

Ibstock Plc
Results for the year ended 31 December 2025

Strategic progress in a challenging market. Well positioned for future growth

Ibstock Plc ("Ibstock" or the "Group"), a leading UK manufacturer of building products and solutions, announces results for the year ended 31 December 2025.

- Resilient 2025 operating performance and proactive strategic action taken in a progressively tougher market
- Revenue up 2% to £372m (2024: £366m), Adj. EBITDA of £71m (2024: £79m), in line with revised guidance
- Commissioning of Atlas and Nostell continues, enhancing efficiency and growth
- Market share gains in Clay, with diversified ceramic facades capability gaining significant interest
- With market fundamentals intact and major capital expenditure programmes largely complete, we expect an acceleration in free cash flow generation and an improved balance sheet in the medium term to provide optionality on future growth opportunities and shareholder returns

Adjusted Results¹

Year ended 31 December	2025	2024	Δ 1Y	% change
Revenue	£372m	£366m	+\$6m	2%
Adjusted EBITDA	£71m	£79m	(\$8)m	(10)%
Adjusted EBITDA margin	19.1%	21.7%	(260)bps	(12)%
Adjusted EPS	5.7p	7.7p	(2.0)p	(26)%
Adjusted free cashflow	£(10)m	£11m	(\$21)m	>(100)%
ROCE	5.8%	7.5%	(170)bps	(23)%
Net debt	£120m	£122m	£2m lower	2%

Statutory Results

Year ended 31 December	2025	2024	Δ 1Y	% change
Profit before taxation	£1m	£21m	(\$20)m	(96)%
EPS	0.8p	3.8p	(3.0)p	(79)%
Total dividend per share	3.0p	4.0p	(1.0)p	(25)%

Financial Highlights

- Revenue up 2% to £372m (2024: £366m) led by strong new-build growth in H1. H2 flat YOY

- Clay revenues up 5% to £260m. Concrete revenues of £112m, 5% lower than prior year
- Weighting of new-build residential with weaker RMI demand resulted in average pricing marginally down
- Group Adjusted EBITDA¹ down 10% to £71m (2024: £79m) reflecting cost inflation, adverse product mix and increased costs as capacity reinstated. Given demand dynamics in H2, we right-sized capacity and reduced headcount.
- Statutory profit before tax of £1m (2024: £21m), reflected lower trading performance and an exceptional¹ charge of £19 m (2024: £12m)
- Net debt¹ reduced to £120m (2024: £122m) including c.£30m of proceeds from non-core divestments.
- Recommended final dividend of 1.5p per share (2024: 2.5p) brings the total dividend for the year to 3p (2024: 4p), representing a 53% pay-out on adjusted earnings per share.

Strategic progress – positioning for medium term growth

- Atlas factory largely complete, delivering lower cost, more efficient capacity
- Nostell investment progressing through commissioning, with good progress on the construction of the UK's most advanced ceramic façade facility
- The review of options for our calcined clay opportunity has progressed well and commercial agreement is well advanced
- As part of our disciplined capital allocation, we took the decision in Q4 to sell surplus land assets and our Forticrete roofing sites, for total consideration of c.£30m.
- We continue to look at optionality around our land assets to further strengthen the balance sheet

Outlook

- After a weather impacted start to 2026, residential construction and RMI markets expected to remain challenging in H1.
- Current international events in the Middle East are expected to introduce new uncertainty; the Group is well covered with around 80% of its energy needs secured for the 2026 financial year.
- Anticipation of some modest year-on-year volume growth in H2 as markets recover, dependent on demand activity gaining momentum in the Spring
- Pricing actions are expected to offset the impact of cost inflation
- Reflecting our current view of a subdued market, we will be actively managing production volumes and inventory which will create a margin headwind for 2026 but benefit overall cash generation
- Improved cash generation provides optionality for future growth and capital returns in the medium term
- The Board remains confident in the medium-term prospects for the business, although the pace and timing of the recovery remain uncertain

Joe Hudson, Chief Executive Officer, said:

“The 2025 year started well with a solid increase in volumes. The recovery gave way to tougher conditions in the second half, with market uncertainty weighing on demand. Nonetheless, I believe this set of results underscores our resilience and strategic agility against a difficult backdrop.

“Our investments in Atlas and Nostell are largely complete and highlight our commitment to developing innovative, more efficient and sustainable capabilities at good rates of return. We continue to make progress with our review of the calcined clay opportunity, with preferred partner selection and commercial agreement well advanced.

"I remain confident that underlying market fundamentals remain firmly intact. Ibstock is well-positioned to capitalise on the recovery, currently anticipated to begin in H2 2026, with its market leadership position and its diversified and efficient capacity."

Results presentation

Ibstock is holding a presentation at 11.00 GMT today at Storey Club - Event Space 1 & 2 (Lower Ground Floor, 100 Liverpool Street, Broadgate EC2M 2AU

Please contact ibstock@citigatedewerogerson.com to register your in-person attendance.

A live webcast of the presentation and Q&A is also available. Please register [here](#) for the live webcast.

An archived version of today's webcast analyst presentation will be available on www.ibstock.co.uk later today.

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About Ibstock Plc

Ibstock Plc is a leading UK manufacturer of building products and solutions, backed by design and technical services that comprises two core divisions:

Ibstock Clay: The leading manufacturer by volume of clay bricks sold in the UK, with 15 manufacturing sites served by 15 active quarries. Ibstock Kevington provides masonry and prefabricated component building solutions, operating from four sites.

Ibstock Concrete: A leading manufacturer of concrete walling, flooring and fencing products, along with lintels and rail & infrastructure products. The concrete division operates from 11 manufacturing sites across the UK.

Both divisions are complemented by Ibstock Futures, which was established in 2021 to accelerate growth in new segments of the UK construction market and focuses on even more sustainable solutions and Modern Methods of Construction (MMC) from two main locations.

The Group's 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.

¹Alternative Performance measures are described in Note 3 to this results announcement

CEO Statement

Introduction

Market dynamics in 2025 changed as the year progressed. After a strong start to the year, conditions became progressively more challenging. In the first and second quarter, the market was up 17% and 10% respectively. In the third quarter growth decelerated to 4% before an actual decline of 2% in the final quarter compared to the prior period. Overall, total market brick volumes were 1.83 billion (2024: 1.72 billion), c.27% below the recent 2022 peak, although 6% up on prior year. Imports were 352 million (2024: 316 million) representing 19% (2024: 18%) of the market. Our market leadership and differentiated offering enabled share gains in Clay brick with 8% volume growth.

Average selling prices in brick were marginally down on 2024 reflecting the tough environment and a shift in mix. We saw more growth in wire-cut bricks which serves new-build residential whilst demand for our soft mud bricks exposed to RMI and specification markets was more muted.

As we entered 2025, with market momentum continuing from 2024, we took steps to re-activate network capacity to meet the recovering demand. However, we incurred higher than expected incremental costs to reactivate this capacity and ultimately the initial momentum was not sustained and our capacity moved ahead of demand.

Given, the evolving demand dynamics in H2, we right-sized capacity and reduced headcount, focusing on driving efficiencies through both the factory network and our support functions which will deliver c.£5 million of annualised cost savings.

With disciplined capital allocation and a focus on priority markets, we generated c.£30 million of proceeds through the disposal of non-core assets including the sale of our Forticrete roofing sites and the sale of surplus land.

The Group remains committed to maximising returns through innovation and capacity optimisation. Our Atlas investment continues to make progress, with commissioning underway across its full brick product range. We were pleased to showcase this facility to investors in late 2025, demonstrating first-hand how we are combining cutting-edge technology, efficiency, and innovation to set new standards for the industry.

At Nostell, the second phase of the investment programme is also progressing well. Once complete, it will be the UK's most advanced ceramic façade facility, producing our new IBrick range which will also support innovative solutions such as FastWall. These products are already generating significant interest in the market and provide a new avenue of growth for the Group.

With major capex projects nearing completion, and a high cash drop through on incremental volumes, we are well positioned to capitalise on a market recovery, although the timing of a recovery back to normalised levels remains uncertain. Strategic options, including further land disposals and the commercialisation of our unique calcined clay reserves, will further strengthen the balance sheet providing significant optionality in respect of future growth and capital returns.

Financial Performance

Revenue for the period was up by 2% to £372 million (2024: £366 million). We saw a strong H1, with brick volume growth of 15%; which contrasted with flat growth in H2 as markets became tougher. A marginal full year price decline reflected the challenging trading environment as well as a mix impact with stronger growth in the new-build residential market and a relatively weak RMI sector.

Group adjusted EBITDA¹ of £71 million (2024: £79 million) was down 10% and in line with the revised guidance given in October 2025. Adjusted EBITDA¹ margin declined to 19.1% (2024: 21.7%). This reflected both inflationary pressure, increased costs related to reactivating clay capacity, and adverse product mix including lower volumes in higher margin Concrete categories.

Statutory profit before tax of £1 million (2024: £21 million), reflected lower trading performance and an exceptional¹ charge of £19 million (2024: £12 million).

The Group's net debt¹ at year end improved to £120 million (2024: £122 million).

Divisional Review

Clay

The Clay division delivered a resilient volume performance against a tough market backdrop. Strong volume growth in H1, and a broadly flat H2, resulted in revenues up 5% to £260 million (2024: £249 million). We saw more growth in wire-cut bricks which are more favoured in new-build housing markets, whilst demand for our soft mud bricks, which are more exposed to RMI and specification markets and concentrated in the South-East / London regions, was more muted. Within this, Ibstock Futures delivered sales for the full year of £9 million (2024: £10 million), impacted by Ibstock Telling Glass Reinforced Concrete (GRC) business ceasing in H1.

A more competitive environment constrained pricing which, together with a negative shift in sales mix, led to average prices slightly below the comparative period.

Adjusted EBITDA¹ of £68 million (2024: £72 million) was down by 6% due to cost inflation, adverse product mix and incremental fixed costs which tapered as the year progressed. This negative impact was partially offset by firmer pricing towards the end of the year. Performance benefited from an increase in inventory, with the absorption of fixed cost as production levels exceeded sales volumes in the year as demand weakened. The Clay division includes the financial performance of the Futures business where financial performance moved forward with overall net costs for the business reducing to £2 million from £7 million in 2024. Adjusted EBITDA margins for the period for the Clay division were down by 290 bps to 26.2% (2024: 29.1 %).

Concrete

Revenues within the Concrete division reduced by 5% to £112 million (2024: £117 million). Residential new-build sales volumes were tempered by lower growth in the RMI market and falling sales volumes as UK rail infrastructure markets continued to be impacted by control period spending constraints.

Adjusted EBITDA¹ fell 37% to £9 million (2024: £15 million) with an adjusted EBITDA margin of 8.3% (2024: 12.5%), reflecting adverse product mix with lower volumes in higher margin rail infrastructure and RMI markets.

In Q4 2025, we completed the disposal of land assets and our Forticrete roofing sites, releasing approximately £30 million of capital from non-core activities. The roofing operation was relatively small, and its exit allows greater focus on core clay and concrete activities without materially impacting the Group's future performance.

