



# Navigating today. Shaping tomorrow.

Ibstock Plc Annual Report and Accounts 2025



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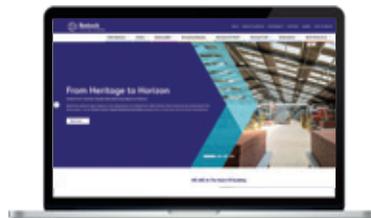
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Read more about our company on our website – access using this QR code or by visiting [www.ibstock.co.uk](http://www.ibstock.co.uk)



#### Front cover image

**Product:** Leicester SM2 Range  
**Project:** Brookfield University Campus

## Welcome

2025 was a year that tested both our resilience and determination. Whilst we celebrated the 200th anniversary of our site in Leicestershire, like many businesses we faced significant uncertainty and market challenges. Despite this, we continued to move forward – **navigating today while shaping tomorrow**, both for Ibstock and a new era of building in the UK.

Our ability to achieve this comes from a **strength built in:** combining heritage with innovation, operational resilience, and a clear strategy for sustainable growth.

Ibstock's robust foundations, alongside a willingness to take decisive actions when necessary, mean that we are well positioned for the market recovery and the creation of long-term value. I am proud to present our 2025 Annual Report and Accounts in such a special year for the business and all our stakeholders as we look to the future.

**We remain, 'at the heart of building'.**



Read more about our 200 years on [pages 2 to 3](#)



**Joe Hudson**  
Chief Executive Officer

Read more from our Chief Executive Officer on [pages 11 to 14](#)



## 2025 highlights

### Financial highlights

Revenue

**£372m**

2024: £366m

Statutory reported profit before tax

**£1m**

2024: £21m

Statutory reported basic earnings/(loss) per share

**0.8p**

2024: 3.8p

Total dividend per share

**3.0p**

2024: 4.0p

Adjusted EBITDA\*

**£71m**

2024: £79m

Adjusted EPS\*

**5.7p**

2024: 7.7p

Adjusted free cash flow\*

**£(10)m**

2024: £11m

Net debt\*

**£120m**

2024: £122m

### Non-financial highlights

Absolute carbon reduction (Scope 1 and 2)

**41%<sup>1</sup>**

2024: 49%

Clay reserves

**70mt**

2024: 73mt

Customer referral rating

**7.93**

2024: 7.65

Share of revenue from new and more sustainable products

**25%**

2024: 22%

Female representation in senior leadership

**32%**

2024: 34%

[Read more in the Chief Executive Officer's Statement on pages 11 to 14](#)

[Read more about our key performance indicators on pages 24 to 25](#)

[Read more in the Operating Review on pages 26 to 28](#)

[Read more about our approach to sustainability on pages 39 to 46](#)

\* Alternative Performance Measures ('APMs') are described in Note 3 to the consolidated financial statements. All future references to APMs within the Strategic Report and Governance Report of this Annual Report are denoted by an asterisk, unless otherwise indicated.

<sup>1</sup> Of the 41% reduction, 25% is permanent carbon reduction on 2019 baseline, 16% is temporary production volume decrease which we forecast to reverse by 2030.



Our bicentenary

Strength built in:

# Celebrating 200 years of Ibstock

For two centuries our story has reflected resilience, innovation and progress. Whilst some of our factories are older, in 2025 we celebrated entering 200 years in the namesake heart of our business in the village of Ibstock.



Read more about our bicentenary by scanning the QR code below [www.ibstock.co.uk/about-us](http://www.ibstock.co.uk/about-us)



**Strength built in**  
Expansion into global markets.

**1970s – 1980s**

Ibstock expanded internationally by acquiring brickworks in Europe and the United States, including Glen-Gery Corporation LLC.



**Strength built in**  
Market leadership secures substantial scale.

**1990s**

Increased our share of the UK brick market making a number of acquisitions, including Redland Brick and Ellistown before its takeover by CRH Plc.



**1825**

The first coal shaft was sunk at Ibstock, North-West Leicestershire, by William Thirlby.



**Strength built in**  
Building capabilities and capacity.

**1914**

Ibstock was producing around three million bricks per annum.



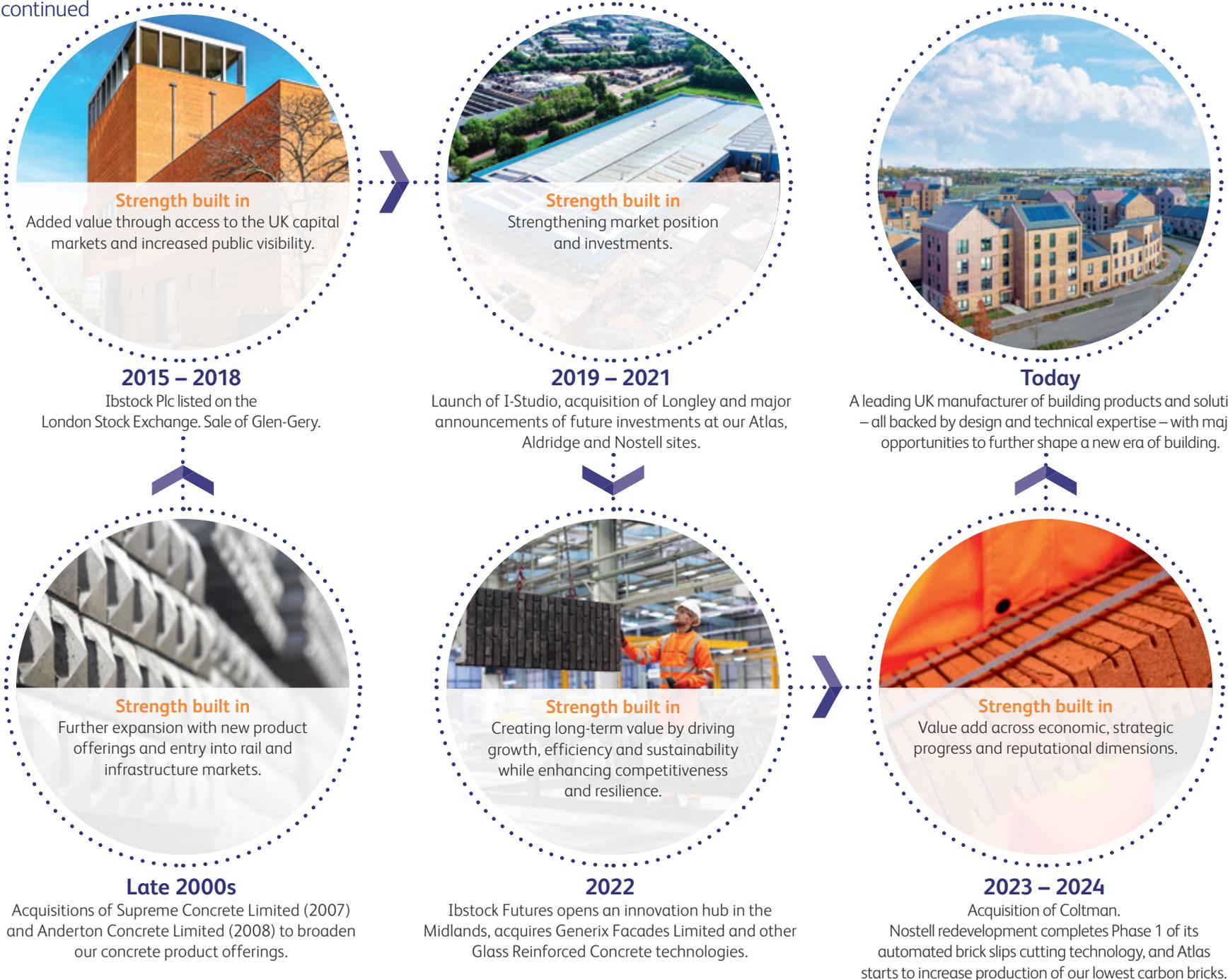
**Strength built in**  
Securing new market drivers, adding revenue and strengthening competitive advantage.

**2002**

Acquisition of Kevington to develop our position in special brick shapes and prefabricated systems.



### Our bicentenary continued





Our story

# Strength built in

At the heart of Ibstock's success is a set of defining strengths that shape who we are and how we perform. Each reflects the qualities that underpin our performance, showing a business that delivers with discipline, innovates with purpose and builds confidently for the future.

## We are...



## ...built to last.

Resilience is engineered into how we operate. We are driving a more efficient, safer, lower-cost and more sustainable manufacturing network, underpinned by disciplined cost control and a deep level of knowledge and technical expertise. This enables us to deliver reliably, even in the most challenging markets. We flex capacity, manage costs and sustain margins with focus and discipline. Our scale and operational strength, honed over two centuries of leadership in UK manufacturing, give us the confidence to keep building for the long term.

## Over £325m

**Strategic investment over the last eight years driving higher-quality, lower-cost, more efficient and even more sustainable products for UK construction markets.**

 Read more in our timeline on [pages 2 to 3](#)



## Our story continued



### ...stronger together.

The Ibstock team is building a more connected, efficient and customer-focused business. By uniting our brands, people and data, we are working towards sharper execution, faster decisions and reinforcing our category leadership – creating greater long-term value for our customers and shareholders. Our integrated model is strengthening competitiveness and laying the foundations for sustainable growth.

## Unified Ibstock

Commercial model to enhance customer experience and drive cross-selling opportunities.

 Read more in our Chief Executive Officer's Statement on [pages 11 to 14](#)



### ...thinking beyond.

For our customers and the changing marketplace – we combine over 200 years of heritage with innovation to shape how Britain builds. Our leadership in producing the highest quality building products is built on our proven resilient, safe and high-performing product range. At the same time, we are innovating and diversifying to capitalise on fast growing market sectors and delivering even more sustainable building products and higher-value solutions. From modern façades to next-generation bricks, we are investing today and thinking beyond for a new era of building.

## 25%

Percentage of revenue generated from new and sustainable products.

 Read more in our Operating Review on [pages 26 to 28](#)

 Read more about sustainability on [pages 39 to 46](#)



### ...creating lasting value.

We deploy capital with discipline and intent, supporting long-term growth while optimising returns to shareholders. Our strong cash generation and balance sheet give us the flexibility to invest in innovation and market diversification, as well as incremental cash distributions to shareholders. This approach ensures we build the capabilities that will deliver sustained performance and value over time – underpinned by the strength, skill and care of our people.

## 3.0p dividend

Targeted cover of approximately 2x underlying earnings through the cycle.

 Read more in our Group Financial Review on [pages 29 to 33](#)



At a glance

# Building Britain for over 200 years

### Who we are

Ibstock exists to build a better world by being at the heart of building.

We are a leading supplier of clay, concrete and diversified building products and solutions to the UK construction industry.

As the UK's largest brick manufacturer, alongside offering a wider range of leading building products, we combine scale, technical expertise and innovation to deliver long-term value.

### What we do

#### Clay products

We are the UK's largest brick manufacturer, producing millions of clay bricks across 15 sites supported by 15 active quarries.

Our portfolio includes the highest quality and high performing facing bricks, masonry products and prefabricated components through our four Kevington sites – delivering design flexibility and structural integrity for residential, commercial and infrastructure projects.

#### Concrete products

We are a leading producer of concrete walling, flooring and fencing products, complemented by lintels, rail and infrastructure solutions.

Operating from 11 UK sites, we provide durable, versatile products that support housing, landscaping and major infrastructure projects nationwide.

#### Diversified products and solutions

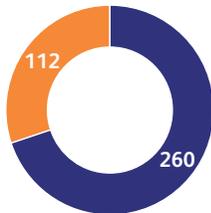
Driving innovation and diversification, Ibstock Futures focuses on even more lower-carbon solutions and Modern Methods of Construction ('MMC').

Predominantly based at our Nostell redevelopment, we create next-generation building systems to increase capacity and deliver new solutions for a new era of construction.

### Total revenue

£372m

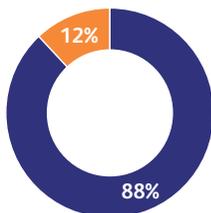
- Ibstock Clay £260m
- Ibstock Concrete £112m



### Total Adj. EBITDA\*

£71m

- Ibstock Clay £68m
- Ibstock Concrete £9m
- Unallocated costs £(6)m



### Our business in numbers

200+

years of experience

300+

different brick products

[Read more about our strategy on pages 20 to 23](#)

32

manufacturing sites across the UK

c.70m

tonnes of consented clay reserves

[Read more about our business segments on pages 11 to 14](#)

1,944

employees

99%

of raw materials sourced in UK

[Read more in our Operating Review on pages 26 to 28](#)



Our products and solutions

# Strength in our offering

ibstock concentrates on seven core product categories, each backed by design and technical services capabilities. From bricks and façade systems to flooring, landscaping, retaining walls and infrastructure, we hold leading positions across the UK.

### Design and technical services

We are committed to providing the best possible design and technical support to our customers. From expert advice to a sector-leading training and continuing professional development provision, our range of design and technical services is especially configured to give architects and specifiers the access to the support they need, at every stage on their project journey – from concept to build.

➤ Read more about our products and services by scanning the QR code below  
[www.ibstock.co.uk/products-and-services](http://www.ibstock.co.uk/products-and-services)



### Bricks & Masonry

- › Facing bricks
- › Engineering bricks
- › Brick slips
- › Special shaped bricks
- › Walling stone
- › Architectural masonry
- › Prefabricated components
- › Eco-habitat range



### Façade Systems

- › FastWall
- › Brick slips
- › IBricks
- › Façade systems – brick, stone or GRC (Generix)
- › Mechanical brick slip systems
- › Lintels and soffits (Nexus)
- › Other bespoke solutions



### Staircases & Lift Shafts

- › Precast staircases
- › Lift shafts



### Flooring & Lintels

- › Beam and block flooring
- › Insulated flooring
- › Hollowcore screed rails
- › Padstones and lintels



### Fencing & Landscapes

- › Fence posts
- › Copings and capping
- › Gravel boards
- › Bollards
- › Balustrades
- › Path edging
- › Gully surrounds
- › Urban landscaping
- › Eco-habitat range



### Retaining Walls

- › Stepoc
- › Slopeloc
- › Keystone



### Rail & Infrastructure

- › Rail troughs
- › Platform copers
- › Cable theft protection
- › Signal bases
- › Utility ducts
- › Inspection chambers



### Design & Technical Services

- › Expert design and technical service
- › Training and CPD sessions
- › End-to-end project support

## Chair's Statement

# Building for the future



“Ibstock is a business with a rich and colourful legacy, whilst possessing a progressive and sustainable vision for the future.”

**Richard Akers**  
Chair

## Introduction

Having joined Ibstock during 2025, this is my first statement as Chair, and I am particularly pleased to be doing so as the Company celebrates its 200th anniversary. My colleagues on the Board have been extremely welcoming and I look forward to working with them and Ibstock's senior management teams as we head into 2026 and beyond. I would like to express my sincere thanks to Jonathan Nicholls, my predecessor, for his support during the handover of responsibilities and my induction into all things Ibstock. Jonathan played a key role in guiding the business from its listing on the London Stock Exchange in 2015 and provided sound and consistent leadership during what has proved to be 10 years of particularly challenging circumstances, both in our sector and for the global economy. I know I speak for all of my colleagues when I wish him every success for the future.

## First impressions

My first few months have been spent getting to know the business, its operations and people and its culture. I have tried to get out and visit as many of our sites as possible, to get an understanding of the Company's products and manufacturing processes, as well as meeting with a range of key stakeholders. It goes without saying that Ibstock represents a business with a rich and colourful legacy whilst

possessing a progressive and sustainable vision for the future. Everyone I have met understands this history and is proud to work for such a long-standing and established name that has played its part in Britain's industrial history. I look forward to providing a contribution to such a valuable and interesting story.

## Financial results

The business has performed with resilience during 2025 and has made some difficult decisions, including two updates to the stock market in June and October, as the market became progressively tougher during the year. Revenue for the period was up by 2% to £372 million (2024: £366 million) led by strong new-build growth in H1. Ibstock Clay revenues were up 5% to £260 million, whilst Ibstock Concrete delivered £112 million, 5% lower than the prior year. Slow repair, maintenance and improvement ('RMI') demand resulted in average pricing being marginally down. Adjusted EBITDA was down 10% to £71 million (2024: £79 million), reflecting cost inflation, adverse product mix and increased costs as capacity was reinstated. Statutory profit before tax of £1 million (2024: £21 million), reflected lower trading performance and an exceptional charge of £19 million (2024: £12 million). The level of net debt reduced to £120 million (2024: £122 million), including c.£30 million of proceeds from non-core divestments.



## Chair's Statement continued

### Strategy

We undertook a detailed review of our existing corporate strategy at a session in November. This gave us an opportunity to test and challenge the assumptions, objectives and plans of Ibstock's senior teams as we faced into continued market uncertainty. I am clear that this strategy remains appropriate for the business, and that those actions that came out of the meeting will support our strategic progress in the coming years.

During the year, our Atlas Pathfinder factory continued to progress its commissioning process and full production capability is expected in 2026, delivering lower cost and more efficient capacity. The Nostell investment is now largely complete, with good progress on the construction of the UK's most advanced ceramic façade facility. We are also well advanced in renewing options for our calcined clay opportunity. To increase the strength of our balance sheet, we took the decision in Q4 to sell surplus land assets and our Forticrete roofing sites for a total consideration of c.£30 million. This will have no meaningful impact on the Group's future financial performance and we continue to look at optionality around our land assets to further strengthen the balance sheet.

### Dividend

The Board recommends a final dividend of 1.5 pence per share (2024: 2.5 pence), resulting in a full-year dividend of 3.0 pence per share (2024: 4.0 pence).

### Our employees

We are committed to driving best in class standards for health, safety and wellbeing for all colleagues and support Ibstock's culture with enthusiasm. Having been through another tough year, I would like to thank all those involved for their incredible contributions to Ibstock.

### Board changes

The period under review has seen significant changes at Board level as Jonathan Nicholls left us in May and Chris McLeish, our former CFO, having accepted a new role, moved on in October. On behalf of the Board, I can only reiterate our best wishes for both Jonathan and Chris in the future. Having started the process to find a replacement for Chris McLeish, a key priority for the Nomination Committee is to finalise that search and be in a position to announce a successor soon.

We will soon also lose Justin Read, who has been Chair of the Audit Committee since 2017 as he steps down at the AGM in May, in accordance with the requirements of the UK Corporate Governance Code 2024 (the 'Code'). Justin has been outstanding as Chair of this important Committee and his presence and counsel will be sorely missed. The process to find a replacement for Justin has completed and I can confirm the appointment of Martin Payne with effect from 30 March 2026. Further details of this recruitment process can be found in the Nomination Committee Report on pages 76 to 80.

### Diversity

The Board recognises the benefits that a diverse Board and workforce can bring to a company, and we are committed to ensuring that Ibstock is a diverse, fair and inclusive place to work.

The Board is cognisant of the FTSE Women Leaders Review recommendation that FTSE 350 companies should have at least one woman in the role of Chair, Senior Independent Director, Chief Executive Officer ('CEO') or Chief Financial Officer ('CFO'). We remain committed to addressing the balance within these roles as succession plans are developed, but will always make appointments that are based upon an individual's merit, suitability and ability to carry out a role successfully.

### Governance

The Board is more committed than ever to driving long-term sustainable performance for the benefit of all our stakeholders. This includes the application of high standards of corporate governance and making sure that these principles are embedded into our culture. Within this report we set out in detail how we, as a Board, have made decisions, engaged with our stakeholders and complied with the principles of the Code.

### Sustainability

We have made good progress on our sector-leading sustainability and social impact agenda, sharpening our focus on carbon, product innovation and sector skills. During the 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 a number of other areas of sustainability such as waste and water reduction and biodiversity.

### Looking towards the future

With markets remaining subdued, we are working hard to maintain our volumes and margins. Some success in generating growth impetus in the housing market would be materially beneficial to our efforts, both to generate returns and to maintain our modernised and enhanced production capacity.

Reflecting our current view of a subdued market, we will be actively managing production volumes and inventory, which will create a margin headwind in 2026 although these actions will improve working capital efficiency and strengthen the balance sheet. Improved cash generation and reduction in leverage provide optionality for future growth and capital returns.

The Board remains confident in the medium-term prospects for the business, although the pace and timing of the recovery remain uncertain.

### Richard Akers Chair

4 March 2026

## Investment case

# Why invest in Ibstock?



## Our business has strong fundamental qualities

- › Broad exposure to markets with attractive long-term growth potential.
- › Established market leadership position in our core brick market and leadership positions in attractive segments of the concrete building products market.
- › Diversified market exposure and a product range unrivalled in its breadth and depth.
- › Well-invested asset base, extensive consented clay reserves and unrivalled UK operational network, creating a strong, competitive position.
- › A trusted partner to a high-quality, long-standing customer base.

Read more about our business on [pages 6 to 7](#)



## We are focused on growth

- › Compelling growth strategy combining development of our core businesses with diversified growth addressing new opportunities in emerging, fast-growth areas of the UK construction market.
- › Strong pipeline of growth projects in our core brick and concrete businesses.
- › Ibstock Futures – an exciting opportunity to diversify and capture growth from faster-growing segments of construction markets. These markets are centred on the use of even more sustainable building materials and MMC.
- › Strong organic and inorganic pipeline underpinning significant medium-term growth potential.

Read more about Ibstock Futures on [pages 27 to 28](#)



## We are creating shareholder value

- › Significant earnings growth potential over the medium term.
- › Structurally strong operating margins and cash generation.
- › Robust balance sheet and disciplined capital allocation framework provide the platform to both invest further for growth and deliver incremental shareholder returns. We have invested organically more than £325 million over eight years.
- › Payment of ordinary dividends with a targeted cover of approx 2x underlying earnings through the cycle.
- › Excess capital returned to shareholders as appropriate.

Read more about our financial progress and targets, which demonstrate our ambition to deliver strong growth and returns in the medium term, on [pages 29 to 33](#)



## We have built sustainability into our strategy, our products and our processes

- › A resilient and responsible business run for the long term.
- › Leading our industry on the adoption of sustainable business practices, supporting our customers' sustainability journeys, as well as meeting our own carbon reduction targets.
- › Seizing the growth opportunity through the accelerating transition to sustainable construction.

Read more about our progress against our sustainability targets on [pages 39 to 46](#)

## Chief Executive Officer's Statement

# Strategic progress with strength built in



“The Group remains committed to maximising returns through innovation and capacity optimisation.”

**Joe Hudson**  
Chief Executive Officer

## 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 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.

## Chief Executive Officer's Statement continued

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 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 EBITDA\* of £71 million (2024: £79 million) was down 10% and in line with the revised guidance given in October 2025. Adjusted EBITDA\* margin declined to 19.1% (2024: 21.7%). This reflected both inflationary pressure, increased costs related to ramping up 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 exceptional\* charge of £19 million (2024: £12 million).

The Group's net debt\* at the 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).

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 EBITDA\* 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 Ibstock 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 EBITDA\* 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.



Our Nostell Horizon Factory

## Chief Executive Officer's Statement continued

### 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 and 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, we recorded a Total Injury 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 customer 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.

NPDs 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 13 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 profitability driven by Atlas' 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 façades line, is progressing well. This new line will bring unrivalled flexibility and choice to the façades 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 CO<sub>2</sub> emissions. Calcined Clay presents the potential to reduce carbon emissions by around 40% versus 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.



Employees at the Pledge Safety Awards

## Chief Executive Officer's Statement continued

### Grow: Diversification and Group culture drives growth continued

#### 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. During the 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 and 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. I am, however, pleased that we did see positive feedback on wellbeing and mental health support.

We also remain proud of our Early Careers initiative 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 and Learn position was 7.2% (2024: 7.4%), still on track for achieving our 2030 target of 10%. We remain 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 (2024: 34%) 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 long-term 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.



Apprentice training at Make UK

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 for 2026

After a weather-impacted start to 2026 residential construction and RMI markets are 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 the 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.

**Joe Hudson**  
Chief Executive Officer

4 March 2026



## Market and industry overview

# Strength from future growth

Ibstock is a leading UK manufacturer of building products and solutions, supported by expert design and technical services. Our diverse portfolio serves both new-build housing and the RMI sector.

We also hold strong positions in rail and infrastructure and are driving growth in emerging construction segments, supported by demand for more sustainable, high-performing products, innovative solutions and MMC.

The three largest manufacturers account for most UK brick production, and we have the largest clay brick production capability, maintaining our market-leading position. We are well positioned in markets with strong fundamental drivers, and our long-standing expertise ensures that we focus on the most significant growth opportunities.

### Overall UK construction market

The UK economy continued to face headwinds through 2025, with growth weaker than expected. Consensus GDP forecasts were revised down from c.2% to around 1.0% – 1.4% for 2025 and close to 1.0% in 2026, reflecting subdued private-sector demand, elevated costs, lower confidence and limited support for first-time buyers.

The Construction Products Association ('CPA') Winter 2025 – 2026 forecast shows total construction output rising by 1.7% in 2026 and 3.3% in 2027, a downward revision from late-2024 projections. We expect modest year on year volume growth in 2026 from the second half of the year.

Government policy changes are beginning to support the sector through targeted funding and regulation, though reforms are modest and taking time to feed through. Key measures include streamlining planning for housing and major infrastructure, and significant investment

in school, Ministry of Defence ('MoD') and healthcare estates – including Reinforced Autoclaved Aerated Concrete ('RAAC') remediation – alongside ongoing public sector maintenance. These interventions aim to provide a more stable foundation across public sector and regulated construction pipelines.

Skills development remains a priority, with a £625 million Government programme introduced to address labour shortages and support delivery across housing, infrastructure and public sector projects.

Despite these positive developments, regulatory complexity, market uncertainty and planning friction continue to constrain momentum in the near term.

The Building Safety Act 2022 regime is also influencing higher-risk projects, with Gateway approvals and compliance requirements adding scrutiny and contributing to delays. While supply-chain pressures have eased in places, cost pressures and planning friction remain key constraints.

Overall, whilst we navigate the near term, our medium- and long-term markets remain attractive, giving us the confidence and resilience to keep building for the long term.

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Private housing output to rise by

**1.5%**

in 2026 and 4.0% in 2027

---

Private housing RMI to fall by

**1.0%**

in 2026 and rise by 3.0% in 2027

---

Infrastructure output to rise by

**3.9%**

in 2026 and 4.4% in 2027

---

Industrial output to rise by

**0.9%**

in 2026 and 1.7% in 2027

Market and industry overview continued

# Ibstock's key markets



## New housing<sup>1</sup>

	2023	2024	2025 (E)	2026 (F)	2027 (P)
<b>Private housing</b>					
<b>Private housing starts (No.)</b>	131,084 (20.0)%	91,078 (30.5)%	100,186 10.0%	109,202 9.0%	119,031 9.0%
<b>Private housing completions (No.)</b>	144,031 (13.5)%	134,379 (6.7)%	131,691 (2.0)%	134,325 2.0%	138,355 3.0%
<b>Public housing</b>					
<b>Public housing starts (No.)</b>	41,943 (7.8)%	36,275 (13.5)%	34,461 (5.0)%	36,874 7.0%	39,086 6.0%
<b>Public housing completions (No.)</b>	45,273 9.0%	44,138 (2.5)%	42,372 (4.0)%	43,220 2.0%	44,949 4.0%

<sup>1</sup> Construction data sourced from the CPA Winter 2025 – 2026 forecast.

New-build housing is a key strategic sector for Ibstock. We hold leading positions across both our Clay and Concrete businesses and support this market through:

- › long-standing strategic relationships with UK house builders, distributors and builders' merchants;
- › a broad, high-performing product range across the building envelope, supported by expert design and technical services;
- › unrivalled UK operational network with local factories supporting local projects; and
- › continuous enhancement of our existing product range alongside new product development to meet evolving customer needs.

New private housing remains one of the most significant segments of the UK construction market, both in output value and strategic importance. Data from the Office of National Statistics ('ONS') shows the sector has seen notable volatility: while the value of private new housing fell sharply in 2023, indicators through 2025 suggest stabilisation in parts of the market. However, the picture on the ground remains mixed, with planning approvals at historically low levels, constraining future starts due to ongoing delays and resourcing pressures across local authorities.

Average house prices grew modestly in 2025, although momentum slowed compared with earlier in the year, indicating a cautious housing environment. With house price growth being less than inflation in 2025, this does suggest an easing of affordability constraints for private sale housing.

We maintain a strong focus on this sector, holding market-leading positions across product categories critical to private housing delivery, supported by our resilient and efficient manufacturing network.

Policy and planning reform efforts have moved forward, with the Government undertaking a major revision of the National Planning Policy Framework in 2025 to make rules clearer, more predictable and better aligned with the ambition to deliver 1.5 million new homes during the current Parliament.

In parallel, an ambitious new towns taskforce has identified priority sites for major new communities expected to unlock tens of thousands of homes through long-term, large-scale developments and supporting infrastructure.

Both initiatives will take time to translate into higher levels of activity, with tangible impact expected beyond the near term.

### Social housing

The Government is driving social and affordable housing delivery through significant policy support and funding. The current Affordable Homes Programme (2021 – 2026) is backed by £11.5 billion of funding, with further uplifts in 2024 and 2025 and an additional £2 billion announced in March 2025. Looking ahead, the new £39 billion Social and Affordable Homes Programme (2026 – 2036) will provide longer-term funding certainty and sustained delivery at scale.

We are well positioned to support this growth through:

- › long-standing relationships with major house builders delivering social housing;
- › growing partnerships with housing associations; and
- › a leading range of UK-manufactured products made with local materials and labour, supported by our social impact efforts that help customers meet social value commitments.



**Product:** New Ivanhoe Cream  
**Project:** Kaimhill housing Aberdeen

Market and industry overview continued

# Ibstock's key markets continued



## Housing RMI<sup>1</sup>

	2023	2024	2025 (E)	2026 (F)	2027 (P)
<b>Private housing RMI (No.)</b>	34,944	37,557	36,806	36,438	37,531
	4.3%	7.5%	(2.0)%	(1.0)%	3.0%
<b>Public housing RMI (No.)</b>	8,611	10,002	10,202	10,406	10,822
	3.3%	16.2%	2.0%	2.0%	4.0%

<sup>1</sup> Construction data sourced from the CPA Winter 2025 – 2026 forecast.

- Long-standing strategic relationships with builders' merchants and distributors across the UK.
- A leading range of high-performing products for housing repair, maintenance and improvement projects.
- Investment at Nostell Horizon, strengthening our solutions for recladding and remediation projects.

Housing RMI remains a significant and resilient part of the UK construction market and continues to be a key focus for our business. According to the ONS, repair and maintenance activity on existing private dwellings was one of the stronger contributors to output growth through 2025, with private housing RMI recording notable monthly increases and outperforming certain new-build segments.

While the ONS has not yet published a full-year figure for 2025, leading forecasts point to continued modest growth as households prioritise essential improvements and maintenance alongside subdued new housing activity.

Recent trends reflect broader consumer behaviour. Activity peaked in 2021 – 2022 during the pandemic-driven 'race for space', before softening in 2023 – 2024 amid cost of living pressures.

Long-term demand remains underpinned by structural drivers, including ambitions on rising living standards, demographic shifts and ongoing requirements for retrofit, cladding remediation and fire-safety compliance. Although remediation progress has varied due to capacity and skills constraints, house builders and developers remain committed to completing work by 2029, supporting sustained specialist RMI activity over the medium term.



**Product:** Ivanhoe Cream  
**Project:** Perry Barr Residential Apartments

Market and industry overview continued

# Ibstock's key markets continued



## Infrastructure<sup>1</sup>

	2023	2024	2025 (E)	2026 (F)	2027 (P)
<b>£m</b>	36,991	33,957	34,821	36,180	37,772
	4.4%	(8.2)%	2.5%	3.9%	4.4%

<sup>1</sup> Construction data sourced from the CPA Winter 2025 – 2026 forecast.

- › Strong relationships with customers across rail and infrastructure.
- › A focus on innovation and new solution development.
- › Manufacture of bespoke products for the infrastructure sector.

Infrastructure remains one of the largest areas of UK construction, with new work valued at around £33.9 billion in 2024 (ONS data), placing it among the top three segments by output value. 2025 data showed monthly increases in infrastructure activity, even as wider construction softened.

Government commitments to maintain major non-residential construction pipelines and ongoing planning reforms have supported activity. While the anticipated 10-year Transport Strategy has been deferred, targeted funding for road maintenance and local transport improvements continues to reinforce the infrastructure outlook.

We continue to have a strong and resilient presence in this sector, particularly in rail and transport, where our focus on reducing embodied carbon aligns with client requirements and sector decarbonisation priorities.

### Commercial and public sector

Commercial and public sector construction remains a significant part of the UK market, historically accounting for around 20% of total output. This sector spans offices, retail, cultural facilities, schools, hospitals and other public buildings, and we have a strong track record of supplying products and systems into some of these markets, including numerous award-winning projects.

ONS data indicates that private commercial new work softened through 2025, while public sector new work and refurbishment activity provided stability. Major projects, alongside multiple school and healthcare programmes, continue to support the pipeline despite subdued speculative office and large retail development. Activity varies widely by project type and location, with conversion of existing buildings into residential or mixed-use space and demand for industrial and logistics facilities remain important drivers.

Looking ahead, commercial and public sector output is expected to remain broadly stable through 2025 and early 2026, supported by refurbishment, fit-out and public sector schemes. We foresee a growth in the public sector pipeline as the New Hospital programme and MoD spending ramps up, particularly as we come towards the end of the five-year election cycle.

### Diversified markets and new segments

- › Clay brick remains the dominant façade material in residential projects.
- › To strengthen our position, we have invested in the UK's most advanced ceramic façade facility at Nostell, producing new IBricks and innovative solutions such as FastWall for emerging segments.
- › We also offer a range of well-established façade systems suited to these markets.

We are diversifying into mid to high rise, build to rent and off-site construction, as well as segments benefiting from increased Government investment, including education, healthcare and defence. The adoption of MMC continues to grow across multiple markets, supported by Government commitment. We remain focused on supporting MMC expansion with innovative products and solutions that enable customers to fully realise their benefits.



**Product:** Bespoke Precast Anderton Concrete  
**Project:** HS2 Colne Valley



Our business model

# Delivering lasting value

## Our unique strengths

### Market leadership and resources

We are a market leader in UK building products, supported by over 70 million tonnes of consented clay reserves and 145 million tonnes of resources, ensuring strong production capacity across all factories.

### Long-standing customer relationships and expertise

Our service-led ethos and focus on quality and service have driven growth for over a decade, with many customer relationships lasting more than 40 years. Our highly experienced management team brings deep industry knowledge and expertise.

### Capacity and innovation

We continue to invest in advanced technology to continuously improve, expand capacity and meet evolving market demands.

### Strengths

Our strong heritage, well-invested facilities, skilled workforce, and design and technical expertise underpin our success. With high barriers to entry, robust health and safety, a solid balance sheet and 2,170 acres of UK land, we maintain an unrivalled operational footprint.

➤ Read more about our business on [pages 6 to 7](#).

➤ Read more about our principal risks on [pages 48 to 52](#).

## What we do



## Creating value for all

### Investors

We pay dividends with targeted cover of approx 2x underlying earnings supported by high-margin businesses, strong cash generation and a growth-focused strategy.

### Customers

Our key customer groups include builders' merchants, house builders, distributors, contractors and installers. We offer unrivalled choice and full-range concrete solutions.

### Employees

We prioritise safety, wellbeing and career development, while promoting share ownership through schemes like Sharesave to share long-term value.

### Pension fund members and Trustees

Insurance contracts underwrite pension commitments, reducing risk and ensuring security for members and Trustees.

### Communities

We are an important employer in the many areas where we are located and actively support local schools, colleges and charities, striving to leave a positive, lasting impact.

### Government and regulators

We engage on laws and regulations, ensure environmental compliance, and commit to timely, appropriate UK tax payments.

➤ Read more about our stakeholders on [pages 35 to 38](#)



Our strategy

# Creating lasting value

Ibstock’s strategy is to optimise and enhance the existing business, whilst investing for growth in both core and diversified construction markets and fast-growing sectors.

Our purpose

is to build a better world by being at the heart of building

Our strategic pillars



Sustain



Read more on page 21



Innovate



Read more on page 22



Grow



Read more on page 23

Our differentiators are our ‘North Star’

The North Star is key to both our continuing progress as we build momentum and to the creation of a longer-term roadmap, ensuring that we continue to differentiate our business with clarity and ambition as we support positive change in UK housing and construction.

Safe, reliable production



Obsessive customer experience



Sector innovation



Sector-leading sustainability and social impact



People and culture



Integrated sustainability targets

Addressing Climate Change



Read more on pages 42 to 44

Manufacturing Materials for Life



Read more on page 45

Improving Lives



Read more on page 46

Underpinned by our values:  
Care, Courage, Trust and Teamwork

Our strategy continued



# Sustain

Sustainable high performance is at the core of what we do – delivering products safely, reliably and efficiently while putting customers at the centre. Embedding operational excellence and standardisation will strengthen our resilience and enable future growth.

## Safe, reliable production

### 2025 progress

#### Safety performance

Meaningful progress was made in strengthening risk controls and safety leadership. TIFR was 36.6 (2024: 31.4), with incidents concentrated in commissioning and transition activity – key learnings are being implemented into future plans.

#### Multi-year Safe Reliable Production System programme development

The programme will embed safety and reliability across the estate, improving competitive advantage. In-year focus centred on preparations at Aldridge as our pilot factory.

#### Strategic planning and investment

Strategic planning and estate renewal was advanced, with non-core land and Roofing business disposals improving our balance sheet strength and future investment optionality.

## Obsessive customer experience

### Customer experience

We strengthened our customer strategy through piloting AI forecasting, clearer segmentation and deeper survey insight, which supported our overall customer relationship rating uplift from 7.65 to 7.93.

### Atlas

Commissioning of the full product range is progressing – see spotlight opposite for further details.

### KPIs/Measure

#### Non-financial

- › TIFR
- › % completion against target actions
- › % employees trained

#### Financial

- › Revenue
- › Adjusted EBITDA\*/ Adjusted EBIT\*
- › Adjusted Return on Capital Employed\* ('ROCE')
- › Adjusted EPS\*

### Risks

- › Regulatory and Compliance
- › Health, Safety and Environment
- › Financial Risk Management
- › Customer and Industry

### Sustainability targets

- › Addressing Climate Change (Carbon)
- › Improving Lives (Skills)

### STRATEGY IN ACTION:

## Atlas Pathfinder factory

Atlas is our most advanced wire-cut brick manufacturing facility, designed to deliver higher productivity, improved reliability and lower unit costs for UK house builders. This £64 million investment is the cornerstone of our £325 million modernisation programme over the past eight years, strengthening operational efficiency, consistency and quality across the manufacturing network. Atlas supports a more efficient product mix – 105 million annually – including our lowest carbon bricks, along with a new Atlas 'Pathfinder' range, which combines the visual appeal of traditional soft-mud bricks with the manufacturing efficiency of wire-cut production. Atlas also creates a platform for future innovation, including the potential to pioneer green hydrogen solutions to further accelerate sector-wide decarbonisation.



Our strategy continued

# Innovate

We combine heritage with innovation in products, digital capability and customer solutions to deliver higher-value offerings – strengthening our market-leading position and selective expansion into adjacent markets.

## Sector innovation

### 2025 progress

#### New product development

Innovation continues to deliver tangible impact, with 25% of Group revenue in 2025 generated from new and more sustainable products (2024: 22%), reflecting positive customer adoption and effective execution of our development pipeline.

Continued production innovation focus across our concrete products, including the redesign of selected concrete rail products using reinforcement materials to significantly increase longevity and durability. This work has been completed in collaboration with Network Rail.

#### Strategic projects progressing well

The second phase of the Nostell project remains on track, supported by positive customer response to early product and design innovations, including our new IBricks and FastWall. See spotlight opposite for further details.

Atlas commissioning – see spotlight on page 21.

### KPIs/Measure

#### Non-financial

- › % sales of new and more sustainable products
- › Customer referral rating/NPS

#### Financial

- › Revenue
- › Adjusted EBITDA\*/EBIT\*
- › Adjusted ROCE\*
- › Net debt to Adjusted EBITDA\*
- › Adjusted EPS\*

### Risks

- › Regulatory and Compliance
- › Economic Conditions
- › Customer and Industry

### Sustainability targets

- › Addressing Climate Change (Carbon)
- › Manufacturing Materials for Life (NPD)

### STRATEGY IN ACTION:

## Taking heritage into Horizon

Our new Nostell Horizon factory blends our heritage and expertise with first-of-its-kind technology, creating the UK's most advanced ceramic façade facility. Producing IBricks with digitally enabled design, it introduces and enables innovative products and solutions such as FastWall, opening up new market segments and customer opportunities whilst supporting MMC. This £45 million investment expands our reach, strengthens UK manufacturing resilience, adds additionality to the network and sets new standards for even more sustainable, future-focused building solutions.

## Our strategy continued



# Grow

Driving growth and value creation through diversification into new markets and sectors, supported by culture, capability development and skills.

## Sector-leading sustainability and social impact

### 2025 progress

#### Sustainability

Our 2025 materiality assessment sharpened focus on carbon, product innovation and sector skills. Key milestones included reaching halfway towards our 40% Scope 1 and 2 reduction target, supported by our carbon transition modelling. The launch of our first Ibstock Academy at Walsall College is also taking shape as we build wider sector skills. Around 80% of our supplier spend is now aligned to our new supplier commitments.

#### Diversification

New markets and segments remain a key strategic priority, with investments such as Nostell demonstrating strong progress with NPDs described on page 22. In 2025, we also advanced lower-carbon solutions for the wider industry, including progressing Calcined Clay towards commercialisation and leveraging our own reserves to support decarbonisation – see spotlight opposite for further details.

### People and culture

#### Employee engagement and development

Employee engagement remained solid, with our Best Companies survey retaining 'Ones to Watch' status with 83% colleague participation. Alongside this, we maintained our Gold accreditation from the 5% Club with 7.2% of employees in Earn and Learn positions.

#### Diversity and inclusion

Senior female representation remained stable at 32% (2024: 34%) despite a number of organisational changes. The percentage of ethnically diverse leaders increased to 15% (2024: 7%), ahead of our 2030 target.

### KPIs/Measure

#### Non-financial

- › Carbon reduction
- › % sales from new and more sustainable products
- › Earn and Learn

### Risks

- › People and Talent Management
- › Economic Conditions
- › Customer and Industry
- › Climate Change

### Sustainability targets

- › Addressing Climate Change (Carbon)
- › Manufacturing Materials for Life (NPD)
- › Improving Lives (Skills)

### STRATEGY IN ACTION:

## Calcined Clay

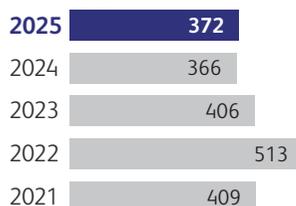
In 2025, we made strong progress in advancing the commercialisation of Calcined Clay, a low-carbon cementitious material with the potential to reduce Portland cement CO<sub>2</sub> emissions by around 40%. Drawing on our high-quality, long-life clay reserves, we are developing a platform capable of supporting the UK's first industrial-scale calcined clay facility. Partner discussions are now well advanced, representing a significant long-term growth opportunity that strengthens our position in low-carbon construction innovation.

