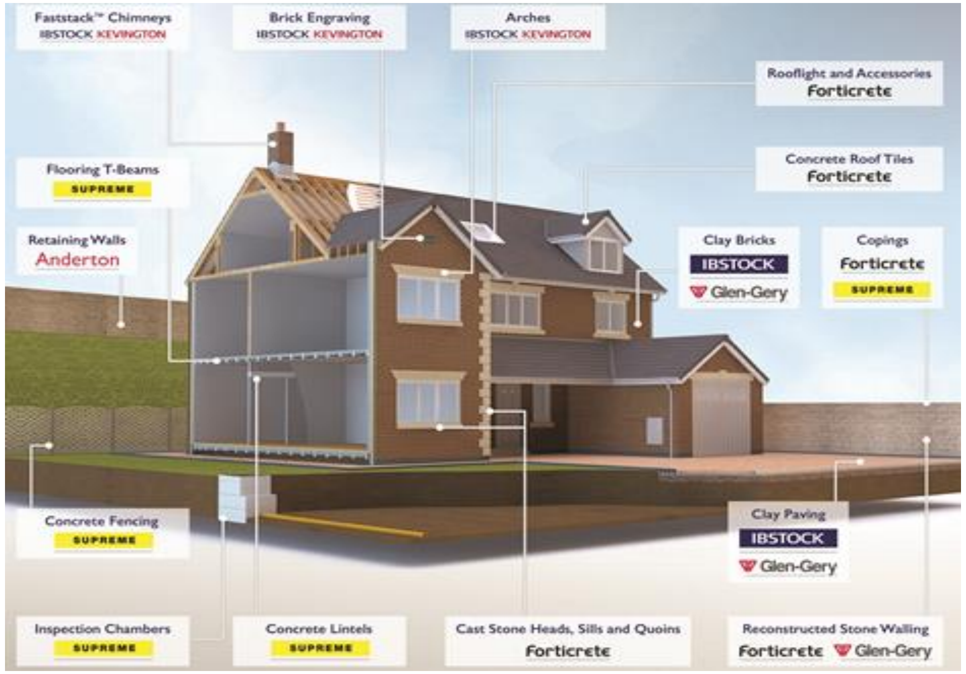


Sales channel

UK (FY 16)[1]



A whole house product range & more



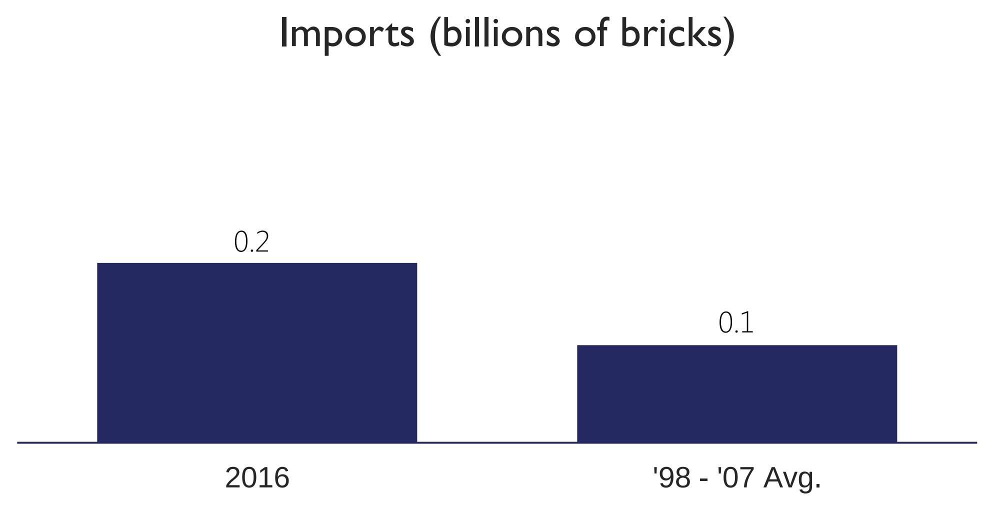
Key supplier to the housing sector	Complementary product offerings	Cross-selling opportunities	Innovative solutions	Opportunity to add new product sectors	RMI exposure provides cyclical resilience