Sustain, Innovate, Grow

Our operational strategy is anchored around the pillars of **Sustain, Innovate and Grow**. To sharpen our focus on execution on these strategic goals we have defined five focus areas under the banner of a unifying

“North Star”. Although the pillars are distinct, in reality many of the initiatives highlighted below are applicable across all three.

Sustain: Embedding operational and service excellence

A Safe Reliable Production System

Health & safety remains our number one priority as a business.

Whilst in 2025 we made meaningful progress on strengthening safety leadership across our sites, along with greater risk controls, the Group recorded a Total Recordable Incident Frequency Rate (TIFR) of 36.6 (2024 31.4) This was driven primarily by commissioning and transition activities of our large projects – with multiple learnings taken from the teams.

We also advanced the Safe Reliable Production System programme. This multi-year initiative will drive an updated, standardised operating model for all Ibstock factories to improve performance and reliability and embed safe practices even further.

Customer Focus

We are developing a stronger data-driven approach to demand insights, including the in-year development of a new Business intelligence platform and pilot of an AI-enabled forecasting model. We have also taken a more segmented approach to customers to optimise service levels.

Our in-year customer survey showed our overall relationship rating improving year on year from 7.65 to 7.93. The survey has now expanded beyond our brick category into a broader range of product lines, enhancing the depth and strategic value of customer feedback across the business.

Innovate: Providing new solutions to the UK’s critical building needs

Product Development

Existing product development, coupled with new product development (NPD) focuses on continuously improving our existing range, as well as providing new, innovative and even more sustainable solutions to the UK construction industry.

In the Clay division we introduced six new products targeting the specification market. Along with the new aesthetically focused range from Atlas, we are building on our proposition of focusing on higher-end customer requirements.

New product developments from Nostell, such as IBricks and Fastwall have been well received, as we anticipate the evolving needs of our customers. In concrete, we have continued to take further steps to increase the use of recycled content and lower carbon content. Overall, our ratio of new and sustainable products as a percentage of revenue is consistently improving and in 2025 increased to 25% (2024: 22%), reflecting positive customer adoption and effective execution of our development pipeline.

Atlas

Atlas is our pathfinder factory, pioneering cutting-edge technology and our most advanced wire-cut processes to deliver a step change in efficiency. It sets the model for a high-performance, lower-cost, and more sustainable factory of the future.

Commissioning and ramp-up progressed well through the year, and we are now delivering six of the thirteen planned products, with the remainder - including our carbon-neutral range - coming online through 2026. The range has been well received by customers, combining the aesthetics of soft-mud bricks with the

efficiency and consistency of wire-cut production, meeting design-led demand while improving operational performance.

We expect an increasing appetite for these products and a corresponding uplift in factory profitability driven by Atlas's advanced, efficient manufacturing model.

The factory has been shortlisted for the Government's second round of Hydrogen funding known as HAR2. This will reduce costs, increase efficiency and improve sustainability even further. The new factory has already reduced the level of carbon emissions by c.50% compared to the original Atlas factory and with the construction of a green hydrogen facility adjacent to the factory there is the potential to reduce the carbon footprint by c.75% compared to the original Atlas factory.

Nostell

The first phase of the Nostell project, the automated brick slips cutting facility, is fully commissioned. The second phase, a larger scale innovative ceramics facades line, is progressing well. This new line will bring unrivalled flexibility and choice to the facades market when fully commissioned in 2026. We have received an encouraging customer response to early product and design innovation and have seen a particularly strong market response to the launch of our Fastwall product. We continue to view Nostell as enabling a highly attractive source of diversified growth for Ibstock in the years ahead.

Grow: Diversification and group culture drives growth

Diversification into new markets and segments continues to be a key strategic priority.

Calcined Clay

Cement and concrete currently contribute around 8% of total global CO2 emissions. Calcined Clay presents the potential to reduce carbon emissions by around 40% vs ordinary Portland cement, and the footprint of our calcined clay reserves will enable the first industrial-scale production in the UK.

Following an extensive technical assessment, we have reached the final phase of the process to realise the potential of our calcined clay reserves, with preferred partner selection and commercial agreement well advanced.

Sector leading sustainability and social impact

We have made good progress on our sector-leading sustainability and social impact agenda, sharpening our focus on carbon, product innovation and sector skills. In year, we were also delighted to report progress on our overall decarbonisation journey, which now positions us as halfway to achieving our 2030 carbon reduction goal of 40%. In addition to carbon, we made progress in several other areas of sustainability such as waste & water reduction and biodiversity.

People and Culture

We aim to set the benchmark within our industry for developing people and culture with care, courage, trust and teamwork being our fundamental values.

In September 2025, we undertook the Best Companies employee opinion survey and maintained 'Ones to Watch' status, with an impressive 83% employee participation rate. We did see a small decline in the overall engagement index, however, given market conditions and uncertainty, like many other businesses, this was to be expected. We are however, pleased that we did see positive feedback on wellbeing and mental health support.

We also remain proud of our Early Careers and Talent management programmes - providing an all-employee development offering as well as ongoing upskilling opportunities. This was reflected in the retention of Gold accreditation from the 5% Club, and our earn & learn positions was 7.2% (2025: 7.4%) still on track for achieving our 2030 target of 10%. Ibstock remains committed to building a diverse and inclusive organisation that reflects the communities we serve. Our focus on gender equity is unchanged, with senior female representation stable at 32% in 2025 (34% in 2024) despite a number of organisational changes. We made strong progress in ethnic diversity, with senior leader representation rising to 15% (2024: 7%), ahead of our 2030 target. Through external partnerships we continue to support industry wide efforts to advance inclusion and widen access to talent.

Medium- term outlook – building foundations for growth and returns

Although timing of the market recovery remains uncertain, we remain confident that market fundamentals remain intact and with a well invested, lower-cost, more efficient and sustainable manufacturing network, we expect to benefit from meaningful operational leverage across the business. Our clay factory network has the ability to reactivate a further 20% of network capacity with minimal additional investment.

With our major organic capital expenditure programmes now largely complete, we expect an acceleration in free cash flow generation coupled with strategic actions to further strengthen the balance sheet and provide significant optionality on future growth and shareholder returns.

Outlook 2026

After a weather impacted start to 2026, residential construction and RMI markets expected to remain challenging in H1. We expect modest year-on-year volume growth in H2 2026, with recovery in new-build housing and the RMI markets, dependent on demand activity gaining momentum in the Spring. Price increases implemented in February 2026 should enable us to offset anticipated cost inflation for the year. Current international events in the Middle East are expected to introduce new uncertainty; the Group is well covered with around 80% of its energy needs secured for the 2026 financial year. Reflecting our current view of a subdued market, we will be actively managing production volumes and inventory creating a margin headwind for 2026 although these actions will improve working capital efficiency and strengthen the balance sheet.

Chief Financial Officer's report

Introduction

The Group delivered a resilient performance in 2025, navigating a market backdrop that became more challenging as the year progressed.

The first half saw strong revenue growth supported by improving end-market demand. In anticipation of market recovery, we proactively reactivated productive capacity in Clay to ensure operational readiness. While this would have strengthened our ability to serve customers as the market recovered, the associated start-up and incremental operating costs weighed on first-half profitability within the Clay division.

Market conditions moderated in the second half, with volumes flat compared to the comparative period. Against a more competitive backdrop, pricing progression in the core business was modest, limiting our ability to fully recover cost inflation. Performance was also impacted by an adverse mix impact, with stronger growth in the new-build residential market and relatively weaker RMI and infrastructure sectors.

In response to softer demand dynamics, we acted decisively to right-size capacity and reduce headcount, including rationalizing and consolidating a number of smaller sites and flexing our soft mud capacity to enhance operational flexibility and returns. These initiatives across both our manufacturing network and support functions will deliver approximately £5 million of annualised cost savings from 2026.

Despite the market volatility, we maintained disciplined capital allocation, focusing investment on priority markets while realising value from non-core assets. During the year, we generated approximately £30 million of proceeds from disposals, including the sale of our Forticrete roofing sites and surplus land.

Group statutory profit before taxation of £0.9 million (2024: £20.7 million), reflected the impact of lower underlying operating profits and an exceptional charge¹ of £19.5 million (2024: £11.7 million) arising in relation to the closure and decommissioning activities and restructuring costs.

The Group's closing net debt¹ reduced to £120 million at 31 December 2025 (2024: £122 million) representing reported leverage¹ of 2.0 times adjusted EBITDA¹ (Dec 2024: 1.8 times). This year-end position was achieved through a resilient cash flow performance which included around £30 million of proceeds through the disposal of non-core assets including the sale of our Forticrete roofing sites and the sale of surplus land, offset by around £45 million of capital expenditure (including £24 million of growth expenditure). At 31 December 2025, the Group had £105 million of available liquidity.

With our robust financial position, and inherently cash generative business, we expect to generate significant cash to support growth and shareholder returns over the medium term.

Group results

The table below sets out segmental revenue, profit/(loss) before tax and adjusted EBITDA¹ for the year.

Table 1: Segmental performance

	Clay	Concrete	Central costs ²	Total
	£'m	£'m	£'m	£'m
Year ended 31 December 2025				
Total revenue	260.0	112.1	-	372.1
Adjusted EBITDA¹	68.1	9.3	(6.3)	71.0
Margin	26.2%	8.3%		19.1%
Profit/(loss) before tax	16.8	(2.4)	(13.5)	0.9
Year ended 31 December 2024				
Total revenue	248.8	117.4	-	366.2
Adjusted EBITDA¹	72.3	14.6	(7.6)	79.4
Margin	29.1%	12.5%		21.7%
Profit/(loss) before tax	29.5	3.5	(12.3)	20.7

Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures

² Central costs includes interest charges of £7.0 million (2024: £4.6 million) within Profit/(loss) before tax

Alternative performance measures

This results statement contains alternative performance measures (“APMs”) to aid comparability and further understanding of the financial performance of the Group between periods. A description of each APM is included in Note 3 to the financial statements. The APMs represent measures used by management and the Board to monitor performance against budget, and certain APMs are used in the remuneration of management and Executive Directors. It is not believed that APMs are a substitute for, or superior to, statutory measures.

Revenue

Group revenues for 2025 increased by 2% to £372.1 million (2024: £366.2 million), principally driven by strong volume growth in the first half of the year and a modest reduction in average selling prices across the core business.

In our Clay Division, revenues of £260.0 million increased 5% on the prior year period (2024: £248.8 million). Overall, UK brick market deliveries including imports for 2025 were 6% above the comparative period, with the Group’s performance ahead of this level. The contribution from Istock Futures to this revenue number amounted to around £9.2 million (2024: £9.8 million).

In our Concrete Division, revenue reduced 5% year-on-year to £112.1 million (2024: £117.4 million). Performance reflected solid volume growth across residential product categories, offset by rail volumes which were materially lower year-on-year, as activity levels in UK rail infrastructure markets

remained at historically low levels.

Adjusted EBITDA¹

Management measures the Group's operating performance using adjusted EBITDA¹ and adjusted EBIT¹.