## Key performance indicators

# How we are performing

## Financial KPIs

## Revenue £m



## Description

Revenue represents the value for the sale of our building products and services, net of local sales tax and trade discounts.

## Why important?

Revenue provides a measure of the financial growth of the Group.

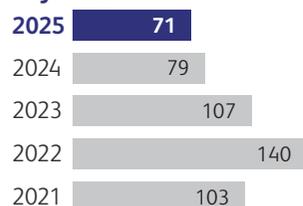
## Link to strategy



## Remuneration linkage

Forms part of the financial health component of the strategic underpin in the Long Term Incentive Plan ('LTIP') from 2025.

## Adjusted EBITDA\* £m



## Description

Represents profit before interest, taxation, depreciation and amortisation after adjusting for exceptional items\*.

## Why important?

Adjusted EBITDA\* provides a key measure to assess the Group's profitability.

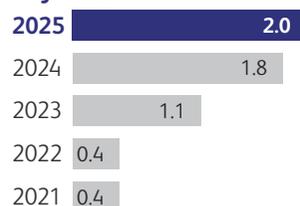
## Link to strategy



## Remuneration linkage

Forms part of the financial health component of the strategic underpin in the LTIP from 2025.

## Net debt to Adjusted EBITDA\* x



## Description

Net debt, comprising short- and long-term borrowings less cash, over Adjusted EBITDA\* (as defined) prior to the impact of IFRS 16.

## Why important?

Net debt to Adjusted EBITDA\* provides a useful measure in assessing the Group's financial strength.

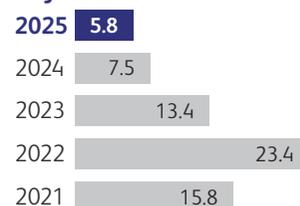
## Link to strategy



## Remuneration linkage

Forms part of the financial health component of the strategic underpin in the LTIP from 2025.

## Adjusted ROCE\* %



## Description

The ratio of profit before interest and taxation, after adjusting for exceptional items\*, to average net assets and debt (excluding pension).

## Why important?

Adjusted ROCE\* provides an indication of the relative efficiency of capital use by the Group over the year.

## Link to strategy



## Remuneration linkage

A key measure within the 2023 and 2024 LTIP arrangement with a weighting of 20% of total opportunity.

Forms part of the financial health component of the strategic underpin in the LTIP from 2025.

## Adjusted EPS\* p



## Description

Basic earnings per share adjusted for exceptional items\*, amortisation and depreciation on fair valued uplifted assets and non-cash interest, net of the associated tax charge.

## Why important?

Adjusted EPS\* provides useful information in assessing the performance of the Group and when comparing its performance across comparative periods.

## Link to strategy



## Remuneration linkage

A key measure within the 2023 and 2024 LTIP arrangement with a weighting of 30% of total opportunity.

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



Key performance indicators continued

**Key to strategy**

-  Sustain
-  Innovate
-  Grow

## Non-financial KPIs

### Total Injury Frequency Rate ('TIFR')

2025	36.6
2024	31.4 <sup>1</sup>

**Description**  
The number of employee injuries (death, lost time, restricted work and medical treatment cases) x 1,000,000 divided by the total hours worked.

**Why important?**  
The measure gives a picture of how safe a workplace is for its employees, which helps support risk identification and reduction. A long-term target of 30% reduction in TIFR by the end of 2030 (against 2025 baseline) has been set.

**Link to strategy**



**Remuneration linkage**  
Forms part of the stakeholder experience component of the strategic underpin in the LTIP from 2025.

<sup>1</sup> The 2024 TIFR number has been restated due to the calculation including additional data points in 2024.

### Carbon reduction metric

2025	0.138
2024	0.148
2023	0.145
2022	0.141
2021	0.16

**Description**  
Represents the amount of Scope 1 and 2 carbon emissions produced per tonne of finished production.

**Why important?**  
Provides a key measure of our progress against our carbon reduction targets (see page 41) and demonstrates our commitment to addressing climate change.

**Link to strategy**



**Remuneration linkage**  
Measure in the LTIP granted between 2021 and 2023 with 10% weighting of opportunity. Refined measure of carbon per brick included in the 2024 LTIP grant.  
Forms part of the sustainability component of the strategic underpin in the LTIP from 2025.

### Share of revenue from new products %

2025	25
2024	22
2023	11
2022	13
2021	13

**Description**  
Proportion of revenue generated from new and more sustainable products introduced to the market within the last five years.

**Why important?**  
This demonstrates our progress to meet our customer needs, diversify our product offer and improve the sustainability attributes of existing products.

**Link to strategy**



**Remuneration linkage**  
Measure in LTIP granted between 2022 and 2025 with 5% weighting of opportunity.  
Forms part of the sustainability component of the strategic underpin in the LTIP from 2025.

### Customer referral rating

2025	7.93
2024	7.65

**Description**  
The number of customers likely to recommend Ibstock to a friend or colleague. Scored out of 10.

**Why important?**  
It is used as a proxy for gauging a customer's overall satisfaction with our products and service levels and their loyalty to the brand.

**Link to strategy**



**Remuneration linkage**  
Forms part of the stakeholder experience component of the strategic underpin in the LTIP from 2025.

### Female representation in senior leadership %

2025	32
2024	34
2023	35
2022	27
2021	19

**Description**  
Percentage of senior leaders who are women at year end as defined by the FTSE Women Leaders Review.

**Why important?**  
This measure assesses whether we have an appropriate gender balance in senior positions throughout the Group.

**Link to strategy**



**Remuneration linkage**  
Measure in the LTIP granted between 2022 and 2023 with 5% weighting of opportunity.  
Forms part of the sustainability component of the strategic underpin in the LTIP from 2025.

### Earn and Learn %

2025	7.2
2024	7.4
2023	6.9
2022	7.5

**Description**  
Proportion of colleagues in formal learning or training supported by the business, as defined by the 5% Club.

**Why important?**  
This demonstrates commitment to the development of colleagues, supporting retention of talent and the succession planning processes within the business.

**Link to strategy**



**Remuneration linkage**  
Measure in LTIP granted in 2024 with 5% weighting of opportunity.  
Forms part of the sustainability component of the strategic underpin in the LTIP from 2025.



## Operating Review

# Strong divisional performance

### Health, safety and wellbeing

During 2025, we maintained a strong focus on risk reduction and strengthening site standards across our manufacturing operations. We progressed Leadership in Action Phase 2 and introduced the Safety Barometer and Critical Control Monitoring plans, piloted at Aldridge in December 2025 with wider roll out planned through Q1 of 2026. We also delivered Level 4 of the Lock Out, Tag Out, Try Out ('LOTOTO') roadmap, reinforcing operational discipline and accountability.

TIFR was 36.6 (2024: 31.4), broadly in line with the prior year, reflecting the additional operational complexity of commissioning and operating two new factories during the period. Our focus remains on critical controls, consistent standards and sustained risk reduction into 2026.

### Ibstock Clay

Ibstock Clay is the leading clay brick manufacturer in the UK, with an extensive product range and 15 manufacturing sites across the country, strategically located near to extensive self-owned clay reserves.

#### 2025 performance

##### Revenue

**£260m**

##### Adj EBITDA\*

**£68m**

##### No. of sites

**15 Clay  
4 Kevington**

As well as being the UK's largest brick supplier, Ibstock Clay ('Clay') also manufactures special brick shapes and bespoke products, including arches and cladding solutions through its four Ibstock Kevington sites. Clay is a significant supplier to the new-build housing sector, the RMI market through builders' merchants and the specification sector through a number of our direct distribution channels. Clay also includes the performance of Ibstock Futures.

More detail about Ibstock Futures is given on pages 27 to 28. Clay delivered a resilient volume performance against a tough market backdrop.

Revenues of £260 million (2024: £249 million) were 5% above 2024. There was strong volume growth in first half of the year, with market conditions becoming progressively more challenging in the second half of the year resulting in broadly flat volumes versus the prior year period. A more competitive environment constrained headline pricing, which combined with mix being more weighted to wire-cut bricks sales contributed to average prices in 2025 being slightly below the prior year. Clay's brick market share was ahead of the comparative period despite sales volumes decreasing in the second half of the year, with revenues around 5% lower than the first half.

Adjusted EBITDA\* reduced by 6% to £68 million (2024: £72 million) and profit before tax reduced by 43% to £17 million (2024: £30 million) due to the inability to pass on cost inflation in a competitive pricing environment, adverse product mix and incremental fixed costs associated with capacity reactivation, which tapered as the year progressed. These headwinds were partially offset by firmer pricing towards the back end of the year as well as decisive cost action. As demand weakened in H2, performance benefited from absorption of fixed costs as inventory increased. Clay's results included £9 million (2024: £10 million) of revenue relating to Ibstock Futures, reflecting the closure of the Telling Glass Reinforced Concrete ('GRC') business in the first quarter of 2025, offset by growth in other product categories. Ibstock Futures' financial performance moved forward with overall net costs (including research and development expenditure) of £2 million (2023: £7 million).

Adjusted EBITDA\* margins for the period within Clay were 26.2%, down 290 basis points (2024: 29.1%) reflecting lower margins within the core Clay business for the reasons outlined above, partly mitigated by an improvement in financial performance within Ibstock Futures.

### Sustain

Our multi-year Safe Reliable Production System programme embeds safety and efficiency at the heart of our operations, supporting reliability and competitive performance. In 2025, we

## Operating Review continued

### Health, safety and wellbeing continued

#### Sustain continued

focused on preparing our Aldridge factory as a pilot site, with work centred on capability development, design and the consolidation of core operating processes. The development of standardised systems will facilitate the roll out of best practice across the Group.

As part of our customer service focus we are developing a stronger data-driven approach to demand insights, including the development of an AI-enabled forecasting model and a more segmented approach to improve targeting and personalisation.

We retained a focus on strong commercial execution and high standards of customer service. On Time, In Full ('OTIF') service levels continued to run at a high level of around 95%. Service performance remained a competitive advantage, supporting customer retention and market share in priority channels. We continued to strengthen demand visibility through improved data and forecasting, enabling tighter production planning and a more responsive approach to changing market conditions.

The Group continues to manage a significant land estate dynamically, pursuing opportunities to generate ongoing income streams and looking to recycle capital where it can support the long-run efficiency of our business.

#### Innovate

New product development ('NPD') is a key part of the Group's strategy, supporting innovative and more sustainable solutions for the UK construction market. In 2025, Clay introduced six new products targeting the specification sector, building on our focus on higher-value customer requirements.

#### Grow

During 2025, the commissioning and ramp-up of the full product range at the Atlas factory progressed well and we are now delivering six out of a total of 13 planned products. The new range has been received well, combining the aesthetics of soft-mud bricks with the efficiency of wire-cut production, supporting design-led demand whilst enhancing operational performance. The Atlas factory has been shortlisted for the Government's second round of hydrogen funding known as HAR2.

Calcined Clay has been a programme of activity overall several years. This key reserve presents the potential to reduce concrete's CO<sub>2</sub> emissions by around 40%. 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 a commercial agreement expected to conclude in the first half of 2026.



**Product:** New Chailey Rustic Stock and Bradgate Medium Grey  
**Project:** Redrow Plaza Central

### Ibstock Futures

#### MMC is a significant area of opportunity for Ibstock, which includes off-site manufacture and assembly.

We addressed this opportunity through the creation of Ibstock Futures ('Futures'), a growth engine forming part of the Clay division.

Futures has two objectives:

- › to deliver and create products that enable MMC in the UK, delivering significant improvements in productivity and deliverability; and
- › to be at the forefront of sustainable construction by supporting the growth of new construction methods as well as more environmentally friendly ways of manufacturing.

#### 2025 performance

##### Revenue

£9m

##### Adj EBITDA\*

£(2)m

##### No. of sites

2

### 2025 performance

Futures delivered an improved financial performance in 2025, with Futures recognising an underlying net cost (including research and development expenditure) of £2 million (2024: £7 million) reflecting reduced losses within the GRC business, which ceased production in the first half of the year.

Futures continued to experience suppressed demand in the wider market and delays due to the implementation of the Building Safety Act 2022.

However, despite this backdrop, we continue to invest in innovation and also building both the capacity and capability of Futures. In 2025, we launched 'FastWall', a new panelised brick façade product for use alongside timber-frame house building, with the first projects being delivered in 2026.

The need for greater productivity and the demographics of an ageing workforce, are challenges facing the construction industry and we continue to believe that MMC represents an important source of diversified growth for the Group over the medium term.

### Sustain

Our new automated brick slips cutting line at Nostell continued to ramp up, being the first phase of our slips investment programme, which provides a significant domestic supply of brick slips into the UK market.

## Operating Review continued

### Health, safety and wellbeing continued

#### Innovate

During 2025, we continued to progress a series of strategic projects centred around energy and alternative use of clays.

#### Grow

Futures' markets continue to build, and the slips investment programme is progressing well. This will move from commissioning to production in 2026.

The large-scale development at our Nostell facility in West Yorkshire has now delivered a new automated brick slip cutting line. Phase 2 of the Nostell redevelopment focuses on the construction of a larger ceramic façade facility with an initial capacity of a further 30 million slips per annum. The Nostell Horizon factory blends our heritage and expertise with first-of-its-kind technology, producing IBricks with digitally enabled design. It introduces and enables innovative products and solutions such as FastWall, opening up new market segments and customer opportunities, whilst supporting MMC.



Nostell Phase 1: New cutting line and robotics installed.

### Ibstock Concrete

Ibstock Concrete is one of the UK's largest specialist manufacturers of concrete construction products, occupying strong positions in the new-build housing, RMI and infrastructure markets.

Ibstock Concrete ('Concrete') consists of five established brands – Forticrete, Supreme, Anderton, Longley and Coltman – and is organised into six product groups – Roofing, Flooring and Lintels, Staircases and Lift Shafts, Fencing and Landscaping, Retaining Walls, and Rail and Infrastructure.

In the fourth quarter of 2025, we sold our Roofing business as part of a disciplined approach to portfolio management and capital allocation.

Concrete operates across 11 manufacturing sites geographically spread across the UK.

#### 2025 performance

##### Revenue

£112m

##### Adj EBITDA\*

£9m

##### No. of sites

11

### 2025 performance

During 2025, Concrete achieved reported sales of £112 million, which was 5% lower than 2024 (2024: £117 million). Higher residential new-build volumes were offset by weaker growth in the RMI market, while infrastructure sales volumes fell as UK rail infrastructure markets continued to be impacted by control period spending constraints. Lower volumes in higher-margin infrastructure products, together with subdued RMI demand, weighed on profitability for the year.

Adjusted EBITDA\* reduced by 37% to £9 million (2024: £15 million). Adjusted EBITDA\* margins of 8.3% (2024: 12.5%) reflect the impact of subdued RMI volumes and rail volumes on margins. Concrete benefited from the absorption of around £1 million of fixed costs into inventory in the current year period.

In Q4, we completed the disposal of certain surplus land assets and the Forticrete roofing business, delivering approximately £30 million of capital from non-core activities. The Roofing operation was relatively small and its disposal allows greater focus on core clay and concrete activities without materially impacting our future performance.

### Innovate

During 2025, we continued product innovation focus across our concrete products, including the redesign of selected concrete rail products using innovative reinforcement materials to significantly increase longevity and durability. This work has been completed in collaboration with Network Rail, with further development underway.

### Grow

The performance of the Coltman business, acquired by the Group in 2023, continued to perform well, strengthening our national distribution model for pre-stressed products, widening our customer base, as well as enhancing profit and revenue opportunities through internalisation of supply.

We continue to have a pipeline of further fast-payback opportunities to invest capital in Concrete over the medium term.



Product: Bespoke Precast Anderton Concrete  
Project: HS2 Colne Valley

## Group Financial Review

# Strength through financial discipline



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

**Simon Bedford**

Interim Chief Financial Officer

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. These initiatives across both our manufacturing network and support functions will deliver approximately £5 million of annualised cost savings.

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. In parallel, we rationalised and consolidated a number of smaller sites and flexed our soft-mud capacity to enhance operational flexibility and returns.

Group statutory profit before taxation of £0.9 million (2024: £20.7 million) reflected the impact of lower underlying operating profits and an exceptional charge<sup>1</sup> 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 debt<sup>1</sup> reduced to £120 million at 31 December 2025 (2024: £122 million), representing reported leverage<sup>1</sup> of 2.0 times Adjusted EBITDA<sup>1</sup> (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.

<sup>1</sup> Alternative Performance Measures are described in Note 3 to the consolidated financial statements.

## Group Financial Review continued

### Group results

The table below sets out segmental revenue, profit/(loss) before tax and Adjusted EBITDA<sup>1</sup> for the year.

**Table 1: Segmental performance**

	Clay £m	Concrete £m	Central costs <sup>2</sup> £m	Total £m
<b>Year ended 31 December 2025</b>				
Total revenue	260.0	112.1	–	371.1
Adjusted EBITDA <sup>1</sup>	68.1	9.3	(6.3)	71.0
Margin	26.2%	8.3%		19.1%
<b>Profit/(loss) before tax</b>	<b>22.8</b>	<b>(2.4)</b>	<b>(13.5)</b>	<b>6.9</b>
<b>Year ended 31 December 2024</b>				
Total revenue	248.8	117.4	–	366.2
Adjusted EBITDA <sup>1</sup>	72.3	14.6	(7.6)	79.4
Margin	29.1%	12.5%		21.7%
<b>Profit/(loss) before tax</b>	<b>29.5</b>	<b>3.5</b>	<b>(10.1)</b>	<b>20.7</b>

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

Our results contain 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 EBITDA<sup>1</sup>

Management measures the Group's operating performance using Adjusted EBITDA<sup>1</sup> and Adjusted EBIT<sup>1</sup>.

Adjusted EBITDA<sup>1</sup> 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 EBITDA<sup>1</sup> totalled £68.1 million (2024: £72.3 million), representing an Adjusted EBITDA<sup>1</sup> 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 Istock Futures business.

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

Adjusted EBITDA<sup>1</sup> 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 EBITDA<sup>1</sup> 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 EBIT<sup>1</sup>

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 EBIT<sup>1</sup>. Adjusted EBIT<sup>1</sup> is defined as Adjusted EBITDA<sup>1</sup> less underlying depreciation and amortisation.

For the year ended 31 December 2025, Adjusted EBIT<sup>1</sup> reduced to £39.7 million (2024: £49.6 million) reflecting reduced trading profits.

### Exceptional items<sup>1</sup>

Based on the application of our accounting policy for exceptional items<sup>1</sup>, certain income and expense items have been excluded in arriving at Adjusted EBITDA<sup>1</sup> to aid shareholders' understanding of the Group's underlying financial performance.

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

## Group Financial Review continued

### Exceptional items<sup>1</sup> continued

The amounts classified as exceptional<sup>1</sup> 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 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.
2. An exceptional non-cash charge of £10.3 million comprising the impairments and other changes associated with the 2025 restructuring plan and the closure of the 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 items<sup>1</sup> 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. 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 £6.9 million (2024: £20.7 million) reflected the impact of lower underlying operating profits and an exceptional charge<sup>1</sup> of £13.5 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 ETR<sup>1</sup> (excluding the impact of the deferred tax rate change and exceptional items<sup>1</sup>) 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 £0.6 million (2024: £5.6 million) on Group pre-tax profits of £6.9 million (2024: £20.7 million). The lower tax charge in 2025 arose principally from the reduction in statutory profits.

### Earnings per share

Group statutory basic earnings per share ('EPS') decreased to 1.9 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 EPS<sup>1</sup> of 5.7 pence per share reduced from 7.7 pence in the prior year, reflecting a decrease in Adjusted EBITDA<sup>1</sup>, higher depreciation and interest charges.

In line with prior years, our adjusted EPS<sup>1</sup> metric removes the impact of exceptional items<sup>1</sup>, the fair value uplifts resulting from our acquisition accounting and non-cash interest impacts, net of the related taxation charges/credits. Adjusted EPS<sup>1</sup> has been included to provide a clearer guide as to the underlying earnings performance of the Group. A full reconciliation of our adjusted EPS<sup>1</sup> measure is included in Note 7.

**Table 2: Earnings per share**

	2025 pence	2024 pence
Statutory basic EPS	<b>1.9</b>	3.8
Adjusted basic EPS <sup>1</sup>	<b>5.7</b>	7.7

### Cash flow and net debt<sup>1</sup>

Adjusted operating cash flow decreased by £21.1 million to £35.0 million (2024: £56.1 million), reflecting a reduction in Adjusted EBITDA<sup>1</sup>. 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 conversion<sup>1</sup> percentage decreased to 49% (2024: 71%), reflecting a reduction in Adjusted EBITDA<sup>1</sup> and an investment in inventories, mitigated by reduced trade receivables.

Adjusted free cash flow<sup>1</sup> 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 neared 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 million and £30 million, which includes the final outflows in respect of the Atlas and Nostell factories.

<sup>1</sup> Alternative Performance Measures are described in Note 3 to the consolidated financial statements.

## Group Financial Review continued

### Cash flow and net debt<sup>1</sup> continued

Table 3: Cash flow (non-statutory)

	2025 £m	2024 £m	Change £m
Adjusted EBITDA <sup>1</sup>	71.0	79.4	(8.4)
Adjusted change in working capital <sup>1</sup>	(14.1)	(4.5)	(9.6)
Net interest	(10.7)	(8.6)	(2.1)
Tax	1.4	(0.5)	1.9
Other <sup>2</sup>	(12.6)	(9.6)	(3.0)
Adjusted operating cash flow <sup>1</sup>	35.0	56.1	(21.1)
Cash conversion <sup>1</sup>	49%	71%	(22ppts)
Total capex	(44.8)	(45.2)	0.4
Adjusted free cash flow <sup>1</sup>	(9.8)	10.9	(20.7)

<sup>2</sup> Other includes operating lease payments in all years and emission allowance purchases in 2025.

The table above excludes cash flows relating to exceptional items<sup>1</sup> 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 flows of £5.1 million (2024: £11.2 million).

Net debt<sup>1</sup> (borrowings less cash) at 31 December 2025 totalled £120.0 million (31 December 2024: £121.6 million; 30 June 2025: £144.5 million), representing leverage<sup>1</sup> of 2.0 times Adjusted EBITDA<sup>1</sup> (December 2024: 1.8 times).

We disposed of the first tranche of a closed site at Ravenhead in the North-West during the period, recognising cash proceeds of £3 million and generating 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 three to five years.

The Group's borrowings contain leverage covenants of no greater than 3.0 times. 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 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 employed<sup>1</sup>

Return on capital employed<sup>1</sup> ('ROCE') in 2025 reduced to 5.7% (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 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 debt<sup>1</sup> to Adjusted EBITDA<sup>1</sup> excluding the impact of IFRS 16, through the cycle.

### Dividend

The Board has recommended a final dividend of 1.5 pence per share (2024: 2.5 pence), for payment on 29 May 2026 to shareholders on the register on 8 May 2026. This will bring the full year dividend to 3.0 pence (2024: 4.0 pence), representing a payout 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 IAS 19, 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.



## Group Financial Review continued

### Climate change and 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.
- › Manufacturing Materials for Life.
- › Improving Lives.

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 Task Force on Climate-related Financial Disclosures ('TCFD') report contained in the 2025 Annual Report.

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 TCFD and those of Climate-related Financial Disclosure ('CFD').

### Related party transactions

Related party transactions are disclosed in Note 30 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 12 months from the date of signing these accounts.

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

## Section 172(1) Statement

The following pages 34 to 38 seek to inform all of our stakeholders and help them assess how our Directors have performed their duty under Section 172(1) of the Companies Act 2006.

This Statement incorporates information from other areas of the Annual Report to avoid unnecessary duplication.

The Board of Directors confirms that, during the year under review, it has acted in good faith to promote the long-term success of the Company for the benefit of its members as a whole, whilst having due regard to the factors set out in Section 172(1)(a) to (f) of the Companies Act 2006.

Each Director carefully considered the outcomes of key decisions for Ibstock’s stakeholders as part of their duty to act in the way that they consider would be most likely to promote the success of the Company. This results in an approach whereby decisions are made that result in consistently high standards of business conduct and the success of Ibstock in the long term.

Examples of matters discussed in the year by the Board and their impact on our stakeholders are included in the table to the right and discussed throughout the Strategic Report and the Governance Report. The table also identifies where in the Annual Report information on the issues, factors and stakeholders the Board has considered in respect of Section 172(1) can be found.

Section 172(1) factor

**(a) The likely consequences of any decisions in the long term.**

During the year, the Board continued to ensure that the Group’s strategy remained appropriate to deliver the long-term success of the Company, and oversaw its execution by management. The Board carefully evaluated the likely consequences of its decisions, challenging management where necessary to ensure that the impact of any decisions over the long term would be of benefit to the Company. This manifested itself through the decision taken by the Board in November 2025 to dispose of the Roofing business and certain other assets to improve the balance sheet strength of the Company.

**(b) The interests of the Company’s employees.**

The Board remains committed to supporting the Company’s culture and is focused on the impact of its decisions on all employees. The decision to consolidate the Gatwick and Stowmarket sites into the Laybrook specials unit, whilst resulting in a number of redundancies, will result in a safer and more automated technology and operating environment that will improve working conditions for our employees in the future.

**(c) The need to foster the Company’s business relationships with suppliers, customers and others.**

Due to the continued market conditions, the Board made the decision to mothball the Ellistown factory and devised a detailed customer communications plan to ensure that there was real clarity around the process and resulting impacts on existing product lines to ensure that appropriate stock for customers and replica products could be produced at other factories.

**(d) The impact of the Company’s operations on the community and environment.**

The Board and Sustainability Committee have supported and are driving Ibstock’s ambition to be sector leading in its approach to sustainability issues and approved the ESG 2030 Strategy to maintain this position through to 2030, as well as a commitment to be a net zero business (Scope 1 and 2) by 2040. Through the work of the Sustainability Committee, the Board has overseen good progress towards our sustainability targets, with an agreed focus on three core areas: climate change; innovation; and skills development.

**(e) The desirability of the Company maintaining a reputation for high standards of business conduct.**

The Board remains committed to ensuring the business operates with the highest standards of integrity and continually reviews and tests the compliance arrangements in place. A significant part of the Board’s leadership responsibility is to ensure that the Company’s purpose, strategy and culture remain aligned, and it recognises that a robust and transparent culture is a solid foundation for maintaining the Group’s reputation for high standards of business conduct. Over the course of the year, the Board has overseen and supported the introduction of a revised and refreshed governance and compliance framework.

**(f) The need to act fairly between shareholders and the Company.**

The Board seeks to ensure that communications are clear, and its actions are in accordance with the Group’s stated strategic aims to promote the long-term success of the Company. All of our shareholders have the opportunity to engage with the Board and ask questions at the Company’s Annual General Meeting. When considering the dividend payments during the year, the Board carefully considered the interests and needs of both institutional and retail shareholders, ensuring these were carefully balanced prior to making recommendations.

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## Stakeholder engagement

# Strong communication

The Board carefully considers the impact of its decisions on all stakeholders as part of Ibstock's obligations and statutory duties.

Our key stakeholders are identified through ongoing review of the groups that are essential to delivering our strategy and ensuring the Company's sustained success. When making decisions, the Board takes into account the interests, priorities and perspectives of each stakeholder group, recognising that these may occasionally be in conflict. While the Board engages directly with certain stakeholders, most engagement is carried out across multiple levels and teams within the business. The Chairs of the Board and its respective Committees are also available, upon request, to engage with stakeholders within their respective areas of responsibility.

Insights and feedback gathered through engagement activities below Board level are reported to the Board and its Committees, supporting informed decision-making across both governance and operational matters.

The Board considers that our stakeholder engagement mechanisms remain effective.

In 2025, the Executive Committee (the 'ExCo') and the Board received qualitative reports highlighting trends and emerging issues relevant to each stakeholder group. This enhanced visibility enabled the ExCo and the Board to embed stakeholder considerations more readily into their decision-making processes.

**Find out more**

- [Section 172\(1\) Statement page 34](#)
- [Governance Report pages 55 to 114](#)
- [Board activities during 2025 pages 66 to 69](#)



Investor event at our new Atlas factory

## Our investors

**Individuals or institutions who own shares directly or indirectly in Ibstock Plc****Why they are important**

- Our current and potential investors ensure our continued access to the capital that enables us to pursue our strategic objectives.

**Link to KPIs**

- Revenue
- Adjusted EBITDA\*
- Net debt to Adjusted EBITDA\*
- Adjusted ROCE\*, Adjusted EPS\*
- Female representation in senior leadership
- Carbon reduction metric
- [Refer to KPIs pages 24 to 25](#)

**What they tell us matters to them**

- Financial performance and progress against strategy.
- Balance sheet management and approach to capital allocation.
- Business resilience and prospects.
- Return on investment.
- Risk management.
- Sustainability performance and ambitions.

**How we engage at Board level**

- Members of the Board, including the CEO, meet with shareholders and analysts as part of the regular annual cycle.
- The Board receives structured feedback after each market announcement from our brokers.

**How we engage across the Company**

- Investor roadshows.
- Site visits to key investment projects, e.g. Atlas.
- Results presentations.
- Annual General Meeting.
- One-to-one meetings and calls with investors and brokers.
- Chair and Board member meetings on request.

**What Ibstock offers them**

- We pay ordinary dividends with a targeted cover of approx 2x underlying earnings through the cycle. This policy is supported by businesses with structurally high margins and strong cash generation and a strategy that provides a strong platform for future growth and value creation.
- Comprehensive and compliant sustainability disclosures.

**Key to strategy**

Sustain



Innovate



Grow

## Stakeholder engagement continued

### Our investors continued

#### Outcomes from engagement

- › The Board considered shareholder views when deciding on the level of interim and final dividends.

#### Priorities for 2026

- › Strong and structured communication and engagement.
- › Delivery of strategic projects and initiatives.
- › Execution of business plans and balance sheet management.
- › Board engagement with investors.
- › Site visits to key investment projects, e.g. Nostell Horizon.

#### Link to strategy



**Product:** Milburn Ashen Brown  
**Project:** Keepmoat Homes

### Our customers

#### The businesses and organisations that buy our products

##### Why they are important

- › Customers play a crucial role in shaping our growth, informing our strategic priorities and driving innovation across the Group.
- › Long-term, collaborative and mutually beneficial customer relationships are fundamental to the sustainability and success of our business model.

##### Link to KPIs

- › Revenue
- › Carbon reduction metric
- › Share of revenue from new and more sustainable products

Refer to KPIs pages 24 to 25

##### What they tell us matters to them

- › Product availability, reliability of supply and customer service.
- › Product value, pricing and consistent quality.
- › Product innovation, technical performance and safety.
- › Strong, transparent and collaborative relationships.
- › Sustainability credentials and environmental performance of products.

##### How we engage at Board level

- › The Board receives regular updates on customer relationships, customer strategy and key account priorities, including performance against customer satisfaction and service metrics.

- › Customer feedback, together with market and sector insights, is incorporated into Board discussions and informs strategic decision-making, including capital investment, product development and innovation priorities.
- › In 2025, the Board reviewed an updated materiality assessment, providing a clear view of the sustainability topics of greatest importance to customers and how these are reflected in the Group's strategy and disclosures.

##### How we engage across the Company

- › Dedicated account management teams.
- › Central customer service function.
- › Design and specification advisers supporting early stage project engagement.
- › Structured customer feedback mechanisms, including detailed customer surveys.
- › Quality and complaints management teams.
- › Digital channels and social media engagement.

##### What Ibstock offers customers

- › A strong commitment to developing a deep understanding of customers' priorities, enabling us to anticipate needs and deliver relevant solutions.
- › An unrivalled choice of products across our clay brick portfolio, offering customers the widest possible range of aesthetic, technical and performance options.
- › As a full-range supplier, our Concrete businesses provide customers with a comprehensive product offering to support informed and efficient purchasing decisions.

- › Enhanced product information, technical expertise and support, including the provision of customer CPD programmes.

#### Outcomes from engagement

- › Continued evolution of our Sales team structures and capability development, creating a more aligned and customer-focused approach across the Group.
- › Active management of production capacity to support continuity of supply and maintain flexibility to respond efficiently as market demand recovers.

#### Priorities for 2026

- › Developing strategic supply plans with key customers and further strengthening our specification and technical advisory capability.
- › Increasing the frequency and depth of customer engagement to ensure strategic alignment, drive category innovation and support long-term partnerships.
- › Advancing sustainability improvements and accelerating existing product innovation to meet customers' short- and medium-term requirements.

#### Link to strategy



## Stakeholder engagement continued

### Our employees

#### Colleagues who work in our business

##### Why they are important

- › Our talented and engaged employees continue to play a vital role in the success of Ibstock. We not only have a legal obligation to look after our employees, but also an ethical obligation to ensure that we create an environment where everyone can belong and be at their best.

##### Link to KPIs

- › TIFR
- › Employee engagement
- › Female representation in senior leadership

 [Refer to KPIs pages 24 to 25](#)

##### What they tell us matters to them

- › Fair and consistent pay and benefits.
- › Culture that cares and is inclusive.
- › Development for growth and wellbeing.

##### How we engage at Board level

- › The Listening Post is our formal mechanism for workforce engagement and sharing employee views with the Board. Board members attend the sessions on a rotational basis.
- › Regular direct progress reports on people and culture from the People team. 2025 also saw a refreshed employee opinion survey presented to the Board, with an 82% employee response rate.

- › Board members visit our sites and senior management join meetings for specific items, e.g. our Board Strategy Day and through Board and Sustainability Committee site visits.

##### How we engage across the Company

- › The development and deployment of safe and reliable production approach.
- › The Week – a weekly video update from an ExCo member posted on our MyIbstock intranet, displayed on digital screens in common areas at all sites and emailed to all employees.
- › Ibstock Informed presentations and live open Q&A panel sessions.
- › MyIbstock news and employee blogs.
- › Safe Start conversations.
- › Employees are encouraged to visit other sites and share best practice.

##### What Ibstock offers them

- › Alongside the focus on a safe and healthy working environment, investment in ongoing training, development and career progression.
- › Attractive employee proposition, including a money-saving benefits platform.

##### Outcomes from engagement

- › Board oversight of employee pay and reward philosophy, e.g. pension provision.
- › Senior leadership gender and ethnicity diversity targets supported by the Board.

##### Priorities for 2026

- › Refocus the organisation in service of performance, customer experience and delivery of results against strategic ambitions.
- › Ongoing embedding of talent and skills programmes, including opportunities for succession and leadership development.
- › Continued focus on embedding a culture of wellbeing, belonging and fostering a diverse workforce.
- › Implementation of engagement survey actions.
- › Introduction of new Group Reward Strategy.

##### Link to strategy



Employees at our Chesterton Factory

### Our communities

#### The people who live and work in the local communities around our sites and operations

##### Why they are important

- › Our activities can have a lasting impact on the communities in which we operate – we strive to leave a positive legacy.

##### Link to KPIs

- › Carbon reduction metric
- › Earn and Learn metric

 [Refer to KPIs pages 24 to 25](#)

##### What they tell us matters to them

- › Localised environmental impacts.
- › Employment, education and training.
- › Equal opportunities.
- › Financial support for local community activity.

##### How we engage at Board level

- › The members of the Sustainability Committee receive a regular summary of issues or points of interest from Ibstock's community stakeholders – including input from the Estates, Early Careers and Social Impact teams, Community Panel and Factory Managers.
- › Through MyIbstock, significant content is shared by employees on our community work and charitable activities. This system enables the Board to engage with and monitor activity.

##### How we engage across the Company

- › Factory Managers link with local communities.
- › Estates team liaison with local authorities and interest groups.

## Stakeholder engagement continued

### Our communities continued

- › Early Careers team and wider cross-functional representatives engaging with industry, education and skills sector.
- › Social Housing/Social Impact teams working in partnership with housing associations and their residents.
- › MyIbstock community stories.

#### Outcomes from engagement

- › The Board, through the Sustainability Committee, has approved a new approach to social impact.

#### Priorities for 2026

- › Continued Early Careers and apprenticeship focus.
- › Evaluation of Ibstock Skills Academy driving sector construction skills.
- › Promote STEM in construction through colleague volunteering.
- › Development of Social Value reporting.

#### Link to strategy



Community activity

### Government and regulators

#### Government bodies and agencies

##### Why they are important

- › Understanding and adapting to changing laws and regulations is essential to ensure that Ibstock not only remains compliant with requirements, but can also benefit from potential opportunities. 2025 has seen a significant increase in the number of Government consultations on environmental regulation and taxation.

#### Link to KPIs

- › TIFR
- › Carbon reduction metric
- › Refer to KPIs pages 24 to 25

#### What they tell us matters to them

- › Workplace health and safety.
- › Energy and carbon emissions.
- › Legal and regulatory compliance.

#### How we engage at Board level

- › Updates from the Group Company Secretary at each Board meeting.
- › Reports and updates from our external advisers, including quarterly horizon scanning and trade body insights.

- › Direct liaison as required.

#### How we engage across the Company

- › Industry bodies, forums and conferences.
- › Direct liaison with Government and regulatory bodies where pertinent.

#### What Ibstock offers them

- › Through our involvement with industry bodies, we seek to support the development and assessment of laws and regulations within the construction sector.
- › Support for the Government policy for growth and increasing housing (numbers) and new towns.
- › Site visits and industry insight to build understanding of Government policy development impact on UK manufacturing.

#### Outcomes from engagement

- › Over the course of the year, the Board engaged with subject matter experts and undertook training on evolving legislative, regulatory and best practice requirements, considering the resulting effects on strategic direction and operational performance.

#### Priorities for 2026

- › More regular and formalised training sessions on hot topics.
- › Improved reporting at Board level on key issues and risks associated with non-compliance.

#### Link to strategy



### Pension fund members and Trustees

#### The members and Trustees of the Ibstock Defined Benefit pension schemes

##### Why they are important

- › As part of our culture of care, we are committed to continue to look after our employees once they have retired.

#### Link to KPIs

- › Refer to KPIs pages 24 to 25

#### What they tell us matters to them

- › Pension scheme member interests.

#### How we engage at Board level

- › Regular reports from the Finance team.

#### How we engage across the Company

- › Direct liaison with Trustees.
- › Financial oversight.

#### What Ibstock offers them

- › Confidence in the long-term security of their pension.

#### Outcomes from engagement

- › Clear understanding of the financial position of the Company and the objectives of the Trustees.

#### Priorities for 2026

- › Regular engagement with the Scheme Trustees.

#### Link to strategy

N/A

## Sustainability

# Strength through sustainability

Our approach to sustainability is guided by an understanding of the most important risks and opportunities for Ibstock and all our stakeholders.

Our ESG 2030 Strategy, launched in 2022, outlines three key areas that are integrated across our wider business strategy pillars:

- > Sustain – Addressing Climate Change
- > Innovate – Manufacturing Materials for Life
- > Grow – Improving Lives

Sustainability is crucial to both the short- and long-term success of Ibstock so that we are able to create shareholder value and grow as a trusted long-term business. Our strategic objectives go hand in hand with these sustainability priorities and the management of our risks and opportunities.



## How we govern sustainability

The oversight of sustainability matters is critical. It not only allows the Board to understand more holistically the impact of its decisions on key stakeholders and the environment, but also ensures it is kept aware of any significant changes in the market. This includes the identification of emerging trends and risks, which in turn can be factored into its strategy discussions. Sustainability is overseen principally by the Board, the Sustainability Committee and the ExCo.

Claire Hawkings is the designated Non-Executive Director with overall accountability for sustainability matters. Claire oversees the review and performance of this work as Chair of the Sustainability Committee.

A full report of the activities of the Sustainability Committee can be found on pages 81 to 82. The governance of our climate-related risks and opportunities are detailed in our full Task Force on Climate-related Financial Disclosures ('TCFD') report provided on pages 178 to 191.

Further information on our sustainability governance and reporting can be found in the separate Sustainability Report, which is available on our website ([www.ibstock.co.uk](http://www.ibstock.co.uk)).

## ESG 2030 STRATEGY



## Integrated approach

Our strategy originally established a set of targets and milestones. Whilst many of these milestones have now been achieved (see our 2024 Sustainability Report), the progress we have made in integrating the strategic priorities into the business, taking a more materiality-focused approach, sets us up for success as we move towards 2030. Our key sustainability data is still measured and managed and can be viewed at the end of this report, from page 174.

## Sustainability continued

### Materiality

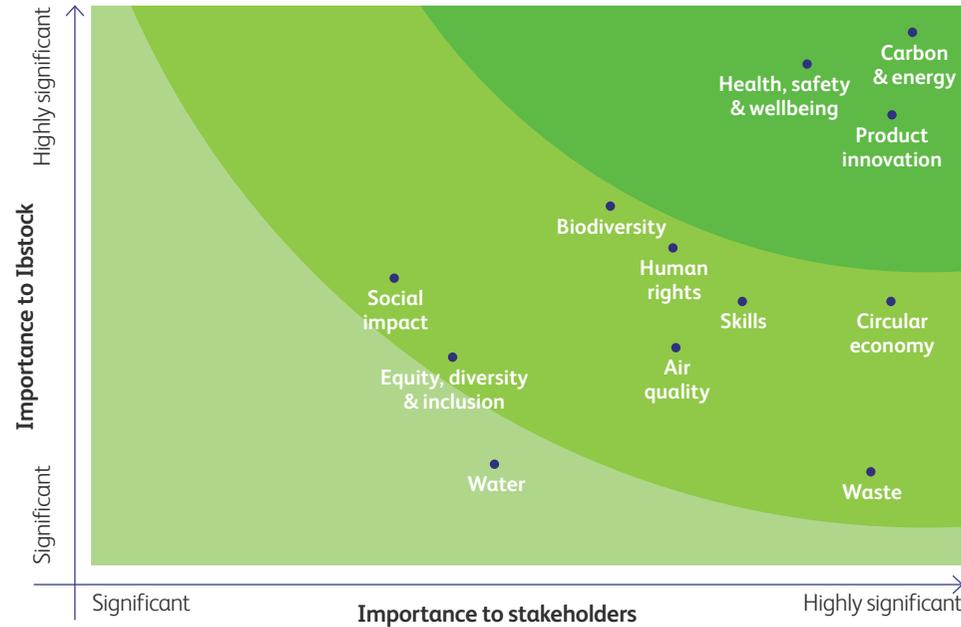
We believe that balancing internal and external viewpoints plays an important part in defining and managing sustainability issues that are significant to our business and our stakeholders. To ensure that focus remains on the most important topics, we conducted a single materiality assessment in 2025, with financial materiality considered alongside stakeholder expectations. The purpose of the assessment was to:

- prioritise efforts, resources and targets around our sustainability work;
- involve our stakeholders to understand their concerns and priorities; and
- identify any new or enhanced risks (financial, reputational) or opportunities (value creation).

The process engaged stakeholders through a series of interviews, desktop reviews and research on publicly available data points to understand priority topics and concerns. Stakeholders included customers, investors, employees, peers and Ibstock leadership as well as our technical teams. We also reviewed legislative and reporting requirements, both current and those likely to impact the business in the next three years.

As a result of this process several material issues are no longer specifically represented, but are encompassed in other topics. For example, dematerialisation is no longer a stand-alone issue as it is well represented within product innovation and circular economy.

### Our materiality matrix



The outputs align closely with our existing ESG 2030 Strategy framework, confirming that our strategy remains on course to tackle those areas identified as being of most importance to both Ibstock and our stakeholders. Health, safety and wellbeing remain a business-critical issue, consistent with our business risks and priorities, which are fully embedded into our governance and business processes.

