

Trading Update

Ibstock plc ('Ibstock' or the 'Group'), a leading manufacturer of clay bricks and concrete products in the United Kingdom, today issues a trading update for the year ended 31 December 2019.

The Group delivered a resilient trading performance for the year against a backdrop of political and economic uncertainty and reduced new build housing activity in the second half, and expects to deliver adjusted EBITDA broadly in line with market expectations for 2019.

Total revenues were up mid-single digits for the full year compared to 2018, primarily reflecting pricing benefits in our clay brick business, volume growth in some of our key concrete product lines, including roofing, and the consolidation of Longley Concrete, acquired in July 2019.

At 31 December 2019, net debt¹ was approximately £84 million, after the payment of the supplementary dividend announced at the interim results, the acquisition of Longley Concrete and investment in working capital as brick inventories increased from historically low levels. The Group continues to benefit from strong underlying cash generation and remains towards the lower end of its target leverage range of 0.5-1.5x net debt to adjusted EBITDA².

Looking ahead, the lower levels of residential construction activity in the second half of 2019 have created a more subdued market backdrop as we enter 2020. However, the market fundamentals for new build housing in the UK remain robust, with a structural deficit of housing, low interest rates and unemployment, and the Government's Help-to-Buy scheme in place until 2023. The Group therefore remains well positioned and, with a strong balance sheet, we continue to assess investment options in the UK as we look to deliver growth over the medium term.

The Group will announce its results for the year ended 31 December 2019 on 3 March 2020.

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¹ Net debt is stated on a consistent basis to prior periods, excluding lease liabilities arising from IFRS16.

² Leverage range calculated as net debt to adjusted EBITDA before the impact IFRS16.

About Ibstock Plc

Ibstock plc is a leading manufacturer of clay bricks and a diversified range of clay and concrete products, from its operations in the United Kingdom. Its principal products are clay bricks, brick components, concrete roof tiles, concrete substitutes for stone masonry, concrete fencing and pre-stressed concrete products.

The Group's two divisions are:

Ibstock Clay: The leading manufacturer by volume of clay bricks sold in the United Kingdom. With 19 manufacturing sites Ibstock Brick has the largest brick production capacity in the United Kingdom. It operates a network of 23 active quarries located close to its manufacturing plants. Ibstock Brick has recently commissioned a new soft mud brick manufacturing plant in Leicestershire that added approximately 100 million bricks (c.13%) to its brick production capacity per annum. Ibstock Kevington provides masonry and pre-fabricated component building solutions, operating from five sites across the UK.

Ibstock Concrete: A leading manufacturer of concrete roofing, walling, flooring and fencing products, along with lintels and general concrete building products, with 16 manufacturing plants in the United Kingdom.

Forward-looking statements

This announcement contains "forward-looking statements". These forward-looking statements include all matters that are not historical facts and include statements regarding the intentions, beliefs or current expectations of the directors. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that are difficult to predict and outside of the Group's ability to control. Forward-looking statements are not guarantees of future performance and the actual results of the Group's operations. Forward-looking statements speak only as of the date of such statements and, except as required by applicable law, the Group undertakes no obligation to update or revise publicly any forward-looking statements.