

Ibstock plc Trading Update

Trading Update

Ibstock plc ('Ibstock' or the 'Group'), a leading manufacturer of clay bricks and concrete products with operations in the United Kingdom and the United States, today issues a trading update for the year ended 31 December 2016.

The Group continues to trade as anticipated with adjusted EBITDA in line with expectations.

Group revenue for the year ended 31 December 2016 was up 5%.

Revenue from clay and concrete products in the UK, which represents approximately 80% of Group revenue, was up 2% for the full year compared to 2015. The increase in revenue in 2016 reflects low single digit volume growth for clay brick and further volume and price growth in the concrete businesses. Despite the release of brick inventory by distributors as previously reported, particularly in the first half of the year, brick sales volumes for the full year exceeded 2015. Growing house builder activity supported a stronger second half and national brick imports declined significantly over the year.

Revenue in the US was up 18% (4% at constant exchange rates) for the full year compared to 2015, principally reflecting a combination of higher average prices and the benefits from a more favourable product and end use sector mix.

As at 31 December 2016, net debt declined compared to prior year despite significant spend on previously announced major projects, and was in line with management expectations.

During 2016 the Group progressed with the construction in the UK of an additional clay brick factory in Leicestershire which will expand Ibstock's UK clay brick capacity by c13%. This project is making good progress and will commission in the second half of this year.

Installation of a new concrete roof tile line at the Leighton Buzzard facility was completed within budget and commissioning commenced during August 2016 adding c5% to UK concrete roof tile market capacity. First projects using the new tiles, which broaden the Group's concrete tile product range, have been completed and have been well received by key customers.

Price negotiations for 2017 with all our major UK brick customers have now been concluded and are in line with management expectations.

In the UK, following a full consultation process with affected members, the Ibstock defined benefit pension scheme will close to future accrual with effect from 31 January 2017. All scheme members have agreed to join the company's defined contribution scheme with effect from 1 February 2017.

The Group will announce its preliminary results for the year ended 31 December 2016 on 7 March 2017.

Enquiries

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Notes to Editors:

Ibstock plc is a leading manufacturer of clay bricks with a diversified range of clay and concrete products, and operations in the United Kingdom and the United States. Its principal products are clay bricks, brick components, concrete roof tiles, concrete substitutes for stone masonry, concrete fencing and general concrete building products. The Group's four primary businesses are:

UK business:

- **Ibstock Brick:** The leading manufacturer by volume of clay bricks sold in the United Kingdom. With 19 manufacturing plants Ibstock Brick has the largest brick production capacity in the United Kingdom. It operates a network of 23 active quarries which are generally located close to its manufacturing plants. Ibstock Brick is at an advanced stage with the construction of a new soft mud brick manufacturing plant in Leicestershire that has been designed to add approximately 100 million bricks (c13%) to its brick production capacity per annum. The new plant is expected to be commissioned in the second half of 2017.
- **Supreme:** A leading manufacturer of concrete fencing products, concrete lintels and general concrete building products, with seven manufacturing plants in the United Kingdom.
- **Forticrete:** A leading manufacturer of concrete substitutes for natural stone walling, dressings and concrete roof tiles, with seven manufacturing plants in the United Kingdom. Forticrete has invested in a new concrete roof tile manufacturing line at its Leighton Buzzard facility, which has added c5% to UK concrete roof tile market capacity when the market is experiencing good growth.

US business:

- **GlenGery:** A leading manufacturer of bricks by volume of despatches in the Northeast and Midwest regions of the United States, with a network of ten manufacturing plants, ten distribution centres and 29 active quarries, covered by 20 active quarry permits.