Carbon and energy use are considered the most significant and financially material sustainability issue for the business and for our stakeholders. This is reflected by our principal climate change risk and TCFD scenario analysis of risk.

Product innovation, identified through the materiality process as a key opportunity, focuses on developing new products and solutions to meet evolving customer needs,

while also improving our existing product range. Product safety has been incorporated into this topic as a specific priority, with the golden thread of information and accountability required by the Building Safety Act 2022 a significant focus for the entire construction sector.

Skills, encompassing talent retention and attraction, employee reward and the importance of sector-specific skills such as bricklaying – which are critical to our business success – was ranked higher than in previous reviews. This reflects the growing skills challenges facing the UK construction sector. Human rights also moved up in significance through the assessment with a stronger focus from customers on understanding supply chain risk and resilience. Air quality emerged as an issue through the process with implementation of tighter UK regulations expected in the coming years. Water and waste remain significant but rank below other issues as their financial impact on the business is relatively low.

In light of expected market conditions and the findings of the materiality process, we will be prioritising our resources and focus in 2026 on three key issues, supported by our existing targets for 2030:

- carbon reduction and energy use;
- product development; and
- skills.

## Sustainability continued

### Sustainability highlights in 2025

- › Production of our lowest carbon bricks at Atlas.
- › Shortlisted for the Government’s Hydrogen Allocation Round 2 (‘HAR2’) for on-site green hydrogen production at our Atlas Pathfinder factory in the West Midlands.
- › Nostell Horizon ceramics façade factory commissioning commenced on time; now the UK’s most advanced ceramic façade facility – producing new IBricks and innovative new solutions like FastWall.
- › More than halfway to achieving our 40% Scope 1 and 2 carbon reduction target by 2030.
- › Calcined Clay project reached commercialisation phase with products that will support industry decarbonisation solutions.
- › Cement reduction roadmap established as part of our product evolution and Scope 3 reduction plans.
- › Over 80% of spend with suppliers covered by the new Ibstock Supplier Commitments ensuring our supply chain adheres to minimum standards of a responsible business.
- › Gold membership retained with the 5% Club for our commitment to Earn and Learn demonstrating our investment in our future talent and succession planning.
- › Increased the number of Mental Health Allies active across the business to 85.
- › Over 440,000 bricks donated to schools, colleges and community projects to support skills development in bricklaying as well as heritage projects in local communities.
- › Launched our first Ibstock Academy pilot for bricklaying students with Walsall College.

### Targets, performance and management of our material issues

 <b>Addressing Climate Change</b>	 <b>Manufacturing Materials for Life</b>	 <b>Improving Lives</b>
<p>Reducing our climate impact as well as managing our risks and opportunities linked to climate change.</p>	<p>Developing new and existing products to be fit for the future needs of our customers.</p>	<p>Working with our colleagues, communities and customers to ensure we have the skills required for our sector to thrive.</p>
<p><b>Headline 2030 target</b> 40% Scope 1 and 2 carbon reduction (against 2019 baseline)</p>	<p><b>Headline 2030 target</b> 20% of sales turnover from new and sustainable products</p>	<p><b>Headline 2030 target</b> 10% of colleagues in Earn and Learn positions</p>
<p><b>2025 performance</b> 41%<sup>1</sup> reduction in Scope 1 and 2 carbon</p>	<p><b>2025 performance</b> 25% of sales turnover from new and sustainable products</p>	<p><b>2025 performance</b> 7.2% of colleagues in Earn and Learn positions</p>
<p><b>Approach to material issues</b></p> <ul style="list-style-type: none"> <li>› Carbon transition model</li> <li>› Energy management system (ISO 50001)</li> <li>› Environmental management system (ISO 14001)                             <ul style="list-style-type: none"> <li>› Biodiversity</li> <li>› Air quality</li> <li>› Water usage</li> </ul> </li> </ul>	<p><b>Approach to material issues</b></p> <ul style="list-style-type: none"> <li>› New product development and existing product evolution</li> <li>› Resource use and circularity research and development</li> <li>› Environmental management system (ISO 14001)                             <ul style="list-style-type: none"> <li>› Waste</li> </ul> </li> </ul>	<p><b>Approach to material issues</b></p> <ul style="list-style-type: none"> <li>› Health and safety management process</li> <li>› Skills development programmes</li> <li>› Equity, diversity and inclusion programmes</li> <li>› Human rights review</li> <li>› Social impact strategy with a flagship bricklaying academy pilot</li> </ul>

<sup>1</sup> Of the 41% reduction, 25% is permanent carbon reduction on 2019 baseline, 16% is temporary production volume decrease which we forecast to reverse by 2030.

#### United Nations Sustainable Development Goals (‘UNSDGs’)

Our priorities align with the UNSDGs focusing on Goal 13 for Climate Action, with carbon our most material sustainability issue and, also Goal 12 for Responsible Consumption and Production, with product innovation and circularity also significant opportunities for the business. Elements of our strategy contribute to several other of the UNSDGs as indicated on subsequent pages of this report.



## Sustainability continued



### Addressing Climate Change

We are reducing our climate impact and managing our risks and opportunities linked to climate change. Carbon reduction, water management and improved biodiversity are all key to our commitment to address climate change.



2030 target

# 40%

reduction in absolute carbon emissions (Scope 1 and 2) against 2019 baseline

### Carbon reduction

As an energy-intensive manufacturer, Scope 1 carbon emissions make up the largest proportion of our carbon impact, from natural gas and the process emissions from firing clay. Our main focus is therefore to deliver our ambitious target of a 40% reduction in absolute carbon (Scope 1 and 2) by 2030.

### Performance

2025 was a lower production year, which is reflected in our absolute Scope 1 and 2 carbon performing at 41% reduction against our 2019 baseline. 25% of this is permanent carbon reduction on 2019 baseline, 16% is temporary production volume decrease which we forecast to reverse by 2030. The Scope 1 and 2 intensity metric tonnes CO<sub>2</sub>/tonne production is 0.138, achieving a 13% reduction against 2019. From 2026 we will report a carbon per brick metric which will provide greater clarity on our Scope 1 reduction progress.

Operational efficiency continues to be implemented across the estate alongside a number of projects to electrify systems, including replacing the diesel pump at Leicester Quarry with an electric model saving 121 tonnes CO<sub>2</sub> in six months from deployment. Our Safe Reliable Production System programme, launching at our pilot factory in Aldridge from January 2026, is designed to support carbon reduction through its principal aims of improving quality, efficiency and reliability.

Transformative projects continue to be reviewed, with commercial viability a key constraint in the current market. Our HAR2 application for replacing 55% of natural gas with green hydrogen at our Atlas factory was successfully shortlisted by the Government in 2025.

We continue to build a more granular picture of our Scope 3 impact. In 2025 we focused on cement, which contributes significantly to our purchased goods and services emissions category. We improved our data, moving from spend to activity-based methodology and developed a cement reduction roadmap to support reduction of these emissions.

### Priorities in 2026

In 2026, we will continue our focus on operational efficiency, reliability and quality and improved basics to support our estate working at optimal efficiency, thereby reducing cost and carbon.

As the market recovers and production volumes increase, in the short term we forecast that our absolute carbon will increase and our intensity metric will come down. The investment to achieve our carbon reduction is embedded in our financial forecast to align with our carbon reduction target for 2030.

Continued engagement with our supply chain on Scope 3 carbon reduction and the implementation of our cement reduction roadmap will be prioritised in 2026.

### Water and biodiversity

Responsible management of water and biodiversity are both key components of addressing climate change by supporting nature and the balance that ecosystems require to thrive.

Water used in our manufacturing process comes from a combination of mains water, borehole extraction, quarry water and on-site rainwater harvesting systems. In 2025, we moved away from our water intensity metric as the variables in the water content of production materials meant measurement was not providing an accurate reflection of water use

behaviour. Mains water use in m<sup>3</sup> during 2025 decreased by 18% against the 2019 baseline an increase compared to 2024 due to higher production volumes and prolonged dry spells.

Management of biodiversity at our sites is most significant in our quarries where extraction of raw materials sees land-use change and nature can be disrupted and restored over time. Our quarrying activity is covered by planning regulation and consents where the conditions for restoration include biodiversity enhancement. In 2025, we completed the baselining of our biodiversity data across all sites, feeding into our biodiversity management tool, which will facilitate the development of action plans for further sites in 2026.

### Alignment to climate reporting requirements

The TCFD was established by the Financial Stability Board in 2015 and published its final report in June 2017. The report set out 11 recommended disclosures under four pillars to promote better disclosure. Pursuant to the Financial Conduct Authority ('FCA') Listing Rule 6.6.6R (8) and the requirements of the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022, the Board of Directors confirms the following:

- Ibstock has made disclosures that are compliant with the four recommendations and 11 recommended disclosures set out in Section C of the TCFD Final Report.
- These disclosures can be found within this Annual Report in the Sustainability and Climate Change Reporting section on pages 174 to 191.

## Sustainability continued

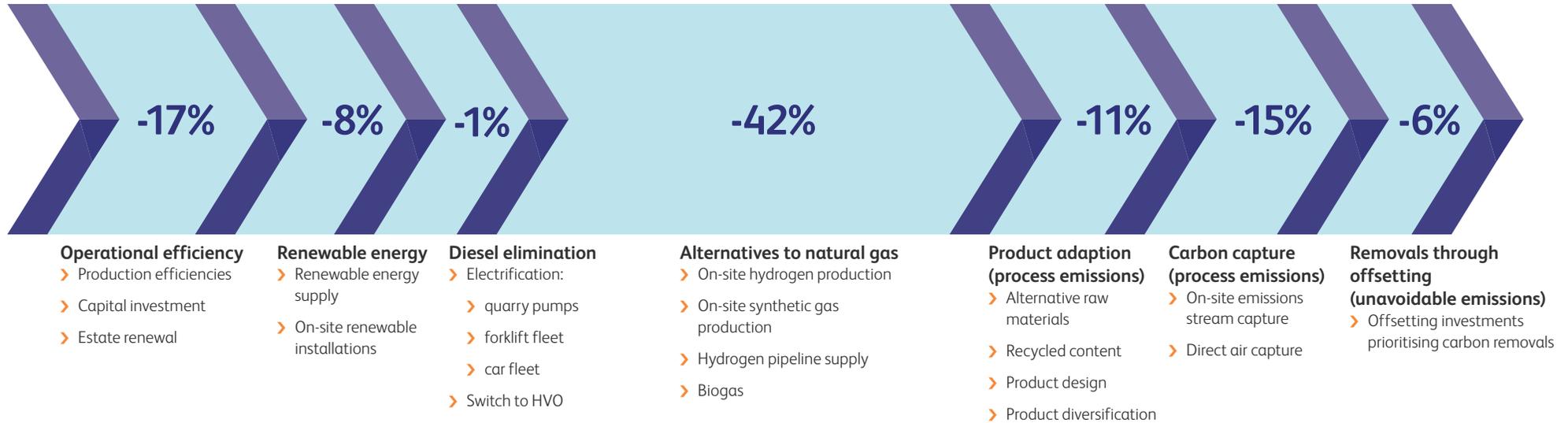
## Addressing Climate Change continued

## Carbon transition priorities for Scope 1 and 2

Achieving 100% reduction

2019 baseline

2040

**Operational efficiency**

- › Production efficiencies
- › Capital investment
- › Estate renewal

**Renewable energy**

- › Renewable energy supply
- › On-site renewable installations

**Diesel elimination**

- › Electrification:
  - › quarry pumps
  - › forklift fleet
  - › car fleet
- › Switch to HVO

**Alternatives to natural gas**

- › On-site hydrogen production
- › On-site synthetic gas production
- › Hydrogen pipeline supply
- › Biogas

**Product adaption (process emissions)**

- › Alternative raw materials
- › Recycled content
- › Product design
- › Product diversification

**Carbon capture (process emissions)**

- › On-site emissions stream capture
- › Direct air capture

**Removals through offsetting (unavoidable emissions)**

- › Offsetting investments prioritising carbon removals

**Our Carbon Transition Plan**

We are continuing to deliver carbon reduction against our 2030 target and through the evolution of our Carbon Transition Plan in line with the recommendations published by the Transition Plan Task Force. We are reviewing the guiding principles in the ongoing development of our plan, which sets out our journey towards being a net zero business.

**Action to date**

Real decarbonisation performance in 2025 is c.25% reduction in Scope 1 and 2 carbon through projects including:

- › 94% electricity purchasing backed by Renewable Energy Guarantees of Origin ('REGO') since 2021.
- › Energy Management System (ISO 50001) certification across the manufacturing estate with energy targets and site action plans.
- › 27% of mobile plant being hybrid or electric.
- › Over £325 million investment in the last eight years driving a lower cost, more efficient estate and supporting carbon reduction:
  - › New lower carbon Atlas brick factory in final commissioning and shortlisted for on-site hydrogen by the Government.

- › New ceramics façades factory in Nostell began commissioning in 2025.
- › New dryers at our Aldridge site reducing gas by recycling heat from the kiln.
- › Kiln upgrades improving thermal efficiency at Parkhouse reducing gas consumption.
- › Trials for firing bricks with syngas and hydrogen.
- › Product adaptation reducing embodied carbon through lower gas consumption, lower process emissions and lighter product transportation.
- › Engagement with key supply chain partners in high-carbon areas such as cement, and raw material replacements.
- › Lifecycle analysis incorporated into product design to drive lower embodied carbon products.

**Next steps (to 2030)**

- › Continued focus on operational efficiency improvements by delivering site energy and carbon action plans.
- › Phasing out of diesel across the manufacturing estate (including mobile plant where possible).
- › Securing funding with the Government for on-site hydrogen utilisation at Atlas and analysis for further site applications.
- › Continued investment in material science for product development.
- › Increasing recycled content in products.
- › Enhancing our Scope 3 emissions data by shifting from a spend-based to a more accurate activity-based methodology.

## Sustainability continued

### Addressing Climate Change continued

#### Next steps (to 2030) continued

- › Broadening the scope of our supply chain engagement beyond high-impact materials and preferentially partnering with companies decarbonising their operations.

#### Future steps and scale-up

- › Continued improvements to energy and operational efficiency with full sub-metering and automation.
- › Increased usage of on-site renewables and/or direct purchase.
- › Roll out of hydrogen and/or biogas across the Clay division estate (on-site and/or pipeline).
- › Continued product innovation to utilise lower-carbon methods and materials to reduce embodied carbon linked to our KPI for new and sustainable products.
- › Continued supplier engagement for Scope 3 reduction.
- › Carbon capture research for unavoidable emissions.
- › Continued advocacy and engagement with Government and industry bodies to support decarbonisation for high energy intensive processes that require industrial gas.

### Challenges, uncertainties and dependencies

- › Industrial hydrogen supply and associated pipeline is not guaranteed.
- › Future of regulation on embodied carbon of buildings is uncertain.
- › Limited availability of larger-scale electric machinery, in particular for quarry vehicles.
- › Grid connectivity for electrification, where applicable to our processes, can be limiting.
- › Technology readiness levels for lower-carbon manufacturing are not yet proven at scale, including for some green fuels and carbon capture.
- › Some suppliers do not yet have carbon reduction targets and carbon data availability and accuracy is poor in certain categories.



Customer exhibition

#### 2030 target

# 40%

#### Absolute carbon reduction Scope 1 and 2

#### 2040 target

# Net Zero

#### Carbon operations Scope 1 and 2

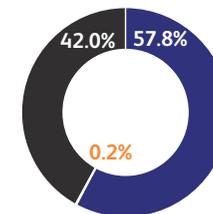
#### 2050 target

# Net Zero

#### Scope 1, 2 and 3

### Carbon emissions breakdown by Scope %

- Scope 1 57.8%
- Scope 2<sup>1</sup> 0.2%
- Scope 3 42.0%



<sup>1</sup> Scope 2 uses market-based methodology (which sees our purchased electricity on a renewable tariff reported as zero carbon). Just 6% of our electricity comes from non-renewable sources.

### Engagement with industry and Government

We are active participants of the Future Homes Hub, at technical and CEO level, helping us to work with industry to understand and shape the future for new homes. We are involved in national and regional alternative gas industry events and forums to raise the profile of the demand for green hydrogen and biogas. We again welcomed ministers, MPs and civil servants to a number of our sites throughout 2025 to raise the profile of the opportunities and challenges facing decarbonisation in the construction products sector.

### Alignment with financial planning

Calculating the cost of our transition to net zero is complex, with assumptions based on our uncertainties and dependencies. While operational and capital expenditure elements of the transition are embedded into our business strategy, and planning and transitional risks – for example, linked to carbon price and regulation – can be modelled, the financial impacts of value chain risk and opportunity and the uncertainties associated with technology readiness require further development.

### Offsetting

Whilst emissions reductions are our priority, there will be a requirement to neutralise residual emissions across Scopes 1 and 3 as we approach our net zero targets. We have, at a small scale, begun to explore procurement of certified high-quality carbon offsets to achieve carbon neutral certification for a single range of our new Atlas products – the Pathfinder range. This learning experience will feed into a longer-term strategy for offsetting residual emissions in the future.

## Sustainability continued



### Manufacturing Materials for Life

Whilst we are proud our products are built to last for hundreds of years, we are continuously improving our existing range of core products, as well as developing new products and solutions for the evolving needs of the construction sector.



2030 target

# 20%

of sales revenue from new and more sustainable products

### Product innovation

Our products are resilient, durable, safe and last several lifetimes, making them an excellent choice for building sustainable communities. We know we can still make improvements – by building on the inherent attributes of our clay and concrete products, we are committed to manufacturing even more sustainable products and solutions to meet evolving customer needs and markets.

Our performance remained strong in 2025, with 25% of sales from new and sustainable products keeping us above our 20% target for 2030. This KPI includes NPD, but also product evolution to reflect the adaptation and improvements to our existing product range with enhanced sustainability attributes.

Maintaining this level of product development is enabled by the introduction of our new, lower-carbon Atlas products, as well as the continued work on concrete design mix with lower-carbon cementitious replacements.

We continue to inform our NPD decisions using Lifecycle Analysis ('LCA') data. The LCA feeds into an Environmental Product Declaration ('EPD') providing robust data on the embodied carbon in each product. We provide EPD data, verified by a third party, for a number of leading products, which enables our customers and the business to make more accurate and informed decisions in their building design and specification.

### Resource use and circularity

Reduction in the use of materials in our products presents a key opportunity for our customers as they seek to reduce the embodied carbon of their developments (homes and infrastructure). Reduction in product weight can offer a number of customer benefits, including lighter and/or fewer transport loads, improved manual handling and reduced foundation requirements. The Nostell Horizon ceramics façades factory is a great example of how we can use less material to create the same desired aesthetic and durability for our customers – see page 22 for more details.

Our products are long lasting and durable, with the expected service life of bricks being 150 years. Through this, coupled with their inherent reusability and recyclability, we are already supporting several of the key principles of circularity. Our Research and Development teams are focused on reduction of virgin materials and fossil fuel derived materials in our products and prioritising secondary and recycled content.

The prospect of our Calcined Clay project represents a long-term growth opportunity that strengthens our position in low-carbon construction innovation. By drawing on our high-quality, long-life clay reserves, we have the capability to support the UK's first industrial-scale Calcined Clay facility. Read more on page 23.

### Waste management

Over the last three years, we have sent consistently low quantities of waste to landfill with only 21 tonnes of general waste being landfilled from the Ibstock estate in 2025, which is just 2.1% of our general waste, bringing us even closer to our zero waste to landfill target.



Design Week event

As part of our ISO 14001 environmental management system, sites continue to focus on segregation of waste to improve diversion of materials away from landfill and incineration.

We ensure all of the plastic packaging we source can be recycled after its use. We continue to build on the minimum 30% recycled content in our plastic packaging with the majority of our plastic strapping using 100% recycled content.

Having delivered plastic packaging reduction initiatives in previous years, including reduction in the thickness of our plastic shrink wrap and in some cases removal of plastic wrap, we had mixed results, and based on customer feedback have moved to a plastics optimisation approach. Product protection on site is crucial to maintain quality and avoid product wastage. We are in discussions with many of our customers about how we balance minimising plastic packaging and ensuring product protection.

## Sustainability continued



### Improving Lives

We are working with our customers, colleagues and communities to ensure we have the skills required for our sector to thrive. This includes an internal workplace culture where people feel they can belong, develop and grow.



2030 target

# 10%

of colleagues in Earn and Learn positions

### Safety remains our number one priority

Meaningful progress was made in strengthening risk controls and safety leadership during 2025. The TIFR was 36.6, compared with an in-year target of 28.2. A number of incidents occurred at sites undergoing commissioning and transition, where work activity and risk profiles were elevated.

Looking ahead, safety remains central to our operating model. A 2030 target to reduce TIFR by 30% has been set, with delivery underpinned by strengthened commissioning controls, enhanced leadership capability and the integration of safety into the new Safe and Reliable Production System. The focus is on translating the progress made in risk reduction into sustained improvements in outcomes.

We continued our commitment to supporting mental health with 85 colleagues qualified and active as Mental Health Allies to provide the first line of support to their co-workers.

### Skills development

Skills development, both in Ibstock and the wider construction sector, continues to be a key focus for the business. We continued supporting the development of our people, retaining Gold accreditation as part of the 5% Club's Employer Audit. With 7.2% of colleagues on formal learning courses and apprenticeships, this achievement highlights our commitment to personal and professional development of our employees as we aim to achieve our target of 10% by 2030. Our Early Careers initiatives continue to be the foundation of our skills succession planning, with 68 apprentices now on active programmes in 2025.

We continued our commitment to support the next generation of construction talent through the donation of more than 440,000 bricks to colleges and community projects, including support for the existing and future NHBC hubs across the UK.

As part of our wider social impact strategy, we launched the first pilot Ibstock Academy at Walsall College, dedicated to bricklaying skills. This initiative creates a platform for developing talent across the sector while deepening engagement with customers, communities and colleagues.

The Academy provides students with practical, job-ready training that reflects the pace, high-quality standards and safety expectations of construction. As the first building materials manufacturer to have joined the House Building Federation's ('HBF') Partner a College programme, we are taking a leading role in bridging the gap between education and employment.

The Academy includes industry-delivered workshops in college training facilities as well as arranging student master-classes and Ibstock site tours to enable understanding of our business from our quarries, through manufacturing to the end products leaving site. 'Know your brick' was the theme of the quality and technical masterclass delivered by Ibstock colleagues to the students when they attended the Atlas factory in November 2025.

### Engagement and inclusion

We achieved 'Ones to Watch' status following completion of the Best Companies employee opinion survey with participation at a level of 83%. Results showed a slight decline in overall engagement at 63%, but with positive feedback on our wellbeing and mental health support initiatives across the business.

The level of female representation and ethnic diversity in our senior leadership group stood at 32% and 15% respectively. This shows progress in our efforts to embed equity and inclusion into the culture of the business. Our target for a third of our apprentice intake to be female and a third from an ethnic minority is currently off track, and efforts to reverse this will be prioritised in 2026.

All of the above targets support our work to deepen belonging and inclusion at both senior and grass roots levels in the business to meaningfully increase the diversity of the workforce for the future. We continue to collaborate with external networks promoting inclusion in construction, including BPIC and the Construction Inclusion Coalition.

For further diversity data see [page 177](#).



We accelerated our commitment to building skills from within in 2025, with our highest number of apprentices, 7.2% of our workforce in earn-and-learn roles, and Gold 5% Club accreditation. Our investment in early careers and inclusive development remains central to shaping a capable, future-ready Ibstock.



## Non-Financial and Sustainability Information Statement

Ibstock's Non-Financial and Sustainability Information Statement can be found below. In compliance with Sections 414CA and 414CB of the Companies Act 2006, the information listed is incorporated into this statement by cross-reference to relevant content found elsewhere in this Annual Report.

Requirement	Policies	Additional information	Pages
Environmental matters	› ESG 2030 Strategy	Sustainability	39 to 46
	› Sustainable Procurement Policy	Corporate Governance Statement	62
Employees	› Health and Safety Policy Statement	Sustainability	39 to 46
	› Diversity and Inclusion Policy	Nomination Committee Report	76 to 80
	› Anti-bullying and Harassment Policy		
	› Code of Business Conduct		
	› Whistleblowing Policy		
Human rights	› Modern Slavery Statement	Sustainability	39 to 46
	› Data Protection Policy		
Social matters	› ESG 2030 Strategy and Framework	Sustainability	39 to 46
Anti-corruption and bribery	› Anti-bribery and Corruption Policy	Audit Committee Report	83 to 90
	› Competition Law Compliance Policy		
	› Supplier Commitments		
	› Prevention of Fraud Policy		
	› Anti-Money Laundering Policy		
	› Prevention of Criminal Facilitation of Tax Evasion Policy		
Description of the business model		Our business model	19

Requirement	Policies	Additional information	Pages
Principal risks and impact on business activity		Principal risks and uncertainties	48 to 52
		Governance	55 to 110
		Audit Committee Report	83 to 90
		Sustainability	39 to 46
		Sustainability and Climate Change Reporting	174 to 191
Non-financial key performance indicators		Strategic Report	1 to 54
		Key performance indicators	24 to 25

The policies referenced above provide the link between our purpose and values and how Ibstock is managed and conducts its business.

Ibstock operates appropriate a range of polices and procedures to ensure that risks from unethical conduct and illegal business practice are reduced and eliminated as far as possible. These underpin our Code of Business Conduct, which, together with our Supplier Commitments, sets out the behaviours expected of our colleagues and third parties we do business with. Apart from those listed above, these policies include a Trade Association Policy.

## Principal risks and uncertainties

# Strong management of risk

### How we manage our risks

Ibstock's activities expose it to a variety of risks that could impact the business and its strategic objectives. The Board has established a risk management and internal control framework and determined the nature and extent of the principal risks that the Company is willing to take in order to achieve its long-term objectives.

The Board has completed a robust assessment of the Company's emerging and principal risks as required by the Code for the year ended 31 December 2025. This included consideration of those risks that would threaten Ibstock's strategy, business model, its future performance, liquidity, solvency, reputation and its people.

To support the discharge of the Board's responsibilities, the Audit Committee annually reviews the operation and effectiveness of the Company's risk management and internal control framework. This includes consideration of Ibstock's financial controls (which form a subset of the broader set of controls). These controls are also subject to periodic review by Internal Audit. Further information on the role of the Audit Committee in this process as well as more details of Ibstock's system of internal controls can be found within the Governance Report, from pages 55 to 114.

### Risk management framework and risk appetite

The Board has overall responsibility for ensuring that Ibstock has an appropriate risk management framework and procedures encompassing the nature and level of risk it is willing to accept to achieve its strategic objectives. Management is responsible for the effective design, implementation and operation of controls and risk mitigation plans.

Our risk management process is designed to identify and manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss.

Risks are identified across our businesses and functions by identifying what could stop us achieving our objectives or impact the sustainability of our business model. Risk owners assess the likelihood and impact of these risks against an enterprise-wide taxonomy that benchmarks the likelihood and impact against financial and non-financial criteria. They also take into account current mitigating control activities and identify where additional actions may be needed to bring the risk within our risk appetite. Consideration is given to costs of mitigation and Ibstock operates compensating controls that are proportionate to the benefit provided. Risk owners bring the results of their assessment, current status and action plans to business and functional reviews, for support, challenge and oversight.

During the year, the Board reviewed and challenged management's assessment of risks. This was the final stage in a process that included the review of the divisional and functional registers by senior management prior to the ExCo's approval of Ibstock's principal risks and uncertainties for presentation to the Audit Committee and the Board.

With recognition of the nature of our industry, Ibstock has set a low to medium risk tolerance dependent on risk and has a robust process to identify any changes to the risk landscape, agreeing proportionate further mitigating actions where appropriate. The Board seeks to ensure appropriate and proportionate risk management strategies are in place for all material risks.

Management operates a 'three lines of defence' structure to its internal controls (see diagram on facing page). The first line of defence is operated by management and covers the day to day risk management activities of implementing and executing internal controls. The second line (health and safety, quality control and other central functions) works alongside the risk owners to support the design and implementation of the controls framework, whilst the independent third line is operated by our outsourced Internal Audit provider, RSM UK Risk Assurance Services LLP ('RSM'). The Board is committed to a continual process of improvement and embedding of the risk management

framework within the organisation. This ensures that the business identifies both existing and emerging risks and continues to develop appropriate and proportionate risk mitigation strategies and action plans.

### Climate change risk

We have an ambition to be the most sustainable manufacturer of clay and concrete products in the UK, and to lead our sector in the disclosure and transparency around sustainability issues. We have invested significant capital over the last five years across Ibstock contributing to a reduction in the carbon intensity of our manufacturing processes. In 2022, we launched our ESG 2030 Strategy, which established a stretching set of goals to achieve our ambition of net zero by 2040 (Scope 1 and 2); see the sustainability section on pages 39 to 46 for more details.

At the same time, in order to assess the resilience of our business model, we have modelled the impact of both transitional and physical risks of climate change on the financial performance and position of the Company under different climate scenarios. Details of these impacts are disclosed in the TCFD report on pages 178 to 191.

## Principal risks and uncertainties continued

### Climate change risk continued

We consider climate change to be a principal risk given Ibstock's material commitments with regard to Ibstock's ESG 2030 Strategy and its target to be a net zero operation (Scope 1 and 2) by 2040. This carries significant reputational risk and is a material focus. Details on transitional and physical risks and opportunities related to climate change are detailed in the TCFD report on pages 181 to 183.

### Principal risks and uncertainties

Our principal risks are identified and managed in the same way as other risks. Principal risks are owned by one or more members of the ExCo and subject to a review by this group at least twice each year, before a review by the Board or relevant Board Committee. A principal risk and uncertainty is one that is currently impacting, or could impact, Ibstock over the next 12 months. Our principal risks are not an exhaustive list of all risks, but are a position as at 31 December 2025. All risks carry equal importance and weighting for the Board. However, additional focus and priority may be given to specific risks for a period of time in certain circumstances.

We have reviewed our principal risks over the course of the year and have updated them to reflect changes to the external environment and our strategy and plans.

The full list of what the Board considers to be those current principal risks and uncertainties can be found from pages 50 to 52. Our disclosure for each principal risk includes the mitigating actions for each and, where applicable, updates on any change in the profile during the past year.

The principal risks and uncertainties should be read in conjunction with the Strategic Report as a whole from page 1. The Board is mindful that additional risks and uncertainties of which Ibstock is not currently aware or are believed not to be significant may also adversely affect strategy, business performance or financial condition in the future.

The Board confirms that it has assessed and monitored Ibstock's principal risks throughout the year, in accordance with the Code.

### Improvements made during 2025

During 2025, management has further embedded the identified transitional and physical risks and opportunities related to climate change in the individual businesses' risk processes.

### Changes in our principal risks

#### New and retired risks

Careful consideration has been given to the Major Project Delivery risk, which has been removed as a principal risk, as the two major project developments at Atlas and Nostell Horizon near conclusion.

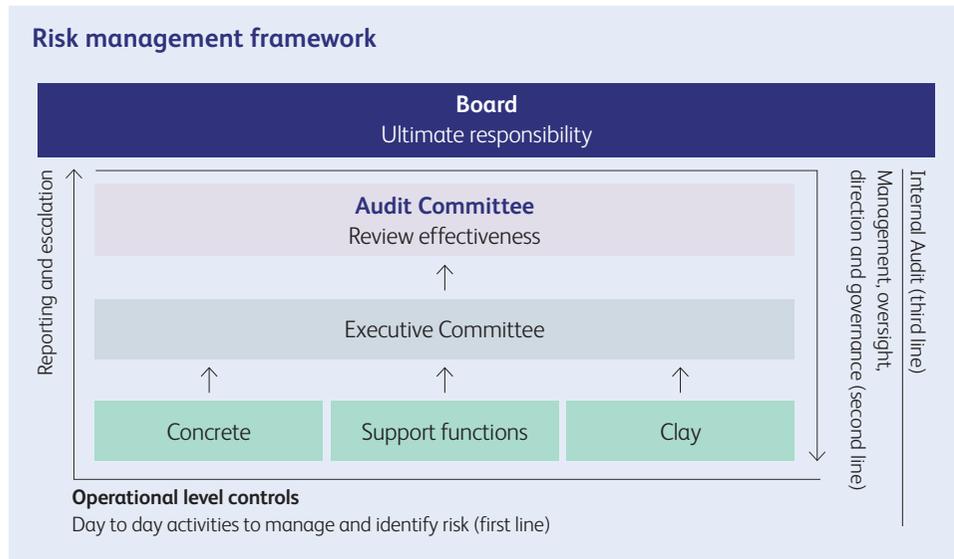
#### Emerging risks

We continue to review additional emerging risks that could significantly impact or challenge our current strategy and business model and these will continue to be considered by the Board.

There are processes in place to identify emerging risks, which include the divisional and functional risk process, regulatory and compliance horizon scanning, including specifically climate change, strategic risk identification, and review of external emerging risk information.

Any emerging risks identified have been recorded and are being managed and monitored alongside our existing risks. An example of an emerging risk that was considered during the year is detailed below:

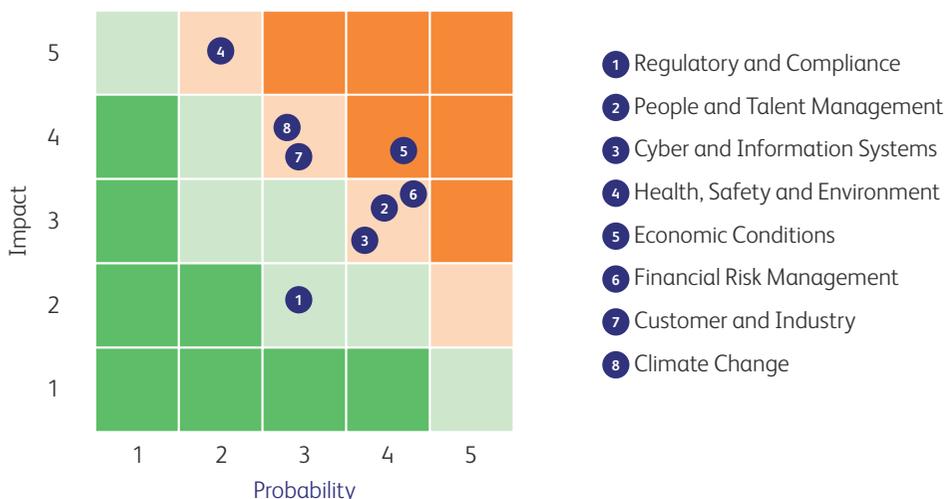
- Ability to innovate and develop a market for Ibstock Futures products and services – we are now incorporating this in the Customer and Industry risk, recognising the relative infancy of the markets in which the Ibstock Futures business operates.





## Principal risks and uncertainties continued

### Probability and impact assessment of Ibstock's risks



● Residual risk rating (after consideration of mitigating controls)

### 1. Regulatory and Compliance ↔

<b>Risk level</b> Low	<b>Owner</b> Group Company Secretary and Compliance Officer
<b>How it aligns to our strategy</b> Underlying all pillars	<b>Link to business model</b> Extraction, Procurement, Manufacturing, Product Design, Sales
<b>Risk description</b> Non-compliance with legal or regulatory requirements in the markets we operate in (for example, HSE, GDPR, anti-bribery and corruption, the Building Safety Act and tax legislation).  This could expose Ibstock to financial penalties and reputational damage. The risk trend has increased slightly due to increased regulation.	<b>Response/mitigation</b> <ul style="list-style-type: none"> <li>Monitoring of the laws and regulations across relevant markets to ensure Ibstock remains compliant and is prepared for the implementation of new requirements.</li> <li>Alignment of key policies and procedures with training on mandatory topics and compliance requirements.</li> </ul>

Risk movement: ↑ Increasing ↓ Decreasing ↔ No change NEW

### 2. People and Talent Management ↔

<b>Risk level</b> Medium	<b>Owner</b> Group People Director
<b>How it aligns to our strategy</b> Underlying all pillars	<b>Link to business model</b> Extraction, Manufacturing, Product Design, Sales
<b>Risk description</b> An inability to attract, retain and develop people would impact the delivery of our strategic objectives. This may be compounded by the ageing demographic in key employee groups, the dependency on specialist technical knowledge and skills in certain roles or enterprise restructuring programmes.	<b>Response/mitigation</b> <ul style="list-style-type: none"> <li>Cultural and wellbeing programme.</li> <li>Company-wide people programmes covering succession planning, apprenticeships, people training and development, and high potential employees.</li> <li>Hybrid working model for office-based employees.</li> <li>Focused action plans as a result of employee opinion survey.</li> </ul>

### 3. Cyber and Information Systems ↑

<b>Risk level</b> Medium	<b>Owner</b> CEO
<b>How it aligns to our strategy</b> Underlying all pillars	<b>Link to business model</b> Procurement, Manufacturing, Product Design, Sales, Distribution
<b>Risk description</b> Damage caused to the organisation, its customers or suppliers through unauthorised access, manipulation, corruption or destruction of data or systems, or lack of investment leading to outdated systems, which could impact operations or the delivery of strategic objectives.  The risk has increased during the year as a result of the attacks and wider threats on listed companies and other organisations across the UK.	<b>Response/mitigation</b> <ul style="list-style-type: none"> <li>Achievement of UK Government's Cyber Essentials Plus accreditation.</li> <li>IT disaster recovery plan.</li> <li>Regular reviews to reduce the risk of successful cyber attacks, including vulnerability and penetration tests by third parties.</li> <li>Cyber security training and awareness programme.</li> <li>Continued investment in technology systems.</li> </ul>



## Principal risks and uncertainties continued

Risk movement: ↑ Increasing ↓ Decreasing ↔ No change NEW

## 4. Health, Safety and Environment ('HSE') ↔

Risk level	Owner
Medium	CEO
<b>How it aligns to our strategy</b>	<b>Link to business model</b>
Underlying all pillars	Extraction, Manufacturing, Sales, Distribution
<b>Risk description</b>	<b>Response/mitigation</b>
Failure to provide a place of work that minimises the risk of harm to our employees, those who work with us, and the environment.	<ul style="list-style-type: none"> <li>› Dedicated internal Safety, Health, Environment and Quality ('SHEQ') team supporting operational delivery of HSE management and leadership.</li> <li>› Appropriate health, safety and environment policies to ensure compliance with all relevant regulations and requirements combined with regular monitoring through internal and external auditing activity.</li> <li>› Six 'Health and Safety Rules' introduced to use as a guide to drive behaviour on a daily basis.</li> <li>› Investment in safe systems and facilities to protect our employees.</li> </ul>

## 5. Economic Conditions ↑

Risk level	Owner
Medium	CEO
<b>How it aligns to our strategy</b>	<b>Link to business model</b>
Sustain	Procurement, Manufacturing, Product Design, Sales, Distribution
<b>Risk description</b>	<b>Response/mitigation</b>
Changes in the UK macroeconomic environment or Government housing policy could negatively impact demand as consumer confidence and affordability affects our customers, resulting in reduced sales volumes.	<ul style="list-style-type: none"> <li>› Monitoring of market and economic trend and forecast information at the Board, Executive and business leadership level, which informs planning and financial forecasting.</li> </ul>
The risk has increased during the year due to the UK economic backdrop.	<ul style="list-style-type: none"> <li>› Flexibility to adjust capacity and cost base across the organisation.</li> <li>› Disciplined capital allocation framework and strong balance sheet position.</li> </ul>

## 6. Financial Risk Management ↔

Risk level	Owner
Medium	Interim CFO
<b>How it aligns to our strategy</b>	<b>Link to business model</b>
Sustain	Procurement, Sales
<b>Risk description</b>	<b>Response/mitigation</b>
Ibstock is exposed to a number of financial risks, both macroeconomic in nature (e.g. foreign currency, interest rates, general inflation) and more specific, including liquidity and credit risk, as well as volatility in the wholesale energy and carbon markets.	<ul style="list-style-type: none"> <li>› Internal control framework is designed to reduce financial reporting risks.</li> <li>› Development, review and communication of an enterprise-wide treasury policy, which is designed to reduce residual risk with regard to foreign exchange and interest rates.</li> <li>› Constant monitoring of energy and carbon markets and forward purchase to mitigate market volatility.</li> <li>› Stress testing Ibstock's available financing facilities to ensure resilience.</li> <li>› Operation of appropriate and dynamic sales pricing strategies to remain competitive and pass on significant increases in input costs.</li> </ul>
Exposure to these risks could lead to increased costs of business operations, financial loss or reduced ability to access funding.	



**Principal risks and uncertainties** continued

**7. Customer and Industry** ↔

<b>Risk level</b> Medium	<b>Owner</b> Managing Director – Clay and Concrete and Managing Director – Innovation and Growth
<b>How it aligns to our strategy</b> Sustain	<b>Link to business model</b> Manufacturing, Product Design, Sales
<b>Risk description</b> Not meeting customers’ needs and expectations (e.g. service levels, product quality and digital capability) as well as inability to innovate, develop and implement new products and solutions that respond to the markets’ and customers’ longer-term needs.  This could cause the loss of a key customer, reduced sales volumes and loss of market position, with Ibstock generating revenues from a relatively concentrated customer base, in a cyclical industry.	<b>Response/mitigation</b> <ul style="list-style-type: none"> <li>› Organisational structure enables us to understand and respond more effectively to the evolving needs of our customers, with business and regional teams providing customer support.</li> <li>› Sales and production are highly integrated and also supported by design support and technical teams.</li> <li>› Ibstock Futures established to focus on construction mega trends of industrialisation and sustainability.</li> <li>› Innovation culture embedded through organisation design, including experienced product managers encompassing horizon scanning, and monitoring and reporting on emerging market trends.</li> <li>› Customer surveys conducted to understand and respond to customer requirements.</li> </ul>

**Risk movement:** ↑ Increasing ↓ Decreasing ↔ No change **NEW**

**8. Climate Change** ↔

<b>Risk level</b> Medium	<b>Owner</b> Group Company Secretary and Compliance Officer
<b>How it aligns to our strategy</b> Sustain	<b>Link to business model</b> Manufacturing, Product Design
<b>Risk description</b> If Ibstock does not adapt the business to achieve our sustainability commitments and meet climate change regulations as well as mitigating climate change-related transitional and physical risks, this could result in failure to meet customer and stakeholder expectations.  Transition risks include success of new technology programmes and changes in customer preferences impacting product demand. A detailed assessment of climate-related risks and opportunities is provided in our TCFD report on pages 178 to 191.	<b>Response/mitigation</b> <ul style="list-style-type: none"> <li>› The Sustainability Committee oversees our ESG 2030 Strategy and business response to climate change risks.</li> <li>› Clear sustainability strategy and transition plan with KPIs published to track progress.</li> <li>› Transitional and physical climate risks and opportunities being embedded in day to day business operations.</li> <li>› Continued investment in new technologies, enhancing operations and developing products that are more sustainable.</li> </ul>

# Viability and Going Concern Statements

## Background

The Board's assessment of the longer-term viability of the Group is an integral part of our business planning processes. These processes include financial forecasting and risk and opportunity management, as well as longer-term scenario planning incorporating potential future economic conditions, market trends, emerging opportunities or threats and the potential impact of climate change. The output of the Group's business planning processes reflects the best estimate of the future prospects of the business based on a range of possible future scenarios. To make an assessment of viability, these forecasts are rigorously stress tested based upon potential adverse impacts arising from the Group's principal risks and uncertainties, which are outlined on pages 48 to 52 in severe but plausible scenarios that test the Group's resilience.

