

## COVID-19 Update

Ibstock plc ('Ibstock' or the 'Group'), a leading manufacturer of clay bricks and concrete products in the United Kingdom, today issues an update on the impact of, and its response to, the COVID-19 outbreak.

In light of the Government's escalating measures to contain the spread of the virus, and in order to ensure the health and safety of employees, customers and other stakeholders, the group has decided to temporarily suspend production at our manufacturing facilities. These actions will be taken in an orderly way to ensure an efficient return to full production as business returns to normal.

### Operational actions

The Company has identified a number of measures that will protect cash flow generation and enable the Group to manage through this period of uncertainty.

In addition to the temporary suspension of manufacturing operations, we have taken a number of actions to reduce operating costs across the Group and will defer non-essential capital expenditure, whilst at all times keeping the focus on the safety of all our employees. The capital expenditure associated with the recently announced redevelopment of our Atlas clay brick manufacturing facility has not yet been contractually committed and the project has been put on hold.

We welcome the swift action being taken by the UK Government to preserve employment through the job retention scheme, and expect to participate in this initiative.

### Financial position

Given the unprecedented nature of the situation and significant uncertainty around the extent and duration of any impact, the Group is taking a number of actions to strengthen liquidity and preserve cash, thereby enhancing the resilience and flexibility of the business.

The Group entered the year with a strong balance sheet, with leverage, at net debt of £85 million, towards the lower end of its targeted range of 0.5x to 1.5x net debt to adjusted EBITDA (before the impact of IFRS16).

The Group has significant liquidity headroom with a revolving credit facility ("RCF") totalling £215 million, which expires in March 2022. We maintain good and constructive relationships with our lending banks.

In addition, our cash flows will benefit from a number of the initiatives being announced by the Government.

### 2019 Final Dividend

Given current circumstances, the Board believes that, in order to preserve its strong liquidity and financial position, it is appropriate to cancel the 2019 final dividend payment of 6.5 pence per ordinary share (total cost of £27 million) that was proposed with the announcement of the full-year 2019 results on 3 March 2020. As a result, the resolution to approve the 2019 final dividend payment of 6.5 pence per ordinary share will not now be put before shareholders at the AGM on 21 May 2020.

## **Outlook**

As a result of the current unprecedented levels of uncertainty, it is not possible for the Group to provide an accurate assessment of trading for the current year, and, accordingly, all previous market guidance is now being withdrawn. We will provide a further update when there is greater clarity on the trading environment and the specific impact of COVID-19.

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## **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 to its brick production capacity per annum. Ibstock Kevington provides masonry and pre-fabricated component building solutions, operating from 5 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.