Adjusted EBITDA¹ decreased year on year to £71.0 million in 2025 (2024: £79.4 million). Performance reflected higher than expected incremental costs, as we reactivated a proportion of our clay capacity to ensure that we were ready to meet anticipated recovering demand, as well as a competitive market backdrop which limited our ability to pass through cost inflation.

Within the Clay division, adjusted EBITDA¹ totalled £68.1 million (2024: £72.3 million), representing an adjusted EBITDA¹ margin of 26.2% (2024: 29.1%). This reflected a lower margin within the core Clay business for the reasons outlined above, partly mitigated by an improvement in financial performance within the Ibstock Futures business.

The Clay division recognised a net cost of £2.2 million (2024: cost of £6.6 million) in respect of Ibstock Futures. The Group has continued to invest in research, development and marketing capability to support future revenue opportunities.

Adjusted EBITDA¹ in our Concrete division decreased to £9.3 million (2024: £14.6 million) as the division was impacted by materially lower sales volumes in our rail product categories. Adjusted EBITDA¹ margins reduced to 8.3% from 12.5% in 2024, with the reduction in margin principally reflecting an adverse sales mix effect, with lower volumes in the rail infrastructure sector which represents a higher-margin part of the Concrete division.

Central costs decreased to £6.3 million (2024: £7.6 million) reflecting lower charges arising from incentive plans.

Adjusted EBIT¹

In order to focus on a more comprehensive measure of operating performance, the Group has also started to measure and report the Group's performance using adjusted EBIT¹. Adjusted EBIT¹ is defined as adjusted EBITDA¹ less underlying depreciation and amortisation.

For the year ended 31 December 2025, adjusted EBIT¹ reduced to £39.7 million (2024: £49.6 million) reflecting reduced trading profits.

Exceptional items¹

Based on the application of our accounting policy for exceptional items¹, certain income and expense items have been excluded in arriving at adjusted EBITDA¹ to aid shareholders' understanding of the Group's underlying financial performance.

The amounts classified as exceptional¹ in the period totalled a net cost of £19.5 million (2024: £11.7 million cost), comprising:

1. Exceptional cash cost of £7.4 million (£3.9 million which was cash settled in the period) associated with the Groups 2025 restructuring programme, decommissioning activities and other costs associated with previously closed sites as well as costs directly arising from our decision to close the GRC business.
2. An exceptional non-cash charge of £10.3 million comprising the impairments and other charges associated with the 2025 restructuring plan and the closure of GRC business.

3. An exceptional net loss of £1.8 million arising on disposal of our Forticrete roofing assets and surplus land.

Further details of exceptional items¹ are set out in Note 5 of the financial statements.

Finance costs

Net cash interest paid of £9.7 million was above the prior year (2024: £8.6 million) due to higher levels of average debt during the 2025 year. During the year the Group successfully refinanced its £125 million Revolving Credit Facility (RCF), at improved pricing versus the existing facility. The Group continued to benefit from its £100 million private placement at a fixed coupon of 2.19% per annum, the tranches of which mature between 2028 & 2033. We expect the cash interest expense in the 2026 year to remain at around £10 million.

Statutory net finance costs of £9.1 million increased in the year (2024: £6.4 million) reflecting an increased interest cost on our bank borrowings as the average borrowing on our £125 million RCF increased over the comparative period, and the reduction in non-cash interest income arising from the unwind of discounted provisions.

Profit before taxation

Depreciation and amortisation pre fair value uplift increased modestly to £31.3 million (2024: £29.8 million) reflecting incremental depreciation on clay growth investments. We expect depreciation and amortisation pre fair value uplift to total around £35 million in 2026, reflecting incremental depreciation from the Atlas and Nostell factories.

Group statutory profit before taxation of £0.9 million (2024: £20.7 million), reflected the impact of lower underlying operating profits and an exceptional charge¹ of £19.5 million (2024: £11.7 million) relating to the sale of our Forticrete roofing assets, surplus land, site closure and decommissioning activities, as detailed above.

Taxation

The adjusted ETR¹ (excluding the impact of the deferred tax rate change and exceptional items¹) for the 2025 year was 25.5% (2024: 26.0%). For the 2026 year, we expect the adjusted ETR to remain at around 26%, reflecting the 25% headline rate of UK corporation tax and typical levels of non-deductible expenses.

The Group recognised a statutory taxation credit of £2.2 million (2024: charge of £5.6 million) on Group pre-tax profits of £0.9 million (2024: £20.7 million). The tax credit in 2025 arose principally from the reduction in statutory profits.

Earnings per share

Group statutory basic earnings per share (EPS) decreased to 0.8 pence in the year to 31 December 2025 (2024: 3.8 pence) as a result of the Group's trading performance in the period.

Group adjusted basic EPS¹ of 5.7 pence per share reduced from 7.7 pence in the prior year, reflecting: a decrease in adjusted EBITDA¹; higher depreciation and interest charges.

In line with prior years, our adjusted EPS¹ metric removes the impact of exceptional items¹, the fair value uplifts resulting from our acquisition accounting and non-cash interest impacts, net of the related taxation

charges/credits. Adjusted EPS¹ has been included to provide a clearer guide as to the underlying earnings performance of the Group. A full reconciliation of our adjusted EPS¹ measure is included in Note 7.

Table 2: Earnings per share

	2025 pence	2024 pence
Statutory basic EPS	0.8	3.8
Adjusted basic EPS ¹	5.7	7.7

Cash flow and net debt¹

Adjusted operating cash flow decreased by £21.1 million to £35.0 million (2024: £56.1 million), reflecting a reduction in adjusted EBITDA¹. The Group also increased working capital levels by £14.1 million (2024: £4.5 million increase) as finished goods inventories increased with progressively worsening demand. Overall, we anticipate working capital to remain stable in 2026, with the typical seasonal increase at the half year.

Net interest paid in 2025 increased to £10.7 million (2024: £8.6 million) reflecting higher average net debt levels as the Group drew down on its RCF. Cash tax amounted to an inflow of £1.4 million (2024: outflow of £0.5 million), as the Group continued to benefit from the accelerated tax deduction on qualifying capital expenditure. Other cash outflows of £12.6 million (2024: £9.6 million outflow) principally comprised lease payments totalling £10.0 million (2024: £9.7 million) and £1.9 million in relation to the purchase of carbon emission credits (2024: nil).

The Cash conversion¹ percentage decreased to 49% (2024: 71%), reflecting a reduction in adjusted EBITDA¹ and an investment in inventories, mitigated by reduced trade receivables.

Adjusted free cash flow¹ decreased to an outflow of £9.8 million (2024: inflow of £10.9 million). Capital expenditure amounted to £44.8 million (2024: (£45.2 million)), as the Group's investment in its organic growth project near completion. The 2025 capital expenditure figure comprised £21 million of sustaining expenditure and £24 million of growth investments, principally on the Atlas and Nostell factories.

In the 2026 year, we expect total capital expenditure to be between £25 and £30 million, which includes the final outflows in respect of the Atlas and Nostell factories.

Table 3: Cash flow (non-statutory)

	2025 £'m	2024 £'m	Change £'m
Adjusted EBITDA ¹	71.0	79.4	(8.4)
Adjusted change in working capital ¹	(14.1)	(4.5)	(9.6)
Net interest	(10.7)	(8.6)	(2.1)
Tax	1.4	(0.5)	1.9

Other ²	(12.6)	(9.6)	(3.0)
Adjusted operating cash flow ¹	35.0	56.1	(21.1)
Cash conversion ¹	49%	71%	(22ppts)
Total capex	(44.8)	(45.2)	0.4
Adjusted free cash flow ¹	(9.8)	10.9	(20.7)

¹ Alternative Performance Measures are described in Note 3 to the consolidated financial statements.

² Other includes operating lease payments in all years and emission allowance purchases in 2025

The table above excludes cash flows relating to exceptional items¹ in both years. During 2025, the Group realised £31.2 million of exceptional cash inflows relating to the sale of our Forticrete roofing business and surplus land (2024: £nil), which had been offset by site closure and decommissioning activities cash outflows of £5.1 million (2024: £11.2 million).

Net debt¹ (borrowings less cash) at 31 December 2025 totalled £120.0 million (31 December 2024: £121.6 million; 30 June 2025: £144.5 million), representing leverage¹ of 2.0 times adjusted EBITDA¹ (Dec 2024: 1.8 times).

We disposed of the first tranche of a closed site at Ravenhead in the North West during the period, recognising non-exceptional cash proceeds of £3 million and a profit on disposal of just over £1.5 million. We continue to expect to realise proceeds of around £20 million to £30 million from the land estate over the coming 3 to 5 years.

The Group's borrowings contain leverage covenants of no greater than 3.0x. Based on the covenant definition, leverage at 31 December 2025 totalled 1.7 times, comfortably below the covenant limit. At 31 December 2025, the Group had drawn £42 million under its Revolving Credit Facility (RCF) and had £105 million of available liquidity.

The present value of lease liabilities decreased to around £29.5 million (2024: £35.0 million) due to the completion of a number of operating lease contracts for mobile plant.

Return on capital employed¹

Return on capital employed¹ (ROCE) in 2025 reduced to 5.8% (2024: 7.5%) reflecting a decrease in adjusted operating profit and an increase in the capital base, as the Group approached the conclusion of its organic investment programme.

Capital allocation

Our capital allocation framework principles remain consistent with that laid out previously, with the Group focused on allocating capital in a disciplined and dynamic way. We have refined our order as set out below:

- Firstly, we will prioritise investment to maintain and enhance our existing asset base and operations;
- Secondly, we are focused on a paying an ordinary dividend, with targeted cover of approximately 2 times underlying earnings through the cycle;
- Thereafter, we deploy capital for in-organic growth or return surplus capital to shareholders in accordance with our strategic and financial investment criteria.

Our framework remains underpinned by our commitment to maintaining a strong balance sheet, and we will look to maintain leverage at between 0.5 and 1.5 times net debt¹ to adjusted EBITDA¹ excluding the impact of IFRS 16, through the cycle.

Dividend

The Board has recommended a final dividend of 1.5p per share (2024: 2.5p), for payment on 29 May 2026 to shareholders on the register on 8 May 2026. This will bring the full year dividend to 3.0p (2024: 4.0p), representing a pay-out of 53% of adjusted basic earnings per share.

Pensions

At 31 December 2025, the defined benefit pension scheme (“the scheme”) was in an actuarial accounting surplus position of £6.0 million (2024: surplus of £7.8 million). Applying the valuation principles set out in IAS19, at the year end the scheme had asset levels of £322.9 million (31 December 2024: £330.9 million) against scheme liabilities of £316.9 million (31 December 2024: £323.1 million).

On 20 December 2022, the Scheme completed a full buy-in transaction with a specialist third-party provider, which represented a significant step in the Group’s continuing strategy of de-risking its pensions exposure. This transaction, which involved no initial cash payment by the Company, completed during the 2024 financial year. Together with the partial buy-in transaction completed in 2020, this insures the vast majority of the Group’s defined benefit liabilities.