## Assessment

Management's viability exercise, reviewed by the Audit Committee on behalf of the Board, has robustly assessed the market conditions, risks and the liquidity and solvency of the Group, including consideration of the wider economy and future uncertainty. The Group has leading positions within the markets in which it operates, as noted on pages 15 to 18, and its business strategy (see pages 20 to 23) is aimed at continuing to strengthen its position in those markets, create value for its shareholders and ensure its operations and finances are sustainable.

## Lookout period

The Group may use longer-term time horizons for the purposes of investment decisions and capital allocation given its markets and construction timeframes. However, the Directors believe that a three-year period provides the

most appropriate horizon over which to assess viability. The performance of the building products industry is sensitive to the broader level of macroeconomic activity, which is influenced by factors outside of the Group's control, including demographic trends, the status of the housing market, mortgage availability, interest rates, changes in household income, inflation and also Government policy. These macroeconomic drivers are currently producing a period of prolonged uncertainty.

The Group's financing consists of £100 million of private placement notes from Pricoa Private Capital, with staggered maturities in 2028 (£30 million), 2031 (£40 million) and 2033 (£30 million), in addition to a £125 million RCF and a £50 million accordion facility, which was renewed in November 2025 for a four-year period with an extension option for a further year and is provided by a syndicate of four of our existing lenders. £42 million was drawn at 31 December 2025.

## Stress testing

Although each of the Group's principal risks has a potential effect and has been considered as part of the overall assessment, only those that result in a severe but plausible scenario have been modelled. The Group's viability modelling has stress tested the annual budget and strategic plan in the following scenarios, both individually and in combination. The Group's viability assessment also considered two compound scenarios whereby firstly the Group experienced reputational damage during an economic downturn, and secondly the Group experienced business disruption during an economic downturn.

The Group's viability assessment also included a sensitivity involving a reverse stress test to understand the Group's resilience through establishing the financial headroom that exists before viability is threatened. This was conducted by reducing profitability due to reducing industry demand for the Group's products.

## Assumptions

In determining the viability of the Group, the Board made the following assumptions:

- › The economic climate in which the Group operates remains in line with a broad consensus of external forecasts.
- › There is no material change in the legal and regulatory frameworks with which the Group complies.
- › There are no material changes in construction methods used in the markets in which the Group operates.
- › The Group's risk mitigation strategies continue to be effective.
- › The Group's past record of successfully mitigating significant construction industry declines can be replicated.

This assessment is based on debt maturities over the assessment period as follows:

- › £30 million US Private Placement maturing in 2028.

The scenarios assume an appropriate management response to the specific event which could be taken and also considers specific activities to improve liquidity, such as raising additional funds, reducing expenditure and selling particular assets.

The Group believes it has the mechanisms to identify the early need for mitigating actions and, as demonstrated by our actions during the pandemic, has the ability to implement them on a timely basis if necessary.

## Scenario 1

### Economic downturn

#### Link to risk

- › Risk 5 – Economic Conditions
- › Risk 6 – Financial Risk Management
- › Risk 7 – Customer and Industry

The impact of a severe and prolonged reduction in demand for its products on the basis of reduced house building activity arising from either a macroeconomic downturn or negative impacts of geopolitical events; unexpected changes to Government policy resulting in reduced volume of product sold; or future impacts on customer activities as a result of a pandemic, as well as a benign environment of prolonged price stagnation on sales.

This considered a demand reduction of 35% for the Clay and Concrete products in 2026 versus the demand levels experienced in five of the past 10 years, recovering to a 25% reduction in 2027 and 15% reduction in 2028, representing a gradual recovery after the first year.

Given the current systemic under supply of housing stock, the Directors believe any reduction in underlying demand above these levels would lead to Government stimulus to underpin levels of new-build housing. The Group has proven mitigating strategies including the mothballing and/or full or partial closure of production facilities, together with the reduction of shift patterns at other factories, thereby providing flexibility if the market returns more quickly.

## Viability and Going Concern Statements continued

### Scenario 2

#### Production cost increases

##### Link to risk

- › Risk 1 – Regulatory and Compliance
- › Risk 5 – Economic Conditions
- › Risk 6 – Financial Risk Management
- › Risk 8 – Climate Change

A situation whereby the cost of production for all products increases by 10% and 20% for unhedged energy and 25% for carbon (recognising the material increase included in the budget and strategic plan) as a result of inflationary input cost rises across the Group arising from economic uncertainty, geopolitical events, or additional regulatory costs imposing additional cost within the production process arising from climate change-related increases or tariffs, in the scenario whereby the Group is unable to pass on these costs to customers. This is based on historical cost inflation and price volatility seen in wholesale energy markets.

The Group seeks to mitigate and improve resilience to this scenario, through operating a policy of forward purchasing its energy requirements to lock in the costs of production to inform price negotiations with its customers and adopting a dynamic pricing strategy in relation to inflationary cost increases. Further, production plans could be flexed to reduce the available product range, either to focus upon more energy efficient products or to reduce changeovers at factories, which would provide mitigating production efficiencies.

### Scenario 3

#### Disruption in business activities

##### Link to risk

- › Risk 3 – Cyber and Information Systems
- › Risk 8 – Climate Change

The impact of an event, such as prolonged weather events as a result of climate change (for example, mean temperature changes, water stress, storms or flooding), a cyber attack, local/national restrictions on the ability to work or other unanticipated event, which prevents production at one or more of the Group's facilities and therefore prevents customer demand being met. This specifically models the consequences of a significant production facility (Eclipse) being unable to produce for a prolonged period and also an outage at factories vulnerable to the climate-related physical risk of increased precipitation for a period of one month as identified in the TCFD risk assessment. The impact of which would represent around 10% of production.

The Group aims to mitigate the risk associated with disruption through its business continuity and climate change resilience plans, which operate at a factory level, and its ability to transfer some of its production across its network of facilities.

### Scenario 4

#### Reputational damage

##### Link to risk

- › Risk 2 – People and Talent Management
- › Risk 7 – Customer and Industry

A scenario whereby the Group's reputation is damaged as a result of customer relationship breakdown, significant employee disengagement or product quality issues, resulting in a sudden reduction in sales activity. The scenario modelled includes a reduction in revenue of 10% for a period of three years, representing potential impact or price reduction to maintain customers. The Group seeks to mitigate the risks of reputational damage on an ongoing basis with its internal control framework and series of independent reviews and audits.

The Group's viability assessment also considered two compound scenarios whereby the Group experienced reputational damage during an economic downturn and business disruption during an economic downturn.

The scenarios also consider the covenants with respect to the Group's borrowings, ensuring these thresholds are met.

The scenarios are hypothetical and severe for the purpose of creating situations that have the ability to threaten the Group's viability.

The results of the stress testing demonstrate that, due to the Group's cash-generative nature and access to its RCF, it would be able to withstand the impacts of these scenarios and remain cash generative.

### Viability Statement

Based on their assessment of prospects and viability above, the Directors confirm that there is a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the next three years.

### Going Concern Statement

The Directors also considered it appropriate to prepare the financial statements on the going concern basis, as explained in the basis of preparation paragraph in Note 1 to the financial statements.

#### Strategic Report

The Strategic Report on pages 1 to 54 has been approved and signed by order of the Board by:

**Nick Giles**  
Group Company Secretary

4 March 2026

## Chair's Introduction to the Governance Report

# Strong foundations



**Richard Akers**  
Chair

**I am pleased to introduce my first Governance Report, on behalf of your Board and in accordance with the 2024 UK Corporate Governance Code (the 'Code'), to demonstrate our commitment to delivering long-term sustainable value for our shareholders and wider stakeholders.**

This section has been structured so as to provide a clear and transparent overview of the Board's oversight of Ibstock's governance framework, to explain how we have applied the principles of the Code and confirm our compliance in full with its provisions for the financial year ended 31 December 2025. A table setting out where the key content can be found within the Governance Report, and cross-references to relevant parts of the Strategic Report, is on page 62.

We welcome feedback and suggestions on our disclosures from all stakeholders through our Group Company Secretary, who can be contacted at our registered office address.

### Review of the year

Throughout 2025, the Board and its Committees have played a key role in guiding the Group through another demanding year, by both supporting management and, where appropriate, providing necessary challenge.

All Directors take pride in the discharge of our Board duties and responsibilities in a transparent, open and honest manner, an approach that is reflected by senior management and colleagues at all levels within the business. Read more on page 69.

Our aim is to ensure that good governance extends beyond the boardroom and is continually borne in mind as part of the successful delivery of the Group's strategic pillars over both the short and long term.

### Succession planning

There have been a number of changes to the composition of your Board during the year.

As planned, Jonathan Nicholls stepped down as Chair at the conclusion of the 2025 AGM, having served on the Board since Ibstock became a publicly listed company in 2015. We express our sincere thanks to Jonathan for

the invaluable contribution and commitment he demonstrated throughout his tenure, in particular as Chair since 2018 where he significantly helped to shape the direction and success of the Group. I would also like to convey a personal thank you for the significant time he invested in ensuring a smooth and effective handover to me.

As announced on 30 April 2025, Chris McLeish, CFO, left the Group in October 2025 and Simon Bedford, Group Financial Controller, was appointed Interim CFO. We wish Chris all the best for the future and thank Simon for stepping into this role at such a critical time for Ibstock. The search process for a new CFO is nearing its conclusion and we hope to be in a position to update all stakeholders on the outcome as soon as possible.

Having also started a process to identify a successor for Justin Read, our Audit Chair, who reached his nine-year term in January 2026, I am pleased to be able to welcome Martin Payne to the Board. Martin will join Ibstock on 30 March 2026 and assume the role of Chair of the Audit Committee when Justin steps down at the conclusion of the AGM.

Succession planning priorities for 2026 include concluding the search process for the CFO and considering the successors to Louis Eperjesi and Claire Hawkings, both of whom will have served nine years on the Board during 2027.

### Board Performance Review

The Board conducted an internal performance review this year. It concluded that the Board and its Committees remain effective, delivering strong oversight through informed decision-making and strategic input, and providing consistent challenge and support for the Executive Committee (the 'ExCo'). Read more about the Board Performance Review on page 73.

### Diversity and inclusion

We are committed to promoting equal opportunities in employment and improving the diversity of our workforce. The Board recognises that gender diversity is a wider issue within our industry, with many of our roles, especially those that are factory based, traditionally being more popular with males. Motivated by this historical challenge, we remain committed to further improvement of our diversity statistics. We also note the diversity data collection activity during the year to better understand other elements of diversity within our workforce to enable future targets to be established.

The Board supports the aims and objectives of the Listing Rules and the FTSE Women Leaders Review, striving to achieve an appropriate balance of women on our Board and in senior positions throughout the Group. Whilst we recognise that we currently do not have at least one woman in the Chair, Senior Independent Director, CEO or CFO roles, we remain committed to ensuring that diversity is a key consideration in our appointment processes.

### AGM

Our AGM will be held on 21 May 2026 at the I-Studio, 54 Hatton Garden, London EC1N 8HN. We encourage shareholders to attend in person in order to pose their questions to the Board and take the opportunity to engage with individual Directors; I certainly look forward to meeting shareholders at what will be my first AGM as Chair.

### Looking ahead

We are prepared for 2026 and the challenges that this year will undoubtedly bring. I am confident in the Board's and the ExCo's ability to continue to build the business on our strong, 200-year foundation.

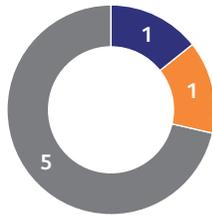
**Richard Akers**  
Chair

Governance at a glance

# Built on strong governance

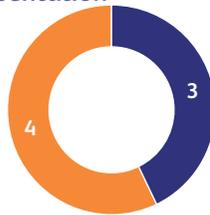
### Board composition

- Chair
- Executive Directors
- Independent Non-Executive Directors



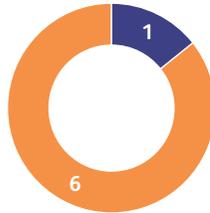
### Board gender representation

- Female
- Male



### Board diversity representation

- Minority ethnic
- White

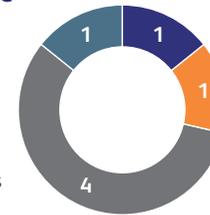


Link to strategic pillars:



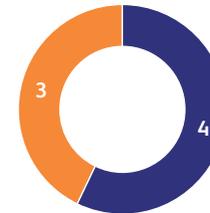
### Board independence

- Chair (independent on appointment)
- Senior Independent Director ('SID')
- Independent Non-Executive Directors
- Executive Directors



### Board age representation

- 51 – 60 years
- 61 – 70 years
- 70+



### Board tenure

- 0 – 3 years
- 3 – 6 years
- 6 – 9 years
- 9+ years



Data is as at 4 March 2026.

### Board skills matrix

Skill Area	Icons	Count
Strategy & leadership		7
Health & safety		6
Built envt. & construction		5
Manufacturing		5
Product innovation		3
Customer experience		4
Sustainability		7
Financial & reporting controls		2
Remuneration		6
People & culture		7
M&A		6
Government regulation		1

### Board and Committee meeting attendance in 2025

Member	Board	Nomination Committee	Audit Committee	Remuneration Committee	Sustainability Committee
Richard Akers <sup>1</sup>	7/7	5/5	–	3/3	–
Joe Hudson	10/10	–	–	–	4/4
Peju Adebajo	10/10	6/6	4/4	4/4	4/4
Nicola Bruce	10/10	6/6	4/4	4/4	–
Louis Eperjesi	10/10	6/6	4/4	4/4	4/4
Claire Hawkings	10/10	6/6	4/4	4/4	4/4
Justin Read	10/10	6/6	4/4	4/4	–
Jonathan Nicholls <sup>2</sup>	3/3	1/1	–	2/2	–
Chris McLeish <sup>3</sup>	7/7	–	–	–	–

<sup>1</sup> Richard Akers joined the Board on 5 May 2025 and became Chair following the AGM on 15 May 2025.

<sup>2</sup> Jonathan Nicholls stepped down from the Board following the AGM on 15 May 2025.

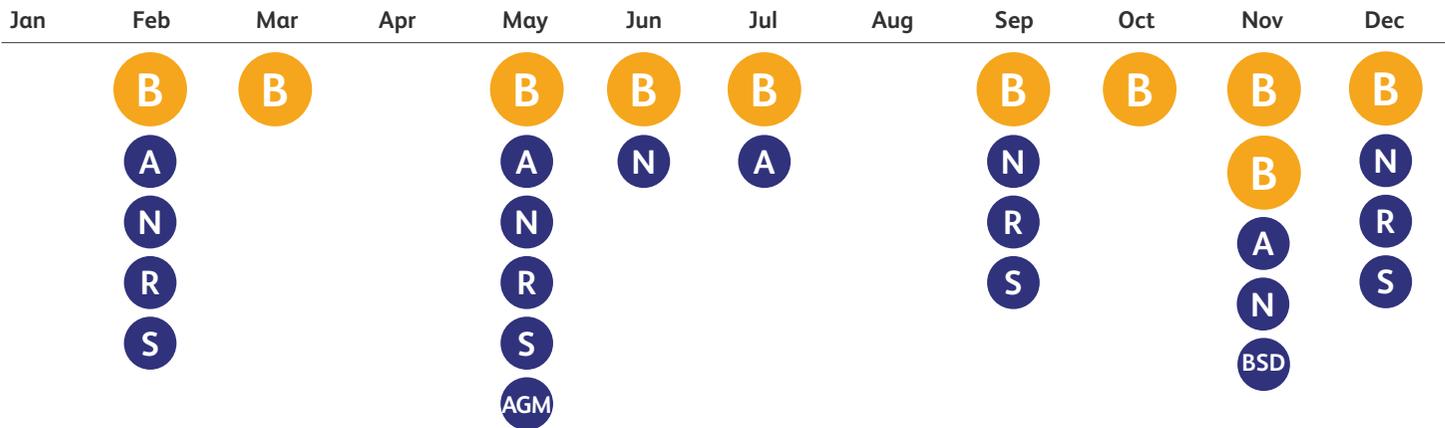
<sup>3</sup> Chris McLeish left the business on 10 October 2025.



Governance at a glance continued

# The Board's year

## Board and Committee meetings in 2025



## Key Board decisions in 2025

- Appointment of Richard Akers as an Independent Non-Executive Director and Chair Designate with effect from 5 May 2025.
- Disposal of the Roofing business and certain other assets to strengthen the balance sheet.
- Refinancing of £125 million Revolving Credit Facility at improved pricing.
- Introduction of a refreshed governance and compliance framework.
- Confirmation that the Company has applied the principles and complied fully with the provisions of the UK Corporate Governance Code 2024.

## Key events in 2025

### January

Director attendance at Safe Start 2025 sessions

Q4 2024 Trading Update

### February

Consultation with shareholders on proposed Remuneration Policy

### March

2024 Full Year Results

Listening Post – attended by Joe Hudson, Peju Adebajo and Louis Eperjesi

### April

Q1 2025 Trading Update

### May

Jonathan Nicholls steps down as Chair

Richard Akers appointed as Chair  
Sustainability Committee site visit to Ibstock Aldridge

### June

Board visit to Nostell Factory, West Yorkshire

Q2 2025 Trading Update

### July

Richard Akers holds introductory meetings with major shareholders

### August

2025 Interim Results

### September

Site visit to Coltman, Weeford

### October

Q3 2025 Trading Update

Listening Post – attended by Joe Hudson and Peju Adebajo

Chris McLeish steps down as CFO

Simon Bedford appointed as Interim CFO

### December

Investor Day held at our Atlas Factory, Walsall

Listening Post – attended by Joe Hudson, Nicola Bruce and Justin Read

Key:

- B** = Board meeting
- BSD** = Board Strategy Day
- A** = Audit Committee meeting
- N** = Nomination Committee meeting
- R** = Remuneration Committee meeting
- S** = Sustainability Committee meeting
- AGM** = Annual General Meeting

## Board of Directors

# Our highly experienced Board



**Richard Akers FRICS**  
Chair

**Date appointed to the Board:**

Chair Designate – 5 May 2025; Chair – 15 May 2025

**Skills and experience which support our strategy and deliver long-term sustainable success:**

Richard has a wealth of governance and leadership experience and provides broad sector insight of the property development, investment and house building industries. He spent his professional career in the property and land acquisition sector, including 20 years with Land Securities, where he held various senior executive positions, culminating in him joining the main board as Managing Director of the retail portfolio in 2005 until his retirement in 2014. Richard was previously Chairman of Redrow Plc, overseeing its merger with Barratt Developments Plc, and he has also held a number of other Non-Executive Director positions including with Unite Group Plc, EMAAR Malls (Dubai) and as part of the Battersea Power Station advisory board.

**Key external appointments:**

- > Non-Executive Director of Shaftsbury Capital Plc
- > Chair of Miller Homes Limited



**Joe Hudson BA (Hons), FCIPD**  
Chief Executive Officer

**Date appointed to the Board:**

CEO Designate – 2 January 2018; CEO – 4 April 2018

**Skills and experience which support our strategy and deliver long-term sustainable success:**

Joe brings extensive commercial, operational and people experience to the Board, along with vast knowledge of developing and implementing strategy across large-scale business combinations. Joe has had a varied international career in general management, operations and strategic human resources across Europe, North America and Africa, including as CEO of Lafarge Africa Plc and Managing Director of Aggregate Industries UK. He has operational line management experience in cement, plasterboard, concrete products and construction materials, and has also undertaken general management programmes at INSEAD and London Business School.

**Key external appointments:**

- > Officer of the Construction Products Association



**Louis Eperjesi**  
Senior Independent Director

**Date appointed to the Board:**

Independent Non-Executive Director – 1 June 2018;  
Senior Independent Director – 27 April 2023

**Skills and experience which support our strategy and deliver long-term sustainable success:**

Louis has a strong background in the manufacturing and supply of building products throughout UK and international markets. With over 15 years' experience in UK capital markets, he has been involved in a wide range of commercial strategy development, marketing campaigns, change management programmes and M&A activity. Louis has had a long career in the building materials sector, most recently serving as CEO of Tyman Plc and having held other senior executive roles including at Kingspan Group Plc, Baxi Group Ltd, Lafarge SA and Caradon Plc.

**Key external appointments:**

- > Senior Independent Director of Accsys Technologies Plc
- > Non-Executive Director of Howden Joinery Group Plc
- > Non-Executive Director of Trifast Plc



**Peju Adebajo BSc, MEng, MBA**  
Independent Non-Executive Director

**Date appointed to the Board:**

26 November 2021

**Skills and experience which support our strategy and deliver long-term sustainable success:**

Peju is an experienced CEO, having worked across a number of industrial and regulated sectors including building materials, renewables, consulting and banking. Her previous roles include CEO and Managing Director positions with the Major State Agricultural Department in Nigeria, Lafarge Africa Plc and Mouka Limited. Peju has significant experience of expansion and development of products and services and brings to the Board extensive knowledge of sustainability leadership and value creation.

**Key external appointments:**

- > Non-Executive Director of Wolseley Jersey Limited

## Board of Directors continued

### Key to Committee membership:

A Audit Committee    N Nomination Committee    R Remuneration Committee    S Sustainability Committee    \* Chair



**Nicola Bruce MA, MBA, FCMA**  
Independent Non-Executive Director

**Date appointed to the Board:**  
29 March 2023

#### Skills and experience which support our strategy and deliver long-term sustainable success:

Nicola is a Fellow of the Chartered Institute of Management Accountants and has spent her career specialising in strategy and business development at both private and listed companies, including as Group Director of Strategy at De La Rue Plc and as a Partner at the Monitor Group (now Deloitte). She has extensive experience as a Remuneration Committee Chair and brings to the Board a breadth of strategy, business development and governance experience. Nicola holds a number of Non-Executive Director roles within the residential property and building materials sectors, including previously as Senior Independent Director at the Anchor Hanover Group.

#### Key external appointments:

- Senior Independent Director of MJ Gleeson Plc
- Non-Executive Director of Stelrad Plc
- Non-Executive Director of Ofwat



**Claire Hawkings BSc (Hons), MBA**  
Independent Non-Executive Director

**Date appointed to the Board:**  
1 September 2018

#### Skills and experience which support our strategy and deliver long-term sustainable success:

As an environmental scientist and ESG professional, Claire has vast sustainability leadership and management expertise, with widespread experience in development and delivery of organisational strategies, including business process transformation, leadership succession and diversity and inclusion. She spent 30 years in the energy sector in a variety of international leadership positions, most recently with Tullow Oil Plc, and prior to that with BG Group Plc and British Gas Plc. Claire is a Fellow of the Energy Institute and a Fellow of Chapter Zero.

#### Key external appointments:

- Senior Independent Director of James Fisher and Sons Plc
- Non-Executive Director of FirstGroup Plc
- Non-Executive Director of Defence Equipment and Support (Ministry of Defence)



**Justin Read MA, MBA**  
Independent Non-Executive Director

**Date appointed to the Board:**  
1 January 2017

#### Skills and experience which support our strategy and deliver long-term sustainable success:

Justin has a wealth of financial and management experience working as an Executive and Non-Executive across different industries in a wide variety of businesses, both within the UK and internationally. He has held Group Finance Director positions within FTSE-listed companies including SEGRO Plc and Speedy Hire Plc, as well as undertaking senior roles within the building materials sector, where he gained experience in strategy, M&A, business development, investor relations and capital raising. Justin also has recent and relevant financial experience from his Audit Committee Chair roles in both listed and private entities.

#### Key external appointments:

- Senior Independent Director of Grainger Plc
- Senior Independent Director of Affinity Water Limited

## Directors serving for part of the year

### Jonathan Nicholls

Jonathan stepped down from the Board on 15 May 2025, having served as a Director since 22 September 2015 and as Chair since 24 May 2018.

### Chris McLeish BSc, ACA

Chris stepped down from the Board on 10 October 2025, having served as a Director since 1 August 2019 and as CFO since 31 August 2019.

## Governance framework

# A strong structure

**The Board has ultimate responsibility for the overall leadership of the Group.**

The governance framework ensures that the Board remains effective in both making decisions and maintaining oversight of key strategic, financial, operational and compliance matters, which are set out in the Schedule of Matters Reserved that the Board has adopted.

In line with the Terms of Reference approved by the Board, certain matters are delegated to its Committees, which carry out detailed work and report on their activities to the Board at each meeting.

Responsibility for the operation of the Group is formally delegated by the Board to the CEO, who manages the operational running of the business through the ExCo.

Scan the QR code below to view our corporate governance documentation, including the Schedule of Matters Reserved to the Board and Committee Terms of Reference  
[www.ibstock.co.uk/investors/corporate-governance](http://www.ibstock.co.uk/investors/corporate-governance)



## The Board

The Board's role is to ensure the long-term sustainable success of the Group by setting strategy through which value can be created and preserved for the mutual benefit of our stakeholders.

In making its decisions, the Board considers the Group's purpose, strategy and culture, and discusses stakeholders' wide-ranging views and priorities.

The Board also provides rigorous challenge to management and ensures the Group maintains effective risk management and internal control systems.

There are a number of key areas that are specifically reserved for the decision of the Board. Other matters, including the day to day management of the Group, may be delegated to the ExCo. Although a wide range of the Board's powers and authorities are delegated to the CEO, the Board retains ultimate responsibility and authority for their exercise.

Biographies for each Director can be found on [pages 58 to 59](#)

Information about the division of responsibilities across Board roles can be found on [page 70](#)

Informing

Reporting

## Board Committees

The Board delegates specific areas of focus to its Committees. Committee members have the requisite skills and experience to enable the Committee to deep dive into certain topics of importance on behalf of the Board.

The Chair of each Committee formally reports to the Board at every meeting, demonstrating accountability for the recommendations made by the Committee to the Board and ensuring that the Board retains suitable oversight of the matters delegated to its Committees.

### Audit Committee

- › Reviews the integrity of the financial statements and related announcements.
- › Monitors the adequacy and effectiveness of the Group's risk management and internal control framework.
- › Maintains and manages the relationship with the Internal and External Auditors, including monitoring their performance and reappointment.
- › Reviews whistleblowing arrangements and any reports arising.

Read more about the Audit Committee on [pages 83 to 90](#)

### Nomination Committee

- › Reviews succession plans for the Board, its Committees and the ExCo, considering structure, size, composition and diversity.
- › Develops a formal, rigorous and transparent procedure for making recommendations on appointments to the Board.
- › Ensures that the Board has the appropriate knowledge, skills and experience to operate effectively and deliver the Group's strategy.

Read more about the Nomination Committee on [pages 76 to 80](#)

### Remuneration Committee

- › Reviews the strategy and policy in relation to terms and conditions of engagement of the Chair, the Executive Directors, Group Company Secretary and other members of the ExCo.
- › Determines the remuneration of the Chair, Executive Directors, Group Company Secretary and other members of the ExCo.
- › Reviews workforce remuneration-related policies and practices.

Read more about the Remuneration Committee on [pages 91 to 110](#)



## Governance framework continued

### Board Committees

#### Sustainability Committee

- › Oversees the strategies, policies and performance of the Group in relation to matters encompassing environment, social and governance.
- › Reviews the environmental and social impact of the Group's operations.
- › Ensures that appropriate frameworks are put in place to maintain good governance of the Group's operation of sustainability matters and that key stakeholders remain actively engaged.

› Read more about the Sustainability Committee on [pages 81 to 82](#)

#### Disclosure Committee

Advises the Board to ensure the timely and accurate disclosure of price-sensitive information that is required to be disclosed to meet legal and regulatory obligations and requirements.



### Executive Committee ('ExCo')

Responsibility for the development and implementation of the Group's strategy and overall commercial objectives rests with the CEO, who is supported by the ExCo. The ExCo oversees the steering committees and working groups needed at an operational level to achieve delivery of the strategy. The CEO, Interim CFO and other members of the ExCo are responsible for providing updates on matters at Board meetings. Formal meetings are held on a monthly basis with weekly catch-up calls diarised to ensure all appropriate matters receive time and consideration by this group.

**Joe Hudson BA (Hons), FCIPD**  
Chief Executive Officer

Joined the business in January 2018 (appointed CEO in April 2018)

**Simon Bedford BSc, MBA, FCA**  
Interim Chief Financial Officer

Joined the business in June 2020 as Group Financial Controller (appointed Interim CFO in October 2025)

**Nick Giles MA, FCG**  
Group Company Secretary and Compliance Officer

Joined the business in July 2024

**Chris Murray BSc, MSc, MBA**  
Managing Director – Clay and Concrete

Joined the business in November 2023

**Andrew Shepherd**  
Managing Director – Innovation and Growth

Joined the business in July 2024

› Biographies for each member of the ExCo can be found on our website.



### Operational and Functional Leadership

Responsibility for the day to day operations and functional management of the business.

## Corporate Governance Statement

### Compliance with the UK Corporate Governance Code 2024 ('Code')

The version of the Corporate Governance Code applicable to this Annual Report is the Code issued by the Financial Reporting Council ('FRC') in January 2024. This Statement explains how we have applied the principles of the Code and confirms compliance with its provisions for the financial year ended 31 December 2025.

The principles set out in the Code emphasise the value of good corporate governance to the long-term sustainable success of listed companies. These principles, and the supporting provisions, cover five broad themes and the Board is responsible for ensuring that the Company has appropriate frameworks in place to comply with the requirements of the Code.

Through their work, the Board and Committees uphold the provisions of the Code, and the Board confirms that, during the year ended 31 December 2025, the Company has fully applied the principles of good governance and has been compliant with the provisions of the Code.

The full wording of the Code is available on the FRC's website at [www.frc.org.uk](http://www.frc.org.uk).

## Application of the Code principles

### Board leadership and company purpose

The Board is collectively responsible for the effective and entrepreneurial leadership of the Company in order to ensure its long-term sustainable success, including the generation of value for Ibstock's shareholders and society as a whole.

It achieves this by doing business that is consistent with its purpose, vision and values whilst remaining clear on the interests of its key stakeholders as well as its impacts on the environment.

Information on how the Board led the Company, establishing and overseeing the purpose, values, strategy and integration of culture, ensuring that necessary resources are in place and that stakeholder engagement was effective, can be found throughout the Strategic Report.

- > The role of the Board is set out in the Governance Report from [page 63](#).
- > The Chair's Introduction to the Governance Report can be found on [page 55](#).
- > An overview of the Company's purpose and values is set out on [page 20](#).
- > The Company's strategy and performance against KPIs can be found on [pages 20 to 25](#).
- > How the Board oversees the Company's strategy is detailed on [pages 60 to 61](#).
- > How the Board engages with stakeholders is detailed on [pages 35 to 38](#).
- > The Board's Section 172(1) Statement is included on [page 34](#).
- > A list of Group policies and practices can be found on [page 47](#).

### Division of responsibilities

The governance framework set out on pages 60 to 61 provides an overview of the Board Committees in place.

Further details of each Committee are provided in the respective Committee reports and a table setting out attendance at meetings during the year can be found on page 56.

The division of responsibilities between the Chair and CEO is clearly defined on page 70 and set out in writing. The Board fully supports the separation of these two roles.

### Composition, succession and evaluation

Details about the composition of the Board, along with individual Board member biographies and tenure, are on pages 56 to 59.

- > The outputs of this year's internal Board Performance Review are set out on [page 73](#).

The Nominations Committee Report can be found on pages 76 to 80 and provides information on the Committee's work this year, including Board succession planning and the process for appointments.

### Audit, risk and internal control

The Board confirms that it has carried out a robust assessment of the emerging and principal risks facing the Group (including those that would threaten the business model, future performance, solvency, liquidity or reputation), its appetite with respect to those risks and the systems required to mitigate and manage them.

Details on the review process are set out on pages 74 to 75 and further details on the emerging and principal risks and uncertainties can be found on pages 48 to 52.

- > Climate-related financial disclosures are set out on [pages 178 to 191](#).

The Audit Committee Report, set out on pages 83 to 90, provides details of the Committee's review of the Company's risk and control environment, the fair, balanced and understandable process, and its responsibilities relating to Internal and External Audit, including how the Committee met the FRC's Minimum Standard in relation to the External Audit.

### Remuneration

The Directors' Remuneration Report, on pages 91 to 110, contains information on the Company's Remuneration Policy as well as its application in 2025 and for the coming financial year.

## Board leadership and company purpose

# Strong leadership with purpose



### An effective Board

The Board is collectively responsible for the effective and entrepreneurial leadership of the Group in order to ensure its long-term sustainable success including the generation of value for Ibstock's shareholders and society as a whole. It achieves this by doing business that is consistent with its purpose, vision and values whilst remaining clear on the interests of its key stakeholders as well as its impacts on the environment. Each member of the Board acts in a way which they consider to be in the best long-term interests of the Group and in compliance with their duties under Sections 170 to 177 of the Companies Act 2006. Both the Section 172(1) Statement and the stakeholder engagement section on pages 35 to 38 provide further information. The activities

of the Board on pages 66 to 69 also set out which stakeholder groups were considered as part of different agenda items during the year.

Shareholders look to the Board for the successful delivery of the Group's strategy and financial performance, so the Board has established a framework of prudent and effective controls that enable risk to be assessed and managed. More information on the risk management and risk control framework can be found in the principal risks and uncertainties section on page 48 and the audit, risk and internal control section on pages 74 to 75. On a regular basis, we review our level of oversight and monitor risks over a variety of areas, including strategy, acquisitions and disposals, capital expenditure on new projects, finance, people, and sustainability matters.

### Board governance

Board authorities are clearly documented in the Articles of Association and Schedule of Matters Reserved to the Board.

All of these documents are available on our website, [www.ibstock.co.uk](http://www.ibstock.co.uk), along with Terms of Reference for each of the Board Committees and specific Board roles, and the biographies of individual Board members.

### Board independence

The independence of the Board is a matter of utmost importance given the vital role Non-Executive Directors play in scrutinising the performance of management and holding individual Executive Directors to account against agreed performance objectives. The Chair will hold meetings with Non-Executive Directors without the Executive Directors or any management present as required, and Non-Executive Directors can obtain independent professional advice, at the Company's expense, in the performance of their duties.

All Directors have access to the advice and services of the Group Company Secretary, whose appointment and removal are matters reserved for the Board.

The independence of the Non-Executive Directors is formally reviewed by the Nomination Committee on an annual basis, and as part of the Board Performance Review. Particular focus is applied to Directors who have served over six years on the Board to ensure that these Directors continue to demonstrate independent character, judgement and objectivity. This is assessed by considering a number of factors including, but not limited to, the Director's:

- › ability and willingness to make objective decisions and hold management to account;
- › demonstration of independence through participation at meetings with management and interactions with stakeholders;
- › arm's-length approach to dealing with Executive Directors and continued challenge of management where appropriate; and
- › external directorship appointments and whether these conflict, or have the potential to cause a conflict, with the Company.

Following this year's review, the Nomination Committee and Board concluded that all the Non-Executive Directors continue to remain independent in character and judgement and are free from any business or other relationships that could materially affect the exercise of their judgement. Read more in the Nomination Committee Report on pages 76 to 80.

## Board leadership and company purpose continued

### Conflicts of interest

A register of conflicts of interest is maintained by the Group Company Secretary and is considered by the Board twice a year. The Company's Articles of Association, which are in line with the Companies Act 2006, allow the Board to authorise potential conflicts of interest that may arise and to impose limits or conditions, as appropriate, when giving such authorisation. During the year, and as at the date of this report, apart from those relating to directorships of other companies, no conflicts had been reported to the Board.

The Board is content with the level of external directorships held by the Chair and the Independent Non-Executive Directors, as these do not impact on the time that any Director devotes to the Company. The Board is satisfied that Directors have sufficient time to perform their duties and, furthermore, the Board believes that this external experience serves to enhance the capability of the Board.

Any concerns of the Directors around the operation of the Board or the management of the Company, and that cannot be resolved, are recorded in the Board minutes. Directors are asked to provide a written statement to the Chair for circulation to the Board should they have such concerns when they resign from the Board.

### Schedule of Matters Reserved to the Board

To ensure the Board maintains oversight of the areas material to the delivery of the Group's strategy and purpose, the Board undertakes an annual review of the Matters Reserved to the Board. The latest review took place in December 2025 and the Board agreed that the Schedule contained areas appropriate to require Board

involvement, including in relation to strategy, structure and capital, financial reporting, controls and communication with stakeholders. The Board also reviews its skills matrix to determine whether any additional skills or development opportunities are needed in order for the Board to discharge its duties effectively.

### Our purpose, values and culture

The construction industry plays a vital part in the UK economy. Ibstock has a clear and simple purpose to be at the heart of building and enable the construction of homes and spaces that help people live better lives with its range of innovative clay and concrete building products as we have been doing for over 200 years. We have a strategy that is informed by our purpose and aligned with a responsible business ambition underpinned by a culture that is defined by our core values of Trust, Care, Teamwork and Courage. Strategy sessions form part of the annual Board cycle that is prepared by the Chair, CEO and Group Company Secretary.

The Board aims to ensure that Ibstock's values are integrated into decision-making and that all policies and procedures are consistent with and support our culture. Where behaviour is not aligned with these values, the Board and management seek to ensure that appropriate action is taken. The Board has not needed to seek corrective action during 2025.

 [Read more about how the Board assesses culture in order to satisfy itself that our culture is aligned with our purpose, values and strategy on page 69](#)

### Strategy

Responsibility to all our stakeholders for the approval and delivery of the Group's strategy and for creating and overseeing the framework to support its delivery sits with the Board. During the year, the Board monitored the implementation of the Group's corporate strategy through consideration of standing strategic items at every Board meeting and an annual Strategy Day held with the ExCo, to help consider the strategic direction of the Group for the short, medium and long term.

The development and implementation of the Group's strategy and overall commercial objectives rests with the CEO, who is supported by the ExCo.

### Stakeholder engagement

The Board recognises the value of maintaining close relationships with all of its stakeholders, understanding their views and the importance of these relationships in delivering our strategy and the Group's purpose.

it ensures that there is effective engagement with all stakeholders and encourages two-way dialogue so that decisions made by the Board take these views and any potential impacts into account.

Engagement with all stakeholder groups ensures that the Board has a good understanding of their interests and the importance and value of each relative to the Group's business and strategy.

An overview of the Group's key stakeholders, including a summary of the methods of engagement and information on how their interests have been taken into account in Board decision-making, can be found on pages 35 to 38 of the Strategic Report.

Our Section 172(1) Statement on page 34 provides further insight into how the Board considers and contemplates the interests of stakeholders.

### Shareholder engagement

Throughout the year, the Board engaged with Ibstock shareholders through dedicated investor meetings and investor visits including, as part of the Group's annual financial calendar, the CEO and CFO meetings with analysts and investors following the announcement of the full-year and half-year results. Other meetings are arranged as and when requested. During the 2025 financial year, we held over 120 meetings with groups of existing and potential investors.

In addition to this formal interaction, investors meet with the Chair and other members of the Board on a more individual basis. The Chair seeks regular engagement with major shareholders in order to understand their views on governance and performance against the Group's strategy, whilst the Committee Chairs also engage on significant matters related to their area of responsibility. The SID was available to shareholders throughout the year should they have had any concerns that contact through the normal channels had failed to resolve or for which such contact is inappropriate. No such issues were raised through contact with the SID during 2025.

## Board leadership and company purpose continued

### Shareholder engagement continued

The Chair ensures that the whole of the Board has a clear understanding of the views of shareholders. There is an effective flow of communication between the Board and all shareholders, particularly with regard to business developments and financial results.

The Company's brokers prepare reports that provide anonymised objective feedback received from investors following meetings with management. The reports are shared with all members of the Board, who act upon the feedback as necessary. The CEO also provides feedback at Board meetings on their conversations with investors, which provides an opportunity for all Non-Executive Directors to develop a better understanding of the views of our major shareholders.

 Further information on engagement with shareholders can be found in the stakeholder engagement section on pages 35 to 38

### Whistleblowing

Although the Audit Committee reviews the operation of Ibstock's whistleblowing arrangements, the Board retains responsibility and receives a consolidated report setting out those material incidents that have been reported under the Company's Whistleblowing Policy on a half-yearly basis. This provides appropriate oversight of the arrangements in place for our employees to raise legitimate concerns, in confidence, about any matter including those related to financial reporting, health and safety or other improper conduct. Having reviewed these reports, the Board concurred with the actions taken by management and was satisfied that this provided an appropriate level of assurance that confirmed the system was working and that all members of the workforce were familiar with the procedures in place.

### Annual Report

Our Annual Report is available to all shareholders, who can opt to receive a hard copy in the post, a PDF copy via email, or download a copy from our website. We aim to make the document as accessible as possible and welcome feedback on all of our reports.

In line with our sustainability ethos, we encourage you to view a digital copy of our Annual Report where possible. However, if you require a hard copy of the Annual Report, please contact the Group Company Secretary.

### Annual General Meeting ('AGM')

Our 2025 AGM was held on 15 May 2025, at which 78% of our shareholders (by voting capital) voted either in person, through the Chair of the AGM as their proxy, or by submitting their proxy forms electronically or by post. We were delighted to receive in excess of 94% votes in favour for all of our resolutions, including in relation to the Directors' Remuneration Policy.

Ibstock's 2026 AGM will be held on 21 May 2026 at 54 Hatton Garden, London, EC1N 8HN.

Any shareholder who wishes to ask a question can do so in advance of the meeting. Please email [company.secretariat@ibstock.co.uk](mailto:company.secretariat@ibstock.co.uk) with any questions prior to the start of the AGM. We endeavour to answer as many questions as possible and will respond by email if we are unable to answer your question during the meeting.

Details of the arrangements together with the resolutions to be proposed at the AGM can be found in the Notice of Meeting ('Notice'). The Notice, together with explanatory notes on the resolutions to be proposed and full details of the deadlines for appointing proxies, is provided to all shareholders at least 20 working days before the AGM, together with this Annual Report. The Notice and the Annual Report are also available on our website at [www.ibstock.co.uk](http://www.ibstock.co.uk). Results of voting at the AGM are announced to the London Stock Exchange following the meeting and are then published on the Company's website.

Shareholders and other stakeholders are asked to note that the Board is considering holding the AGM from 2027 at the head office location in Ibstock, Leicestershire, LE67 6HS.

### Corporate website

The Company's corporate website has a dedicated investor section with Company information and results, our Annual Reports, results presentations (including webcasts) and an investor news section, including information that may be of interest to our shareholders. We continually monitor our website, [www.ibstock.co.uk](http://www.ibstock.co.uk), to ensure it is accessible for our stakeholders.

 [Read more on our website  
www.ibstock.co.uk/investors](http://www.ibstock.co.uk/investors)

## Board activities

# Strength through clear and balanced agendas

**The Board recognises the value of maintaining close relationships with its stakeholders, understanding their views and the importance of these relationships in delivering the Group's strategy and purpose. The Group's key stakeholders and their differing perspectives are taken into account as part of the Board's discussions. You can read more in the stakeholder engagement section and our Section 172(1) Statement on pages 34 to 38.**

These pages offer an overview of the various matters discussed by the Board at its meetings and, whilst not intended to present an exhaustive list of every item considered by the Board, this information provides valuable insight into the nature and substance of the discussions that take place in the boardroom and highlights how activities remain focused on delivering our strategy.