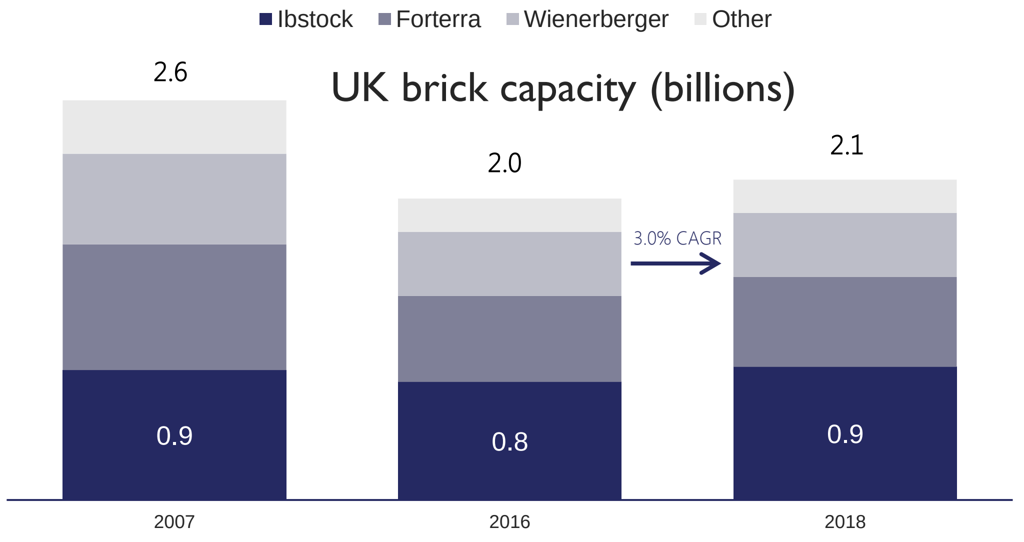
Note
(1) The sales channel reflected in the pie chart does not always reflect the individuals and organisation that are making the actual 'buying' decision for products. In many cases, the preference of the end customers or their specifier dictates the use of a product rather than the intermediary that actually transacts to purchase products

IBSTOCK PLC

WELL POSITIONED IN STRUCTURALLY ATTRACTIVE MARKETS

UK Brick Market





Import volumes peaked June 2015 at c0.4bn MAT	Imports have higher transport costs and are exposed to forex movements	Availability is partly a function of domestic demand levels in Benelux

Permanent reduction in capacity post 2008 financial crisis	Major additions to new capacity have long lead times	Existing capacity below potential scale of the market if housebuilding volumes continue to increase

Sources:- Imports – Govt statistics, Capacity – Company estimates

IBSTOCK PLC

WELL POSITIONED IN STRUCTURALLY ATTRACTIVE MARKETS

High barriers to entry – Vertically integrated clay business model with significant local footprint

Clay reserves

Long-term access to clay

>150m tonnes of reserves

Product range and geographic coverage

28 brick plants

6 speciality brick assembly sites

>500 varieties of bricks

Customer relationships

Well trained, well regarded sales teams

10 US resale centres

No new UK greenfield entrants > 20 years

Multiple growth options

UK

Expand existing positions

Expand into complementary products with comparable routes to market

Grow components capability

US

Standalone growth

Strategic options

Opportunistic M&A

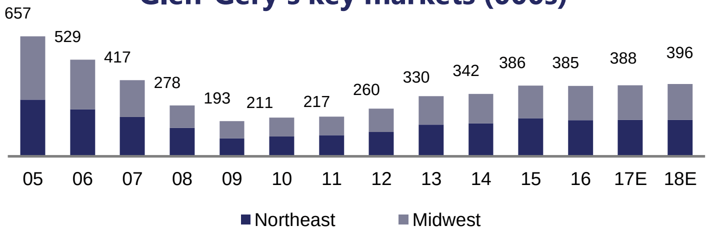
IBSTOCK – Capacity expansion

New c100m brick capacity, state of the art plant	13% Ibstock capacity (5% of market)	c.£54m cost across 2015-17	Commissions second half of 2017

Forticrete – Innovation

1.1m² supply of potential new product (5% of market)	Cost £8m across 2015-16	Commissioned Q4 2016

Recovering housing starts in Glen-Gery's key markets (000s)



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