In light of the fact that the pension scheme was in a net surplus position after the full buy-in, the Trustees and the Group agreed that the Group would suspend further contributions with effect from 1 March 2024.

Climate Change & TCFD

As a long-term, energy intensive business, a commitment to environmental sustainability and social progress is central to our purpose. In 2022 we launched the Group’s ESG 2030 Strategy and remain committed to this approach. This strategy provides the framework for actions across three key areas:

- Addressing climate change;
- Improving lives; and,
- Manufacturing materials for life.

At the same time, we have identified material transition and physical risks over the medium to long term associated with climate change and considered the impacts of these on the financial performance and position of the Group, through our viability scenario assessment, our impairment testing and assessment of the useful economic lives of our assets. We have also assessed the resilience of our business model as part of our strategic planning process. The outputs from these activities are detailed in our TCFD disclosures contained in the 2025 Annual Report and Accounts.

The Group remains committed to increasing the transparency of reporting around climate impacts, risks, and opportunities. This year we continued to enhance our disclosure to ensure full compliance with the recommendations of the Task Force for Climate-related Financial Disclosures (TCFD) and those of Climate-related Financial Disclosure (CFD).

Related party transactions

Related party transactions are disclosed in Note 16 to the consolidated financial statements. During the current and prior year, there have been no material related party transactions.

Subsequent events

Except for the proposed ordinary dividend, no further subsequent events requiring either disclosure or adjustment to these financial statements have arisen since the balance sheet date.

Going concern

The Directors are required to assess whether it is reasonable to adopt the going concern basis in preparing the financial statements.

In arriving at their conclusion, the Directors have given due consideration to whether the funding and liquidity resources are sufficient to accommodate the principal risks and uncertainties faced by the Group.

Having considered the outputs from this work, the Directors have concluded that it is reasonable to adopt a going concern basis in preparing the financial statements. This is based on an expectation that the Company and the Group will have adequate resources to continue in operational existence for at least twelve months from the date of signing these accounts.

Further information is provided in note 2 of the financial statements.

¹Alternative Performance measures are described in Note 3 to this results announcement

Statement of directors' responsibilities in relation to the financial statements

The 2025 Annual Report and Accounts which will be issued in March 2026, contains a responsibility statement in compliance with DTR 4.1.12 of the Listing Rules which sets out that as at the date of approval of the Annual Report on 4 March 2026, the Directors confirm to the best of their knowledge:

- the Group and unconsolidated Company financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and Company, and the undertakings included in the consolidation taken as a whole; and
- the performance review contained in the Annual Report and Accounts includes a fair review of the development and performance of the business and the position of the Group and the undertakings including the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face.

This responsibility statement was approved by the Board of Directors on 4 March 2026 and is signed on its behalf by:

Joe Hudson
Chief Executive Officer
4 March 2026

Richard Akers
Chair
4 March 2026

CONSOLIDATED INCOME STATEMENT

	Notes	Year ended 31 December 2025	Year ended 31 December 2024
		£'000	£'000
Revenue	4	372,104	366,207
Cost of sales		(276,121)	(261,650)
Gross profit		95,983	104,557
Distribution costs		(36,389)	(34,139)
Administrative expenses		(51,798)	(45,650)
Profit on disposal of property, plant and equipment		178	261
Other income		2,340	2,314
Other expenses		(280)	(270)
Operating profit		10,034	27,073
Finance costs		(9,811)	(8,287)
Finance income		673	1,894
Net finance cost		(9,138)	(6,393)
Profit before taxation		896	20,680
Taxation	6	2,178	(5,588)
Profit for the financial year		3,074	15,092
Profit attributable to:			
Owners of the parent		3,074	15,092

	Notes	pence per share	pence per share
Earnings per share			
Basic - continuing operations	7	0.8	3.8
Diluted - continuing operations	7	0.8	3.8

Non-GAAP measure			
Reconciliation of Adjusted EBIT and Adjusted EBITDA to Operating profit for the financial year for continuing operations			
	Notes	Year ended 31 December 2025	Year ended 31 December 2024
		£'000	£'000
Operating profit		10,034	27,073
Add back exceptional items impacting operating profit	5	19,478	11,720
Add back incremental depreciation and amortisation following fair value uplift	4	10,236	10,779
Adjusted EBIT		39,748	49,572
Add back depreciation and amortisation pre fair value uplift	4	31,296	29,778
Adjusted EBITDA		71,044	79,350

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year ended 31 December 2025	Year ended 31 December 2024
		£'000	£'000
Profit for the financial year		3,074	15,092
Other comprehensive expenses:			
Items that may be reclassified to profit or loss:			
Change in fair value of cash flow hedges		64	(54)
Related tax movements		(20)	14
		44	(40)
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of post-employment benefit assets and obligations	13	(1,002)	(1,457)
Related tax movements		324	437
		(678)	(1,020)
Other comprehensive expense for the year net of tax		(634)	(1,060)
Total comprehensive income for the year, net of tax		2,440	14,032
Total comprehensive income attributable to:			
Owners of the Company		2,440	14,032

CONSOLIDATED BALANCE SHEET

	Notes	31 December 2025	31 December 2024
		£'000	£'000
Assets			
Non-current assets			
Intangible assets		66,447	73,950
Property, plant and equipment		455,147	462,504
Right-of-use assets		23,292	28,363
Post-employment benefit asset	13	5,984	7,839
		550,870	572,656
Current assets			
Inventories		137,448	124,819
Current tax recoverable		3,186	1,323
Trade and other receivables		32,273	43,815
Cash and cash equivalents		20,971	9,292
		193,878	179,249
Assets held for sale		-	200
Total assets		744,748	752,105
Current liabilities			
Trade and other payables		(89,482)	(88,853)
Derivative financial instrument		-	(78)
Borrowings	8	(41,152)	(31,425)
Lease liabilities		(9,588)	(9,471)
Provisions	9	(5,595)	(3,010)
		(145,817)	(132,837)
Net current assets		48,061	46,612
Total assets less current liabilities		598,931	619,268
Non-current liabilities			
Borrowings	8	(99,862)	(99,427)
Lease liabilities		(19,922)	(25,611)
Deferred tax liabilities		(88,695)	(91,940)
Provisions	9	(7,992)	(7,027)
		(216,471)	(224,005)
Total liabilities		(362,288)	(356,842)
Net assets		382,460	395,263
Equity			
Share capital		4,096	4,096
Share premium		4,458	4,458
Retained earnings		769,760	783,800
Other reserves	14	(395,854)	(397,091)
Total equity		382,460	395,263

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Retained earnings	Other reserves	Total equity attributable to owners	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2025	4,096	4,458	783,800	(397,091)	395,263	395,263
Profit for the year	-	-	3,074	-	3,074	3,074
Other comprehensive (expense)/income	-	-	(678)	44	(634)	(634)
Total comprehensive income for the year	-	-	2,396	44	2,440	2,440
Transactions with owners:						
Share-based payments	-	-	484	-	484	484
Current tax on share-based payment	-	-	45	-	45	45
Deferred tax on share-based payment	-	-	13	-	13	13
Equity dividends paid	-	-	(15,785)	-	(15,785)	(15,785)
Issue of own shares held on exercise of share options	-	-	(1,193)	1,193	-	-
At 31 December 2025	4,096	4,458	769,760	(395,854)	382,460	382,460

	Share capital	Share premium	Retained earnings	Other reserves	Total equity attributable to owners	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2024	4,096	4,458	790,971	(399,658)	399,867	399,867
Profit for the year	-	-	15,092	-	15,092	15,092
Other comprehensive expense	-	-	(1,020)	(40)	(1,060)	(1,060)
Total comprehensive income/(expense) for the year	-	-	14,072	(40)	14,032	14,032
Transactions with owners:						
Share-based payments	-	-	1,253	-	1,253	1,253
Deferred tax on share-based payment	-	-	124	-	124	124
Equity dividends paid	-	-	(20,031)	-	(20,031)	(20,031)
Issue of own shares held on exercise of share options	-	-	(2,607)	2,607	-	-
At 31 December 2024	4,096	4,458	783,800	(397,091)	395,263	395,263

CONSOLIDATED CASH FLOW STATEMENT

		Year ended 31 December 2025	Year ended 31 December 2024
	Notes	£'000	£'000
Cash flow from operating activities			
Cash generated from operations	11	48,035	62,906
Interest paid		(7,776)	(6,257)
Other interest paid - lease liabilities		(2,048)	(2,494)
Tax received/(paid)		1,359	(500)
Net cash inflow from operating activities		39,570	53,655
Cash flows from investing activities			
Purchase of property, plant and equipment		(44,776)	(45,235)
Proceeds from sale of property plant and equipment		3,134	379
Proceeds from sale of property plant and equipment - exceptional		31,207	-
Purchase of intangible assets		(1,912)	-
Settlement of deferred consideration		-	171
Interest received		142	139
Net cash outflow from investing activities		(12,205)	(44,546)
Cash flows from financing activities			
Dividends paid		(15,785)	(20,031)
Drawdown of borrowings		84,000	87,000
Repayment of borrowings		(73,000)	(81,000)
Debt issue costs		(1,040)	-
Repayment of lease liabilities		(9,998)	(9,651)
Net cash outflow from financing activities		(15,823)	(23,682)
Net decrease in cash and cash equivalents		11,542	(14,573)
Cash and cash equivalents at beginning of the year		9,292	23,872
Exchange gains/(losses) on cash and cash equivalents		137	(7)
Cash and cash equivalents at end of the year		20,971	9,292

Reconciliation of changes in cash and cash equivalents to movement in net debt

	Year ended 31 December 2025	Year ended 31 December 2024
	£'000	£'000
Net decrease in cash and cash equivalents	11,542	(14,573)
Proceeds from borrowings	(84,000)	(87,000)
Repayment of borrowings	73,000	81,000
Non-cash debt movement	838	(364)
Effect of foreign exchange rate changes	137	(7)
Movement in net debt	1,517	(20,944)
Net debt at start of year	(121,560)	(100,616)
Net debt at end of year (Note 3)	(120,043)	(121,560)
Comprising:		
Cash and cash equivalents	20,971	9,292
Short-term borrowings (Note 8)	(41,152)	(31,425)
Long-term borrowings (Note 8)	(99,862)	(99,427)
	(120,043)	(121,560)

1. AUTHORISATION OF FINANCIAL STATEMENTS

The consolidated financial statements of Ibstock Plc, which has a premium listing on the London Stock Exchange, for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the Directors on 4 March 2026. The balance sheet was signed on behalf of the Board by J Hudson and R Akers. Ibstock Plc is a public company limited by shares, which is incorporated and registered in England. The registered office is Leicester Road, Ibstock, Leicestershire, LE67 6HS and the company registration number is 09760850.

2. BASIS OF PREPARATION

The consolidated financial statements of Ibstock Plc for the year ended 31 December 2025 have been prepared in accordance with UK adopted IAS in conformity with the requirements of the Companies Act 2006 and in accordance with UK adopted IFRS. The comparative financial information has also been prepared on this basis.