### Board meetings

The Board meets formally at least seven times a year, with at least two Board meetings held at or near Group locations across the country. During 2025, the Board held meetings at Nostell and Weeford, which gave the Directors an opportunity to meet with employees and experience the Group's culture first hand.

Board meetings are structured around a clear, carefully tailored agenda that is agreed upon in advance by the Chair, CEO and Group Company Secretary to ensure the efficient and effective use of the Board's time. This agenda balances standing elements, such as mandatory reviews of health, safety and environmental performance, operational performance, financial performance and governance, legal and compliance updates, with the flexibility to add evolving matters as needed.

The Board is committed to a comprehensive meeting schedule and is supported by the Group Company Secretary, who facilitates this process by providing full, timely information and ensuring compliance with all procedures. This structure ensures sufficient challenge and contribution from all Directors, who also have the right to seek independent professional advice at the Group's expense if necessary to discharge their responsibilities.

 Details of the Directors' attendance at the scheduled meetings during the year can be found on [page 56](#)

### Section 172(1) approach

The needs of our different stakeholders as well as the consequences of any decision in the long term are well considered by the Board. This includes those decisions that involve the competing interests and priorities of our key stakeholders. We remain clear on the overriding duty to promote the success of the Company, which is placed on the Board and other senior managers within the Group and that conflicts between differing interests can often arise.

It is acknowledged that it is not possible for all of the Board's decisions to result in a positive outcome for every stakeholder group. When making decisions, the Board considers the Company's purpose, vision and values, together with its strategic priorities, and takes account of its role as a responsible business. By doing this, the aim is to ensure that decisions are robust, sustainable and drive long-term success for the Company.

Examples of Board activity during the year can be found on the following pages. All of these areas involve a range of inputs from stakeholders, which are communicated to the Board in a variety of different ways. When making each decision, the Board carefully considered how it impacted the success of the Group, its long-term (financial and non-financial) impact and had due regard to the other matters set out in Section 172(1)(a) to (f) of the Companies Act 2006.

 [Read our Section 172\(1\) Statement on page 34](#)

## Board activities continued

### Strategy and growth

Link to strategic pillars:



Against a backdrop of slower than expected market recovery, the Board spent a considerable amount of time during 2025 discussing future plans to ensure the Group remained in the best position to deliver long-term success of the business for its shareholders and wide range of stakeholders.

At the dedicated Strategy Meeting, the Board received a series of presentations from the ExCo, members of senior management and external advisers. Topics considered included the market and economic environment, the competitive landscape and the broader pipeline for corporate developments, alongside a review of the existing strategy and progress against targets previously set.

The outputs of the discussions fed into the strategic plan, which was subsequently presented by the CEO and Interim CFO for the Board to review and challenge, before making a decision as to whether it should be adopted for 2026.

#### Stakeholders considered:

- › Investors – positive performance against strategy to ensure business resilience.
- › Customers – continued provision of high-quality products.
- › Employees – ensuring the workforce has the right skills to deliver the strategic plan.
- › Communities – the impact of our operations on the local environment.
- › Government and regulators – developing a strategy that complies with all relevant regulations.

#### Key decisions made:

- › Approved the disposal of the Roofing business and certain other assets to strengthen the Company balance sheet.

### Financial

Link to strategic pillars:



The Board receives a wealth of financial data on the Group's trading and financial position for historic periods, as well as forward-looking forecast and budgets.

The Board reviewed the draft 2026 budget presented by management and challenged the assumptions that had been used in its formation. Action was taken to address the Board's comments prior to a subsequent version of the 2026 budget being tabled for approval.

Longer-term plans and information on the Group's banking relationships and shareholders is also provided to the Board on a regular basis.

During the year, the Board oversaw the planned refinancing of the Group's existing debt facilities, which involved considering key factors such as quantum, tenor, syndicate composition and timing. The Board reviewed the indicative terms before agreeing to proceed with any renewal.

The Board is conscious of the importance of the ordinary dividend as an income stream for many of our shareholders and, taking into account the financial position of the Company and underpinned by the continued confidence in the financial strengths and prospects of the business, the Directors decided that it was appropriate to pay interim and final dividends totalling 3.0 pence per share. The Board keeps the dividend policy under review to ensure that it remains appropriate and continues to be in the interests of the Company's other stakeholders.

#### Stakeholders considered:

- › Investors – return on investment and continued viability of the Group.
- › Employees – many employees or past-employees are also shareholders.
- › Government and regulators – ensuring we pay the correct amount of tax and continue to operate in line with our Tax Strategy Statement.
- › Defined Benefit Pension fund members and Trustees – potential impacts on the long-term security of the pension fund.

#### Key decisions made:

- › Approved the refinancing arrangements for the £125 million Revolving Credit Facility.
- › Approved the interim dividend and recommended the final dividend to shareholders.
- › Approved the Viability Statement and Going Concern Statement. Read more on pages 53 to 54.
- › Approved the Group's Tax Strategy Statement.
- › Approved the proposed reappointment of Deloitte as External Auditor, following a tender process.

#### Strategic pillars



Sustain



Innovation



Growth



Board activities continued

## Risk management and internal control

Following a detailed review by the Audit Committee, the Board reviews the Group’s approach to risk management, its risk appetite and the principal risks and uncertainties twice a year.

With guidance from the Audit Committee, the Board reviews the internal risk management framework and internal controls.

The Board and its Committees receive deep dives into areas of principal and emerging risks and, during the year, these covered topics including cyber security and tax.

**Stakeholders considered:**

- › Investors – assurance that the business is aware of and can mitigate the impact of potential risks.
- › Employees – colleagues play a vital role in maintaining an effective internal control framework within the business.

**Key decisions made:**

- › Approved the principal risks and statement on risk management and internal controls to be included within the Annual Report.

Link to strategic pillars:



## Governance and compliance

As part of its succession planning arrangements, the Board appointed Richard Akers as Non-Executive Director and Chair Designate ahead of Jonathan Nicholls’ retirement at the end of the AGM in May 2025.

Formal updates on governance are provided by the Group’s advisers, and the Board receives updates on other major legal, governance or compliance developments at each meeting through the Group Company Secretary.

An internal Board Performance Review was undertaken during the year. The Chair presented a report to the Board setting out the findings and a number of minor recommendations. The Board discussed the report and agreed an action plan, which is being closely monitored. Read more on page 73.

The Board and Audit Committee approved a proposal to refresh the governance and compliance framework, to ensure the Group continued to meet its obligations in the future and support colleagues in fulfilling their roles. The Board received updates on this proposed new framework and its implementation across the Group, approving related policies where required.

**Stakeholders considered:**

- › Investors – strong and skilled leadership team to run the Group and safeguard the investments made.
- › Customers – dealing with a business that is managed with integrity and demonstrates ethical behaviour.
- › Government and regulators – good governance practices in place to support compliance with listed company requirements such as transparent reporting.

**Key decisions made:**

- › Approved the appointment of Richard Akers as Non-Executive Director and Chair Designate.
- › Approved the action plan to address recommendations arising from the 2025 Board Performance Review.
- › Approved a suite of governance policies and documentation including a Governance Manual, the Schedule of Matters Reserved to the Board, Terms of Reference for the Committees, Chair, CEO and CFO and the delegation of authority.

Link to strategic pillars:



Strategic pillars



Sustain



Innovation



Growth

## Board activities continued

### Culture

#### Why does culture matter to the Board?

All Directors are expected to act with integrity, lead by example and promote the desired culture that will enable us to achieve our purpose, live by our values and deliver our strategy.

Culture drives effective thinking, behaviour and action, and supports inclusion where colleagues collaborate to foster the long-term success of our business and the best possible outcomes for our stakeholders, both now and in the future.

It is therefore crucial that culture is aligned with our purpose, values and strategy.

Culture is underpinned by our Code of Business Conduct and is continually assessed by the Board through a number of activities.

#### How does the Board assess culture to ensure it is aligned with our purpose, values and strategy, and that it has been embedded throughout the Group?

The Board spends a significant amount of time engaged in activities that provide insight into the Group's culture. Through this engagement with our people, the Board can observe how the culture is established throughout the Group, aligned across teams and demonstrated by each and every colleague.

#### Employee voice

The Listening Post, an employee forum comprising members of the Board, the CEO and employee representatives, is our chosen method of engagement with the workforce. Whilst not one of the methods set out in the Code, the Listening Post is a combination of being a workforce advisory panel with Non-Executive Director representation.

Directors who have attended the Listening Post provide feedback at the next Board meeting on what was discussed by and heard from colleagues.

The Board receives feedback from the workforce on the various Group-wide initiatives in place to enable two-way inclusive dialogue and facilitate open and effective communication. The Board uses this information to satisfy itself that these well-established communication and engagement mechanisms remain effective and well utilised and cover the full breadth of the business.

#### Employee engagement survey

The Board reviews the results of the employee engagement survey and receives data on how engaged our workforce is compared to our peers and how the Group's values link to our purpose and affect colleague behaviours.

The Board places great importance on understanding the strengths and opportunities identified by colleagues, and actions arising from survey results are monitored through to completion.

#### Employee attendance at meetings

Colleagues are invited to attend Board and Committee meetings and strategy sessions to discuss their reports and deliver presentations when appropriate. This allows the Board to interact directly with colleagues to share thoughts and pose questions on the colleagues' areas of expertise.

#### Site visits

Directors frequently undertake site visits to gain further insight into our culture and meet colleagues whilst observing the Group's operations in action.

These site visits provide the opportunity to observe the commitment and dedication of our people, whilst also increasing the Board's understanding of how the systems and processes we have in place support our workforce to deliver consistent operational performance.

Directors are able to draw on their experiences observed first hand as part of their discussions on culture.



Richard Akers talks with colleagues on site

#### e-learning

Under the enhanced governance and compliance framework, Board members will complete the same mandatory e-learning modules as colleagues, covering topics including our Code of Business Conduct, anti-bribery, anti-fraud and competition law policies.

#### Health, safety and environment ('HSE')

HSE is a crucial part of the Group's culture, and every meeting starts with a 'Safety Share' for anyone present to share important learnings or reminders.

This is also true of Board meetings, with a detailed update on HSE provided at the beginning of every Board agenda covering progress relative to targets, updates on new projects and initiatives, and analysis of any incidents. This allows the Board to monitor the development and implementation of initiatives to improve safety as well as the Group's progress in completing safety actions.

Content of Board reports is reinforced through Director attendance at the Listening Post and during factory visits, which provide opportunities for individual Directors to receive feedback first hand on the HSE culture. Directors are also invited to attend Safe Start sessions held across our sites every January.

The CEO and senior leaders continuously monitor the Group's safety performance, starting all internal communications with a focus on driving HSE prioritisation throughout the Group. The Group recognises factories that meet key milestone dates.

As part of the Board's plans for 2026, each member of the Board will be asked to conduct one HSE specific site visit during the year.

#### Workforce policies and practices

The Remuneration Committee and Board review, at least annually, the wider workforce policies and practices to ensure they remain consistent with the Group's values and support its long-term sustainable success in light of its obligations under the Code.

Read more about how we invest in and reward our people on page 46 and in the Directors' Remuneration Report from page 91.

## Division of responsibilities

# Strength and clarity

There are clear divisions of responsibility within the governance framework, including those between the Executive and Non-Executive Directors. This ensures accountability, oversight and constructive challenge.

**Chair**

Richard Akers

The Chair is responsible for the leadership and effectiveness of the Board. The Chair, with the assistance of the CEO and the Group Company Secretary, sets the agenda for Board meetings, manages the meetings (in conjunction with the Group Company Secretary) and facilitates open and constructive dialogue during those meetings. The Chair may also hold meetings with the Non-Executive Directors without the CEO and Interim CFO being present.

**Chief Executive Officer ('CEO')**

Joe Hudson

The CEO has specific responsibility for recommending the Group's strategy to the Board and for delivering the strategy once approved. In undertaking such responsibilities, he is supported by the ExCo and other colleagues. The CEO and Interim CFO monitor the Group's operating and financial results and direct the day to day business of the Group. The CEO is also responsible for the recruitment, leadership and development of the ExCo.

**Independent Non-Executive Directors**Peju Adebajo  
Nicola Bruce  
Claire Hawkings  
Justin Read

The Non-Executive Directors provide an external perspective, sound judgement and objectivity to the Board's deliberations and decision-making. With their diverse range of skills and expertise, they support and constructively challenge the Executive Directors and monitor and scrutinise the Group's performance against agreed goals and objectives. The Non-Executive Directors are also responsible for determining appropriate levels of Executive remuneration, appointing and removing Executive Directors, and succession planning through their membership of the Remuneration and Nomination Committees. The Non-Executive Directors together with the Chair meet regularly without any Executive Directors being present.

**Senior Independent Director ('SID')**

Louis Eperjesi

The SID provides advice to the Chair and serves as an intermediary for the other Directors and shareholders. The Non-Executive Directors meet without the Chair present at least annually to appraise the Chair's performance, and on other occasions as necessary.

**Chief Financial Officer ('CFO')**Simon Bedford  
(Interim CFO)

The Interim CFO is responsible for the financial matters in the Group. He supports the CEO in the achievement of the Group's strategic objectives and manages the relationships with Ibstock's investors and analysts. Further information can be found in the Group Financial Review on pages 29 to 33.

**Group Company Secretary**

Nick Giles

The Group Company Secretary supports and works closely with the Chair, the CEO and the Chairs of the Board Committees in setting agendas for meetings of the Board and its Committees. He ensures accurate, timely and clear information flows to and from the Board and the Board Committees, and between Directors and senior management. In addition, he supports the Chair in designing and delivering Directors' induction programmes, the Board and Committee performance evaluations and advises the Board on corporate governance matters and Board procedures, and is responsible for administering the Share Dealing Code and the AGM.

The Directors of all Group companies, as well as the Board, have access to the advice and services of the Group Company Secretary, although independent external legal and professional advice can also be taken when necessary to do so. Furthermore, each Committee of the Board has access to sufficient and tailored resources to carry out its duties. The appointment and the removal of the Group Company Secretary is a matter for the Board as a whole.

Scan the QR code below to view the Terms of Reference for key Board roles  
[www.ibstock.co.uk/investors/corporate-governance](http://www.ibstock.co.uk/investors/corporate-governance)





## Composition, succession and evaluation

# Strength in our people

### Board composition

At the year end, our Board comprised the Chair (who was considered independent on appointment), five Independent Non-Executive Directors and one Executive Director, and this remains the case as at the date of this report.

The Board and its Committees benefit from a combination of skills, experience and knowledge drawn from across several industries and functional roles. Appointment dates and the range of skills and experience of each Director can be found in their individual biographies on pages 58 to 59.

The Chair, SID and Non-Executive Directors are each appointed for a three-year term, subject to annual re-election by shareholders following consideration of the annual Board Performance Review outputs. Directors serving over six years on the Board are subject to a particularly rigorous review.

The composition and effectiveness of the Board and its Committees are subject to regular review by the Nomination Committee, which considers the balance of skills, tenure, experience and independence of the Board, in accordance with the Board Diversity Policy, which is available on our website at [www.ibstock.co.uk](http://www.ibstock.co.uk).

The Nomination Committee leads the process for the appointment of new Directors to the Board. Appointments are made on merit and measured against objective criteria set with regard to the benefits of a diversified Board. Proposed appointments result from a formal, rigorous and transparent procedure, with the final decision on any appointment remaining a matter reserved for the Board.

 Further information on the work of the Nomination Committee can be found on [pages 76 to 80](#)

### Directors' skills and experience

An effective Board requires the right mix of skills and experience and, as can be seen from the individual biographies and the Board skills matrix on page 56, our Directors contribute a diverse range of backgrounds, skill sets and experience that, combined together, produce an effective team, focused on promoting the long-term success of the Group.

The skills matrix is reviewed to ensure that the right balance of skills and experience is in place to enable the effective oversight of the Company and execution of our strategy.

The balance of skills and experience ensures that no one individual or small group of individuals dominates the Board's decision-making processes. The Board and Nomination Committee also review Committee membership annually to ensure that undue reliance is not placed on individuals.

All Directors, with the exception of Justin Read, who will step down from his role at the conclusion of the AGM, intend to submit themselves for re-election at the 2026 AGM. The Notice of Meeting sets out the reasons why the Board considers the Directors' respective contributions continue to be important to the Company's long-term sustainable success.

### Diversity

A diverse organisation benefits from differences in skills, regional and industry experience, background, ethnicity, gender, sexual orientation, religion, belief and age, as well as culture and personality.

The Board remains focused on promoting broader diversity and creating an inclusive culture across the organisation, including on the Board itself. More details about the Board Diversity Policy and performance against its targets in relation to membership of the Board and its Committees can be found in the Nomination Committee Report.

### Development, training and resources

The environment in which we operate is continually changing. It is therefore important that our Executive and Non-Executive Directors remain aware of recent, and upcoming, developments and keep their knowledge and skills up to date, so the Board continues to operate effectively and support delivery of our long-term strategy.

The Board as a whole, and Directors individually, are able to discuss training topics with the Chair and the Group Company Secretary, and additional training is made available to members of the Board in accordance with their requirements.

The Nomination Committee reviews the training requirements of the Board and agrees upon a suitable regime for training and information flows to enable the Directors to satisfy their training and development needs. Information provided to the Board during the year included updates on developments relating to corporate governance and sustainability, the regulatory framework and accounting matters.

The Chair and the Group Company Secretary continue to identify broader areas of training for the Board as a whole and the Chair discusses and agrees training opportunities with individual Directors as required.

## Composition, succession and evaluation continued

### Development, training and resources continued

Directors may, at the Company's expense, take independent professional advice and are encouraged to continually update their professional skills and develop further knowledge of the business. As required, we invite professional advisers and subject matter experts to provide in-depth updates.

Directors also have access to our online Reading Room, which is continually reviewed and updated. This library of information includes governance documents, training and development content, a reports and announcements section, investor information and copies of analyst reports. It also contains a further reading section that covers updates and guidance on changes to legislation and corporate governance best practice.

### Succession

Along with ensuring an appropriate mix of skills and experiences, the composition of the Board is also informed by the need for orderly succession for Board and Committee roles.

The Board and the Nomination Committee spent a significant amount of time considering Board composition during the course of the year.

This was key in developing the specification for Board recruitment activity that was required during the year.

As announced on 25 March 2025, Jonathan Nicholls retired from the Board following the conclusion of the AGM on 15 May 2025 having served his maximum term of office. Following the completion of the process to recruit a successor, Richard Akers was appointed as an Independent Non-Executive Director on

5 May 2025 and assumed the role of Chair on 15 May 2025. Jonathan Nicholls, as outgoing Chair, was not involved in the appointment of his successor.

Chris McLeish left the Group in October 2025 and Simon Bedford was appointed Interim CFO until the appointment of a permanent successor. This process, whilst ongoing, is nearing completion.

 Further detail can be found in the Nomination Committee Report on [pages 76 to 80](#)

### Induction

All new Directors receive a detailed, tailored induction programme upon joining the Board. This includes one-to-one meetings with the Chair and each of the existing Non-Executive Directors. One-to-one meetings are also arranged with the Executive Directors and the Group Company Secretary, along with other members of the ExCo and senior management. New Directors also meet members of the operational teams and visit key sites to ensure they gain a detailed understanding of our businesses and have a chance to experience our culture first hand.

Read about Richard Akers' induction opposite.

### Evaluation

Our annual Board Performance Review provides the Board and its Committees with an opportunity to consider and reflect on its effectiveness, including the quality of its decision-making, its strategic contribution and its oversight of culture. The review also provides dedicated time for individual Directors to consider their own input and performance.

## Richard Akers' induction

We welcomed Richard to the Board on 5 May 2025, and his extensive induction programme comprised a number of activities covering a range of areas across the business.

**Introductory meetings** were held in the first few days and weeks to ensure that Richard was able to gain a real understanding of our purpose, values, culture and strategy, along with our core business activities.

- › CEO, CFO, Group Company Secretary and other ExCo members
- › Internal Auditor
- › External Auditor
- › Remuneration consultants
- › Financial advisers and brokers

**Deep dive sessions** were arranged to enable Richard to explore in detail key areas of focus.

- › Internal controls
- › Risk management
- › Governance and compliance
- › Operational performance and KPIs
- › Financial performance and business plan
- › Investor relations

Richard undertook a number of **site visits** to observe the Group's operations in action and meet colleagues to gain further insight into our culture and enhance his understanding of the organisation as a whole.

- › Atlas Factory, Aldridge, West Midlands
- › Nostell Factory, West Yorkshire
- › Forticrete, Leighton Buzzard, Bedfordshire
- › Eclipse and Cebastone Factories, Ibstock, Leicestershire
- › Coltman Factory, West Midlands
- › Throckley and Birtley, Northumberland
- › Cattybrook, Gloucestershire

An open invitation was also extended to all members of the Board to attend these visits.



Richard Akers receives a demonstration of operations

## Composition, succession and evaluation continued

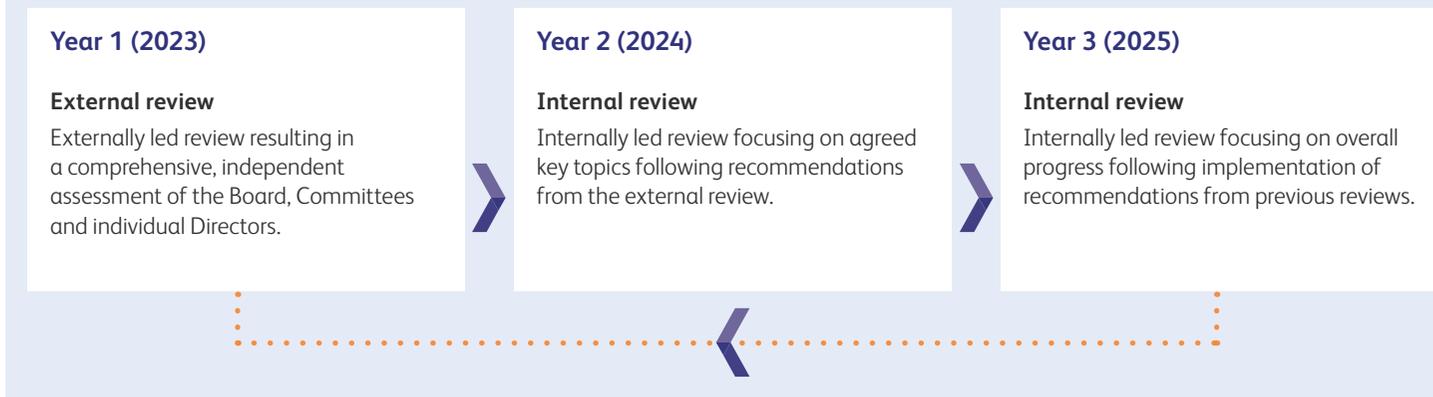
### Evaluation continued

In consideration of the FRC’s Guidance on Board Effectiveness and the Chartered Governance Institute’s Principles of Good Practice relating to external reviews, the Board has adopted a three-year assessment cycle, designed to build on momentum from prior years, whilst also ensuring a rigorous and balanced approach to implementing incremental improvements.

### 2024 Board Performance Review – update on recommendations

Recommendation	Action taken
Clarify and refine strategic milestones and any associated KPIs to enable improved monitoring of Group strategy.	North Star differentiators have been introduced to address.
Review the current cycle and areas of business discussed at meetings and consider whether this remains appropriate or needs amendment.	The approach to meeting planning and cadence of topics has been considered and refreshed.
Consider including deep dive divisional reviews, other key business issues, stakeholder sessions and hot topics.	Additional items have been added to the annual calendar with sessions scheduled to take place during and outside of meetings.
Introduce more regular Board updates in months where there are no scheduled meetings.	A monthly update from the CEO and Interim CFO has been introduced to provide more regular interface with the Non-Executive Directors.

## Board performance review cycle



### 2025 Board Performance Review – process

Having completed an external evaluation during the 2023 financial year, the process once again this year was internally facilitated, and supported by the Group Company Secretary. A questionnaire was completed by all members of the Board, which included questions around the Group’s strategy, effectiveness and accountability, as well as the Board’s composition, diversity and how effectively Directors work together to achieve the Group’s objectives. The process provided the Board with the opportunity to make specific comments in response to a series of open questions. The results were collated by the Group Company Secretary and a report provided to the members of the Board for review.

The SID spoke with the Non-Executive Directors, in the absence of the Chair, to appraise the Chair’s performance, taking into account the views of Executive Director. The review concluded that the Chair’s performance continued to be effective and that he demonstrates commitment to the role.

The SID informed the Chair of the review’s findings.

The Chair met with all Non-Executive Directors individually to conduct an appraisal of their performance. The reviews concluded that the Non-Executive Directors’ contributions continued to be effective, and they each had demonstrated commitment to their roles.

### 2025 Board Performance Review – findings

The review identified many positive aspects of the current operation of the Board and showed that the Board is effective in most areas, is well led, and that the Directors challenge constructively. The evaluation concluded that

the Board and its Committees continued to provide effective leadership and exert the required levels of governance and control.

Each Director was deemed to be independent, contribute effectively and demonstrate commitment to his or her role, and these findings were fully considered when making recommendations in respect of the reappointment of individual Directors.

The minor recommendations arising from the review that were discussed by the Board are set out below. The Nomination Committee and Board will continue to oversee the progress made in relation to the agreed actions over 2026 to ensure their timely completion.

Strategy	Governance framework	Stakeholder engagement	Board reporting
Finalise strategic actions by setting clear milestones and agreeing accountability and bolster reporting to the Board to enable the tracking of progress.	Keep the Committee structure under review and undertake an analysis of skills required from and training needed for Board members as the business develops for the future.	Enhance the Board’s oversight through more regular updates, deep dives and visits.	Identify opportunities to make reporting more succinct and develop a clearer line of sight to key business issues to facilitate effective discussions at Board meetings.

## Audit, risk and internal control

# Strength through appropriate controls

### Audit Committee

The Board has established an Audit Committee to which it has delegated a number of responsibilities. Information on the Committee's composition, its role, together with information regarding the principal activities that it carried out during the year, are included in the Audit Committee Report on pages 83 to 90.

The Board considers that the Chair of the Audit Committee, Justin Read, possesses the level of recent and relevant financial experience required and that the Committee, as a whole, has competence relevant to the sector in which the Group operates. Additional information on the skills and experience of the members of the Audit Committee can be found in their individual biographies on pages 58 to 59.

### Financial and business reporting

The Board has established arrangements to ensure that reports and other information published by the Group provide a fair, balanced and understandable assessment of Ibstock's position and prospects. The Strategic Report on pages 1 to 54 explains the Group's business model and the strategy for delivering the objectives of the Group, and statements on the Group as a Going Concern and its Viability are set out on pages 53 to 54.

The strategic plan, annual budget and material investment proposals are formally prepared, reviewed and approved by the Board.

A clearly defined organisation structure is in place, with clear lines of accountability and appropriate division of duties. The Group's delegation of authority specifies authorisation limits for individual managers with all material transactions within defined parameters being approved by the Board.

Consolidated financial results, including a comparison with budgets and forecasts, are reported to the Board at each meeting, with variances being identified and understood so that mitigating actions can be implemented, where appropriate. Monthly divisional meetings are held, attended by members of the ExCo, representatives from the Group Finance function and other senior management. These meetings provide an opportunity for a detailed review of performance and to identify any issues or trends.

Half-year and annual consolidated accounts are prepared and verified by the Finance team and reviewed by the CEO and Interim CFO and the External Auditor. The accounts are then considered by the Audit Committee, which makes a recommendation in respect of their approval to the Board. The Board then reviews and approves the accounts prior to the announcement of the half-year and annual results.

The Board considers that the processes undertaken by the Audit Committee are appropriately robust, effective and in compliance with the guidelines issued by the FRC. During the year, the Board has not been advised by the Audit Committee on, or identified itself, any failings, fraud or weaknesses in internal control that have been determined to be material in the context of the financial statements.

Further details of the review work carried out by the Audit Committee in relation to the 2025 Annual Report can be found in the Audit Committee Report.

### Viability Statement

 The approach to viability and the Viability Statement itself are set out on [pages 53 to 54](#)

### Risk management and internal control systems

The Board has overall responsibility for the Group's risk management and internal control framework, including the setting of risk appetite. The Audit Committee has a key role to play in overseeing the operation of this framework and advising the Board.

The Board monitors Ibstock's risk management and internal control systems and reviews their effectiveness, specifically that:

- › there is an ongoing, systemised process for identifying, evaluating and managing the principal risks faced by the Group;
- › this system has been in place for the year under review and up to the date of approval of this Annual Report; and
- › the system is regularly reviewed by the Board.

During the year, the Board has directly, or through the Audit Committee, overseen and reviewed the development and performance of risk management activities and practices and the systems of internal control in place across the Group. As a result, the Board is satisfied that the risk management and internal control systems that are in place remain robust and effective.

The Board delegated the responsibility for conducting the work required for it to provide the 'fair, balanced and understandable', Going Concern and Viability Statements to the Audit Committee. In conducting this work, the Audit Committee acts on behalf of the Board, and its activities remain the responsibility of the Board.

The relevant Board statements on these matters are set out on pages 111 to 114. The principal risks and uncertainties are set out on pages 48 to 52.

## Audit, risk and internal control continued



### Risk management cycle

#### Risk appetite

Risk appetite is defined as the amount and type of risk Ibstock is willing to pursue or retain in order to meet our strategic objectives. Our assessment of risk appetite is guided by our purpose and informed by our strategic objectives. It is used as a measure against which all of our current and proposed activities are tested.

Risk appetite is reviewed annually to ensure that it remains aligned with our strategy.

#### Risk management framework

Each part of the business is expected to comply with the Group's risk management framework and to report regularly on its risk registers and key risk indicators. A mechanism exists to extend the risk management framework to any significant new business that is acquired or established immediately upon acquisition or start-up. Oversight of the risk management framework and process is provided by the Group Financial Controller, divisional teams, the Audit Committee and, ultimately, the Board.

### Risk management assessment process

Our assessment of risk is approached from a top-down and a bottom-up perspective. Through the ExCo, we identify Group enterprise risks, which includes those that directly link to our business model and strategy. At a divisional level, each business identifies strategic and operational risks, which are captured on detailed risk registers. Divisions are also required to ensure that risks designated by the Group to be 'critical' risks are actively managed. These are risks where compliance with a minimum level of control is considered to be non-negotiable (an example of a 'critical' risk is health and safety). Best practice in respect of identifying and mitigating 'critical' risks is shared across the Group.

All risks are assessed in respect of likelihood and impact based on the materiality matrix included in the framework. Risks are then scored on a mitigated and unmitigated basis and rated as high, medium or low. Consideration is given to whether risks are within or outside appetite and particular attention is given to the controls that are in place and the actions being taken to mitigate the risks. Incidents are recorded and reported on at the relevant risk meetings.

Risk registers are reviewed at divisional risk meetings, with the ExCo and the Audit Committee having regular oversight of both the Group enterprise risks and those identified by each division.

### Internal control

The Group's internal control systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives. They are based on assessment of risk and a framework of control procedures to manage risks and to monitor compliance with procedures. The internal control systems are designed to meet the Group's particular needs and the risks to which it is exposed and, by their nature, can provide only reasonable, not absolute, assurance against material loss to the Group or material misstatement in the financial accounts. The overall responsibility for the Group's system of internal control and for reviewing its effectiveness rests with the Board, but this responsibility has been delegated to the Audit Committee. Further details of the review and monitoring procedures can be found within the Audit Committee Report on pages 83 to 90.

The Group employs a third party specialist, RSM, to provide Internal Audit services. Internal Audit acts as the third line of defence. In order to ensure the independence of the Internal Audit function, RSM's primary reporting line is to the Chair of the Audit Committee.

The Internal Audit function fulfils its role and responsibilities by delivery of the annual, risk-based audit plan. There are no restrictions on the scope of Internal Audit's work.

A report is issued after each audit, which provides an opinion on the control environment and details any issues found. Internal Audit then works with the businesses to agree remedial actions, which are tracked to completion.

RSM attend and report to every Audit Committee meeting.

### Internal and External Audit

Details of the Internal Audit function and the External Auditor are provided in the Audit Committee Report. The Board and Audit Committee are satisfied that the necessary policies and procedures are in place to ensure the independence and effectiveness of both.

### Remuneration

#### The Remuneration Committee

The Board has established a Remuneration Committee, which has delegated responsibility for determining the policy for Executive remuneration and setting remuneration for the Chair of the Board, CEO and members of the ExCo including the Group Company Secretary. When doing so, the Remuneration Committee takes account of wider workforce remuneration and related policies and the alignment of incentives and rewards with culture. Further details of the work of the Committee are set out in the Directors' Remuneration Report on pages 91 to 110.

#### Remuneration Policy

In line with the Remuneration Policy approved by shareholders at the 2025 AGM, details of the remuneration packages of individual Directors are set out on pages 102 to 110. During the year, no individual Director was present at a meeting when their own remuneration was being discussed or determined.

## Nomination Committee Report

# Strength through leadership



**Richard Akers**  
Chair of the Nomination Committee

I am pleased to present my first report on behalf of the Nomination Committee, setting out the key activities undertaken throughout 2025 and our priorities for 2026.

The Committee leads the process for appointments, ensures plans are in place for orderly succession to both the Board and senior management positions, and oversees the development of a diverse pipeline for succession.

This report highlights the vital work undertaken by the Committee to ensure that the Board continues to have the appropriate balance of skills, experience, knowledge and diversity to provide the Group with the strong leadership required to support its workforce and deliver long-term success.

### Activities in 2025

The Committee's main activities during the year included:

- › Reviewing and supporting initiatives to improve diversity, economic and social benefit throughout the Group, given the ongoing focus on diversity and inclusion for the Group as a leader within the building sector. Read more on page 46.
- › Considering succession plans for members of the Board, including the Chair, and ExCo, and reviewing the talent pipeline within the Group, with particular focus on senior management.
- › Assisting the Board in its consideration of conflicts of interest and independence issues, alongside the outputs of the Board Performance Review, resulting in a recommendation to the Board in respect of those Directors continuing in office. Read more on pages 71 to 72.
- › Overseeing the arrangements for my induction programme, upon my appointment to the Board in May 2025.
- › Managing the search for a new CFO and an Independent Non-Executive Director, with the support of Teneo, a specialist third party recruitment specialist.

### Priorities for 2026

The Committee's priorities for next year include:

- › Completing the search for and appointing a new CFO.
- › Continuing to monitor progress against the Group's diversity targets and inclusion initiatives.
- › Overseeing the induction and handover to the new Chair of the Audit Committee.

I would like to thank the members of the Committee for their continued commitment throughout the year, for the open discussions that take place at our meetings, and for the contribution they all provide in support of our work.

**Richard Akers**  
Chair of the Nomination Committee

### Membership and attendance

The Committee's membership comprises the Chair of the Board (who was considered independent on appointment) and the Independent Non-Executive Directors only.

The Committee is supported by the Group Company Secretary. Other individuals, such as the CEO, members of senior management and external advisers, may be invited to attend meetings as and when appropriate.

Details of meeting attendance can be found on page 56.

### Key responsibilities

- › Develop and maintain a formal, rigorous and transparent procedure for making recommendations to the Board on appointments and on the structure, size and composition of the Board.
- › Ensure that planning is in place for orderly succession of both the Board and senior management positions.
- › Oversee the development of a diverse pipeline of talent for succession.
- › Evaluate the balance of skills, diversity, knowledge and experience of the Board.



## Nomination Committee Report continued

### Key responsibilities continued

- › Prepare a description of the role and capabilities required for a particular appointment and lead the recruitment process.
- › Identify and nominate, for the approval of the Board, candidates to fill Board and senior management vacancies, ensuring that candidates have the necessary skills, knowledge and experience to effectively discharge their responsibilities.
- › Review the time commitment required from Non-Executive Directors and evaluate the membership and performance of the Board and its Committees.
- › Ensure that reviews of the performance of the Board and its Committees, and individual Directors, are undertaken annually.
- › Recommend, where appropriate, the re-election of Directors.

### Committee performance

The Committee's effectiveness was considered as part of the internal Board Performance Review. The Committee scored highly overall and was considered to be operating effectively.

### Read more

In our Annual Report:

- › Names and biographies of the Committee members on pages 58 to 59

On our website [www.ibstock.co.uk](http://www.ibstock.co.uk):

- › The Committee's Terms of Reference
- › The Board Diversity Policy

### Succession planning

The composition of the Board is constantly under review with the aim of ensuring that it has the depth and breadth of skills to discharge its responsibilities effectively. The Committee, through its oversight of succession planning, applies a similar approach to the layer of management that sits immediately below the Board, the ExCo.

The Committee aims to ensure that the Board and senior management are well balanced in the skills and experience appropriate for the needs of the business and the achievement of the Group's strategy. Furthermore, the Committee ensures that the Board includes Non-Executive Directors who are appropriately experienced and are independent in character and judgement.

To support this, the Committee has developed a Board skills matrix, which is used to better understand training requirements, as well as to understand the skills and experience requirements that inform the Board's succession plans. The skills matrix is reviewed annually and an overview of the skills and experience of our Directors can be found on page 56.

Whilst we see long service on the Board as a positive characteristic, the Board is mindful that the Code indicates that Non-Executive Directors should not serve for more than nine years and Non-Executive Directors who have served over six years should be subjected to a particularly rigorous review. Such a review, in line with the requirements of the Code, has been undertaken by the Committee in relation to the independence and commitment of Justin Read since reaching his six-year tenure. On each occasion, the Board remained satisfied that Justin continued to act with the utmost independence and considered that his appointment remained in the long-term best interests of stakeholders.

### Recruitment and appointment

The Committee is responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise. The process, as set out in the Committee's Terms of Reference, is outlined overleaf along with examples of how this has been applied in practice.

## Nomination Committee Report continued

### Succession planning continued

#### Recruitment and appointment continued

	Evaluate the Board's composition	Appoint an independent search firm	Identify suitable candidates	Recommend the appointment to the Board	Deliver an induction programme
<b>The process...</b>	<p>As part of routine succession planning activity and through ongoing evaluation, the Committee takes into account of balance of skills, knowledge, independence, experience and diversity on the Board, including the balance of Non-Executive Directors to Executive Directors.</p> <p>In light of this evaluation process, should recruitment activity need to be undertaken, the Committee prepares a description of the role and capabilities required of the particular appointment and assesses the time commitment expected.</p>	<p>Following a thorough in-person assessment of providers in the market, an independent search firm, which is a signatory to the enhanced voluntary code of conduct for Executive search firms, is appointed to support with the recruitment of an Independent Non-Executive Director.</p>	<p>Formal interviews are led by the Chair and SID, supported by the Group Company Secretary, with all Board members meeting the preferred candidate.</p> <p>In identifying suitable candidates, the Committee:</p> <ul style="list-style-type: none"> <li>› Considers candidates of different genders and from a wide range of backgrounds and experiences, taking into account the benefits of diversity on the Board.</li> <li>› Considers candidates on merit and against objective criteria, and whether the candidate can meet the Board's independence requirements where relevant.</li> <li>› Ensures that appointees have enough time to devote to the position and that any declarations of interest do not pose a conflict.</li> </ul>	<p>The Committee considers the selection and reappointment of Directors carefully before making a recommendation to the Board.</p> <p>Non-Executive Directors and the Chair of the Board are generally appointed for an initial period of three years, which may be renewed for a further two terms. Reappointment is not automatic at the end of each three-year term.</p>	<p>All newly appointed Directors undertake comprehensive, tailored induction programmes, overseen by the Committee, which include specific focus on key aspects of their roles on the Board Committees.</p>
<b>...in action</b>	<p>Through ongoing succession planning, the Committee was able to act in a timely manner ahead of Justin Read's scheduled retirement from the Board due to his tenure approaching nine years.</p>	<p>To assist with the search to appoint a new Independent Non-Executive Director to chair the Audit Committee, the Committee appointed Teneo<sup>1</sup>, a signatory to the voluntary code of conduct for Executive search firms.</p>	<p>The Committee ensured that the recruitment process was conducted in line with the Board Diversity Policy, in particular that diverse candidates from a wide variety of backgrounds were included within the shortlist.</p> <p>Formal interviews were led by the Chair and SID, supported by the Group Company Secretary, with all Board members meeting the preferred candidate.</p>	<p>Martin Payne will join Ibstock on 30 March 2026 and we look forward to welcoming Martin to the Board, Audit, Remuneration and Nomination Committees.</p>	<p>Further details on Non-Executive Director induction programmes can be found on page 72, along with an overview of Richard Akers' recent induction.</p>

<sup>1</sup> Other than the Group's engagement of Teneo in relation to the recruitment of Executive and Non-Executive Directors, there is no connection between the two companies.



## Nomination Committee Report continued

### Diversity and inclusion

Our current employee population reflects the traditional nature of our industry across all diversity characteristics, including age, race, gender, sexual orientation and disability. We acknowledge the challenge we face with a higher percentage of men in factory-based production roles. The Committee and Board recognise the powerful advantages that a diverse workforce can bring to a company and are committed to ensuring that Ibstock is a diverse, fair and inclusive place to work.

The Committee acknowledges and supports the aims, objectives and recommendations outlined in the FTSE Women Leaders Review and is aware of the need to achieve an appropriate balance of women on our Board and in senior positions throughout the Group. The Committee also acknowledges and supports the aims, objectives and recommendations of the Parker Review on ethnic diversity and the emphasis in the Disclosure Guidance and Transparency Rules on disclosure around diversity with regard to aspects such as age, gender and educational and professional background. As at the end of the year under review, we are satisfied that we are aligned with the recommendations of both reviews.

Furthermore, the Committee is cognisant of the FTSE Women Leaders Review recommendation that FTSE 350 companies should have at least one woman in the Chair or Senior Independent Director role on the Board, and/or one woman in the CEO or CFO role in the Company by the end of 2025, and the associated Listing Rule obligation to report against these in the Annual Report.

Following the appointment of Louis Eperjesi as Senior Independent Director during 2023, we no longer comply with the recommendation. As is standard practice for the Committee, gender diversity will be taken into consideration as part of future recruitment activity, although all appointments will continue to be based on merit.

### Diversity and Inclusion Policy

We believe that by providing a harmonious working environment, all employees should be able to maximise their potential and contribute to our success.

Our Diversity and Inclusion Policy applies to all employees and supports our Diversity and Inclusion Strategy, which aims to increase diversity and promote inclusion within our workforce.

We continue to work with our recruitment partners to ensure that we are able to attract high-quality candidates from a wide range of backgrounds, strengths and abilities. We recognise that achievement of our strategic objectives is reliant on the recruitment and retention of a diverse and engaged workforce, and efforts in this area will continue.

Both the Committee and Board received regular updates in relation to diversity and inclusion during the year, including an update on the performance against the Group's stated target of increasing female representation in the senior leadership group (comprising members of the ExCo and their direct reports) to 40% by 2027 and for there to be 20% minority ethnic representation in the senior leadership group by 2030. Whilst this latter target is not completely aligned to the Parker Review recommendation of a 2027 deadline, this ambitious aim was felt to be appropriate for the Group at the point in time.

A gender and ethnicity breakdown of Directors, senior managers (as defined in the Code and Companies Act 2006) and employees of the Company as at 31 December 2025 can be found on page 177.

### Board Diversity Policy

The Board Diversity Policy, available through our website, formalises the Board's commitment to appropriately diverse membership and compliance with reporting regulations. It is reviewed annually and approved by the Board on the recommendation of the Committee.

