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Ibstock Plc

Trading Update for the year ended 31 December 2024

Ibstock Plc ("Ibstock" or the "Group"), a leading UK manufacturer of a diverse range of building products and solutions, today issues a trading update for the year ended 31 December 2024, ahead of its full year results, which are scheduled for Wednesday 5 March 2025.

Resilient performance in 2024

- Adjusted EBITDA of c.£79 million, consistent with previous guidance

Continued strategic progress

- New low carbon capacity in bricks and brick slips systems in place to benefit from market recovery; further progress towards our ambitious ESG Strategy

Outlook

- Expect improved market conditions in 2025, with momentum building through the year

Resilient performance in 2024

2024 was a challenging year for UK construction markets, with total UK brick deliveries expected to be over 30% below the 2.5 billion recorded in 2022. Against this backdrop, the Group extended its resilient performance through the final quarter of the year, which benefited from our ongoing focus on cost management and stability in pricing.

Full year revenues are expected to have decreased by 10% to approximately £365 million (2023: £406 million), principally resulting from lower sales volumes across the core business. As anticipated at the time of our interim results in August, the business saw a progressive improvement in sales volumes across the second half of 2024, with revenues in H2 2024 being 3% ahead of the prior year period and 6% ahead of H1 2024.

Adjusted EBITDA for 2024 is expected to be approximately £79 million, subject to audit, in line with the guidance provided at the half year. Performance reflected continued active management of cost and capacity, supported by sustained discipline on pricing.

As announced in October, we took a decision to restructure our Glass Fibre Reinforced Concrete (GRC) activities, in light of the performance and near-term prospects for this product line. We anticipate recognising an exceptional cost of up to £6 million relating to this decision (including around £1 million of incremental cash costs) in our results for 2024.

Continued strategic progress

Despite the challenging market backdrop, the Group continued to invest in building both capacity and capability in the core business and in Ibstock Futures during the year, with progress on the key projects that will underpin our growth over the medium term remaining on track.

Production at our new Atlas factory, which produces the UK's first externally-verified carbon neutral brick, is ramping up well. As our pathfinder factory, Atlas is piloting a number of new, more sustainable

production technologies and processes that could be rolled out across the wider factory network to deliver a further significant reduction in carbon intensity.

We have seen a positive market response to the first phase of our investment in brick slips capacity at Nostell in Yorkshire, with the factory now ramping up to deliver a step change in market volumes from 2025.

The integration of Coltman, which is focused on flooring solutions in the UK, has progressed well and the acquisition is already delivering returns ahead of our business case. Coltman has strengthened our national footprint as a leader in this segment.

Ongoing financial strength

Cash flow for the year was in line with our expectations, resulting in net debt at 31 December 2024 of around £122 million (30 June 2024: £138 million; 31 December 2023: £101 million). During the year, the Group invested c.£45 million of fixed capital, including significant investment in the growth projects discussed above, providing a strong platform to respond as market conditions improve.

As anticipated, reported leverage¹ reduced during the second half of the 2024 year to 1.8 times, from 2.0 times at the half year.

Outlook

The government's indicated planning reforms and support for housebuilding are expected to support a recovery in residential construction activity over time, albeit planning and affordability remain limiting factors to near-term demand growth.

Notwithstanding those near term constraints we continue to expect improved market conditions in 2025, with momentum building through the year. We now have around 60% of our expected energy requirements covered for the 2025 year, with cover being front-end loaded. With our capital investment programme now substantially complete, the Group has lower cost, efficient and more sustainable capacity in place to respond to an increase in activity as market conditions improve. In anticipation of this we are incrementally investing to bring capacity into the network so that we are in a position to respond dynamically during the year.

Overall, with the benefit of year-on-year volume increases and our robust operating platform, we expect to make good progress in 2025. Looking further ahead, the fundamental drivers underpinning demand in our markets are firmly intact and the Group's medium term prospects remain strong.

Joe Hudson, CEO of Ibstock PLC, said:

"We are pleased to have delivered a resilient performance, consistent with the guidance we gave at the half year, in a market where revenues continued to be impacted by subdued activity levels. This result reflects our active management of capacity and cost, continued disciplined pricing and a progressive improvement in demand across the second half, as expected.

"Looking to 2025, we expect a further improvement in market volumes to build through the year. We made good strategic progress during 2024 to add efficient and sustainable new capacity to our network and we will continue to bring capacity back into production selectively to support our customers. We see a significant opportunity for a new era in housebuilding in the UK and with the

investments we have made and our market leadership positions, the Group remains well placed to support this over the medium term.”

¹The reported Net debt to EBITDA leverage ratio definition removes the operating lease expense benefit generated from IFRS16 compared to IAS 17 within EBITDA

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About Ibstock Plc

Ibstock Plc is a leading UK manufacturer of a diverse range of building products and solutions. The Group concentrates on eight core product categories, each backed up by design and technical services capabilities:

- Bricks and Masonry, Façade Systems, Roofing, Flooring and Lintels, Staircase and Lift Shafts, Fencing and Landscaping, Retaining Walls and Rail and Infrastructure.

The Group comprises two core business divisions, Ibstock Clay and Ibstock Concrete. The Ibstock Futures business was established in 2021 to accelerate growth in new, fast developing segments of the UK construction market and, while it remains in its initial growth phase, forms part of the Clay division.

Ibstock Clay: The leading manufacturer by volume of clay bricks sold in the United Kingdom. With 14 manufacturing sites, Ibstock Clay has the largest brick production capacity in the UK. It operates a network of 14 active quarries located close to its manufacturing plants. Ibstock Kevington provides masonry and prefabricated component building solutions, operating from 4 sites.

Ibstock Concrete: A leading manufacturer of concrete roofing, walling, flooring and fencing products, along with lintels and rail & infrastructure products. The concrete division operates from 13 manufacturing sites across the UK.

Ibstock Futures: Complements the core business divisions by accelerating diversified growth opportunities which address key construction trends, including sustainability and the shift towards Modern Methods of Construction (MMC). Operating from an innovation hub in the West Midlands, and the Nostell redevelopment in West Yorkshire.

Ibstock is headquartered in the village of Ibstock, Leicestershire, with 32 active manufacturing sites across the UK.

As a leading building products manufacturer, the Group is committed to the highest levels of corporate responsibility. The ESG 2030 Strategy sets out a clear path to address climate change, improve lives and manufacture materials for life, with an ambitious commitment to reduce carbon emissions by 40% by 2030 and become a net zero operation by 2040.

Further information can be found at www.ibstock.co.uk

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.