The financial information set out does not constitute the Company's statutory accounts for the year ended 31 December 2025 but is derived from those accounts. Statutory accounts for 2025 will be delivered to the registrar of companies in due course. The auditors have reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006 in respect of the accounts for 2024. The consolidated financial statements are presented in Pounds Sterling and all values are rounded to the nearest thousand (£'000) except where otherwise indicated. The significant accounting policies are set out below.

Basis of consolidation

The consolidated financial statements of Ibstock Plc for the year ended 31 December 2025 have been prepared in accordance with UK adopted International Accounting Standards (IAS). The financial statements of subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intra-Group balances, transactions, income and expenses and profit and losses resulting from intra-Group transactions have been eliminated in full.

Subsidiaries are consolidated from the date on which the Group obtains control and cease to be consolidated from the date on which the Group no longer retains control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Going concern

Despite the macroeconomic downturn, there are initial positive external market indicators with inflation continuing to fall and mortgage rates stabilising, and proposed housing and planning policy changes which could increase both housing construction activity and effective demand for housing looking forward. The directors do not believe that the going concern basis of preparation represents a significant judgement.

The Group's financial planning and forecasting process consists of a budget for the next year followed by a medium-term projection. The Directors have reviewed and robustly challenged the assumptions about future trading performance, operational and capital expenditure and debt requirements within these forecasts including the Group's liquidity and covenant forecasts, and stress testing within their going concern assessment.

In arriving at their conclusion on going concern, the Directors have given due consideration to whether the funding and liquidity resources above are sufficient to accommodate the principal risks and uncertainties faced by the Group, particularly those relating to economic conditions and operational disruption. The strategic report sets out in more detail the Group's approach and risk management framework.

Group forecasts have been prepared which reflect both actual conditions and estimates of the future reflecting macroeconomic and industry-wide projections, as well as matters specific to the Group.

The Group has financing arrangements comprising £100 million of private placement notes with maturities between November 2028 and November 2033, and a £125 million RCF maturing in November 2029 with one -year extension option. At 31 December 2025 the RCF was £42.0 million drawn.

Covenants under the Group's RCF and private placement notes require leverage of no more than 3 times net debt to adjusted EBITDA¹, and interest cover of no less than 4 times, tested bi-annually at each reporting date with reference to the previous 12 months. At 31 December 2025 covenant requirements were met with significant headroom.

The key uncertainty faced by the Group is the industry demand for its products. Accordingly, the Group has modelled financial scenarios which see reduction in the industry demand for its products thereby stress testing the Group's resilience. For each scenario, cash flow and covenant compliance forecasts have been prepared. In the most severe but plausible scenario industry demand for

Clay products is projected to be around 35% lower than lower than the demand levels experienced in five of the past ten years ('benchmark demand levels'), in the 2026 year (10% below 2025 levels), recovering to around 25% lower in 2027 (5% above 2025 levels), with management's base case reflecting a modest cyclical recovery following the prolonged sector downturn.

In the severe but plausible scenario, the Group has sufficient liquidity and headroom against its covenants, with covenant headroom expressed as a percentage of annual adjusted EBITDA¹ being in excess of 20%.

In addition, the Group has prepared a reverse stress test to evaluate the industry demand reduction at which it would be likely to breach the debt covenants, before any further mitigating actions are taken. This test indicates that, at a reduction of 41% in sales volumes versus the benchmarked demand levels in 2026 and a reduction of 43% in the first half of 2027, the Group would be at risk of breaching its covenants.

The Directors consider this to be a highly unlikely scenario, and in the event of an anticipated covenant breach, the Group would seek to take further steps to mitigate, including the disposal of valuable land and building assets and additional restructuring steps to reduce the fixed cost base of the Group.

Having taken account of the various scenarios modelled, and in light of the mitigations available to the Group, the Directors are satisfied that the Group has sufficient resources to continue in operation for a period of not less than 12 months from the date of this report. Accordingly, the consolidated financial information has been prepared on a going concern basis.

3. ALTERNATIVE PERFORMANCE MEASURES

Alternative Performance Measures ("APMs") are used within this report where the directors believe it is necessary to do so in order to provide further understanding of the financial performance of the Group. The Group uses APMs in its own assessment of performance and in order to plan the allocation of internal capital and resources. Certain APMs are also used in the remuneration of senior management and executive directors.

APMs serve as supplementary information for users of the financial statements and are not intended to be a substitute for, or superior to, statutory measures. None of the APMs are outlined within IFRS and they may not be comparable with similarly titled APMs used by other companies.

Exceptional items

The Group presents as exceptional at the foot of the Group's Condensed consolidated income statement those items of income and expense which, because of their materiality, nature and/or expected infrequency of the events giving rise to them, merit separate presentation to allow users of the financial statements to understand further elements of financial performance in the year. This facilitates comparison with comparative periods and the assessment of trends in financial performance over time.

Details of all exceptional items are disclosed in Note 5.

Adjusted EBIT, Adjusted EBITDA and Adjusted EBITDA margin

Adjusted EBIT represents earnings before interest and taxation and is adjusted to exclude exceptional items and the incremental depreciation and amortisation arising from historic fair value uplifts.

Adjusted EBITDA is earnings before interest, taxation, depreciation and amortisation and is adjusted to exclude exceptional items. Adjusted EBITDA margin is Adjusted EBITDA expressed as a proportion of revenue.

The Directors regularly use Adjusted EBIT and Adjusted EBITDA margin as key performance measures in assessing the Group's profitability. The measures are considered useful to users of the financial statements as they represent common APMs used by investors in assessing a company's operating performance, when comparing its performance across periods as well as being used in the determination of Directors' variable remuneration.

A full reconciliation of Adjusted EBIT and Adjusted EBITDA is included at the foot of the Group's Condensed consolidated income statement within the consolidated financial statements. Adjusted EBITDA margin is included within Note 4.

Adjusted EPS

Adjusted EPS is the basic earnings per share adjusted for exceptional items and fair value adjustments (being the amortisation and depreciation on fair value uplifted assets and non-cash interest), net of the associated taxation on these adjusting items.

The Directors have presented Adjusted EPS as they believe the APM represents useful information to the user of the financial statements in assessing the performance of the Group, when comparing its performance across periods, as well as being used in the

determination of Directors' variable remuneration. Additionally, the APM is considered by the Board when determining the proposed level of ordinary dividend. A full reconciliation is provided in Note 7.

Net debt and Net debt to adjusted EBITDA ("leverage") ratio

Net debt is defined as the sum of cash and cash equivalents less total borrowings at the balance sheet date. This does not include lease liabilities arising upon application of IFRS 16 in order to align with the Group's banking facility covenant definition.

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

The Directors disclose these APMs to provide information as a useful measure for assessing the Group's overall level of financial indebtedness and when comparing its performance and position across periods.

A full reconciliation of the net debt to adjusted EBITDA ratio (also referred to as 'leverage') is set out below:

	Year ended 31 December 2025	Year ended 31 December 2024
	£'000	£'000
Net debt	(120,043)	(121,560)
Adjusted EBITDA	71,044	79,350
Impact of IFRS 16	(12,045)	(12,134)
Adjusted EBITDA prior to IFRS 16	58,999	67,216
Ratio of net debt to adjusted EBITDA	2.0	1.8

Adjusted Return on Capital Employed (Adjusted ROCE)

Adjusted Return on Capital Employed ("Adjusted ROCE") is defined as Adjusted earnings before interest and taxation as a proportion of the average capital employed (defined as net debt plus equity excluding the pension surplus). The average is calculated using the period end balance and corresponding preceding reported period end balance (year end or interim).

The Directors disclose the Adjusted ROCE APM in order to provide users of the financial statements with an indication of the relative efficiency of capital use by the Group over the period, assessing performance between periods as well as being used within the determination of executives' variable remuneration.

The calculation of Adjusted ROCE is set out below:

	Year ended 31 December 2025	Year ended 31 December 2024
	£'000	£'000
Adjusted EBITDA	71,044	79,350
Less depreciation	(35,210)	(33,495)
Less amortisation	(6,322)	(7,062)
<i>Adjusted earnings before interest and taxation</i>	29,512	38,793
Average net debt	132,275	129,699
Average equity	386,673	394,836
Average pension	(6,483)	(8,305)
<i>Average capital employed</i>	512,465	516,230
Adjusted ROCE	5.8%	7.5%

Average capital employed figures are derived using the following closing balance sheet values:

	31 December 2025	30 June 2025	31 December 2024	30 June 2024
	£'000	£'000	£'000	£'000
Net debt	120,043	144,506	121,560	137,838
Equity	382,460	390,886	395,263	394,409
Less: Pension assets	(5,984)	(6,982)	(7,839)	(8,771)
Capital employed	496,519	528,410	508,984	523,476

Adjusted effective tax rate

The Group presents an adjusted effective tax rate (Adjusted ETR) within its Financial Review. This is disclosed in order to provide users of the financial statements with a view of the rate of taxation borne by the Group adjusted for exceptional items, fair value adjustments (being the amortisation and depreciation on fair value uplifted assets), non-cash interest and changes in taxation rates on deferred taxation.

A reconciliation of the adjusted ETR to the statutory UK rate of taxation is included in Note 6.

Cash flow related APMs

The Group presents an adjusted cash flow statement within its Financial Review. This is disclosed in order to provide users of the financial statements with a view of the Group's operating cash generation before the impact of cash flows associated with exceptional items (as set out in Note 5) and stated after interest, lease payment and non-exceptional property disposal-related cash flows.

The Directors use this APM table to allow shareholders to further understand the Group's cash flow performance in the period, to facilitate comparison with comparative periods and to assess trends in financial performance. This table contains a number of APMs, as described below and reconciled in the following table.

Adjusted change in working capital:

Adjusted change in working capital represents the statutory change in working capital adjusted for the cash inflow changes associated with exceptional items arising in the year of £4.2 million (2024: cash outflow of £3.1 million).

Adjusted operating cash flow:

Adjusted operating cash flows are the cash flows arising from operating activities adjusted to cash outflows relating to exceptional items of £5.1 million (2024: cash outflows of £11.2 million) but stated after cash flows associated with: interest income; proceeds from the sale of property, plant and equipment; purchase of intangibles; and lease payments reclassified from investing or financing activities totalling cash outflow of £9.7 million (2024: cash outflow of £9.0 million).

Cash conversion:

Cash conversion is the ratio of Adjusted operating cash flow (defined above) to Adjusted EBITDA (defined above). The Directors believe this APM provides a useful measure of the Group's efficiency of its cash management during the period.

Adjusted free cash flow:

Adjusted free cash flow represents Adjusted operating cash flow (defined above) less total capital expenditure. The Directors use the measure of Adjusted free cash flow as a measure of the funds available to the Group for the payment of distributions to shareholders, for use within M&A activity and other investing and financing activities.