The Committee retains the strong belief that diverse Board and Committee membership supports the Group's strategy by bringing the widest range of viewpoints and experience possible to the debate.

We are committed to promoting equal opportunities in employment and addressing the balance, and as such apply this policy to all Board and Committee recruitment activity.

The Committee adopts the objectives within the policy to ensure a focus on ensuring gender and ethnicity diversity at every stage of the recruitment process, notwithstanding that appointments are always based upon an individual's merit, suitability and ability to carry out a role successfully. This was the case during the recent recruitment for the new Chair and Chair of the Audit Committee, and continues to be the case for the ongoing activity to identify a new CFO.



## Nomination Committee Report continued

### Diversity and inclusion continued

#### UK Listing Rules Board Diversity Statement

On behalf of the Board, the Committee confirms the position in relation to the diversity targets set out in Listing Rule 6.6.6R(9)(a) as at 31 December 2025:

Board diversity target	Target met?	Board diversity as at 31 December 2025
At least 40% of the individuals on the Board of Directors are women.	✓	42.9% of the individuals on the Board of Directors are women.
At least one of the senior positions (Chair, Chief Executive Officer, Senior Independent Director, Chief Financial Officer) on the Board of Directors is held by a woman.	✗	None of the senior positions on the Board of Directors are held by a woman.
At least one member of the Board of Directors is from a minority ethnic background (defined by reference to categories recommended by the Office for National Statistics ('ONS') excluding those listed, by the ONS, as coming from a white ethnic background).	✓	One member of the Board of Directors is from a minority ethnic background.

In addition to the above, there is at least one individual on each Board Committee that is a woman and at least one individual on each Board Committee who is from a minority ethnic background.

The Group collects diversity data from the Directors, ExCo members and wider workforce through diversity data collection surveys. Detailed numerical information on the gender and ethnicity representation on the Board and ExCo is set out below.

#### Diversity Disclosure (LR 6.6.6R(10))

##### Gender identity of members of the Board and Executive Committee as at 31 December 2025

	Ibstock Plc Board		Ibstock Plc Executive Committee		
	Number of Board members	Percentage of the Board	Number of senior positions on the Board <sup>1</sup>	Number in Executive management <sup>1</sup>	Percentage of Executive management <sup>1</sup>
Men	4	57.1%	3	5	83.3%
Women	3	42.9%	0	1	16.7%
Not specified/prefer not to say	0	0%	0	0	0%

##### Ethnicity of members of the Board and Executive Committee as at 31 December 2025

	Ibstock Plc Board		Ibstock Plc Executive Committee		
	Number of Board members	Percentage of the Board	Number of senior positions on the Board <sup>1</sup>	Number in Executive management <sup>1</sup>	Percentage of Executive management <sup>1</sup>
White British or other White (including minority-white groups)	6	85.7%	3	6	100%
Mixed/Multiple ethnic groups	0	0%	0	0	0%
Asian/Asian British	0	0%	0	0	0%
Black/African/Caribbean/Black British	1	14.3%	0	0	0%
Other ethnic group	0	0%	0	0	0%
Not specified/prefer not to say	0	0%	0	0	0%

<sup>1</sup> Following the departure of Chris McLeish from the Group in October 2025, Simon Bedford took on the role of Interim CFO. Simon has been included within the Executive management figures in the above table, however, he has not been appointed as a Director of Ibstock Plc. The recruitment activity undertaken to identify and appoint a new CFO is nearing conclusion.

## Sustainability Committee Report

# Strength through sustainable ambition



**Claire Hawkings**  
Chair of the Sustainability Committee

As Chair of the Sustainability Committee, I am delighted to introduce this report, which sets out the key activities undertaken throughout 2025 and our priorities for 2026.

The purpose of the Committee is to oversee the Group's strategies, policies and performance in relation to sustainability matters and suggest ways to drive improvement in these areas as appropriate.

This report provides an overview of how the Committee's activities have assisted the Board in discharging its duties relating to sustainability matters against a backdrop of increasing levels of regulation, best practice and stakeholder interest. As a Committee, we continue to adapt and evolve our annual programme of work to reflect the increasing demands on the Group.

### Activities in 2025

The Committee's main activities during the year included:

- › Monitoring the Group's performance against the ambitious interim targets set out in the ESG 2030 Strategy.
- › Ensuring the ESG 2030 Strategy remains aligned with the Group's purpose, values and culture.
- › Oversight of the 2025 materiality assessment process and outcomes, resulting in the decision to prioritise business focus on carbon reduction, innovation and skills.
- › Considering what role sustainability targets could play in future Annual Bonus Scheme conditions.
- › Visiting the Aldridge and Weedon factories to review their approach to sustainability issues.
- › Keeping apprised of sustainability trends and developments, including in relation to legislation and policy, and considering any impacts on the Group's stakeholders.
- › Continuing improvement with the Group's reporting relating to the Task Force on Climate-related Financial Disclosures ('TCFD').
- › Overseeing the evolution of the Group's social impact strategy and how this could be further developed to strengthen the business.

### Priorities for 2026

The Committee's priorities for next year include:

- › Continuing to drive the implementation of the ESG 2030 Strategy and integration of sustainability performance across the Group.
- › Maintaining focus on:
  - › climate change and continuing to develop the Carbon Transition Plan;
  - › innovation to meet customer need for new and sustainable products; and
  - › skills development within the Group to support succession planning and supporting skills in the wider construction sector.

I would like to thank my fellow members of the Committee for the open, constructive and progressive discussions that take place at our meetings. Their passion for our ambitious agenda reflects the Group's collective efforts and dedication to sustainability.

**Claire Hawkings**  
Chair of the Sustainability Committee

### Membership and attendance

The Committee's membership comprises three Independent Non-Executive Directors and the CEO.

The Committee is supported by the Group Company Secretary. Other individuals, such as members of senior management and the Sustainability team, may be invited to attend meetings as and when appropriate. The Committee also regularly invites an independent consultant to attend meetings to assist with benchmarking and industry views, reporting and assurance.

Details of meeting attendance can be found on page 56.

### Key responsibilities

- › Develop a corporate sustainability strategy and ensure it is in alignment with the corporate strategy, purpose and values.
- › Develop and recommend to the Board sustainability targets and key performance indicators.
- › Understand the impact of the Group's operations on the environment and the impacts, risks and opportunities of climate change.
- › Oversee the promotion of socially responsible values and standards that relate to employees as well as the social and economic community in which the Group operates.



## Sustainability Committee Report continued

### Key responsibilities continued

- Recommend to the Remuneration Committee any performance measures used in the Group's incentive plans.
- Work with the Remuneration Committee in assessing actual performance relative to sustainability.
- Work with the Audit Committee on understanding the risk and opportunities of climate change to ensure mitigation plans are developed and implemented.
- Oversee disclosures of sustainability matters in the Annual Report.

### Committee performance

The Committee's effectiveness was considered as part of the internal Board Performance Review. The Committee was deemed to be operating effectively with strong Committee leadership. The Committee continues to focus on ensuring the right proportion of Committee time is given to training, progress updates, horizon scanning and discussion to really consider and debate issues.

### Read more

In our Annual Report:

- Names and biographies of the Committee members on pages 58 to 59
- Sustainability on pages 39 to 46
- Sustainability and Climate Change Reporting from page 174

On our website [www.ibstock.co.uk](http://www.ibstock.co.uk):

- The Committee's Terms of Reference
- Sustainability Report
- Our ESG 2030 Strategy

### Sustainability governance

The Board, under the leadership of the Group Chair, holds ultimate responsibility for sustainability matters, but the Committee takes the lead in managing the Group's approach and implementation of the sustainability framework, to enable us to meet our commitments to all stakeholders.

The Committee is supported by an internal Sustainability team of subject matter experts that is headed by the Group Company Secretary and includes the Head of ESG and Manager of ESG. RSM are the Committee's professional advisers, who provide expert technical advice and practical training. During the year, the Committee received training on a range of topics, including sessions on carbon, carbon trading and ETS, as well as climate governance and reporting updates.

Implementation of the ESG 2030 Strategy is the responsibility of the CEO, who, through the ExCo, ensures that sustainability topics are discussed across the business. A full description of how our sustainability governance operates can be found in the sustainability and Sustainability and Climate Change Reporting sections on pages 39 to 46 and 174 to 191, respectively.

The Committee continues to focus on ensuring that the Committee and Board remain fully briefed and appropriately trained on sustainability matters. The Committee continues to mature rapidly in both its knowledge and understanding of the critical sustainability issues facing the Group.

### Addressing Climate Change

A key part of our ESG 2030 Strategy is the commitment to become a net zero for Scope 1 and 2 by 2040 and achieve a 40% absolute carbon reduction for Scope 1 and 2 by 2030 against a 2019 baseline. The Committee

remains cognisant that the carbon reduction journey will not always show linear progression.

2025 was a depressed market with low production, which is reflected in 41%<sup>1</sup> reduction in absolute Scope 1 and 2 carbon emissions against a 2019 baseline. Although this is ahead of target, the actual decarbonisation achieved is modelled at 25% against the 2019 baseline, which shows good progress towards our 2030 target. The Group's carbon intensity metric for 2025 was 0.138 tonnes of carbon per tonne of production. This is a slight improvement on 2024, but remains above the desired level. Further details and key data can be found from page 174 onwards.

The implementation and performance of our Carbon Transition Plan (Plan) will require Group-wide focus and prioritisation, and we are heartened by the progress that the Group has made to align the divisional strategies to the Plan, as this will create further momentum and pace in the implementation of carbon reduction activities. At the same time, we continue to develop our Plan aligned to emerging reporting frameworks.

The Committee remains confident that the Group is on course to achieve the ambitious carbon commitments made in our ESG 2030 Strategy. More details on our ESG 2030 Strategy can be found from page 39 and on our website.

The Committee has continued to oversee the work of the internal TCFD Working Group, reviewing progress as necessary. Led by the Group Financial Controller, the TCFD Working Group comprises representatives from the Sustainability and Finance functions. It meets on a regular basis to analyse and apply the various developments and recommendations published throughout the course of the year and to ensure alignment with the Group's Business Plan.

Our TCFD report can be found on pages 178 to 191.

In 2025, we completed the baselining of our biodiversity data across all sites, feeding into our biodiversity management tool. This has contributed towards our planning for the future application of the Taskforce on Nature-related Financial Disclosures framework.

### Manufacturing Materials for Life

New product development and the evolution of existing products is a key driver to ensure our products meet current and future demand in the market. We continue to explore options for our products to provide the durability and resilience that the built environment requires whilst lowering carbon, energy, water and resource use. Performance against the KPI remains strong at 25% of sales turnover from new and more sustainable products in 2025.

### Improving Lives

Business focus on skills both internally for Ibstock's talent planning and for the wider construction sector were cornerstones of the focus on Improving Lives in 2025. 7.2% of employees are in Earn and Learn positions compared to an industry benchmark of 5% and the Group launched its first Ibstock Skills Academy to support bricklaying students in partnership with Walsall College.

We continue to make progress on the Social Value framework, the diversity and inclusion agenda, and employee development in line with the commitments in our ESG 2030 Strategy.

<sup>1</sup> Of the 41% reduction, 25% is permanent carbon reduction on 2019 baseline, 16% is temporary production volume decrease which we forecast to reverse by 2030.

## Audit Committee Report

# Strength through control and compliance



**Justin Read**  
Chair of the Audit Committee

I am pleased to present this report, which sets out the key activities undertaken throughout 2025 and our priorities for 2026. This will be my last report as Chair of the Audit Committee following the announcement that I will be retiring from the Board on 21 May 2026.

The purpose of the Committee is to critically assess and make recommendations on the reporting, control, risk management and compliance aspects of the Directors' and the Group's responsibilities. At the same time, the Committee provides independent monitoring, guidance and challenge to management in these areas.

The Committee also facilitates a forum for reporting and discussion with the Group's External Auditor in respect of the Group's half-year and full-year results, retaining a focus on monitoring the integrity of the Group's

financial statements, and the Group's Internal Auditor with regard to their reviews on the effectiveness of elements of the Group's internal control framework.

### Activities in 2025

The Committee's main activities during the year included:

- › Oversight of the External Audit tender. Read more on page 88.
- › Reviewing the full- and half-year results and 2025 Annual Report. Read more on pages 84 to 86.
- › Considering the operation of the risk management and internal control processes to ensure that the Group's risk processes and financial and compliance control environments remained robust. Read more on page 89.
- › Reviewing reports arising from the approved Internal Audit programme.
- › Considering the External Auditor's planning for the half-year and full-year audits and subsequent reporting of the findings.
- › Evaluating the effectiveness of the Internal and External Audit functions.
- › Discussing and responding to significant accounting matters and judgements. Read more on pages 85 to 86.

- › Receiving deep dives on cyber and information security and tax.
- › Reviewing compliance with the requirements of the FRC's Audit Committees and the External Audit: Minimum Standard (the 'FRC's Standard') and determining that the Committee complied fully with the FRC's Standard during the financial year, including in relation to the tender of the External Audit contract.
- › Approval of the Group Accounting Manual updates, including exceptionals treatment.
- › Overseeing the Group's preparations to ensure compliance against the new Provision 29 of the Code. Read more on page 90.

### Priorities for 2026

The Committee's priorities for next year include:

- › Continuing focus on the delivery of its core responsibilities, ensuring robust monitoring of the integrity of the financial statements and any formal announcements relating to the Group's financial performance, and reviewing significant financial reporting judgements contained within them.
- › Overseeing an effective handover to a new audit partner.
- › Continuing to oversee the operation of the Group's risk management and internal control systems and making recommendations to the Board in this regard.

- › Reviewing management's plans and recommendations for identified areas of improvement in the Group's internal controls.
- › Overseeing the proposed Provision 29 disclosure to be included in the 2026 Annual Report.
- › Receiving deep dives on a range of key and emerging risk areas, including those arising from the Group's horizon scanning activity.
- › Ensuring an effective handover to my successor, the new Chair of the Audit Committee.

I would like to thank the members of the Committee, ExCo, senior management, Deloitte and RSM for their sustained commitment throughout the year, and during my tenure as Chair, for the transparent discussions that take place at our meetings and for the contribution they all provide in support of our work.

**Justin Read**  
Chair of the Audit Committee

## Audit Committee Report continued

### Membership and attendance

Membership comprises Independent Non-Executive Directors only. The Chair and at least one other Committee member have recent and relevant financial experience, and all members have competence relevant to the sector in which the Group operates.

The Committee is supported by the Group Company Secretary. The External Auditor, Deloitte LLP ('Deloitte'), and the Internal Auditor, RSM LLP ('RSM'), attend all meetings. The Chair, CEO, Interim CFO and other senior members of the Finance team are routinely invited to attend Committee meetings, alongside other individuals, as and when required.

The Chair has regular meetings with the Interim CFO, External Audit partner and Internal Audit partner to discuss key audit-related topics ahead of each Committee meeting. In addition, the Committee also holds private sessions with the CEO, Interim CFO, External Audit partner and Internal Audit partner on a rotational basis after each meeting.

Details of meeting attendance can be found on page 56.

### Key responsibilities

- › To make recommendations on the reporting, control, risk management and compliance aspects of the Directors' and the Group's responsibilities.
- › To provide independent monitoring, guidance and challenge to management in these areas.
- › To provide a forum for reporting and discussion with the Group's External Auditor in respect of the Group's half-year and full-year results.
- › To review and make recommendations to the Board on the Group's financial reporting, internal control and risk management systems.
- › To assess the effectiveness of the External Audit process.
- › To assess the effectiveness of the External and Internal Auditor.
- › To ensure high standards of corporate and regulatory reporting, risk management and compliance, and the maintenance of an appropriate control environment.

### Committee performance

The Committee's effectiveness was considered as part of the internal Board Performance Review. The output from this process was reviewed by both the Board and the Committee itself, in compliance with the Code. Further information regarding the review process can be found on pages 72 to 73. The Committee scored highly overall and was considered to be chaired effectively.

The Committee performed its role and undertook its responsibilities in an effective manner. No specific developmental areas were identified in the review.

### Read more

In our Annual Report:

- › Names and biographies of the Committee members on pages 58 to 59
- › Audit, risk and internal control on pages 74 to 75
- › Principal risks and uncertainties on pages 48 to 52
- › TCFD report on pages 178 to 191
- › Group Financial Review on pages 29 to 33
- › Viability and Going Concern Statements on pages 53 to 54

On our website [www.ibstock.co.uk](http://www.ibstock.co.uk):

- › The Committee's Terms of Reference
- › Tax Strategy
- › Investor reports and presentations

### Financial and narrative reporting

During the year, the Committee:

- › Reviewed the full- and half-year results and associated announcements and recommended them to the Board for approval.
- › Considered the process for preparing the Group's Annual Report.
- › Reviewed the Group's Annual Report to consider whether, taken as a whole, it was fair, balanced and understandable, and whether it provided the necessary information required for shareholders to assess the Company's position, performance, business model and strategy. Further information on the format of this review can be found opposite.
- › Considered the appropriateness of the Group's accounting policies and practices, focusing on areas of significant management judgement or estimation, and questioned the rationale for decisions taken in application of the policies. Policies and practices were found to be appropriate and correctly applied.
- › Received updates on corporate reporting and corporate governance from the External Auditor.
- › Considered the appropriateness of the Group's Viability Statement at the full year, including the look-out period and Going Concern Statement assumptions at the half year and full year, including a review of the sensitivity analysis and scenarios prepared by management. The Viability Statement and the Going Concern Statement are set out on pages 53 to 54.

## Audit Committee Report continued

### Fair, balanced and understandable

It is the Board's responsibility to determine whether the Annual Report is fair, balanced and understandable. On behalf of the Board, the Committee reviewed the process for preparing the Annual Report, reviewed management's analysis of the Annual Report and how this met the objectives of providing fair, balanced and understandable disclosures that gave shareholders the necessary information to assess the Company's position, performance, business model and strategy.

The Committee took into account the following when completing this process:

- › Input from the CEO and Interim CFO on the overall messages and tone of the Annual Report.
- › That individual sections of the Annual Report were drafted by appropriate senior management with regular review to ensure consistency across the entire document.
- › That detailed reviews of appropriate draft sections of the Annual Report were undertaken by individuals independent of the process.
- › That an advanced draft of the Annual Report was reviewed by the Committee and the External Auditor on a timely basis to allow sufficient consideration and was discussed with the CEO and senior management prior to consideration by the Board.

After thorough consideration, the Committee arrived at the conclusion that Annual Report be recommended for approval by the Board as fair, balanced and understandable. A statement from the Directors to this effect is included in the Directors' Responsibility Statement on page 114.

### Significant accounting matters and key areas of judgement

A key factor in the integrity of financial statements is ensuring that suitable accounting policies are adopted and applied consistently on a year on year basis. The Committee specifically uses the audit planning meetings in May and November each year to consider the adoption of any relevant new standards, proposed accounting treatments for major transactions, significant reporting judgements and key assumptions related to those judgements. In addition, these matters are reviewed at each Committee meeting throughout the year.

	Matter considered	Committee's response
<b>Alternative Performance Measures ('APMs') and exceptional items</b>	<p>The Group presents as exceptional items* at the bottom of the income statement those items of income and expense which, because of the materiality, nature and/or expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to further understand elements of financial performance in the period, so as to facilitate comparison with future years and to assess trends in financial performance, and in determination of Directors' variable remuneration.</p> <p>The Committee conducted a robust and detailed review of the items and associated judgements that were categorised as exceptional in the year, including the items arising from factory closures and restructuring and disposal of property, land, plant and equipment. Additionally, the Committee sought views from the External Auditor as to the appropriateness of items categorised by management as exceptional. Upon conclusion of this review, the Committee concurred with management's analysis of proposed exceptional items.</p> <p>Details of exceptional items* are set out in Note 5 to the financial statements.</p> <p>Additionally, the Group financial statements present a number of APMs within its published financial information, including the 2025 Annual Report, with the objective of providing readers with further understanding of financial performance in the period, in order to facilitate comparison between periods and to assess trends in financial performance. Definitions of APMs used are set out in Note 3 to the financial statements.</p>	<p>In light of the guidance issued by the European Securities and Markets Authority and more recently the UK's FRC, the Committee continues to assess management's rationale for including an item as an exceptional item* and the wider use of APMs.</p> <p>The Committee challenged management's rationale for the use of specific APMs, and the link between APMs reported within the financial statements and incentive measures within the Directors' Remuneration Report. The Committee concluded that the presentation of APMs gave additional clarity on performance and were reconciled appropriately to reported amounts, with sufficient prominence, and is satisfied that the resulting presentation and disclosure is appropriate.</p> <p>The Committee challenged management's rationale of items categorised as exceptional in the year and sought views from the External Auditor with regard to their appropriateness. The Committee conducted further analysis and concluded that the proposed classification was acceptable.</p>

## Audit Committee Report continued

### Significant accounting matters and key areas of judgement continued

	Matter considered	Committee's response
<b>Pension liability accounting and disclosure</b>	<p>The Group has a defined benefit pension scheme, which is closed to future accrual. Management exercises its judgement around the assumptions used by its actuary, including the sensitivities to these assumptions, to calculate the pension scheme liabilities under IAS 19 (R) Employee Benefits.</p> <p>As at 31 December 2025, the Scheme had an actuarial accounting surplus of £6.0 million (2024: £7.8 million), including liabilities of £316.9 million (2024: £323.1 million), as detailed in Note 21 to the financial statements.</p> <p>Additionally, the Committee continues to assess the implication of the Virgin Media case on the Group's Pension Scheme in light of the guidance published by FRC.</p>	<p>The Committee concurred with management's assessment that the estimates used within the valuation of the Group's pension liability (including future changes in discount rates, inflation, increases in pension payments and life expectancy) represented significant sources of estimation uncertainty, as set out within IAS 1 Presentation of Financial Statements. A review of management's proposed disclosure in relation to this estimation uncertainty was completed.</p> <p>Additionally, the Committee reviewed the assumptions with management including those arising from the triennial valuation and sought views from the External Auditor before it concluded on the appropriateness of the actuarial balances disclosed.</p> <p>This review considered the financial assumptions used by management as part of the actuarial valuation and the range of possible assumptions using available market data to assess the reasonableness of the assumptions.</p> <p>The Committee also specifically reviewed and considered the disclosure with regard to the impact of the Virgin Media pension court case on the Ibstock Pension Scheme and the financial results.</p> <p>In conclusion, the Committee determined that the actuarial assumptions used in the valuation of the period end pension liabilities were in an acceptable range, disclosed appropriately, and was satisfied that the resulting presentation and disclosure was appropriate.</p>
<b>Impairment of non-current assets</b>	<p>The Group holds significant asset values in the form of brands, customer relationships, mineral reserves, land and buildings and property, plant and equipment. At the interim and year end balance sheet date, these assets were considered for indications of impairment.</p> <p>At 31 December 2025, following the announcement of the 2025 restructuring, a total impairment charge of £6.3 million was recognised within cost of sales within the Group's consolidated income statement.</p> <p>Additionally, the Committee reviewed and considered the key estimation uncertainty disclosure relating to the impairment of non-current assets.</p> <p>At 31 December 2025, detailed impairment tests assessing the value-in-use ('VIU') concluded that there was no impairment at a cash generating unit ('CGU') level across the Group for any of those sites expected to continue in operation. As at 31 December 2025, the value of these non-current assets was £ 556.8 million (2024: £572.7 million).</p>	<p>In approving the interim and full-year financial statements of the Group, the Committee considered and appropriately challenged the analysis of impairment proposed by management, in light of the Group's decision of restructuring recently approved by the Board. In addition, the Committee carefully considered management's VIU assessments, the related sensitivity analyses and the disclosure included within the Group's financial statements. The Committee sought views from the External Auditor regarding management's process for completion of VIU impairment tests and the conclusions reached.</p> <p>In conclusion, the Committee assessed the impairment charge as appropriate and concurred with management's view that no further impairment was required. The Committee carefully considered management's VIU tests and the associated sensitivity analysis and assessed the impact on the analysis of changes to the underlying assumptions. This compared the assumed performance of the CGUs to the recently Board-approved budget and strategic plan.</p> <p>Additionally, the Committee sought the External Auditor's views as to the process adopted by management at the year end date to assess VIU. Following its review, the Committee concurred with management's judgement that no further risks of impairment existed at the balance sheet date for the sites that will continue in operation.</p> <p>In conclusion, after reviewing the reports from management, the Committee was satisfied that the financial statements appropriately reported the value of the assets and that they were fairly stated. The Committee also reflected on the key estimation uncertainty disclosure relating to the impairment of non-current assets and concluded this was appropriate.</p>

### Going Concern and Viability Statements

On behalf of the Board, the Committee considered the appropriateness of the assumptions used for the Viability Statement and Going Concern Statement at the half year and full year, including reviewing the sensitivity analysis and scenarios prepared by management. Details of the review process and the conclusion reached are set out on pages 53 to 54. Following its review, the Committee recommended the approval of both statements to the Board.

## Audit Committee Report continued

### External Audit

The Committee has primary responsibility for overseeing the relationship with the External Auditor, including assessing its performance, effectiveness and independence annually, and making a recommendation to the Board in respect of its reappointment or removal. Any decision to open the External Audit to tender is taken on the recommendation of the Committee.

Following a competitive tender process conducted in 2016, Deloitte was appointed as auditor from the financial year ending 31 December 2017. Lee Highton became the lead audit partner for the year ended 31 December 2022, following the rotation of the previous partner, and will remain as audit partner until the completion of the 2025 year end audit process. Lee will be replaced by Kate Hadley as audit partner for the financial year ending 31 December 2026 should Deloitte be reappointed as External Auditor at the 2026 AGM.

The Committee's policy is that the role of the External Auditor will be put out to tender at least every 10 years in line with the applicable rules, or at other times should it be required by specific circumstances. In line with market requirements, a tender for the External Audit contract was undertaken during the year. More detail can be found on page 88.

During the year, in relation to the work undertaken by the External Auditor, the Committee:

- Considered the requirements of the FRC's Standard.
- Reviewed and concurred with Deloitte's plans for the review of the 2025 half-year statement and audit of the 2025 full-year financial results.
- Reviewed and considered the reports presented by Deloitte to the Committee following the half-year review and full-year audit, which led to the Committee forming the opinion that Deloitte had demonstrated independence and objectivity.

- Discussed and approved the Directors' Letter of Representation to be provided to Deloitte.
- Reviewed the performance of the External Auditor and the effectiveness of the External Audit process.
- Discussed and approved the fees for audit and non-audit services and obtained assurance on the objectivity and independence of the External Auditor, taking into consideration relevant professional and regulatory standards.
- Reviewed and approved the policy for the employment of former employees of the External Auditor, without amendment, confirming with management that no such employees had been appointed during 2025.
- Held planned meetings with Deloitte, following Committee meetings, without management present on two occasions. No material issues were brought to the Committee's attention at those meetings.
- Considered the adequacy of the Group's procedures with regard to the objectivity and independence of the External Auditor.
- Recommended to the Board that a shareholder resolution should be proposed for the reappointment of Deloitte.

The Group confirms it was in compliance with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 during the financial year ended 31 December 2025.

### Effectiveness of the External Auditor

The Committee has the responsibility for overseeing the Group's relationship with the External Auditor and advises the Board on their appointment or reappointment, their effectiveness, independence and objectivity,

and discusses the nature and results of the audit with the External Auditor.

This year's review of the External Audit process included consideration of the following:

- The effectiveness of the External Audit firm.
- Quality controls.
- The audit team.
- Audit fee.
- Audit communications and effectiveness.
- Governance and independence.
- Ethical standards.
- Potential impairment of independence by non-audit fee income.
- Deloitte's ability to make valid improvement suggestions.

As part of the review of the effectiveness of the External Audit process, the Committee received a report on the External Auditor's quality control procedures and conducted a formal evaluation procedure.

In addition to reviewing the formal report received from the External Auditor, which outlined how points raised by them have been addressed by management, feedback is also sought on the conduct of members of the Finance team during the audit process. The Chair of the Committee also met with the lead audit partner outside the formal Committee process.

The Committee considers the effectiveness of management in the External Audit process in respect of the timely identification and resolution of areas of accounting judgement with input from the External Auditor as appropriate. They also consider management's timely provision of the draft half-year results announcement, Annual Report and supporting documentation for review by the auditor and the Committee.

### Auditor independence

The Committee regards independence of the External Auditor as crucial in safeguarding the integrity of the audit process and takes responsibility for ensuring the relationship between the Committee, the External Auditor and management remains appropriate.

The Committee recognises that independence is also a key focus for the External Auditor, and Deloitte has confirmed that it has complied with its own ethics and independence policies, which are consistent with the FRC's Revised Ethical Standard 2024. This includes the External Auditor's assurances that all of its partners and staff involved with the audit are independent of any links to the Group and that none of its employees working on our audit hold any shares in Ibstock Plc.

Deloitte provides confirmation of independence during the planning stage of the audit, disclosing matters relating to its independence and objectivity. There were no independence issues raised in respect of the audit for the financial year ending 31 December 2025.

The Committee also develops and recommends to the Board the Group's policy on non-audit services and associated fees paid to the External Auditor, to ensure the External Auditor is not providing any additional services that could impede its independence. Further details on this policy can be found below.

Taking all factors into consideration, the Committee considers that the External Auditor continues to be independent.

### Non-audit services

The Non-Audit Services Policy sets out clearly the non-audit services that may be provided by the External Auditor.

## Audit Committee Report continued

### External Audit continued

#### Non-audit services continued

Under the policy, prior approval is required by the Committee for any non-statutory assignments where the fee would exceed £10,000, or where such an assignment would take the cumulative total of non-audit fees paid to the External Auditor over 70% of that year's statutory audit fees. However, when appropriate, a detailed calculation will be performed to ensure that the Group is compliant with the European Union's Statutory Audit Framework. The policy is reviewed on an annual basis and was adopted without amendment in November 2025. The External Auditor is responsible for the annual audit of the main Group subsidiary companies and other services that the Committee believes it is best placed to provide.

Details of the amounts paid to the External Auditor are set out in Note 6 to the Group consolidated financial statements. The ratio of audit fees to non-audit fees was 13:1.

#### Auditor appointment for the year ending 31 December 2026

The Committee reviews annually the appointment of the External Auditor taking into account the External Auditor's effectiveness and independence and all appropriate guidelines and makes a recommendation to the Board accordingly.

Deloitte has indicated its willingness to continue in office, and the Committee has recommended Deloitte's reappointment to the Board. A resolution to reappoint Deloitte as the External Auditor for the financial year ending 31 December 2026 will therefore be proposed at the AGM to be held on 21 May 2026.

There are no contractual obligations that restrict the Committee's choice of auditor, the recommendation is free from third party influence, and no auditor liability agreement has been entered into.

## External Audit tender

Deloitte was first appointed as External Auditor for the financial year ending 31 December 2017. In accordance with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Process and Audit Committee Responsibilities) Order 2014, the Group's next mandatory tender would therefore need to be in respect of the audit for the financial year ending 31 December 2027 (the '2027 External Audit'). The timeline below sets out details of the tender process (Process).

#### November 2024

As previously disclosed, the Committee determined that the optimum approach would be to conduct a Process during 2025 in respect of the 2027 External Audit, to allow for a significant transition period during the 2026 financial year and to allow firms to exit relationships that may present a conflict of interest should this be relevant. The proposed approach, formulated to align with the FRC's Standard, was discussed by the Committee at its meeting in November 2024. The Committee agreed that the proposed selection criteria were transparent and non-discriminatory, and were focused on quality (independence, challenge and technical competence) rather than the proposed fee.

The Audit Tender Committee (the 'ATC'), led by the Chair of the Committee, was established to manage and govern the Process, accountable to the Committee, which maintained overall ownership of the Process and ensured that it was run in a fair and balanced manner.

#### April 2025

Ahead of issuance of a formal proposal, the ATC interviewed a short-list of Audit Partners provided by the tendering firms and selected the lead partner. The request and a comprehensive data pack was subsequently issued to provide the tendering firms with sufficient information to design an audit plan, including: financial reports; financial controls and policies; Group structure and organisation charts; relevant IT system details; and Board and Audit Committee papers. Further information requests were permitted under a specified procedure process to allow the firms to ask questions on the content of the data pack or request further information from management.

#### May and June 2025

The firms participated in a series of meetings with Committee members and senior management, which provided an opportunity for the firms to ask questions arising from their review of the data pack, as well as enabling the ATC and senior management members to interact directly with each proposed audit team.

Each firm provided an independence assessment at the start of the process, detailing services currently provided to the Group, and confirmation of their ability to achieve independence within the required timeframe. These responses were reviewed by management to assess consistency with the Group's own assessment, and independence status was reconfirmed ahead of the conclusion of the Process.

#### July 2025

The ATC received presentations from and interviewed the proposed teams from each firm at individual sessions, which enabled the ATC to probe the firms on criteria including: quality review ratings; technical expertise; understanding of the business and industry; planned audit approach; proposed team structure; and implementation and transition.

The ATC scored the firms on the presentations received and formal proposals submitted, alongside the consideration of the FRC's Audit Quality Results from the previous two years. Reference checks were also undertaken with comparable companies, seeking insights into matters such as each firm's ability to challenge management effectively, use of technology and tools, diversity of workforce, and confidence in the team's expertise, accreditation and experience.

Following a detailed review of the performance of each firm during the process and an evaluation against all criteria, the ATC, in accordance with statutory requirements, provided a report on the tender selection procedure and conclusions to the Committee for consideration. The Committee reviewed the ATC's proposal and recommended Deloitte to the Board as first choice, along with a second choice recommendation.

#### July 2025

The Board selected Deloitte as the External Auditor for the 2027 External Audit onwards, subject to shareholder approval at the 2027 AGM.

## Audit Committee Report continued

### Internal Audit

Internal Audit services are provided through an outsourced arrangement with RSM whilst certain other activities, including site inspections, are conducted by Ibstock's internal teams. RSM have provided Internal Audit services since February 2017.

The Internal Audit programme for the subsequent year is subject to detailed review and approval by the Committee annually in November. The programme comprises a schedule of reviews and audits to cover a range of processes and controls throughout the year across each component of the Group. Updates on the status of audits against the annual Internal Audit programme are provided to the Committee by RSM on a regular basis.

RSM present reports on their audits and reviews to the Committee for discussion. The reports set out any control weaknesses identified as well as the actions agreed by management to address recommendations. Management's responsiveness to RSM's findings is a key focus area for the Committee given the direct link to maintaining an effective control environment for the Group to operate in. The Committee concluded that during the year, management had largely responded to Internal Audit reports in a timely and thorough manner by outlining clear and comprehensive actions to be taken to address RSM's recommendations.

The Committee met with RSM, without management present, on two occasions during the year. No material issues were brought to the Committee's attention at those meetings. The Chair of the Committee also meets with RSM privately when appropriate.

### Effectiveness of Internal Audit

The Committee is responsible for overseeing the effectiveness of the Internal Auditor. The Committee received and considered the feedback provided about the Internal Audit effectiveness that was collated using a questionnaire sent to Committee members and management.

The Committee considers that RSM continue to be independent and that the Internal Audit function is effective.

### Risk management and internal control

The Committee supports the Board in monitoring the Group's exposure to risk. It is responsible for reviewing the operation and the effectiveness of its risk management and internal control systems and assisting in the assessment of the Group's principal risks and uncertainties. This review includes all material controls, including financial, operational and compliance controls.

The Group's internal control systems include a clear management structure with appropriate authorities, robust financial controls, an appropriate risk management system, an Internal Audit function and appropriate policies and procedures. These are designed to meet the particular needs of the Group and the risks to which it is exposed. Such systems can only provide reasonable and not absolute assurance against material misstatement or loss.

### Management structure and authority

There is a clearly defined management responsibility and reporting structure. This includes documented levels for the authorisation of business transactions and clear bank mandates to control the approval of Company payments.

The ExCo meets on a frequent basis in order to consider the assessment and control of risk, including review and challenge of divisional and head office risk registers, and the consideration of strategic and emerging risks. They also consider the prioritisation and allocation of resources.

### Review of effectiveness

Twice a year the Committee considers in detail the risk management and internal control environment within the Group. During these meetings, the Committee considers the current and proposed regulatory and best practice requirements alongside a review of Ibstock's internal controls. This includes the Group's culture and values, risk management evaluation and procedures, financial controls, Internal Audit focus and processes, and ethics and compliance. This review provides an opportunity to identify areas for improvement and development.

The Committee also receives reports on compliance with internal controls throughout the year alongside independent reports from RSM on the audits and reviews they have undertaken. RSM carry out independent testing of internal controls on a six-monthly basis and the outcome is shared with the Committee.

The review of effectiveness included the following elements:

- › Consideration of the principal risks and uncertainties and their associated mitigation prepared by management in advance of their submission to the Board. This formed a key component of the Board's robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. The Group's principal risks are set out on pages 48 to 52.

- › Review of a report from the Interim CFO on the internal controls operating in the business and any associated action plans.
- › Review of fraud risks (including those under the Economic Crime and Corporate Transparency Act 2023), including the results of a fraud risk assessment, the Code of Business Conduct and Whistleblowing Policy.
- › Oversight of risk and internal control arrangements.
- › Review of work undertaken to comply with Provision 29 of the Code.

Based on this review the Committee concluded there were no material weaknesses. However, a number of areas were identified where improvements are required to enhance formality and consistency of control operation including timeliness and retention of evidence.

## Audit Committee Report continued

### Preparing for Provision 29

The Board and the Committee support the enhanced reporting requirements set out in Provision 29 of the Code, which will be effective for the Group from the financial year commencing 1 January 2026. Along with the existing disclosure of the annual review of effectiveness of the risk management and internal control framework, an explicit declaration of effectiveness of all material controls as at the balance sheet date will be included within future reports from the Committee.

In preparation for the introduction of Provision 29, during the year an initial proposal on material controls and assurance was reviewed by the Committee and this will be subject to further enhancement in 2026. Existing governance structures mean that the Board and its Committees already report upon the effectiveness of a range of controls in the Annual Report. Efforts are therefore being focused on leveraging this strong foundation and strengthening any gaps to ensure the Board has the requisite level of confidence in making their annual declaration on the effectiveness of material controls.

The Committee will continue to receive regular updates from management on the progress of the work being undertaken on internal controls, ahead of the Board's first disclosure in next year's Annual Report.

### Compliance with the Code of Business Conduct

The Group's Code of Business Conduct supports colleagues in making business decisions that are in the best interests of the Group, fellow employees, customers, suppliers, regulators and the communities we operate in. It covers topics including health and safety, anti-fraud, anti-bribery, competition law, gifts and hospitality and conflicts of interest, all of which play their part in responsible business practices.

During the year, the Group refreshed its governance and compliance framework to more closely link to the Code of Business Conduct, the launch of which was overseen by the Committee given its role in reviewing the operation of the Group's procedures that are in place for the detection of fraud and the systems and controls in place to prevent a breach of anti-bribery legislation.

The Group is committed to a zero tolerance position with regard to fraud and bribery. Anti-fraud and anti-bribery guidance and training is provided to employees, as appropriate, applying what the Group has determined to be a risk-based and proportionate approach.

### Whistleblowing

The Group aspires to maintain the highest standards of ethical behaviour, corporate governance, and accountability in all areas of its activities. The Group's culture fosters an environment where colleagues operate honestly and with integrity and, therefore, reports of any potentially illegal, unsafe, or unethical behaviour are encouraged under the Whistleblowing Policy.

All employees, agents and contractors, regardless of their role are covered by this policy, which aims to:

- encourage everyone to report any concerns as soon as possible, in the knowledge that they will be taken seriously and investigated as appropriate, and their confidentiality will be respected; and
- reassure employees that they should be able to raise genuine concerns without fear of reprisals or victimisation.

The Committee receives updates on whistleblowing investigations at each meeting, including those incidents raised through the confidential whistleblowing line. A summary of all material incidents raised is presented to the Board twice a year.

## Directors' Remuneration Report

# Strength through fair and balanced decisions



**Nicola Bruce**  
Chair of the Remuneration Committee

## Annual Statement of the Committee Chair

On behalf of the Board, I am pleased to share the Remuneration Committee's (Committee) report for the year ended 31 December 2025. I would like to thank my fellow Committee members for their support and contribution to the work of the Committee throughout the year.

This report consists of three sections:

- › Annual Statement: A summary of the work of the Committee during the year and our approach to remuneration for the year ahead.

› Read more on [pages 91 to 93](#).

- › Directors' Remuneration Policy (the 'Policy'): A summary of the Policy, which received 97.17% support from shareholders at the 2025 AGM. The Policy provides a framework for how Directors are paid over the three-year period to 31 December 2027.

› Read more on [pages 96 to 101](#).

- › Annual Report on Remuneration: Sets out the pay and incentive outcomes for the year under review, Directors' share ownership and share interests, pay comparisons which provide context for outcomes, Committee governance and how the Committee intends to implement the proposed Policy in 2026.

## Business performance in FY2025

Following a strong start to the year, trading conditions became progressively more challenging. Ibstock's market leadership and differentiated offering enabled market share gains in Clay brick whilst lower average selling prices reflected the tough environment and a shift in mix towards new build residential.

Management took decisive actions to right-size production capacity through a clear focus on driving efficiencies through the factory network resulting in the delivery of estimated cost savings of £5 million. The decision in Q4 to sell a number of surplus land assets and the Forticrete roofing sites contributed to the maintenance of a robust balance sheet, which enables the Group to deliver on key strategic priorities whilst providing optionality on sustained future shareholder value creation.

## Remuneration outcomes for FY2025 Annual and Deferred Bonus Plan ('ADBP')

Consistent with previous years, the annual bonus for our Executive Directors was based 70% on the Group's financial performance and 30% on non-financial objectives.

Full details of the FY2025 targets and performance against them are set out on page 103.

- › Adjusted EBIT\* accounted for 50% of total bonus. Performance was below threshold and therefore none of this element was paid.
- › Adjusted Operating Cash flow\* accounted for 20% of total bonus. Performance exceeded the maximum target and consequently this element of the award will pay out in full.
- › Non-financial objectives that were role-specific and aligned with the Company's strategic ambitions accounted for 30% of the total bonus. The Committee noted the strong performance in relation to these non-financial targets, for which an outcome of 23% out of 30% was achieved for the CEO, details of which are set out on page 103.

On balance, and after detailed consideration, the Committee concluded that the overall annual bonus outcome of 43% of maximum (equating to 64.5% of salary) is an appropriate outcome. The Committee is aware that the primary financial measure, adjusted EBIT\* was not achieved but nevertheless believes the payout is warranted for the following reasons:

- › It reflects the delivery of a resilient performance in FY25 with revenue up 2% to c.£372 million (2024: £366 million) in a progressively tougher market.
- › Market share gains in Clay with diversified ceramic façades capability gaining significant interest.
- › Performance during Q4 benefited from cost reduction action and stable pricing, with FY 2025 Group adjusted EBITDA of £71 million (2024: £79 million) in line with the revised guidance.
- › Underlying trading cash flow for the year was also in line with previous guidance, with year-end net debt of £120 million (2024: £122 million) reflecting a consistent disciplined capital allocation approach.
- › Atlas factory largely complete, delivering lower cost, more efficient capacity
- › Nostell investment progressing through commissioning largely complete, with good progress on the construction of the UK's most advanced ceramic façade facility.