Year ended 31 December 2025	Statutory £'000	Exceptional £'000	Reclassification £'000	Adjusted £'000
EBITDA	51,566	19,478	-	71,044
Change in working capital	(9,901)	(4,228)	-	(14,129)
Impairment charges	6,336	(6,336)	-	-
Write-off of inventory	2,408	(2,408)	-	-
Net interest	(9,824)	-	(898)	(10,722)
Tax	1,359	-	-	1,359
Post-employment benefits	1,247	-	(1,247)	-
Other	(3,621)	(1,414)	(7,529)	(12,564)
Operating cash flow	39,570	5,092	(9,674)	34,988
Cash conversion				49%
Total capex	(44,776)	-	-	(44,776)
Free cash flow	(5,206)	5,092	(9,674)	(9,788)

Year ended 31 December 2024	Statutory £'000	Exceptional £'000	Reclassification £'000	Adjusted £'000
Adjusted EBITDA	67,630	11,720	-	79,350
Change in working capital	(7,627)	3,103	-	(4,524)
Impairment charges	3,832	(3,832)	-	-
Net interest	(8,751)	-	139	(8,612)
Tax	(500)	-	-	(500)
Post-employment benefits	959	-	(959)	-
Other	(1,644)	212	(8,142)	(9,574)
Adjusted operating cash flow	53,899	11,203	(8,962)	56,140
Cash conversion				71%
Total capex	(45,235)	-	-	(45,235)
Adjusted free cash flow	8,664	11,203	(8,962)	10,905

4. SEGMENT REPORTING

The Directors consider the Group's reportable segments to be the Clay and Concrete Divisions.

One of the key Group performance measures is Adjusted EBITDA, as detailed below, which is defined in Note 3. The tables, below, present revenue and Adjusted EBITDA and profit before taxation for the Group's segments.

Included within the "Unallocated and elimination" columns in the tables below are costs including share-based payments and Group employment costs. Unallocated assets and liabilities are pensions, taxation and certain centrally held provisions. Eliminations represent the removal of inter-company balances. Transactions between segments are carried out at arm's length. There is no material inter-segmental revenue, and no aggregation of segments has been applied.

For all the periods presented, the activities of Ibstock Futures were managed and reported as part of the Clay Division. Consequently, the position and performance of Ibstock Futures for all periods has been classified within the Clay segment.

	Year ended 31 December 2025			
	Clay	Concrete	Unallocated & elimination	Total
	£'000	£'000	£'000	£'000
-				
Total revenue	259,997	112,107	-	372,104
Adjusted EBITDA	68,062	9,289	(6,307)	71,044
Adjusted EBITDA margin	26.2%	8.3%		19.1%
Exceptional items impacting operating profit (see Note 5)	(17,453)	(1,974)	(51)	(19,478)
Depreciation and amortisation pre fair value uplift	(25,858)	(5,299)	(139)	(31,296)
Incremental depreciation and amortisation following fair value uplift	(6,080)	(4,156)	-	(10,236)
Net finance costs	(1,850)	(268)	(7,020)	(9,138)
Profit/(loss) before tax	16,821	(2,408)	(13,517)	896
Taxation				2,178
Profit for the year				3,074
Consolidated total assets	636,724	95,308	12,716	744,748
Consolidated total liabilities	(170,731)	(41,424)	(150,133)	(362,288)
Non-current assets				
Consolidated total intangible assets	48,772	17,675	-	66,447
Property, plant and equipment	425,717	29,430	-	455,147
Right-of-use assets	15,929	6,980	383	23,292
Total	490,418	54,085	383	544,886
Total non-current asset additions	48,915	4,991	-	53,906

Included within revenue for the year ended 31 December 2025 were £2.5 million of bill and hold transactions in the Clay Division and £0.1 million in Concrete Division. At 31 December 2025, £2.4 million of inventory relating to bill and hold transactions remained on the Clay Division's premises and £0.2 million on the Concrete Division's premises.

In 2025, the Group has disposed of its Roofing business in the Concrete Segment, as it does not represent a major line of business for the Group and also the disposal does not impact the geographical operations for the Group, it has not been classified as a discontinued operation.

The unallocated segment balance includes the fair value of the Group's share-based payments and associated taxes (£0.5 million), plc Board and other plc employment costs (£6.0 million), pension costs (£1.2 million) and legal/administrative expenses (£3.2 million) These costs have been offset by research and development taxation credits (£4.6 million). During the current period, two customers accounted for greater than 10% of Group revenues with £95.0 million of sales across the Clay and Concrete divisions.

	Year ended 31 December 2024			
	Clay	Concrete	Unallocated & elimination	Total
	£'000	£'000	£'000	£'000
-				
Total revenue	248,764	117,443	-	366,207
Adjusted EBITDA	72,287	14,646	(7,583)	79,350
<i>Adjusted EBITDA margin</i>	29.1%	12.5%		21.7%
Exceptional items impacting operating profit (see Note 5)	(11,336)	(384)	-	(11,720)
Depreciation and amortisation pre fair value uplift	(24,188)	(5,446)	(144)	(29,778)
Incremental depreciation and amortisation following fair value uplift	(5,926)	(4,853)	-	(10,779)
Net finance costs	(1,303)	(509)	(4,581)	(6,393)
Profit/(loss) before tax	29,534	3,454	(12,308)	20,680
Taxation				(5,588)
Profit for the year				15,092
Consolidated total assets	611,544	127,371	13,190	752,105
Consolidated total liabilities	(168,917)	(48,023)	(139,902)	(356,842)
Non-current assets				
Consolidated total intangible assets	52,649	21,301	-	73,950
Property, plant and equipment	411,111	51,393	-	462,504
Right-of-use assets	19,300	8,541	522	28,363
Total	483,060	81,235	522	564,817
Total non-current asset additions	49,381	4,050	-	53,431

Included within revenue for the year ended 31 December 2024 were £0.1 million of bill and hold transactions in the Concrete Division. At 31 December 2024, £0.1 million of inventory relating to these bill and hold transactions remained on the Concrete Division's premises. Additionally, £0.1 million of inventory related to bill and hold sales in previous years remained on the Concrete Division's premises and £0.4 million on the Clay Division's premises.

The unallocated segment balance includes the fair value of the Group's share-based payments and associated taxes (£1.5 million), plc Board and other plc employment costs (£5.2 million), pension costs (£1.0 million) and legal/administrative expenses (£3.6 million). These costs have been offset by research and development taxation credits (£2.6 million) and segmental recharges (£1.1 million). During the current period, one customer accounted for greater than 10% of Group revenues with £55.7 million of sales across the Clay and Concrete divisions.

5. EXCEPTIONAL ITEMS

	Year ended 31 December 2025	Year ended 31 December 2024
	£'000	£'000
<u>Exceptional cost of sales</u>		
Impairment charge - Property, plant and equipment	(6,141)	(1,126)
Impairment charge - Right-of-use assets	(195)	(2,706)
Total impairment charge	(6,336)	(3,832)
Write-off of inventory	(2,408)	-
Redundancy costs	(1,904)	(581)
Other costs associated with site closure	(1,135)	(5,358)
Total exceptional cost of sales	(11,783)	(9,771)
<u>Exceptional administrative expenses:</u>		
Redundancy costs	(2,239)	(992)
Other costs associated with site closure	(3,699)	(957)
Total exceptional administrative expenses	(5,938)	(1,949)
Exceptional net loss on disposal of business and fixed assets	(1,757)	-
Exceptional items impacting operating profit	(19,478)	(11,720)
Total exceptional items	(19,478)	(11,720)

In the second half of 2025, the Group announced a restructuring programme in response to weaker than expected market volumes and adverse pricing dynamics, together with revised industry forecasts signalling a prolonged downturn in construction and RMI activity.

Unlike the 2023 enterprise wide restructuring programme, which responded to broad based softening in market demand, and the 2024 restructuring focused specifically on the Glass Reinforced Concrete (GRC) business, the 2025 programme is targeted at rationalising the organisational cost base, streamlining operational overheads, and optimising the Group's manufacturing footprint to more appropriately align capacity with projected demand levels.

Because the total financial impact of each coordinated programme or activity exceeded the Group's quantitative threshold for exceptional items, and due to their non-recurring nature, the associated financial impact has been presented as an exceptional item.

During the 2025 year, the total exceptional charge arising from the restructuring programmes initiated in the prior periods was £4.7 million (cash paid: £4.2 million), while the total charge arising from the enterprise restructuring programme initiated in 2025 was £13.1 million (cash paid: £0.9 million).

2025

Included within the current year are the following exceptional items:

Exceptional cost of sales

Impairment charges arising in the current year relate to the impairment of non-current assets as set out in Note 10. Due to the materiality and non-recurring nature, these costs have been categorised as exceptional.

Redundancy costs relate to the severance for employees engaged in production activities following the Group's announced restructuring activities. These costs have been categorised as exceptional due to their materiality, and unusual and non-recurring nature of the events giving rise to the costs.

Write-off of inventory relate to write-off of non-best soft-mud brick products identified through the production-footprint rationalisation undertaken as part of the 2025 restructuring, and write-off of certain inventories related to proposed close and mothball sites, as the net realisable value is £nil.

Other costs associated with site closure relate to other costs incurred as a result of the Group's restructuring decisions during the current and prior year. These incremental costs include closed site security and decommissioning activities.

Exceptional administration expenses

Exceptional redundancy costs arising in the current period relate to costs of redundancy of employees within the Group's selling, general and administrative ("SG&A") functions associate with the Group's restructuring announced in second half of 2025.

Other costs associated with closure of site relate to other SG&A costs directly attributable to the Group's restructuring decision in 2025 and cessation of the GRC business announced in October 2024.

The costs have been treated as exceptional due to their materiality, and the unusual and non-recurring nature of the event giving rise to the costs.

Exceptional loss on disposal of tangible assets

In 2025, the Group disposed of its Roofing business at the Concrete segment, resulting in a total loss of £6.3 million. This loss was partially offset by a gain of £4.5 million from the sale and leaseback of the Bedford site, also within the Concrete segment. The current operations on the Bedford site will not change in the foreseeable future.

Given their material financial impact and non recurring nature, the net loss arising from these asset disposals has been presented as an exceptional item. The current operation on the Bedford site will not change in the foreseeable future.

During the year, the Group also realised proceeds from the disposal of several surplus land assets. None of the individual transactions exceeded the Group's quantitative threshold for exceptional items, therefore, the aggregate profit on disposal of £2.0 million has been presented within underlying operating profit.

2024

Included within the year were the following exceptional items:

Exceptional cost of sales

Impairment charges arising in the year related to the impairment of non-current assets. Due to their materiality and non-recurring nature, these costs had been categorised as exceptional.

Redundancy costs related to the severance for employees engaged in production activities following the Group's announced restructuring activities. These costs had been categorised as exceptional due to their materiality, and unusual and non-recurring nature of the events giving rise to the costs.

Costs associated with the closure of sites relate to other costs incurred as part of its single co-ordinated plan arising as a result of the Group's restructuring decisions in prior year. These costs mainly include closed site security and decommissioning activities.

Exceptional administration expenses

Exceptional redundancy costs arising in the period relate to costs of redundancy of employees within the Group's selling, general and administrative ("SG&A") functions following the Group's restructuring announced in October 2023 and the GRC closure announced in October 2024.