## Directors' Remuneration Report continued

### Remuneration outcomes for FY2025 continued

#### Long Term Incentive Plan ('LTIP') vesting

Vesting of the 2023 awards was subject to the achievement of adjusted EPS\*, relative TSR, ROCE\* and sustainability-related conditions measured over the three-year performance period ending 31 December 2025.

The EPS\*, relative TSR and ROCE\* measures accounted for 80% of the total award. Reflecting challenging conditions impacting the industry, the thresholds for each of these measures was not achieved.

The sustainability measures, accounting for 20% of the award, were based on objectives relating to carbon intensity (carbon per tonne of finished production), growth in female representation amongst the senior leadership team, and revenues from new and more sustainable product development. Despite significant progress on carbon reduction with delivery of six out of a total of 13 planned lower carbon products, including a carbon neutral range at our Atlas Factory in the Midlands, the carbon intensity target was not met. Female representation and new and more sustainable product development targets achieved threshold and maximum levels of vesting respectively. As a result, the sustainability component of the awards vested at 6.25% out of 20%.

Based on the performance across these four components, the overall vesting of the 2023 LTIP is 6.25% of maximum. Full details of these performance targets, outcomes and vesting are detailed on page 104.

The Committee carefully considered the formulaic outcomes for the Annual and Deferred Bonus Plan ('ADBP') and the LTIP and is satisfied that, taken together, there is no basis for operating discretion (either upwards or downwards) in respect of these outcomes.

#### Board changes during the FY2025

The Company announced on 30 April 2025 that Chris McLeish had informed the Board of his intention to step down from his role as Chief Financial Officer and his final day with Ibstock was 10 October 2025. In line with our Remuneration Policy and his service agreement, Chris received his base salary, benefits and pension contributions to the date of cessation and no further payment was made in respect of the unexpired notice period. All unvested awards under the ADBP and the LTIP lapsed on cessation.

Simon Bedford was appointed as Interim CFO whilst Ibstock completes its search for a permanent successor. As Simon has not been appointed as a Board director, his remuneration has not been included.

Richard Akers was appointed as an Independent Non-Executive Director and Chair Designate with effect from 5 May 2025 and succeeded Jonathan Nicholls as Chair following the completion of the Annual General Meeting ('AGM') on 15 May 2025. Richard's fee as Chair of the Board was set at £225,000.

#### Approval of Directors' Remuneration Policy

The Committee was pleased to receive strong shareholder support for the Policy, which was presented for approval at the 2025 AGM. Following a comprehensive consultation with shareholders, which we set out in our 2024 Annual Report, the key remuneration changes included phased salary increases for Executive Directors over a two year period and an increase to their annual bonus opportunity in order to bring their total compensation package closer to the median pay benchmark for a business of our size and complexity. We combined these changes with an increase in share deferral requirements, such that 50% of annual bonus earned will be deferred and held in shares for two years until such time as individual Director shareholding guidelines have been achieved.

In addition, we introduced restricted share awards as our sole form of long-term incentive. The first restricted share awards were granted following the 2025 AGM. In line with the Policy approved by shareholders, the restricted stock award was set at 50% of the value of the performance-based share awards of previous years. The Committee is very grateful to shareholders for their constructive input and support.

Further to shareholder support on this matter, Joe Hudson's salary was increased to £585,000 with effect from 1 April 2025 with the intent to raise it to £615,000 with effect from 1 April 2026, subject to continued strong individual performance. It was also agreed that the Committee may apply a further increase in April 2026 to reflect the level of any subsequent inflationary workforce salary increase that might apply from April 2026.

## Directors' Remuneration Report continued

### The year ahead

The Committee will seek to implement the Policy as follows:

- Base salaries – As was indicated in last year's report, further to shareholder support on this matter, and reflecting his continuing strong individual performance in challenging market conditions, the Committee has agreed to increase Joe Hudson's salary from £585,000 to £615,000 from 1 April 2026. The Committee considered whether to apply a further 2026 inflationary workforce increase of 3% to this figure as was intended last year. However, Joe Hudson requested that this not to be applied in the context of continuing market challenges. The Committee is grateful to Joe for his consideration on this matter. Consequently, from 1 April 2026, Joe Hudson's salary will be increased by 5% to £615,000.
- Pension – Workforce-aligned contributions at 10% of base salary.
- Annual bonus – The maximum opportunity will be 150% of salary and, consistent with 2025, 50% of the total award will be based on adjusted EBIT\*, 20% on adjusted cash flow\* and 30% on non-financial personal objectives. One half of any FY2026 bonus earned will be deferred into shares (or one third of bonus earned if the 200% of salary shareholding guideline has been met by that time).
- Restricted shares – The Committee intends to grant awards of restricted shares at 75% of salary to the CEO. The Committee will take into account the prevailing share price when determining the award level, and while the current share price is lower than the grant price for the 2025 awards, it is broadly in line with the 2024 grant price. These awards will vest subject to an underpin measured over a

three-year performance period, 2026 to 2028 and will include an assessment of windfall gains. The factors that will be considered as part of the underpin assessment are set out in the policy table on page 98. A two-year post-vesting holding period will also apply to any vested awards.

### Looking after our employees

Employee engagement and listening to the views of our workforce remain central to how the Committee considers remuneration and wider people policies. Building on the success of previous years, our Listening Post continued to provide a direct and constructive forum for dialogue between employees and members of the Committee. In 2025, the Listening Post met three times, with strong attendance from colleagues across our factory locations and support functions. These sessions continue to provide valuable insight into what matters most to our employees and help inform decision-making at Board level.

Feedback during the year reaffirmed the importance of competitive and fair pay, benefits that support wellbeing, and long-term employment security. Colleagues continued to respond positively to our benefits offering and our Digicare+ health and wellbeing services, which provide access to annual health checks, online GP appointments, and nutritional and mental health support.

The theme of skills development and future employability also remained a key focus. We continued to invest in up-skilling our workforce and expanding internal development opportunities. In 2025, we maintained our Gold membership of the 5% Club, reflecting our ongoing commitment to high-quality 'Earn and Learn' roles. During the year, we supported 68 apprenticeships across our factory estate and

support functions, while a further 71 existing colleagues continued to upskill through our Earn and Learn programmes. This reflects our focus not only on attracting new talent but also on providing development pathways and enhanced employment security for our current workforce, with a continued emphasis on attracting and supporting diverse talent from the communities in which we operate.

We also recognise the importance of rewarding contribution and fostering a culture of appreciation. Our peer-to-peer recognition scheme remained an important part of this approach in 2025, with approximately 100 colleagues receiving cash awards of up to £500, recognising exceptional teamwork, commitment, and performance.

In 2025, we were pleased to invite colleagues to participate in our all-employee Save As You Earn (Sharesave) scheme, further strengthening employee participation in the long-term success of the business. Participation levels were strong, with 41% of eligible employees choosing to take part. The Sharesave enables colleagues to save a fixed monthly amount and use those savings to buy shares at a discounted price at maturity, offering a tax-efficient way to build savings, benefit from share price growth, and strengthen alignment between employee reward and shareholder outcomes.

During the year, we also conducted our bi-annual employee opinion survey and achieved an 83% participation rate which provided valuable insight into colleague sentiment across the organisation. Feedback on pay and benefits indicated that there is more to do to ensure our approach continues to meet expectations in a changing economic environment. This feedback is taken seriously and is being used to inform ongoing reviews of our reward structures, communication

and benefit design, ensuring that they remain competitive, fair, and aligned with employee priorities.

Overall, the Committee is encouraged by the high levels of engagement across these initiatives and remains committed to maintaining open dialogue with employees, supporting skills development, and ensuring that remuneration policies continue to reflect both business performance and the employee experience.

### Shareholder support

I hope we will again receive your support for the resolution relating to remuneration at the forthcoming AGM, where I will be available to respond to any questions shareholders may have on this report or in relation to any of the Committee activities. In the meantime, if you would like to discuss any aspect of our Remuneration Policy, please feel free to contact me via the Group Company Secretary (company.secretariat@ibstock.co.uk).

**Nicola Bruce**  
Chair of the Remuneration Committee

4 March 2026



Directors' Remuneration Report continued

# Remuneration at a glance

## How our Executives were paid in FY2025

### Executive Director total remuneration in FY2025 and FY2024

Joe Hudson (CEO)  
Total remuneration

# £1,055

000s



£000s	FY25	FY24
Base Salary	573	532
Benefits	9	8
Pension	57	53
Bonus	378	449
LTIP	38	321
<b>Total</b>	<b>1,055</b>	<b>1,363</b>

### Share ownership

Joe Hudson (CEO) (% of salary)



### 2025 bonus performance

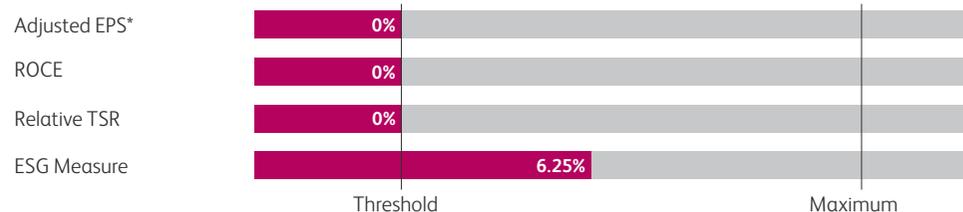
Total 2025 Bonus Performance (%)



Total 2025 Bonus Performance: 43.0%

### 2025 indicative LTIP performance

Total 2025 indicative LTIP performance (%)



Total 2025 LTIP Performance: 6.25%



## Directors' Remuneration Report continued

### How our Executives will be paid in FY2026

An overview of our Policy and how it is proposed to apply in FY2026 is set out below.

#### Fixed pay: to recruit and reward Executives of a high calibre

Remuneration for the year ending 31 December 2026

Salary	CEO: £615,000	Joe Hudson's salary will increase from £585,000 to £615,000 effective 1 April 2026. This increase was set out in last year's report, and the Committee is satisfied that the increase is warranted based on Joe's continued strong individual performance.
Pension	10% of salary	Aligned with the maximum pension opportunity for the wider workforce.
Benefits	Includes private medical cover, a company car or a cash alternative, and death in service cover.	

#### Annual and Deferred Bonus Plan ('ADBP')

To incentivise and reward the achievement of annual financial and operational objectives which are closely linked to the corporate strategy.

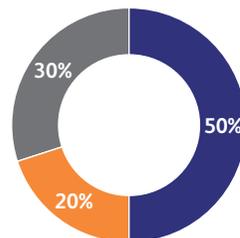
The maximum opportunity will be 150% of salary, and one half of any FY2026 bonus earned will be deferred into shares (or one third if the 200% of salary shareholding guideline has been met by that time).



**Maximum opportunity: 150%**  
Malus and clawback provisions apply (see page 100).

#### FY2026 bonus metrics

- 50% Adjusted EBIT\*
- 20% Adjusted Cash flow
- 30% Non-Financial Objectives



#### LTIP: restricted shares

The Committee intends to grant awards of restricted shares at 75% of salary to the CEO which will vest subject to continued employment and the achievement of an underpin measured over a three-year period, 2026 to 2028. A two-year post-vesting holding period will also apply.

#### Shareholding guidelines

# 200%

##### in employment

Executive Directors are expected to build a shareholding equivalent to 200% of base salary over five years. All vested share awards are required to be held (net of tax) until this guideline has been achieved.

# 200%

##### post-cessation

Executive Directors have a post-cessation minimum shareholding requirement of 200% of their base salary (or actual holding if lower) for two years from leaving.

## 2025 Directors' Remuneration Policy

### Introduction

The Directors' Remuneration Policy was approved by shareholders at the AGM on 15 May 2025 and became effective from that date until the 2028 AGM (or until another Remuneration Policy is approved, if sooner). A summary of the 2025 Policy is set out below and a full version can be found in the 2024 Annual Report, available on our website at: <https://www.ibstock.co.uk/investors/reports-and-presentations>.

### Remuneration Policy table

The following table sets out, for each element of pay, a summary of how remuneration is structured and how it supports the Company's strategy.

Link to strategic objectives	Operation	Maximum opportunity	Performance metrics
<p><b>Base salary</b> Provides a base level of remuneration to support recruitment and retention of Executive Directors with the necessary experience and expertise to deliver the Group's strategy.</p>	<p>Salaries are normally reviewed annually, and changes are normally effective from 1 April.</p> <p>The annual salary review of Executive Directors takes a range of factors into consideration, including:</p> <ul style="list-style-type: none"> <li>› Business performance.</li> <li>› Salary increases awarded to the overall colleague population.</li> <li>› Skills and experience of the individual over time.</li> <li>› Scope of the individual's responsibilities.</li> <li>› Changes in the size and complexity of the Group.</li> <li>› Market competitiveness assessed by periodic benchmarking.</li> <li>› The underlying rate of inflation.</li> </ul>	<p>Base salary increases are awarded at the discretion of the Remuneration Committee (Committee); however, salary increases will normally be no greater than the general increase awarded to the wider workforce, in percentage of salary terms.</p> <p>Percentage increases beyond those granted to the wider workforce may be awarded in certain circumstances, such as when there is a change in the individual's role or responsibility or where there has been a fundamental change in the scale or nature of the Company or to address salaries that have fallen behind market rates.</p> <p>In addition, a higher increase may be made where an individual had been appointed to a new role at below-market salary whilst gaining experience.</p>	<p>Executive Directors' performance is a factor considered when determining salaries. No recovery or withholding provisions apply.</p>
<p><b>Benefits</b> Benefits in kind offered to Executive Directors are provided to enable the Company to recruit and retain Executive Directors with the experience and expertise to deliver the Group's strategy.</p>	<p>The Executive Directors receive a company car or car allowance, private health cover and death in service cover.</p> <p>Executive Directors may become eligible for other benefits which are introduced for the wider workforce on broadly similar terms.</p> <p>Additional benefits may be offered such as relocation allowances on recruitment.</p>	<p>There is no maximum cap on the value of benefits. The value will depend on the cost of providing the relevant benefits. The Company has monitoring practices in place to ensure spend on benefits is efficient.</p>	<p>Not performance-related.</p> <p>No recovery or withholding provisions apply.</p>

## 2025 Directors' Remuneration Policy continued

### Remuneration Policy table continued

Link to strategic objectives	Operation	Maximum opportunity	Performance metrics
<p><b>Pension</b> To provide a contribution towards retirement.</p>	<p>Directors are eligible to receive employer contributions to the Company's pension plan (which is a defined contribution plan) or a salary supplement in lieu of pension benefits, or a mixture of both.</p>	<p>The maximum contribution into the defined contribution plan or salary supplement in lieu of pension is aligned with the workforce contribution rate which is currently 10% of gross basic salary.</p>	<p>Not performance-related. No recovery or withholding provisions apply.</p>
<p><b>Annual and Deferred Bonus Plan ('ADBP')</b> The ADBP rewards the achievement of achieving stretching objectives that are closely aligned with the Company's strategy and the creation of value for shareholders. Delivery of a proportion of the bonus in deferred share awards enhances alignment between executives and shareholders.</p>	<p>ADBP awards are determined based on measures and targets that are agreed by the Committee. Annual bonus measures are typically based on performance over the relevant financial year. One-half of the bonus earned will be deferred in shares for three years with the remainder paid in cash. The deferred amount will reduce to one-third once the shareholding guideline has been achieved (as measured at the end of the financial year directly prior to the payment of a bonus). At the discretion of the Committee, participants may also be entitled to receive the value of dividends paid between grant and vesting on vested shares. The payment may assume dividend reinvestment. Bonus payments, including deferred awards, are subject to recovery and withholding provisions.</p>	<p>The maximum bonus deliverable under the ADBP is 150% of a participant's annual base salary. Typically, half of the maximum opportunity will be payable for delivering target performance.</p>	<p>Performance measures are determined by the Committee each year and may vary to ensure that they promote the Company's long-term business strategy and shareholder value. The majority of the bonus will be based on financial measures. This may be a single measure, such as profit, or a mix of measures as determined by the Committee. Personal objectives and/or strategic KPIs may also be chosen. Where a sliding scale of targets applies to financial measures, up to 20% of that element may be payable for threshold performance. The ADBP measures are reviewed annually, and the Remuneration Committee has the discretion to vary the mix of measures or to introduce new measures taking into account the strategic focus of the Company at the time. The Committee has discretion to make downward or upward adjustments to the amount of bonus earned resulting from the application of the performance measures, if the Committee believes that the bonus outcomes are not a fair and accurate reflection of overall business performance. Any examples of such discretion will be communicated to shareholders in the annual Directors' Report on Remuneration. Malus and clawback provisions apply (see page 100).</p>



## 2025 Directors' Remuneration Policy continued

### Remuneration Policy table continued

Link to strategic objectives	Operation	Maximum opportunity	Performance metrics
<p><b>Long-term incentives</b> Restricted shares incentivise long-term decision-making for sustainable growth, they align Executives' interests with the business strategy, and help recruit and retain Executives.</p>	<p>Restricted share awards are granted annually to Executive Directors in the form of a conditional share award, nil (or nominal) cost option under the Ibstock Long Term Incentive Plan (LTIP).</p> <p>Awards will vest at the end of a three-year vesting period subject to: the Executive Director's continued employment at the date of vesting; and satisfaction of the restricted share underpin.</p> <p>A post-vesting holding period of two years will apply for restricted awards.</p> <p>Dividends may accrue on vested restricted share awards during the vesting and holding periods.</p> <p>Restricted share awards are subject to recovery and withholding provisions.</p>	<p>The normal maximum grant level is 75% of salary per annum based on the market value at the date of grant set in accordance with the rules of the LTIP. In exceptional circumstances, such as recruitment, the Committee may grant an award with a maximum of 100% of salary.</p>	<p>Restricted share awards are not subject to performance measures but vesting is subject to the achievement of an underpin normally reviewed over the three financial years commencing with the financial year in which awards are granted.</p> <p>The Committee will apply an underpin to restricted share awards which will enable it to reduce vesting if there has been material underperformance. In this regard, the Committee will consider firstly how well the management team has executed the strategic objectives set by the Board over the three-year period. The Committee will then assess performance against a thematic framework based on:</p> <ul style="list-style-type: none"> <li>› financial health, including consideration of revenue, profit, return on capital and balance sheet strength;</li> <li>› stakeholder experience including consideration of the shareholder experience, employees, health and safety, customers and suppliers; and</li> <li>› sustainability objectives, including progress on emissions reduction and social impact.</li> </ul>
<p><b>All employee share plans</b> Encourage employees, including the Executive Directors, to build a shareholding through the operation of all employee share plans such as the Share Incentive Plan ('SIP') and Sharesave. Such plans increase alignment between employees and shareholders.</p>	<p>The Company operates a SIP and a Sharesave scheme in which the Executive Directors are eligible to participate (both schemes are in line with HMRC legislation and are open to all eligible staff).</p> <p>The Executive Directors shall be entitled to participate in any other all employee arrangement implemented by the Company.</p>	<p>Maximum opportunity for awards and purchases are kept in line with HMRC limits.</p>	<p>The Company in accordance with the legislation may impose objective conditions on participation in the SIP for employees.</p>

**2025 Directors' Remuneration Policy** continued**Remuneration Policy table** continued

Link to strategic objectives	Operation	Maximum opportunity	Performance metrics
<p><b>Shareholding guidelines</b> Encourages Executive Directors to build a meaningful shareholding in the Group so as to further align their interests with those of shareholders.</p>	<p>Executive Directors will normally be required to retain shares from all share awards vesting (after the sale of any shares to settle tax due) until they have reached the required level of holding.</p> <p>Shares owned outright by the Executive Director or a connected person are included.</p> <p>Shares or share options which remain subject to a performance condition are not included.</p> <p>Unvested deferred bonus awards and vested LTIP or restricted share awards which remain unexercised count towards the in-employment guideline on a net of tax basis.</p>	<p>During employment: Executive Directors are required to build and retain a shareholding equivalent to at least 200% of their base salary.</p> <p>Post-employment: Executive Directors are normally required to hold shares at a level equal to the lower of their shareholding at cessation or 200% of salary for two years post cessation.</p>	<p>No performance metrics apply.</p>
<p><b>Non-Executive Director and Chair fees</b> Provides a level of fees to support recruitment and retention of Non-Executive Directors and a Chair with the necessary experience to advise and assist with establishing and monitoring the Group's strategic objectives.</p>	<p>The Board is responsible for setting the remuneration of the Non-Executive Directors. The Remuneration Committee is responsible for setting the Chair's fees. Non-Executive Directors are paid an annual fee and additional fees may be paid for chairship and membership of Committees. The Chair does not receive any additional fees for chairing or membership of Committees.</p> <p>Non-Executive Directors and the Chair do not participate in any variable remuneration or benefits arrangements other than reimbursed expenses.</p>	<p>Fees are reviewed annually in the context of fees in place for equivalent roles in comparable companies and to reflect time commitment and responsibility.</p> <p>The Company will pay reasonable expenses incurred by the Non-Executive Directors and Chair and may settle any tax incurred in relation to these.</p> <p>In exceptional circumstances if there is a temporary, yet material, increase in the time commitments for Non-executive Directors, the Group Board may pay extra fees to recognise that additional workload.</p>	<p>Not performance related.</p>

## 2025 Directors' Remuneration Policy continued

### Malus and clawback

The ADBP and the LTIP include best practice malus and clawback provisions. Malus is the adjustment of unpaid bonus and deferred share awards under the ADBP and outstanding LTIP awards as a result of the occurrence of one or more circumstances listed below. The adjustment may result in the value being reduced to nil.

Clawback is the recovery of payments or vested awards under the ADBP and vested LTIP awards as a result of the occurrence of one or more circumstances listed below. Clawback may apply to all or part of a participant's award and may be effected, among other means, by requiring the transfer of shares, payment of cash or reduction of awards or bonuses. The circumstances in which malus and clawback could apply are as follows:

- › discovery of a material misstatement resulting in an adjustment in the audited accounts of the Group or any Group company;
- › the assessment of any performance condition or condition in respect of an ADBP and LTIP Award was based on error, or inaccurate or misleading information;
- › the discovery that any information used to determine the cash payment under the ADBP or the number of shares subject to an ADBP or LTIP Award was based on error, or inaccurate or misleading information;
- › action or conduct of a participant which amounts to fraud, gross misconduct or serious misconduct;
- › events or the behaviour of a participant have led to the censure of a Group company by a regulatory authority or have had a significant detrimental impact on the reputation of any Group company provided that the Board is satisfied that the relevant participant was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to the participant (including on account of management oversight as relevant); or
- › the Company or a material proportion of the Group becoming insolvent or otherwise suffering a significant corporate failure.

	Annual Bonus	Deferred Bonus	Long Term Incentive Plan
Malus	Up to the date of payment of a cash bonus	To the end of the three-year deferral period (i.e. three years post the bonus determination)	To the end of the three-year vesting period
Clawback	Five years post the bonus determination	N/A	Until two years post-vesting

### Executive Director service contracts

The Company does not have agreements with any Director that would provide compensation for loss of office or employment resulting from a takeover except that provisions of the Company's share schemes and plans may cause share options and awards granted to colleagues under such schemes and plans to vest on a takeover. All Executive Directors have rolling service agreements which may be terminated in accordance with the terms of these agreements. The maximum notice period is 12 months from either the Executive or the Company. Directors' service agreements are kept for inspection by shareholders at the Company's registered office.

Name	Date of joining Ibstock	Date of service contract	Notice Period
Joe Hudson	2 January 2018	12 October 2017	12 months either party

### Non-Executive Director letters of appointment

The Chair and each Non-Executive Director are engaged under a market-standard appointment letter, which states that the appointment will continue for a renewable three-year term provided that the appointment must not continue for more than nine years in total, unless exceptional circumstances apply. In any event, each appointment is terminable by either party on one-month's written notice with no other right to compensation for loss of office. All Non-Executive Directors are subject to annual re-election at each AGM. The dates of appointment of each of the Non-Executive Directors holding office at the end of the 2025 financial year are summarised in the following table.

Name	Date of joining Ibstock	Date of service contract/ letter or engagement
Richard Akers	5 May 2025	25 March 2025
Louis Eperjesi	1 June 2018	19 April 2018
Peju Adebajo	26 November 2021	25 November 2021
Nicola Bruce	29 March 2023	14 March 2023
Claire Hawkings	1 September 2018	19 April 2018
Justin Read	1 January 2017	19 December 2016

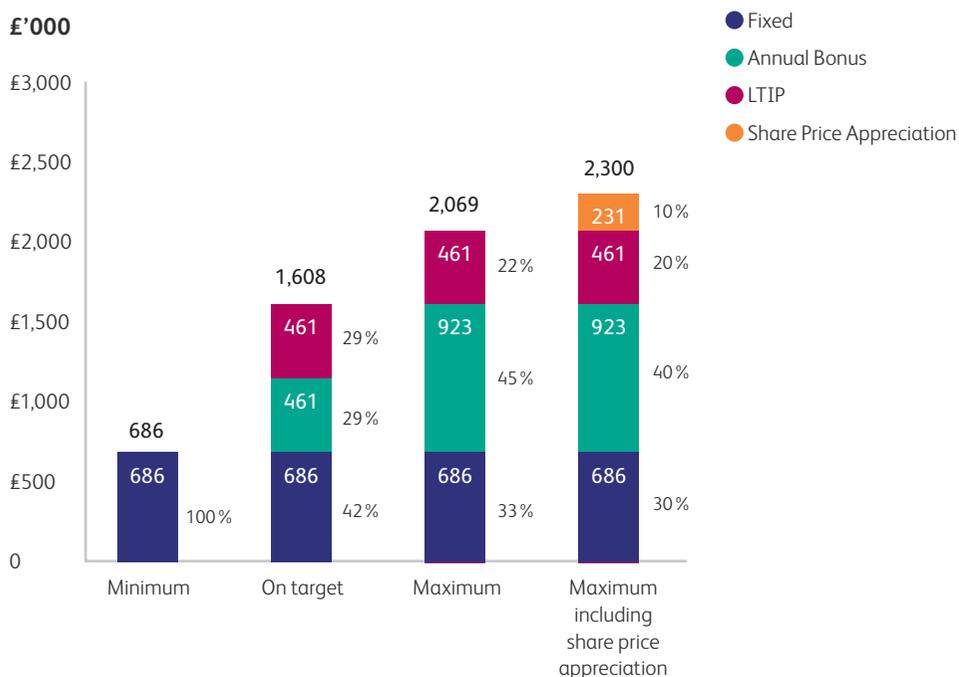


## 2025 Directors' Remuneration Policy continued

### Illustrations of the application of the Remuneration Policy

The chart below illustrates the total remuneration that would be paid to the CEO, based on the proposed FY2026 salaries, under four different performance scenarios: (i) minimum; (ii) on target; (iii) maximum; and (iv) maximum including the impact of a 50% increase in share price on the restricted share outcome.

#### Joe Hudson (CEO)



Element	Minimum	On-target	Maximum	Maximum including share price appreciation
<b>Fixed</b> (salary <sup>1</sup> , benefits and pension <sup>2</sup> )	Included	Included	Included	Included
<b>Annual bonus</b> (150% of salary)	Not included	50% of maximum	100% of maximum	100% of maximum
<b>Restricted shares</b> (75% of salary in 2026)	Not included	100% of maximum	100% of maximum	100% of maximum
<b>Share price gain</b> (50% over three years)	Not included	Not included	Not included	50% of the maximum restricted shares value

1 FY2026 base salaries of £615,000 for Joe Hudson.

2 Based on 2025 benefits values and a 10% of salary pension contribution.



## Annual Report on Remuneration

This section of the Directors' Remuneration Report has been prepared in accordance with the UK disclosure requirements: the Large and Medium-Sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (Schedule 8 to the Regulations).

The Annual Statement and Annual Report on Remuneration will be put to a single advisory shareholder vote at the AGM on 21 May 2026.

This part of the report comprises five sections:

### 1. Remuneration for 2025 Page 102

- Single total figure of Directors' remuneration (audited)
- 2025 Annual and Deferred Bonus Plan outcome (audited)
- LTIP 2023 vesting (audited)
- Payments for loss of office

### 2. Directors' share ownership and share interests Page 105

- Restricted share and ADBP awards granted in 2025 (audited)
- Outstanding LTIP and ADBP awards
- Statement of Directors' shareholdings and share interests (audited)

### 3. Pay comparison Page 107

- Percentage change in Directors' remuneration versus employee pay
- Total Shareholder Return ('TSR') and CEO single figure history
- Relative importance of spend on pay

### 4. Remuneration Committee membership, governance and voting Page 109

- Remuneration Committee membership
- Independent advisers
- Statement of voting at the General Meeting

### 5. Implementation of the Remuneration Policy in 2026 Page 109

## 1. Remuneration for 2025

### Single total figure of Directors' remuneration (audited)

The total remuneration of the individual Directors who served during the financial year is shown below.

		Base Salary/Fee	Benefits <sup>1</sup>	Pension	Total Fixed Remuneration	Annual Bonus	LTIP <sup>2,3</sup>	Total Variable Remuneration	Total Remuneration
<b>Executive Directors</b>									
Joe Hudson (CEO)	<b>2025</b>	<b>£572,786</b>	<b>£9,078</b>	<b>£57,279</b>	<b>£639,143</b>	<b>£378,203</b>	<b>£37,766</b>	<b>£415,969</b>	<b>£1,055,112</b>
	2024	£532,239	£8,361	£53,224	£593,824	£448,952	£320,810	£769,762	£1,363,586
<b>Non-Executive Directors</b>									
Richard Akers <sup>4</sup>	<b>2025</b>	<b>£142,856</b>	–	–	<b>£142,856</b>	–	–	–	<b>£142,856</b>
	2024	–	–	–	–	–	–	–	–
Peju Adebajo	<b>2025</b>	<b>£59,912</b>	–	–	<b>£59,812</b>	–	–	–	<b>£59,812</b>
	2024	£58,380	–	–	£58,380	–	–	–	£58,380
Nicola Bruce	<b>2025</b>	<b>£71,659</b>	–	–	<b>£71,659</b>	–	–	–	<b>£71,659</b>
	2024	£69,826	–	–	£69,826	–	–	–	£69,826
Louis Eperjesi	<b>2025</b>	<b>£71,373</b>	–	–	<b>£71,373</b>	–	–	–	<b>£71,373</b>
	2024	£69,547	–	–	£69,547	–	–	–	£69,547
Claire Hawkings	<b>2025</b>	<b>£71,659</b>	–	–	<b>£71,659</b>	–	–	–	<b>£71,659</b>
	2024	£69,826	–	–	£69,826	–	–	–	£69,826
Justin Read	<b>2025</b>	<b>£71,659</b>	–	–	<b>£71,659</b>	–	–	–	<b>£71,659</b>
	2024	£69,826	–	–	£69,826	–	–	–	£69,826
<b>Past Directors</b>									
Chris McLeish (CFO) <sup>5</sup>	<b>2025</b>	<b>£294,527</b>	<b>£1,235</b>	<b>£29,453</b>	<b>£325,215</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£325,515</b>
	2024	£358,097	£16,334	£35,810	£410,241	£302,061	£215,845	£517,906	£928,147
Jonathan Nicholls <sup>6</sup>	<b>2025</b>	<b>£77,953</b>	–	–	<b>£77,953</b>	–	–	–	<b>£77,953</b>
	2024	£204,301	–	–	£204,301	–	–	–	£204,301

<sup>1</sup> Taxable benefits in the 2025 financial year comprised a company car allowance, private health cover and death in service cover. Joe Hudson and Chris McLeish were entitled to receive either a company car or a car allowances of £18,000 and £15,000 per annum, respectively.

<sup>2</sup> The 2025 LTIP figure relates to the LTIP award granted in April 2023. Based on the completed performance period to 31 December 2025, this award will vest at 6.25% of maximum. As the vesting date for this award is after the date this report is being signed off, the value of this award is based on the three-month average share price to 31 December 2025 of 133.5 pence. No discretion was applied to determine the vesting outcome and none of the 2023 LTIP value shown is attributed to share price growth over the vesting period.

<sup>3</sup> The 2022 LTIP figures included in the 2024 values in last year's report were estimated as the TSR performance period had not ended. The TSR estimated vesting was 21.34% out of 30% and this has been updated for the actual vesting of 21.35% out of 30%. These figures have also been updated to reflect the actual share price on the vesting date (166 pence) and the value of dividends accrued between grant and vesting. Last year's values had been based on the average three-month share price to 31 December 2024 (188.3 pence).

<sup>4</sup> Richard Akers joined the Board as an Independent Non-Executive and Chair Designate on 5 May 2025 and took on the role of Chair at the 2025 AGM on 15 May 2025.

<sup>5</sup> Chris McLeish stepped down from the Board on 10 October 2025.

<sup>6</sup> Jonathan Nicholls stepped down from the Board at the 2025 AGM on 15 May 2025.

## Annual Report on Remuneration continued

### 2025 Annual and Deferred Bonus Plan ('ADBP') outcome (audited)

In 2025, the Executive Directors were eligible for an annual bonus, subject to meeting performance objectives, established at the beginning of the financial year by reference to suitably challenging corporate goals over the 12-month period.

The Annual and Deferred Bonus Plan targets and performance-related outcomes were as follows:

Metrics	Weighting	Threshold (0%)	Target (50%)	Maximum (100%)	Actual Performance	% Outcome
FY Adj EBIT*	50%	£50.1m	£55.7m	£59.6m	£39.7m	0%
FY Adj Cash flow*	20%	£25.9m	£28.8m	£30.8m	£34.6m	20%
Non-Financial Objectives	30%	A summary of the personal objectives and performance is outlined below.				

### Non-financial objectives

#### Joe Hudson

Objective area	Assessment	Actions completed
<b>Operations/HSE</b>	<b>7/15%</b>	
1. Deliver the Safe Reliable Production System plan including new HSE roadmap.		Four roadmaps developed and 24 HSE site visits. TIFR targets have not improved in 2025.
2. Commission the Atlas facility in accordance with the plan.		Atlas has achieved 65% commissioning rate.
<b>Customer and market</b>	<b>10/15%</b>	
1. Grow market share through enhanced customer experience and superior fulfilment across core products.		4% improvement to surveyed customer experience. > 93% of orders On Time In Full and Invoiced Correctly.
2. Access new segments with the organisational capability to deliver.		Increase in brick market share by c.1% Enhancements to the Specification team.

Objective area	Assessment	Actions completed
<b>Innovation and sustainability</b>	<b>25/30%</b>	
1. Delivery of all new product development ('NPD') priorities, sustainability targets and social value strategy for the year.		25% new and more sustainable products including FastWall. 5% reduction in carbon per brick in year.
2. Delivery of the Nostell ceramics façade factory project plan and customer development.		Nostell commissioning on schedule. All planned IT/IS projects complete.
3. Replace legacy BI platform and including ERP project migration plan.		
<b>Strategy</b>	<b>20/20%</b>	
Strategic review and appraisal of Estates and business line portfolio with recommendations and action plan.		In depth strategic process conducted with five-year options for manufacturing footprint. Disposal of Roofing and non-strategic land assets. Calcined Clay project nearing completion.
<b>People, culture and compliance</b>	<b>15/20%</b>	
Improve organisational HR processes and reward systems and implement the new compliance framework.		Progress and actions taken on factory team population and in pay simplification. Reorganisation of Group overhead in Q4 to rightsize and simplify organisation. Compliance refresh rolled out with improved audit assurance.
<b>Total</b>	<b>77/100%</b>	



## Annual Report on Remuneration continued

### Non-financial objectives continued

#### Joe Hudson continued

Overall the assessment on the CEO's personal objectives was 77% (23% out of 30%). As such, Joe Hudson's total ADBP outcome was 43% of maximum.

Chris McLeish resigned and stepped down from the Board during the year and therefore was not eligible for a 2025 annual bonus.

	Maximum bonus opportunity (% of salary)	Bonus payout (% of maximum)	Bonus earned (£000s)
Joe Hudson	150%	43%	£378,203

One half of the 2025 bonus earned will be paid in cash and the remaining half will be deferred in shares under the ADBP for three years. There are no performance conditions attached to the vesting of deferred shares and these awards vest subject to continued employment.

### 2023 LTIP vesting (audited)

The three-year performance period for the LTIP awards granted on 3 April 2023 ended on 31 December 2025. The Committee reviewed the performance against the four performance conditions and determined an overall vesting level of 6.25%.

Measure	Weighting (%)	Threshold (25% vesting)	Maximum (100% vesting)	Actual	Vesting (% of total award)
Adjusted EPS*	25%	17.0p	24.4p	5.7p	0%
ROCE* (annual average)	25%	17.4%	19.23%	5.8%	0%
Relative TSR	30%	Median	Upper Quartile	Below Median	0%
Sustainability Measure (Carbon Intensity)	10%	0.131	0.123	0.138	0%
Sustainability Measure (Senior Leader Female Representation)	5%	32%	40%	32%	1.25%
Sustainability Measure (New and More Sustainable Product Development)	5%	16% of sales revenue	22% of sales revenue	25%	5%
<b>Total</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6.25%</b>

The Adjusted EPS\* outcome for FY25 was 5.7 pence. EPS performance was below threshold and consequently this measure will vest at 0%.

ROCE\* (annual average) for the three-year performance from FY2023 to FY2025 outcome was 5.8%. This measure also included the adjustment for Atlas and Nostell major growth projects to ensure the outcome and targets are on a like-for-like basis and will vest at 0%.

TSR performance over the three year period was below the median of the FTSE 250 excluding investment trusts and therefore, this part of the award will vest at 0%.

The Sustainability Measure of Carbon Intensity (tonnes of Carbon per tonnes of finished production) accounted for 10% of the award. The Carbon Intensity outcome was 0.138 tonnes of carbon per tonne of finished production. This measure will vest at 0%. The diversity measure was at threshold and will vest at 1.25%. The revenues from new and sustainable product measure was 25% of group revenue and as this was above the maximum target of 22%, this part of the award will vest in full.

The value of vested awards as set out in the single figure table is consequently based on a vesting level of 6.25%. It uses the average three-month share price to 31 December 2025 of 133.5 pence.

	Date of grant	Number of awards granted	Vesting	Number of awards vesting	Estimated value of awards vesting
Joe Hudson	3 April 2023	452,632	6.25%	28,289	£37,766

### Confirmation of 2022 LTIP vesting

The LTIP award granted on 14 April 2022 was based on relative TSR, EPS\* and ROCE\*. The three-year performance period for the award ended on 31 December 2023 in respect of the EPS measure and on 13 April 2025 for the relative TSR measure.

In last year's report, the estimated TSR vesting was 71.1% based on a calculation conducted prior to signing off the Report. The actual final calculation was performed after the end of the performance period, and the vesting outcome was unchanged at 71.15% of this part of the award vesting.

Measure	Weighting	Threshold	Maximum	Actual	Vesting (% of total award)
ROCE (annual average)	25%	17.64%	19.50%	14.6%	0%
Adjusted EPS (2024)	25%	16.9p	22.1p	7.7p	0%
Relative TSR (estimated vesting)	30%	Median	Upper Quartile	Between Median and Upper Quartile	21.34%
Sustainability Measure (Carbon Intensity)	10%	0.132	0.124	0.148	0%
Sustainability Measure (Senior Leader Female Representation)	5%	31%	37%	34%	3.13%
Sustainability Measure (New and More Sustainable Product Development)	5%	16% of sales revenue	20% of sales revenue	22%	5%
<b>Total</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29.47%</b>



## Annual Report on Remuneration continued

### Confirmation of 2022 LTIP vesting continued

The single figure value for 2024 has been updated to include dividends that accrued over the vesting period and to reflect the share price of 166 pence on last business day (11 April 2025) prior to the vesting date of 13 April 2025.

### Payments to former Directors and loss of office payments (audited)

The Company announced on 30 April 2025 that Chris McLeish had decided to step down from his role as Chief Financial Officer. Chris' final day with the Group was 10 October 2025. Remuneration arrangements in respect of his departure reflect contractual entitlements, the Directors' Remuneration Policy approved by shareholders at the 2025 AGM and the Rules of the relevant share plans under which he held share interests.

Chris received his base salary, contractual benefits and pension contributions in accordance with his service agreement up to and including 10 October 2025, when he ceased to be employed by the Group. No further payments relating to base salary, benefits or pension will be made to Chris following his departure from the Group. There will be no payment in lieu of notice for the balance of Chris' unexpired notice period.

Chris was not eligible for an annual bonus payment in respect of the 2025 financial year and did not receive a restricted share award in 2025. His unvested LTIP awards (granted on 3 April 2023 and 3 April 2024) and deferred bonus awards (granted on 16 March 2023, 22 March 2024 and 20 March 2025) lapsed upon cessation of employment. Vested shares previously granted under the LTIP were retained and remain subject to any relevant holding periods.

## 2. Directors' share ownership and share interests

### LTIP and ADBP awards granted in 2025 (audited)

#### 2025 LTIP award grant

On 23 May 2025, the following restricted share award, structured as a nil cost option, was made under the LTIP to the CEO:

Name	Date of grant	Basis of award (% of salary)	Face value of the awards at grant <sup>1</sup>	Number of shares under award	Date of Vesting
Joe Hudson	23 May 2025	75%	£438,750	228,753	23 May 2028

<sup>1</sup> Share price by reference to which the awards were granted is £1.918 (closing middle market quotation on 22 May 2025).

Awards will vest at the end of a three-year vesting period subject to: the CEO's continued employment at the date of vesting; and satisfaction of the restricted share underpin. A post-vesting holding period of two years will apply for restricted awards. Dividends may accrue on vested restricted share awards during the vesting and holding periods.

Restricted share awards are not subject to performance measures but vesting is subject to the achievement of an underpin normally reviewed over the three financial years commencing with the financial year in which awards are granted. The Committee will apply the underpin to restricted share awards which will enable it to reduce vesting if there has been material underperformance. In this regard, the Committee will consider firstly how well the management team has executed the strategic objectives set by the Board over the three-year period. The Committee will then assess performance against a thematic framework based on:

- Financial health including consideration of revenue, profit, return on capital and balance sheet strength.
- Stakeholder experience including consideration of the shareholder experience, employees, health and safety, customers and suppliers.
- Sustainability objectives including progress on emissions reduction and social impact.

### 2025 ADBP grant

Under the terms of the Policy, part of the bonus earned for 2024 performance was delivered in the form of deferred bonus shares under the ADBP. Details of the awards granted are set out in the table below.

Name	Date of grant	Basis of award (% of 2024 bonus)	Face value of the awards at grant <sup>1</sup>	Number of shares under award	Date of vesting
Joe Hudson	20 March 2025	33.3%	£149,651	81,261	20 March 2028
Chris McLeish <sup>2</sup>	20 March 2025	33.3%	£100,687	54,673	N/A

<sup>1</sup> The number of Ordinary Shares granted under each ADBP award was calculated using an Ordinary Share price of £1.8416 per share (the average closing middle market quotation measured over the dealing days falling in the last 30 days of the financial year ending 31 December 2024).

<sup>2</sup> Note that Chris McLeish resigned his position in April 2025 and so this award lapsed on the date of his cessation of employment, 10 October 2025.

The ADBP award for the CEO will vest on 20 March 2028, subject to continued employment.