The costs had been treated as exceptional due to their materiality, and the unusual and non-recurring nature of the event giving rise to the costs.

Other costs associated with closure of site relate to other SG&A costs directly attributable to the Group's cessation of the GRC business announced in October 2024.

Cash flow on exceptional items¹

In relation to the exceptional tangible asset disposals, total cash proceeds of £31.2 million were received in 2025.

Operating exceptional cash cost of £7.4 million (2024: £8.1 million) associated with the Group's 2025 restructuring programme, decommissioning activities and other costs associated with previously closed sites as well as costs directly arising from our decision to close the GRC business. Total related cash outflow of £ 5.1 million in relation to operating exceptional items in 2025 (2024: £11.2 million) comprised £3.9 million relating to in-year exceptional charges (2024: £6.8 million) and the settlement of provisions within the opening balance sheet totalling £1.2 million (2024: £4.4 million). £4.5 million cash related to the exceptional cash charges is expected to be paid in the next financial year.

Tax on exceptional items

In the current year, impairment charges arising on non-current assets are not tax deductible but give rise to a deferred tax credit in the period where the assets were eligible for capital allowances. The redundancy and site closure costs are treated as tax deductible in the period. The total tax credit on exceptional items is £7.5 million (2024: £2.9 million).

6. TAXATION

Year ended 31 December 2025	Total statutory		Exceptional and other adjusting items		Adjusted PBT	
	£'000	Percentage	£'000	Percentage	£'000	Percentage
Profit before tax	896	100%	29,307	100%	30,203	100%
Profit before tax multiplied by the rate of corporation tax in the UK	224	25.00%	7,327	25.00%	7,551	25.00%
Effects of:						
Expenses not deductible / items not taxable	(2,011)	(224.39%)	2,557	8.72%	546	1.81%
Changes in estimates relating to prior periods	(391)	(43.64%)	-	-	(391)	(1.29%)
Total taxation expense from continuing operations	(2,178)	(243.03%)	9,884	33.72%	7,706	25.52%

Year ended 31 December 2024	Total statutory		Exceptional and other adjusting items		Adjusted PBT	
	£'000	Percentage	£'000	Percentage	£'000	Percentage
Profit before tax	20,680	100%	20,280	100%	40,960	100%
Profit before tax multiplied by the rate of corporation tax in the UK	5,170	25.00%	5,070	25.00%	10,240	25.00%
Effects of:						
Expenses not deductible / items not taxable	967	4.68%	-	-	967	2.36%
Permanent benefit of super-deduction on capital expenditure	-	-	-	-	-	-
Changes in estimates relating to prior periods	(549)	(2.65%)	-	-	(549)	(1.34%)
Rate change on deferred tax provision	-	-	-	-	-	-
Total taxation expense from continuing operations	5,588	27.03%	5,070	25.00%	10,658	26.02%

7. EARNINGS PER SHARE

The basic earnings per share figures are calculated by dividing profit for the year attributable to the parent shareholders by the weighted average number of Ordinary Shares in issue during the year. The diluted earnings per share figures allow for the dilutive effect of the conversion into Ordinary Shares of the weighted average number of options outstanding during the year. Where the average share price for the year is lower than the option price the options become anti-dilutive and are excluded from the calculation. The number of shares used for the earnings per share calculation are as follows:

	Year ended 31 December 2025	Year ended 31 December 2024
	(000s)	(000s)
Basic weighted average number of Ordinary Shares	394,453	393,091
Effect of share incentive awards and options	6,112	3,372
Diluted weighted average number of Ordinary Shares	400,565	396,463

The calculation of adjusted earnings per share is a key measurement used by management that is not defined by IFRS. The adjusted earnings per share measures should not be viewed in isolation but rather treated as supplementary information.

Adjusted earnings per share figures are calculated as the Basic earnings per share adjusted for exceptional items, and fair value adjustments (being the amortisation and depreciation on fair value uplifted assets and non-cash interest expenses). Adjustments are made net of the associated taxation on the adjusted items. A reconciliation of the statutory profit to that used in the adjusted earnings per share¹ calculations is as follows:

	Year ended 31 December 2025	Year ended 31 December 2024
	£'000	£'000
Profit for the period attributable to the parent shareholders	3,074	15,092
Add back exceptional items (Note 5)	19,478	11,720
Less back tax credit on exceptional items	(7,501)	(2,930)
Incremental depreciation and amortisation following fair value uplift	10,236	10,779
Less tax credit on incremental depreciation and amortisation following fair value uplift	(2,559)	(2,695)
Less net non-cash interest	(407)	(2,219)
Add back tax expense on non-cash interest	102	555
Adjusted profit for the period attributable to the parent shareholders	22,423	30,302

	Year ended 31 December 2025	Year ended 31 December 2024
	pence	pence
Basic EPS on profit for the year	0.8	3.8
Diluted EPS on profit for the year	0.8	3.8
Adjusted basic EPS on profit for the year	5.7	7.7
Adjusted diluted EPS on profit for the year	5.6	7.6

8. BORROWINGS

	31 December 2025	31 December 2024
	£'000	£'000
Current		
Private Placement	339	339
Revolving Credit Facility	40,813	31,086
	41,152	31,425
Non-current		
Private Placement	99,862	99,427
	99,862	99,427
Total borrowings	141,014	130,852

At current and prior year end, the Group held £100 million of private placement notes from PRICOA Private Capital, with maturities of between 2028 and 2033 and an average total cost of funds of 2.19% (range 2.04% – 2.27%). The agreement contains debt covenant requirements of leverage (net debt to adjusted EBITDA) and interest cover (adjusted EBITDA to net finance charges) of no more than 3 times and at least 4 times, respectively, tested semi-annually on 30 June and 31 December in respect of the preceding 12-month period.

Additionally, the Group renewed the £125 million RCF facility in the year, of which is held with a syndicate of four banks for an initial four-year period ending in November 2029 with one -year extension option. Interest is charged at a margin (depending upon the ratio of net debt to Adjusted EBITDA) of between 160bps and 260bps above SONIA, SOFR or EURIBOR according to the currency of the borrowing. The facility also includes an additional £50 million uncommitted accordion facility. Based on current leverage, the Group will pay interest under the RCF initially at a margin of 255 bps. This facility contains debt covenant requirements that align with those of the private placement with the same testing frequency. As at 31 December 2025 the RCF was drawn down by £42.0 million (2024: £31.0 million).

The carrying values of financial liabilities have been assessed as materially in line with their fair values, with the exception of £100 million of private placement notes. The fair value of these borrowings has been assessed as £90.1 million (2024: £87.8 million).

No security is provided over the Group's borrowings.

9. PROVISIONS

	31 December 2025	31 December 2024
	£'000	£'000
Restoration (i)	4,795	4,405
Dilapidations (ii)	4,646	3,816
Restructuring (iii)	3,357	1,397
Other (iv)	789	419
	13,587	10,037
Current	5,595	3,010
Non-current	7,992	7,027
	13,587	10,037

(i) The restoration provision comprises obligations governing site remediation and improvement costs to be incurred in compliance with applicable environmental regulations together with constructive obligations stemming from established practice once the sites have been fully utilised. Provisions are based upon management's best estimate of the ultimate cash outflows. The key estimates associated with calculating the provision relate to the cost per acre to perform the necessary remediation work as at the reporting date together with determining the expected year of retirement. Climate change is specifically considered at the planning stage of developments when restoration provisions are initially estimated. This includes projection of costs associated with future water

management requirements and the form of the ultimate expected restoration activity. Other changes to legislation, including in relation to climate change, are factored into the provisions when legislation becomes enacted. Estimates are reviewed and updated annually based on the total estimated available reserves and the expected mineral extraction rates. Whilst an element of the total provision will reverse in the medium-term (one to ten years), the majority of the legal and constructive obligations applicable to mineral-bearing land will unwind over a greater than twenty-year timeframe. In discounting the related obligations, expected future cash outflows have been determined with due regard to extraction status and anticipated remaining life. Discount rates used are based upon UK Government bond rates with similar maturities.

(ii) Provisions for dilapidations are recognised on a lease-by-lease basis and are based on the Group's best estimate of the likely contractual cash outflows, which are estimated to occur over the lease term. Third party valuation experts are used periodically in the determination of the best estimate of the contractual obligation, with expected cash flows discounted based upon UK Government bond rates with similar maturities. The legal and constructive obligation will unwind over one to fifty years.

(iii) The restructuring provision comprised obligations arising from the Group's restructuring programmes (see further details in Note 5). The restructuring provisions mainly related to the site closures and redundancy costs. The key estimates associated with the provision relate to redundancy costs per impacted employee. All of the cost is expected to be incurred within one year of the balance sheet date.

(iv) Other provisions include provisions for legal and warranty claim costs, which are expected to be incurred within one year of the balance sheet date.

10. IMPAIRMENT

In the year, in light of the lower activity levels across the UK construction industry, management identified indicators of potential impairment. Subsequently recoverable amounts across the Group's cash-generating units (CGUs) were calculated and compared with the carrying value of the assets that were allocated to the relevant CGUs.

For tangible asset impairment testing purposes, the Group has determined that each factory is a separate Cash Generating Unit (CGU), except for Bedford and Barnwell which are considered as one Southern fencing and building CGU in the Concrete Segment. In 2025, the Group disposed the Roofing CGU.

For impairment testing of intangible assets such as brands, customer relationships and goodwill, CGUs are grouped at the legal entity level, as this is the lowest level that cash inflows generated from these assets can be identified.

Following announcement of the 2025 restructuring, in the Clay segment, management performed detailed impairment testing for the carrying value of the assets associated with the sites that will cease production permanently, being Gatwick and Stowmarket.

The Group determined the recoverable amount based on the fair value less costs to disposal ("FVLCTD"). This assessment falls within level 3 of the fair value hierarchy and was based on management's judgement that the assets could not be sold for any value, this being the assumption the recoverable amount is most sensitive to.

Determination of FVLCTD by management reflected full impairment of all items of plant and machinery, building improvement, right-of-use (ROU) assets for which management's assessment was that no alternative use, future salvage value or disposal proceeds are expected for the impacted assets. This led to an impairment charge of £0.3m.

Additionally, management completed detailed impairment testing based on value-in-use ("VIU"), for the Group's other operating CGUs as at 31 December 2025.

The key assumptions used within the VIU calculation are noted below:

Management has used the latest Board approved budget and strategic planning forecasts in its estimated future cash flows, covering the period 2026 to 2030, which includes assumptions regarding industry demand for the Group's products. These forecasts assume a return to normalised levels of industry demand for the Group's products (defined as a level of demand in line with the 2022 year) over the medium term.

For the CGUs within the clay segment, management has identified a downside risk: an unforeseen, structural decline of more than 15% in management's forecast for long-term demand for the Group's brick products, benchmarked against demand levels experienced in five of the past ten years. Should this occur, the Group might make the decision to close or mothball certain CGUs, potentially leading to an impairment of property, plant and equipment up to £40 million. The final impairment charge would be influenced by management's strategic response to the altered market demand and product mix.

The other assumptions used within the VIU calculation are noted below:

1. A pre-tax weighted average cost of capital ("WACC") of 11%-21% was used within the VIU calculation based on an externally derived rate and benchmarked against industry peer group companies.
2. Terminal nominal growth rates of 2% were used reflecting long term inflationary expectations and management's past experience and expectations.

Management is of the view that no reasonable movement in the assumptions of the WACC or terminal growth rate outlined would result a material impairment of the Group's non-current assets. Management do not deem there to be any reasonably possible changes in the next 12 months that would cause a material impairment in any of the CGUs of the concrete segment.

The cash flows include ongoing capital expenditure required to maintain the productive capacity of the network but exclude any growth capital initiatives not committed.

The immediately quantifiable impacts of climate change and costs expected to be incurred in connection with our climate resilience plan, are included within the budget and strategic plan, which have been used to support the impairment reviews, with no material impact on cash flows. We also expect any changes required due to physical risks arising from our assessment of climate change would be covered by business-as-usual site refurbishments and phased over multiple years. Therefore, the related cash outflow would not have a material impact in any given year. As a consequence, there has been no material impact on the forecast cash flows used for impairment testing.

As a result of the detailed impairment testing performed as at 31 December 2025 a further impairment of £6.0 million was identified at the Leicester site factory, which will be temporarily closed from April 2026, with a recoverable value of £17.6 million. The identified impairment was proportionally allocated to the building, mineral reserves and plant machinery and equipment assets.

The impairment of assets valued at historical cost impacted the Clay segment of the Group in the current period as follows:

	Clay
	£'000
Buildings	2,071
Mineral reserves	360
Plant, machinery and equipment	3710
Right-of-use assets	195
Total	6,336

No further impairment charges were recognised in other CGUs and no impairment reversals arose during the year.

Goodwill and other intangibles

Goodwill and other intangibles are reviewed annually for impairment. Recoverability is assessed by comparing the carrying amount of the intangible assets and the CGUs/group of CGUs that derive benefit from the assets with the expected recoverable amount determined on a value-in-use basis. See below for a summary of which legal entities the Group's goodwill and other intangibles are allocated to:

CGU or group of CGUs	31 December 2025	31 December 2024
	£'000	£'000
Goodwill:		
Longley (Concrete segment)	2,964	2,964
Generix (Clay segment)	888	888
Coltman (Concrete segment)	38	38
	3,890	3,890
Other intangibles		
Ibstock Brick (Clay segment)	47,604	52,216
Generix (Clay segment)	652	–
Forticrete (Concrete segment)	–	140
Supreme (Concrete segment)	11,640	14,432
Longley (Concrete segment)	2,661	3,272
	62,557	70,060

Management is of the view that no reasonably possible change could cause impairment of goodwill or other intangibles due to the significant headroom at a legal entity level.

Key assumptions used within the testing are consistent with those set out above. No impairment was indicated.

For the Longley CGU, a pre-tax discount rate of 12.31% has been used, together with a long-term growth rate of 2%. CGU-specific cash flows for the detailed five-year time period used by management contain a revenue compound growth rate of 7.8%.

Based on management's projections, no reasonably possible change in key assumptions within the VIU calculation supporting the impairment calculation could cause the carrying value of goodwill and other intangibles to exceed its recoverable amount.

11. NOTES TO THE GROUP CASH FLOW STATEMENT

	Year ended 31 December 2025	Year ended 31 December 2024
	£'000	£'000
Cash flows from operating activities		
Profit before taxation	896	20,680
Adjustments for:		
Depreciation	35,210	33,495
Impairment of property plant and equipment	6,141	1,126
Impairment of right-of-use assets	195	2,706
Impairment of working capital	2,408	-
Amortisation of intangible assets	6,322	7,062
Net finance costs	9,138	6,393
Gain on disposal of property, plant and equipment	(178)	(261)
Research and development expenditure credit	(3,927)	(2,635)
Share based payments	484	1,253
Post-employment benefits	1,247	959
Other	-	(245)
	57,936	70,533
Increase in inventory	(24,196)	(5,633)
Decrease/(increase) in debtors	10,329	(5,529)
Increase in creditors	1,415	8,355
Increase/(decrease) in provisions	2,551	(4,820)
Cash generated from operations	48,035	62,906

12. FINANCIAL INSTRUMENTS

IFRS 13 'Financial Instruments: Disclosures' requires fair value measurements to be recognised using a fair value hierarchy that reflects the significance of the inputs used in the measurements, according to the following levels:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

At 31 December 2025 and 31 December 2024, the Group's fair value measurements were categorised as Level 2, except for (i) quoted investments within the Group's pension schemes, which were valued as Level 1 and (ii) the insured pensioner and deferred pensioner asset, which was categorised as a Level 3 valuation and uses assumptions set out in Note 13 to align its valuation to the related liability.

The Group entered into forward currency contracts as cash flow hedges to manage its exposure to foreign currency fluctuations associated with the future purchases of plant and equipment required for the construction of major capital expenditure projects. These instruments are measured at fair value using Level 2 valuation techniques subsequent to initial recognition.

At 31 December 2025, no derivative financial instrument was recognised (31 December 2024: a liability of £0.1 million).

At 31 December 2025 and 31 December 2024, the Group held no other significant derivative financial instruments. There were no transfers between levels during any period disclosed.

The carrying value of the Group's short-term receivables and payables is a reasonable approximation of their fair values. The fair value of all other financial instruments carried within the Group's financial statements is not materially different from their carrying amount, with the exception of £100 million of private placement notes. The fair value of these borrowings has been assessed as £90.1 million (2024: £87.8 million).

13. POST EMPLOYMENT BENEFITS

The Group participates in the Ibstock Pension Scheme (the 'Scheme'), a defined benefit pension scheme in the UK. During the year ended 31 December 2025, the opening Scheme surplus of £7.8 million decreased to a closing surplus of £6.0 million. Analysis of the movements during the year ended 31 December 2025 was as follows:

	£'000
Scheme surplus at 31 December 2024	7,839
Charge within labour costs and operating profit	(1,247)
Interest income	394
Remeasurement due to:	
- Change in financial assumptions	7,665
- Change in demographic assumptions	(2,892)
- Experience gains	(2,658)
- Return on plan assets	(3,117)
Scheme surplus at 31 December 2025	<u>5,984</u>

On 20 December 2022, the Scheme completed a full buy-in transaction with a specialist third-party provider, which represented a significant step in the Group's continuing strategy of de-risking its pensions exposure. This transaction, together with the partial buy-in transaction in 2020 insured the significant majority of the Group's defined benefit liabilities. As a result, the insured asset and the corresponding liabilities of the Scheme are assumed to be broadly matched without exposure to interest rate, inflation risk or longevity risk. However, there is a residual risk that the insurance premium may be increased following a data cleanse to reflect a more accurate liability position. If the surplus Scheme assets are insufficient to meet any additional premium, then the company may need to pay an additional contribution into the Scheme.

The financial assumptions used by the actuary have been derived using a methodology consistent with the approach used to prepare the accounting disclosures at 31 December 2024. The assumptions have been updated based on market conditions at 31 December 2025:

	Year ended 31 December 2025	Year ended 31 December 2024
	Per annum	Per annum
Discount rate	5.50%	5.45%
RPI inflation	2.95%	3.25%
CPI inflation	2.50%	2.75%
Rate of increase in pensions in payment	3.50%	3.65%
Commutation factors	19.30	19.50
Mortality assumptions: life expectancy from age 65		
For a male currently aged 65	21.7 years	21.4 years
For a female currently aged 65	24.3 years	24.2 years
For a male currently aged 40	23.5 years	23.1 years
For a female currently aged 40	26.0 years	26.0 years

In light of the fact that the pension scheme was in a net surplus position after the full buy-in, on 27 February 2023 the Trustees and the Group agreed that the Group would suspend paying regular contributions with effect from 1 March 2023. The schedule

of contributions was reviewed again as part of the 30 November 2023 actuarial valuation, and as the net surplus position remained unchanged, no further contributions were required.

14. OTHER RESERVES

	Cash flow hedging reserve	Merger reserve	Own shares held	Treasury shares	Total other reserves
	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2025	(65)	(369,119)	-	(27,907)	(397,091)
Other comprehensive expense	44	-	-	-	44
Issue of own shares held on exercise of share options	-	-	-	1,193	1,193
At 31 December 2025	(21)	(369,119)	-	(26,714)	(395,854)
Balance at 1 January 2024	(25)	(369,119)	(514)	(30,000)	(399,658)
Other comprehensive income	(40)	-	-	-	(40)
Issue of own shares held on exercise of share options	-	-	514	2,093	2,607
At 31 December 2024	(65)	(369,119)	-	(27,907)	(397,091)

Cash flow hedging reserve

The cash flow hedging reserve records movements for effective cash flow hedges measured at fair value. The accumulated balance in the cash flow hedging reserve will be reclassified to the cost of the designated hedged item in a future period.

Merger reserve

The merger reserve of £369.1 million arose on the acquisition of Figgs Topco Limited by Ibstock plc in the period ended 31 December 2015 and is the difference between the share capital and share premium of Figgs Topco Limited and the nominal value of the investment and preference shares in Figgs Topco Limited acquired by the Company.

Own shares held

The Group's holding in its own equity instruments is shown as a deduction from shareholders' equity at cost. These shares represented shares held in the Employee Benefit Trust (EBT) to meet the future requirements of the employee share-based payment plans. Consideration, if any, received for the sale of such shares is also recognised in equity with any difference between the proceeds from sale and the original cost being taken to the profit and loss reserve. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of equity shares. All shares held in EBT were issued to meet share option requirements in 2024.

Treasury share reserve

The Group holds treasury shares to meet the future requirements of employee share-based payment plans. Consideration, if any, received for the sale of such shares is also recognised in equity with any difference between the proceeds from sale and the original cost being taken to the profit and loss reserve. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of equity shares.

At 31 December 2025, the treasury shares are shown as a deduction from shareholders' equity at cost totalling £26.7 million (31 December 2024: £27.9 million).

15. RELATED PARTY TRANSACTIONS

Balances and transactions between Ibstock Plc (the ultimate Parent) and its subsidiaries, which are related parties, are eliminated on consolidation and are not disclosed in this note. There were no further material related party transactions, nor any related party balances in either the 2025 or 2024 financial year other than remuneration for the Directors and key management personnel.

16. DIVIDENDS PAID AND PROPOSED

The Directors are proposing a final dividend in respect of the financial year ended 31 December 2025 of 1.5 pence (2024: 2.5 pence) per Ordinary Share, which will distribute an estimated £5.9 million (2024: £9.9 million) of shareholders' funds. Subject to approval at the Annual General Meeting, this will be paid on 29 May 2026, to shareholders on the register at the close of business on 8 May 2026. These condensed consolidated financial statements do not reflect the 2025 final dividend declared.

17. POST BALANCE SHEET EVENTS

Except for the proposed ordinary dividend (see Note 16), no further subsequent events requiring either disclosure or adjustment to these financial statements have arisen since the balance sheet date.