## Annual Report on Remuneration continued

### Outstanding LTIP and ADBP awards

Details of all options held by the Directors under the Company's share plans as at 31 December 2025:

#### Joe Hudson

	Date of Award	Interest at 31 December 2024	Awards granted in year	Awards vested in year	Awards lapsed in year	Awards exercised in year	Interest at 31 December 2025	Market price on award date	Exercise/Option Price	Vesting	Expiry date
LTIP	2022	578,122	22,891 <sup>1</sup>	170,401	407,721	193,292	–	£1.72	Nil Cost	2025	14/04/32
	2023	452,632					452,632	£1.73	Nil Cost	2026	03/04/33
	2024	550,831					550,831	£1.46	Nil Cost	2027	03/04/34
	2025	–	228,753				228,753	£1.918	Nil Cost	2028	23/05/35
ADBP	2022	91,325	12,268 <sup>1</sup>	91,235		103,593	–	£1.98	Nil Cost	2025	14/04/32
	2023	116,395					116,395	£1.75	Nil Cost	2026	16/03/33
	2024	40,780					40,780	£1.56	Nil Cost	2027	22/03/34
	2025	–	81,261				81,261	£1.72	Nil Cost	2028	20/03/35
Sharesave	2025	–	8,048				8,048	N/A	£1.14	2028	N/A

#### Chris McLeish

	Date of Award	Interest at 31 December 2024	Awards granted in year	Awards vested in year	Awards lapsed in year	Awards exercised in year	Interest at 31 December 2025	Market price on award date	Exercise/Option Price	Vesting	Expiry date
LTIP	2022	388,967	15,401 <sup>1</sup>	114,648	274,319	130,049	–	£1.72	Nil Cost	N/A	14/04/32
	2023	304,536			304,536		–	£1.73	Nil Cost	N/A	03/04/33
	2024	370,606			370,606		–	£1.46	Nil Cost	N/A	03/04/34
ADBP	2022	61,447	8,254 <sup>1</sup>	61,447		69,701	–	£1.98	Nil Cost	N/A	14/04/32
	2023	78,312			78,312		–	£1.75	Nil Cost	N/A	16/03/33
	2024	27,437			27,437		–	£1.56	Nil Cost	N/A	22/03/34
	2025	–	54,673		54,673		–	£1.72	Nil Cost	N/A	20/03/35

<sup>1</sup> In line with prior years, upon awards vesting the participant receives dividend equivalents in share options. These are shown in the table above as awards granted in the year for the 2022 LTIP and 2022 ADBP.

### Statement of Directors' shareholdings and share interests (audited)

The share interests of each Director as at 31 December 2025 (together with interests held by connected persons) and, where applicable, achievement of shareholding requirements are set out below.

To align Executives with the interests of shareholders, the Remuneration Committee has implemented shareholding guidelines for Executive Directors. The guidelines require that Executive Directors build up and maintain an interest in the Ordinary Shares of the Company that is 200% of their annual base salary.

Executive Directors are required to defer one half (reducing back to one third once the shareholding guideline has been achieved) of any bonus earned all vested share awards will be required to be held (save for any sold to settle tax) until the guideline has been achieved.



## Annual Report on Remuneration continued

## Statement of Directors' shareholdings and share interests (audited) continued

	Shareholding requirement % salary	Current shareholding % salary <sup>1</sup>	Beneficially owned	Unvested interests subject to performance conditions <sup>2</sup>	Unvested interests not subject to performance conditions <sup>2</sup>	Vested but unexercised interests <sup>2</sup>	Outstanding Sharesave awards	Shareholding requirement met
Joe Hudson	200%	117%	345,460	1,232,216	126,371	0	8,048	No
Richard Akers	N/A	–	100,000	–	–	–	–	–
Peju Adebajo	N/A	–	10,000	–	–	–	–	–
Nicola Bruce	N/A	–	5,939	–	–	–	–	–
Louis Eperjesi	N/A	–	20,000	–	–	–	–	–
Claire Hawkings	N/A	–	10,000	–	–	–	–	–
Justin Read	N/A	–	17,500	–	–	–	–	–

1 Current shareholdings includes all shares owned directly, owned by a beneficiary or held through nominees.

2 Unvested interests not subject to performance conditions and vested but unexercised interests are shown post-tax in this table.

## 3. Pay comparison

## Percentage change in Directors' remuneration versus employee pay

The table below shows the percentage change in salary, benefits and annual bonus earned between the 2025 financial year and the prior year for the Board compared to the average earnings of all of the Group's other colleagues. The change in remuneration is also shown for the previous two years.

The Committee monitors the changes year on year between our Director pay and the average employee increase.

	2025			2024			2023			2022			2021			2020		
	Salary/ Fees	Benefits	Annual Bonus	Salary/ Fees	Benefits	Annual Bonus	Salary/ Fees	Benefits	Annual Bonus	Salary/ Fees	Benefits	Annual Bonus	Salary/ Fees	Benefits	Annual Bonus	Salary/ Fees	Benefits	Annual Bonus
Joe Hudson	9.1%	(8.6)%	(15.8)%	3.5%	(29.4)%	134.7%	5.9%	(40.8)%	(68.7)%	6.8%	27.8%	12.4%	5.3%	(5.4)%	100%	(3.1)%	(5.5)%	(100)%
Richard Akers <sup>1</sup>	N/A	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Peju Adebajo <sup>2</sup>	2.5%	–	–	3.5%	–	–	4.8%	–	–	100%	–	–	–	–	–	–	–	–
Nicola Bruce <sup>3</sup>	2.5%	–	–	37.3%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Louis Eperjesi <sup>4</sup>	2.5%	–	–	9.0%	–	–	18.5%	–	–	3.0%	–	–	6.5%	–	–	(3.3)%	–	–
Claire Hawkings <sup>4,5</sup>	2.5%	–	–	3.5%	–	–	4.8%	–	–	8.4%	–	–	19.7%	–	–	(3.1)%	–	–
Justin Read	2.5%	–	–	3.5%	–	–	4.8%	–	–	2.7%	–	–	5.3%	–	–	(3.1)%	–	–
All employees <sup>6</sup>	2.8%	(4.3)%	17.9%	2.0%	1.0%	(28)%	2.3% <sup>6</sup>	(16.7)%	(78.2)%	10.3%	(14.3)%	(31.8)%	3.9%	3.8%	100%	(8.7)%	0%	(100)%

1 Richard Akers was appointed on 5 May 2025 and so there is no disclosed remuneration for prior years.

2 Peju Adebajo was appointed to the Board in November 2021 and received a pro-rated amount of her annual fee in 2021, hence the large % increase in 2022.

3 Nicola Bruce was appointed to the Board in March 2023.

4 Louis Eperjesi was appointed as SID in 2023 and so received an additional fee to reflect this additional responsibility.

5 Claire Hawkings was appointed Chair of the Sustainability Committee in 2021 and so received an additional fee to reflect this additional responsibility.

6 Ibstock Plc as the Parent Company has no employees, therefore employees of the Group employed as full time equivalent for the three years have been used.

7 The 2022 All Employee salary includes a one-off £1,000 or £2,000 cost of living payment to all employees earning less than £30,000 or £50,000 respectively. Without this, the salary increase from 2022 to 2023 would be 6.3%.



## Annual Report on Remuneration continued

### CEO pay ratio

In line with the reporting regulations, set out below is the ratio of CEO pay compared to the pay of a UK full-time equivalent employee of the Group for the financial year ended 31 December 2025.

In line with previous years, we have calculated the ratios using Option A, as described in the Directors' Remuneration Reporting Regulations, as we believe that this reflects the most comprehensive approach.

We expect the pay ratio to vary from year to year, driven largely by variability in incentive outcomes for the CEO, which will significantly outweigh any other general employee pay changes at Ibstock.

The CEO single total figure remuneration of £1,055,112 is used in the table below.

Year	Method	25th Percentile	50th Percentile	75th Percentile
2021	Option A	41:1	30:1	25:1
2022	Option A	44:1	35:1	27:1
2023	Option A	26:1	21:1	16:1
2024	Option A	42:1	33:1	25:1
2025	Option A	34:1	25:1	19:1

The ratios above were determined as at 31 December 2025. The lower ratio this year reflects the lower bonus and LTIP outcomes for 2025 compared with 2024. The Remuneration Committee is satisfied that the pay ratio is reasonable and consistent with the Company's wider policies on colleague pay, reward and progression.

Set out in the table below is the base salary and total pay and benefits for the CEO and each of the percentiles for the year ended 31 December 2025.

	CEO	25th Percentile	50th Percentile	75th Percentile
Total remuneration	£1,055,112	£31,837	£42,501	£57,631
Base salary	£572,786	£27,876	£33,488	£43,689

### Total Shareholder Return ('TSR')

The chart below shows £100 invested in the Company's shares since 1 January 2016 compared with the FTSE 250 index and the FTSE 250 Construction and Materials index.



Source: Thomson Reuters Datastream data as of 23 January 2025

The Committee considers that the FTSE 250 is an appropriate index because the Company has been a member of this index since listing. Additionally, the FTSE 250 Construction and Building materials index is shown as it reflects the sector in which the Company operates.

### CEO historic remuneration

The table below sets out the single total figure of remuneration and incentive outcomes for the Director holding the post of CEO in each year since Ibstock listed on the London Stock Exchange in 2015.

Year	CEO	Single figure remuneration	% maximum annual bonus earned	% maximum LTIP award vesting
2016	Wayne Sheppard <sup>1</sup>	789	33%	N/A
2017	Wayne Sheppard	906	58%	N/A
2018	Wayne Sheppard <sup>2</sup>	184	32.5%	38.5%
	Joe Hudson <sup>3</sup>	592	32.5%	N/A
2019	Joe Hudson	737	33.1%	N/A
2020	Joe Hudson	540	0%	0%
2021	Joe Hudson	1,104	95.5%	0%
2022	Joe Hudson	1,353	98.5%	33.1%
2023	Joe Hudson	911	29.4%	25.5%
2024	Joe Hudson	1,363	67.0%	29.5%
2025	Joe Hudson	1,055	43%	6.25%

<sup>1</sup> Following the IPO in 2015, no award under the LTIP vested in respect of performance ending in 2016 and 2017.

<sup>2</sup> Wayne Sheppard stepped down as CEO and Board Director on 4 April 2018 and his 2018 remuneration has been pro-rated to reflect this.

<sup>3</sup> Joe Hudson became CEO on 4 April 2018. His 2018 single figure only includes compensation paid to him in 2018 in his capacity as the CEO from 4 April 2018 to 31 December 2018 and does not include compensation paid to him as CEO designate before 4 April 2018.



## Annual Report on Remuneration continued

### Relative importance of spend on pay

The following table shows the Company's actual spend on pay for all Group colleagues relative to dividends:

	2025 (£m)	2024 (£m)	% Change
Staff costs <sup>1</sup>	120	106	13%
Dividends paid	15.8	20	(21)%

<sup>1</sup> This is the overall spend on employee pay including Executive Directors (continuing operations). For more information, please see Notes 7 and 31 of the Financial Statements.

### 4. Remuneration Committee membership, governance and voting

#### Remuneration Committee membership

The Committee in 2025 comprised Nicola Bruce, Jonathan Nicholls (until the 2025 AGM), Peju Adebajo, Louis Eperjesi, Claire Hawkings and Justin Read. The Committee is supported by the Group's Company Secretary and met four times during the year and all Committee members were present.

The Committee also received assistance from the Group People, Sustainability and Social Impact Director, who attended meetings by invitation, except when issues relating to her own remuneration were being discussed.

The Sustainability Committee (comprising Claire Hawkings, Peju Adebajo, Louis Eperjesi and Joe Hudson) advises the Committee on the setting and outcome of sustainability performance measures in the LTIP awards. The Interim CFO attends the Committee by invitation, but are absent from discussions regarding setting of their own pay arrangements.

The independent adviser to the Committee attends by invitation.

#### Independent advisers

The Committee takes account of information from both internal and independent sources, including FIT Remuneration Consultants LLP ('FIT') who act as the Committee's independent adviser. FIT was appointed by the Committee as a result of a tender process and advised the Remuneration Committee on all aspects of Executive and Board remuneration, including remuneration trends and corporate governance best practice. FIT also assisted the Committee with the Policy review.

FIT is a founder member of the Remuneration Consultants' Group and complies with its Code of Conduct, which sets out guidelines to ensure that its advice is independent and free of undue influence. The Committee reviews the performance and independence of its advisers on an annual basis. The Committee was satisfied that FIT's advice was independent and objective and that they had no other connection with the Company or individual directors.

Ibstock incurred fees of £54,200 excluding VAT during 2025 relating to Committee advice. FIT billed on a fixed fee basis and in addition provided other ad hoc services to management including share plan advice and TSR performance calculations which were billed on a time spent basis.

### Statement of voting at the General Meeting

The Company is committed to ongoing shareholder dialogue and takes an active interest in voting outcomes. Where there are substantial votes against resolutions in relation to Directors' remuneration, the Company seeks to understand the reasons for any such vote and will report any actions in response to it. The following table sets out actual voting at the AGM on 15 May 2025 in respect of the Directors' Remuneration Report for the year ended 31 December 2024 and for the Directors' Remuneration Policy.

AGM Resolution	Votes for		Votes against		Total votes cast (excluding withheld)	Votes withheld
	Number of shares	% votes cast	Number of shares	% votes cast		
Directors' Remuneration Report (2025)	307,270,814	99.87	40,970	00.13	307,673,784	1,115,359
Directors' Remuneration Policy (2025)	298,960,376	97.17	8,710,089	2.83	307,670,465	1,118,678

### 5. Implementation of Remuneration Policy in 2026

#### Base salaries

Joe Hudson's salary will increase to £615,000. This is the second increase of a phased approach to increasing Joe's base salary and was subject to continued strong individual performance. The Committee considered whether to apply a further 2026 workforce increase of 3% to this figure as was intended last year. However, Joe Hudson requested that this was not to be applied in the context of continuing market challenges. The Committee is grateful to Joe for his consideration on this matter.

Salary increases are effective from 1 April 2026 to align with the approach for the wider workforce.

	2026	2025
Joe Hudson	£615,000	£585,000

#### Benefits and pension

Pension contribution remains aligned to the wider workforce at 10% of gross base salary.

Benefits are provided in line with the approved Remuneration Policy. Standard benefits will be provided, including a company car or a cash alternative. Directors also receive private health cover and death in service cover.



## Annual Report on Remuneration continued

### 5. Implementation of Remuneration Policy in 2026 continued

#### Annual and Deferred Bonus Plan ('ADBP')

The maximum opportunity will be 150% of salary and, as stated on page 104, it is intended that, to increase the Executive Directors' individual shareholdings so that they are closer to the existing guidelines, one half of any bonus earned will be deferred in shares which will vest after three years.

The performance conditions and their weightings for the 2026 annual bonus are as follows:

- Adjusted EBIT\* (50%);
- Adjusted operating cash flow\* (20%); and
- Non-financial objectives: defined operational/strategic objectives (30%).

The Committee has set appropriately stretching financial targets and in doing so has considered the internal plan (budget), current market consensus and the prevailing macroeconomic environment. Maximum payments under these measures will require significant outperformance of internal and external expectations.

The Committee is of the opinion that, given the commercial sensitivity arising in relation to the detailed financial targets used for the annual bonus, disclosing precise targets for the ADBP in advance would not be in shareholders' interests. Actual targets, performance achieved and awards made will be published at the end of the relevant performance period so shareholders can fully assess the basis for any payouts under the annual bonus.

#### Long Term Incentive Plan ('LTIP')

The Committee intends to grant awards of restricted shares at 75% of salary to the CEO and CFO, subject to continued employment and an underpin measured over a three-year vesting period. The underpin is set out in the policy table on page 98 and will include an assessment of windfall gains upon vesting. A two-year post-vesting holding period will also apply.

Malus and Clawback provisions apply to the ADBP and LTIP awards. The circumstances in which these could be used and a description of these provisions is set out in the policy on page 100. The period during which these provisions could be used is up to five years after the determination of the bonus or two years after the vesting of an LTIP which is felt to be an appropriate duration for our business and in line with broader market practice.

There was no use of the Malus and Clawback provisions during the FY 2025.

#### Non-Executive Directors' fees

The 2026 fee levels will increase by 3.0% (2025: 2.5%) in line with the Group pay award (with effect from 1 April 2026):

Board Fees	2026	2025
Chair <sup>1</sup>	£231,750	£210,945
Board fee (including Committee membership)	£62,088	£60,280
Committee Chair (per Committee)	£12,173	£11,818
Senior Independent Director	£11,877	£11,531

<sup>1</sup> Richard Akers joined the Board as Chair Designate on 5 May 2025 and became Chair on 15 May 2025. His Chair fee was set at £225,000 and will increase to £231,750 from 1 April 2026.

I hope that you find this report to be clear about our remuneration practices and that you will be supportive at the coming AGM.

**Nicola Bruce**

Chair of the Remuneration Committee

4 March 2026



## Directors' Report

The Directors' Report for the year ended 31 December 2025 comprises pages 111 to 113 of this report, together with the sections of the Annual Report incorporated by cross-reference. The Governance Report on pages 55 to 110 is incorporated into the Directors' Report by cross-reference. As permitted by legislation, some of the matters required to be included in the Directors' Report have instead been included in the Strategic Report on pages 1 to 54. The Strategic Report includes an indication of future likely developments in the Company, details of important events and the Company's business model and strategy.

### Principal activity

The principal activity of the Group is the manufacture and supply of clay and concrete building products and solutions primarily to customers in the UK residential construction sector. Details of the Group's principal subsidiaries can be found in Note 29 to the financial statements.

### Results and dividend

The results for the year can be found in the Group Financial Review on pages 29 to 33 and these are incorporated into the Directors' Report by cross-reference.

### Post balance sheet events

On 5 March 2026, a final dividend of 1.5 pence per Ibstock Plc Ordinary Share was proposed to be paid on 29 May 2026 to shareholders on record as at 8 May 2026. There were no further post balance sheet events. See Note 32 on page 164.

### Going Concern and Viability Statements

Information relating to the Going Concern and Viability Statements is set out on pages 53 to 54 of the Strategic Report and is incorporated into the Directors' Report by cross-reference.

### Annual General Meeting ('AGM') 2026

The AGM will be held on 21 May 2026 at 12.00 noon at the I-Studio, 54 Hatton Garden, London, EC1N 8HN. The Notice convening the meeting together with explanatory notes on the resolutions to be proposed and full details of the deadlines for appointing proxies is contained in a circular, which will be circulated to all shareholders at least 20 working days before such meeting together with this report.

### Board of Directors and their interests

The names and biographies of the Directors as at the date of this report are shown on pages 58 to 59. The interests of the Directors holding office at the end of the year in the issued Ordinary Share capital of the Company and any interests in Ibstock's share incentive plans are given in the Directors' Remuneration Report on page 107.

### Powers of the Directors

The powers given to the Directors are contained in the Company's Articles of Association and are subject to relevant legislation and, in certain circumstances, including in relation to the issuing or buying back by the Company of its shares, subject to authority being given to the Directors by shareholders in General Meeting. The Articles of Association also govern the appointment and replacement of Directors.

### Re-election of Directors

All Directors will retire and submit themselves for election or re-election, annually, by shareholders at the AGM. Specific reasons why

each Director's contribution is, and continues to be, important to the Company's long-term sustainable success are set out in the Notice.

### Directors' and Officers' liability insurance and indemnities

The Company has purchased and maintains appropriate insurance cover in respect of Directors' and Officers' liabilities. The Company has also entered into qualifying third party indemnity arrangements for the benefit of all its Directors in a form and scope that comply with the requirements of the Companies Act 2006. These indemnities came into force on 22 October 2015 and remain in force as at the date of this Annual Report. There are no indemnities in place for the benefit of the External Auditor.

### Amendment of the Articles of Association

The Articles of Association may be amended in accordance with the provisions of the Companies Act 2006 by way of a special resolution of the Company's shareholders.

### Share capital and control

Details of the Company's share capital are contained in Note 24 to the Group consolidated financial statements. The rights attaching to the shares are set out in the Articles of Association.

The Company has established a trust in connection with the Group's Share Incentive Plan (the 'SIP'), which holds Ordinary Shares on trust for the benefit of employees of the Group. The Trustees of the SIP trust may vote in respect of Ibstock shares held in the SIP trust, but only as instructed by participants in the SIP in accordance with the SIP trust deed and rules. The Trustees will not otherwise vote in respect of shares held in the SIP trust.

The Trustee of the Employee Benefit Trust (the 'Trust'), which is used to purchase shares on behalf of the Company as described in Note 25, has the power to vote or not vote, at its absolute discretion, in respect of any shares in the Company held unallocated in the Trust. However, in accordance with good practice, the Trustee adopts a policy of not voting in respect of such shares. In accordance with UK Listing Rule 6.6.4R, the Company notes that the Trustee has a dividend waiver in place in respect of shares that are the beneficial property of the Trust.

### Purchase of own shares

At the AGM held on 15 May 2025, shareholders passed a special resolution in accordance with the Companies Act 2006 to authorise the Company to purchase in the market a maximum of 39,403,381 Ordinary Shares, representing 10% of the Company's issued Ordinary Share capital as at the latest practicable date prior to publication of the AGM circular.

As announced on 10 May 2022, the Company entered into a Share Buyback programme of an aggregated value of £30 million in order to return value to shareholders, in line with the Group's capital allocation policy. The Share Buyback programme concluded on 21 October 2022, with a total of 16,791,470 shares purchased, representing a nominal value of £167,914.70 equivalent to 4.1% of the issued capital of the Company. As at 31 December 2025, 14,961,918 shares purchased are held in treasury, exclusive of voting and dividend rights. A total of 657,692 shares have been used to satisfy share awards during the year.

The Directors are seeking renewal of the authority at the forthcoming AGM, in accordance with relevant institutional guidelines.

## Directors' Report continued

### Substantial shareholdings

As at 31 December 2025, the Company had been notified, in accordance with the Disclosure Guidance and Transparency Rules, of the following interests (set out in the table below) in its Ordinary Share capital.

Name of shareholder	Shares disclosed	%
Lansdowne Partners	39,282,856	9.95
Janus Henderson Investors	29,574,270	7.49
Vulcan Value Partners, LLC	26,074,875	6.61
JO Hambro Capital Management Limited	26,041,631	6.60
Cobas Asset Management	23,798,177	6.03
Jupiter Asset Management	22,849,013	5.79
Vanguard Group	21,573,860	5.47
Hargreaves Lansdown	21,253,753	5.39
Perpetual Limited	20,316,541	5.15
Ameriprise Financial, Inc	19,329,707	4.90
Man GLG	16,352,946	4.14
Columbia Threadneedle Investments	16,196,889	4.10
Lancaster Investment Management	12,646,219	3.20
Blackrock, Inc.	Less than 5%	Less than 5%
GLG Partners	Less than 5%	Less than 5%

In the period from 31 December 2025 to the date of this report, there have been three notifications made to the Company pursuant to DTR 5. Information provided to the Company under the Disclosure Guidance and Transparency Rules is publicly available via the regulatory information service and on the Company's website.

### Significant agreements (change of control)

The Company is required to disclose any significant agreements that take effect, alter or terminate on a change of control of the Company following a takeover bid.

The Company has committed debt facilities all of which are directly or indirectly subject to change of control provisions, albeit the facilities do not necessarily require mandatory prepayment on a change of control.

The debt facilities provide £225 million of funding through £100 million of private placement notes from Pricoa Private Capital, with maturities of between seven and twelve years at an average total cost of funds of 2.19%, and £125 million Revolving Credit Facility ('RCF') provided by a syndicate of four banks. The RCF was successfully refinanced during October 2025 and is for an initial four-year tenure, with a one-year extension option, at a margin of between 1.55% and 2.55%, and also includes an additional £50 million uncommitted accordion.

In the event of a takeover or other change of control (usually excluding an internal reorganisation), outstanding awards under the Group's incentive plans vest and become exercisable (including Annual and Deferred Bonus Plan ('ADBP') awards, Senior Manager Share Plan ('SMSPP') awards and Long Term Incentive Plan ('LTIP') awards), to the extent any performance conditions (if applicable) have been met, and subject to time pro-rating (if applicable) unless determined otherwise by the Board in its discretion, in accordance with the rules of the plans. In certain circumstances, the Board may decide (with the agreement of the acquiring company) that awards will instead be cancelled in exchange for equivalent awards over shares in the acquiring company.

### Financial instruments

Details of the financial instruments used by the Group are set out in Note 23 to the Group consolidated financial statements, which are incorporated into the Directors' Report by cross-reference. The Group's financial risk management objectives and policies are included in the risk management section on page 75 and in Note 23 of the Group consolidated financial statements.

### Internal controls

Details of the Group's internal control framework can be found on pages 74 to 75.

### Research and development

Information relating to research and development is set out on page 20 of the Strategic Report and is incorporated into the Directors' Report by cross-reference.

### Greenhouse gas emissions

Information relating to the greenhouse gas emissions of the Company is set out on page 174 and is incorporated into the Directors' Report by cross-reference.

### Political donations

No political donations were made during the year ended 31 December 2025 (2024: £nil).

### Employees

The average number of employees within the Group is shown in Note 7 to the Group financial statements.

The Group is an equal opportunities employer and considers applications for employment from disabled persons (having regard to their particular aptitudes and abilities), and encourages and assists, wherever practicable, the recruitment, training, career development and promotion of disabled people and the retention of and appropriate training for those who become disabled during their employment.

### Employee engagement

Due to our commitment to transparent and best practice reporting, we have included our section on employee engagement on page 46 of the Strategic Report as the Board considers these disclosures to be of strategic importance and is therefore incorporated into the Directors' Report by cross-reference.

Page 37 within the stakeholder engagement section demonstrates how the Directors have engaged with employees and how they have had regard to employee interests and how the effect of that regard influenced the principal decisions made by the Company during the financial year. The section on page 69 provides examples of the Board's activities in relation to assessing and monitoring the Group's culture.

The Company is also keen to encourage greater employee involvement in the Group's performance through share ownership. To help align employees' interests with the success of the Company's performance, it operates an HMRC-approved all-employee plan, the Ibstock Plc Sharesave Scheme ('Sharesave'), which is offered to UK employees.



## Directors' Report continued

### Business relationships

The stakeholder engagement section on pages 35 to 38 and the Section 172(1) Statement on page 34 demonstrate how the Directors have had regard to its engagement with suppliers, customers, employees and others and how the effect of that regard had influenced the principal decisions taken by the Company during the financial year. The Board considers these disclosures to be of strategic importance and are therefore incorporated into the Directors' Report by cross-reference.

### Reappointment of auditor

It will be proposed that Deloitte LLP be reappointed as the Company's auditor at the AGM to be held on 21 May 2026.

### Disclosure of information to auditor

Each Director of the Company as at the date of approval of this report confirms that:

- (a) so far as the Director is aware, there is no relevant audit information of which the Company's auditor is not aware; and
- (b) the Director has taken all the steps that he or she ought to have taken as a Director in order to make him/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

The Directors' Report was approved by the Board of Directors on 4 March 2026 and is signed on its behalf by order of the Board:

### Nick Giles

Group Company Secretary

4 March 2026

### Disclosures required under UK Listing Rule 6.6.4R

The information required to be disclosed in accordance with UK Listing Rule 6.6.4R of the Financial Conduct Authority's Listing Rules can be located in the following pages of this Annual Report:

Section	Information to be included	Location
(1)	A statement of the amount of interest capitalised	Page 144
(3)	Details of any long-term incentive schemes	Pages 91 to 110
(11)	Details of any arrangement under which a shareholder has waived or agreed to waive any dividends	Page 111
(12)	Where a shareholder has agreed to waive future dividends, details of such waiver, together with those relating to dividends, which are payable during the period under review	Page 111
(4) – (10), (13)	Not applicable	Not applicable

The Strategic Report and the Directors' Report together form the Management Report for the purposes of the Disclosure Guidance and Transparency Rules 4.1.8R. Information relating to financial instruments can be found on pages 155 to 158 and is incorporated by reference.

Information on our approach to social, environmental and ethical matters can be found on pages 39 to 46.

## Directors' Responsibility Statement

The Directors are responsible for preparing the Annual Report in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year.

Under that law the Directors are required to prepare the Group consolidated financial statements in accordance with United Kingdom adopted International Accounting Standards and have elected to prepare the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and applicable law.

Under company law the Directors must not approve the Annual Report and financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that year.

In preparing the Parent Company financial statements, the Directors are required to:

- › select suitable accounting policies and then apply them consistently;
- › make judgements and accounting estimates that are reasonable and prudent;
- › state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- › prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the Group consolidated financial statements, International Accounting Standard No.1 requires Directors to:

- › properly select and apply accounting policies;
- › present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- › provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- › make an assessment of the Group's ability to continue as a going concern and prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and to disclose with reasonable accuracy at any time the financial position of the Group and Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring the Annual Report, including the financial statements, is made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website (www.ibstock.co.uk) is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

The Directors in office as at 4 March 2026 and whose names and functions are given on pages 58 and 59 each confirm that to the best of their knowledge:

- › the financial statements, prepared in accordance with the relevant financial reporting framework, 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 Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the Group and Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The Directors consider that this Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business and strategy.

This Responsibility Statement was approved by the Board of Directors on 4 March 2026 and is signed on its behalf by order of the Board:

**Joe Hudson**  
Chief Executive Officer

4 March 2026

**Richard Akers**  
Chair

4 March 2026



## Independent Auditor's Report to the members of Ibstock Plc

### Report on the audit of the financial statements

#### 1. Opinion

In our opinion:

- › the financial statements of Ibstock plc (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31st December 2025 and of the group's profit for the year then ended;
- › the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- › the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- › the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- › the consolidated income statement;
- › the consolidated statement of comprehensive income;
- › the consolidated balance sheet;
- › the consolidated statement of changes in equity;
- › the consolidated cash flow statement;
- › the related notes 1 to 32 to the consolidated financial statements;
- › the parent company balance sheet;
- › the parent company statement of changes in equity; and
- › the related notes to 1 to 12 to the parent company financial statements.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law, and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

#### 2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the group and parent company for the year are disclosed in note 6 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the group or the parent company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 3. Summary of our audit approach

<b>Key audit matters</b>	<p>The key audit matters that we identified in the current year were:</p> <ul style="list-style-type: none"> <li>› Impairment testing of non-current assets; and</li> <li>› Classification and accuracy of exceptional items</li> </ul> <p>Within this report, key audit matters are identified as follows:</p> <ul style="list-style-type: none"> <li>⬆ Increased level of risk</li> <li>↔ Similar level of risk</li> <li>⬇ Decreased level of risk</li> </ul>
<b>Materiality</b>	The materiality that we used for the group financial statements was £2.85m which was determined by considering a number of metrics including net assets, revenue and profit before tax adjusted for exceptional items.
<b>Scoping</b>	<p>We have performed audit procedures on the entire financial information for four components and have performed specified audit procedures in one component. In addition, we have performed review procedures on components and balances that we did not deem to be significant.</p> <p>All work has been performed by the group audit engagement team.</p>
<b>Significant changes in our approach</b>	Our audit approach remains consistent with the prior year.



## Independent Auditor's Report to the members of Ibstock Plc continued

### Report on the audit of the financial statements continued

#### 4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- Assessing the reasonableness of assumptions applied by the directors in preparing their forecasts, including the impact of the recent restructuring activities and the impact of the current macroeconomic environment;
- Assessing the historical accuracy of the forecasts approved by the directors;
- Considering the impact of climate change risks and commitments on the expected cashflows in the outlook period;
- Obtaining confirmation for the financing facilities, repayment terms and covenants to test that these facilities remain available, and evaluating the additional external funding facilities accessible to the group;
- Considering the impact of management successfully renewing its RCF agreement in the period and the ability of the group to refinance its other facilities when they mature;
- Testing the clerical accuracy and appropriateness of the model used to prepare the forecasts;
- Challenging the group's 'severe but plausible' case analysis and whether it is appropriate, and performing sensitivity analysis on key variables, including the appropriateness of the group's identified potential mitigating actions;
- Reperforming the group's sensitivity analysis, including the group's reverse stress test;
- Reading analyst reports, industry data and other external information to determine if it provided corroborative or contradictory evidence in relation to assumptions used;
- Considering the recent site closures, and the impact that this could have on the group's forecasting;
- Assessing consistency between impairment forecasting and going concern modelling;
- Obtaining and performing analysis on post year end results and benchmarking this against the group's forecasts; and
- Assessing the appropriateness of the disclosures made within the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### 5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

##### 5.1. Impairment of Non-Current Assets

Key audit matter description	
	<p>As at 31 December 2025, the group had non-current assets (excluding post-employment benefit assets) of £544.9m (FY24: £564.8m).</p> <p>Considering a prolonged downturn in activity levels across the UK construction industry during FY24 and FY25 and the slower than previously expected recovery in market demand, the group identified indicators of potential impairment. In addition, the group took the decision to restructure operations at its Leicester clay site and close certain clay sites and have charged a £6.3m impairment against the non-current assets of these operations accordingly (as detailed within notes 5 and 17).</p> <p>In line with the requirements of IAS 36 ('Impairment of Assets'), a full impairment review was performed at the Cash Generating Unit ('CGU') level, where each CGU represents the smallest identifiable group of assets that generates cash inflows that are largely independent of inflows from other assets or groups of assets. The value in use of each CGU was calculated using cashflows reflecting the group's best estimate of the future trading performance of the group. Further details of the cashflows, and the assumptions made to calculate them, are included within note 17.</p> <p>The group's impairment review is sensitive to changes in the key assumptions, as set out in note 17. Judgement is required to forecast CGU level cashflows which are derived from the board-approved budget and strategic plan covering the years 2026-2030, which is underpinned by assumptions of demand for the group's products.</p> <p>Please refer to the Strategic Report, Note 1, Note 13 and Note 17 which provide further detail on the impairments made, and assumptions applied to the value in use models. Further details about the group's consideration of the climate related risks and opportunities relevant to the value in use model are disclosed in the TCFD report at page 178.</p>

## Independent Auditor's Report to the members of Ibstock Plc continued

### Report on the audit of the financial statements continued

#### 5. Key audit matters continued

##### 5.1. Impairment of Non-Current Assets continued

<b>How the scope of our audit responded to the key audit matter</b>	<p>To address this key audit matter, we have performed the following procedures:</p> <ul style="list-style-type: none"> <li>› Gained an understanding of the relevant controls surrounding the value in use model, including the assumptions, data and the mechanical accuracy;</li> <li>› Challenged the group's CGU determination, by understanding the products manufactured by each site, how the entities of the group generate cashflows and how this has remained consistent year on year;</li> <li>› Challenged the consistency of the group's methodology with the requirements of IAS 36 by engaging our impairment modelling specialists to review the mechanics of the model and to focus on areas such as inclusion of working capital and the impact of IFRS 16 ('Leases');</li> <li>› Performed a search for contradictory evidence including market analyst reports and housing market demand forecasts to challenge the key assumptions used;</li> <li>› Reviewed historic CGU trading performance and the correlation with the group's 5-year outlooks;</li> <li>› Validated market size assumptions to external forecasts, including industry associations and market analyst reports;</li> <li>› Working with our Environmental, Social and Governance ('ESG') specialists, challenged the group on their consideration of the climate related risks and opportunities (as discussed in the TCFD report on page 178) in the value in use model;</li> <li>› Working with our valuations specialists, performed an independent build-up of the Weighted Average Cost of Capital ('WACC') to be included in the model for the purpose of discounting future cash flows; and</li> <li>› Assessed the disclosures included within Notes 1, 13 and 17 for consistency with the requirements of IAS 36.</li> </ul>
<b>Key observations</b>	<p>Based on our audit procedures we are satisfied that the assumptions in the impairment models are within an acceptable range and that the group's impairment charge for restructured and closed sites is reasonable.</p> <p>We also consider the disclosures, included within the financial statements to be appropriate.</p>

##### 5.2. Classification and accuracy of exceptional items

<b>Key audit matter description</b>	<p>The group identified £19.5m (FY24: £11.7m) of exceptional items, disclosed at the foot of the consolidated income statement (page 124) and included in the determination of Alternative Performance Measures (APMs).</p> <p>The classification of certain income and costs as exceptional is not defined by UK-adopted international accounting standards and therefore significant judgement is required in determining the appropriate classification policy in line with guidance from the FRC and ESMA ('European Securities and Markets Authority').</p> <p>The classification of costs and income as exceptional within the adjusted profit metrics (being adjusted EBIT and adjusted EBITDA) is considered by the group to be a key determinant in assessing the quality of the group's underlying earnings. These adjusting items include items which, by virtue of their size, nature and/or expected infrequency of the events giving rise to them, merit separate presentation.</p> <p>We have identified there to be a possible risk of fraud due to inappropriate manipulation, where items which are not exceptional, are incorrectly labelled as such in the financial statements. Similarly, we consider the accuracy of items classified as exceptional to be a key audit matter as we identified a risk associated with the quantification of items classified as exceptional.</p> <p>Further information on exceptional items can be found in the Audit Committee Report on page 83, the group's summary of significant accounting policies in note 1, note 2, note 3 and note 5.</p>
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## Independent Auditor’s Report to the members of Ibstock Plc continued

### Report on the audit of the financial statements continued

#### 5. Key audit matters continued

##### 5.2. Classification and accuracy of exceptional items continued

<b>How the scope of our audit responded to the key audit matter</b>	<p>We have performed the following procedures to address this key audit matter:</p> <ul style="list-style-type: none"> <li>➤ Obtained an understanding of the relevant management review controls over the classification of items as exceptional and the associated accuracy of these items;</li> <li>➤ Challenged the classification policy for items the group proposed to include as exceptional against FRC and ESMA guidance, including an assessment of the completeness of such items through benchmarking against the disclosures of comparable companies;</li> <li>➤ For all significant adjustments, discussed the appropriateness of these items, their consistency with management’s classification policy, and disclosure considerations with the Audit Committee;</li> <li>➤ Challenged the appropriateness of including costs relating to sites impaired in previous restructuring activity as being exceptional in the current year;</li> <li>➤ Challenged whether costs included as exceptional due to being non-recurring were incremental to the restructuring activity that they relate to;</li> <li>➤ Agreed a sample of these items to supporting documentation to assess the accuracy of these items, and the validity of their classification as exceptional; and,</li> <li>➤ Assessed the adequacy of the disclosures to explain the nature of the exceptional items.</li> </ul>
<b>Key observations</b>	<p>We concluded that the exceptional items balance is free from material misstatement for the year ended 31 December 2025.</p>

### 6. Our application of materiality

#### 6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows::

	Group financial statements	Parent company financial statements
<b>Materiality</b>	£2.85m (2024: £2.85m)	£1.99m (2024: £1.99m)
<b>Basis for determining materiality</b>	<p>Our determined materiality is based on multiple metrics including profit before tax adjusted for exceptional items, net assets and revenue benchmarks.</p> <p>This year we have refined our approach to include profit before tax adjusted for exceptional items due to the restructuring activity during the year significantly reducing profit before tax.</p> <p>Our materiality is equivalent to:</p> <ul style="list-style-type: none"> <li>➤ 0.7% of Net Assets</li> <li>➤ 0.8% of Revenue</li> <li>➤ 13.9% of Profit Before Tax adjusted for exceptional items (as included in note 5)</li> </ul>	<p>3% of net assets capped at 70% of group materiality consistent with the prior period.</p>
<b>Rationale for the benchmark applied</b>	<p>The revenue and profit of the group have remained low compared to historic levels in the current year, following ongoing subdued market demand and trading volumes, however, the overall size of the group (including its net assets) remains stable when compared with previous periods.</p>	<p>Net assets is considered to be an appropriate benchmark for the Company given its main function is that of a holding company.</p>

## Independent Auditor's Report to the members of Ibstock Plc continued

### Report on the audit of the financial statements continued

#### 6. Our application of materiality continued

##### 6.2 Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
<b>Performance materiality</b>	70% (2024: 70%) of group materiality	70% (2024: 70%) of parent company materiality
<b>Basis and rationale for determining performance materiality</b>	In determining performance materiality, we considered the following factors: <ul style="list-style-type: none"> <li>› Our risk assessment, including our assessment of the quality of the group's control environment;</li> <li>› The low number of misstatements (corrected and uncorrected) in prior periods; and</li> <li>› The low level of change in the operations of the business from the prior year.</li> </ul>	

##### 6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.14m (2024: £0.14m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

#### 7. An overview of the scope of our audit

##### 7.1. Identification and scoping of components

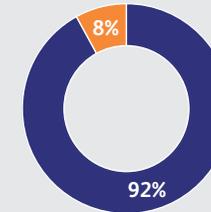
We have identified the group components to be the legal entities that make up the group. We have performed our scoping exercise by assessing the qualitative and quantitative risk factors associated with the components of the group and the financial statement line items of the group. Our consideration of risk factors has included considering the group structure and the organisation of components within the divisions, including the differences in control environment across the components.

We have scoped in four components for audit procedures of the entire financial information that together represent 92% (2024: 90%) of revenue and 88% (2024: 88%) of total assets. We have performed specified audit procedures on an additional component that represents 2% of total assets. We have also performed audit procedures over the classification and accuracy of exceptional items across all components and have performed impairment testing over all non-current assets of the group (excluding the defined benefit pension scheme asset).

We have performed review procedures on components and balances that we did not deem to be significant.

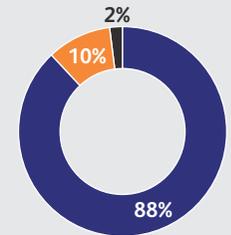
##### Revenue

- Audit of the entire financial information
- Review at group level



##### Net assets

- Audit of the entire financial information
- Review at group level
- Specified audit procedures



## Independent Auditor's Report to the members of Ibstock Plc continued

### Report on the audit of the financial statements continued

#### 7. An overview of the scope of our audit continued

##### 7.2. Our consideration of the control environment

The group uses JD Edwards as the main accounting software in the components that have the more significant classes of transactions, account balances or disclosures within them. The group also uses Resource Link for payroll management and Onestream for the consolidation. We have assessed the IT control environment and gained an understanding of the general IT controls operating in the identified systems. Together with our IT specialists, we have deployed our automated control testing tool to understand the IT controls on segregation of duties and control configurations within supporting infrastructure such as Windows AD, Oracle database and Solaris OS. We did not plan to rely on any of these systems or adopt a control reliance strategy over any business processes or account balances due to the manual control deficiencies identified in previous periods not being fully remediated and operating effectively for the entire period (please see below). We also reviewed the work of Internal Audit who identified some additional control deficiencies.

Throughout our audit we have considered the control deficiencies that were identified in the prior period, and we tailored the timing, nature and extent of our procedures to address the findings identified.

We have gained an understanding of the most relevant control(s) around:

- › Impairment of non-current assets;
- › Classification and accuracy of exceptional items;
- › Management override of controls;
- › Dilapidations and restoration provisions;
- › Going concern;
- › Pension scheme liability;
- › Impact of climate change upon the financial statements; and,
- › Revenue recognition: customer rebates

From this work, we have identified some further deficiencies in the design of controls, which the group is subsequently taking action to remediate, and we have communicated findings and deficiencies on internal controls to the Audit Committee. For each deficiency we considered tailoring the timing, nature and extent of our audit procedures in response.

Please refer to page 89 which refers to the Audit Committee's response to the deficiencies identified by both our audit and Internal Audit.

##### 7.3. Our consideration of climate-related risks

The group has continued to develop their understanding of the impact that climate change could have on their business and have detailed these within the Sustainability Committee report on page 81. This has included monitoring performance against the 2030 targets outlined in the ESG 2030 strategy.

In the Principal Risks and Uncertainties report on page 48, the group have identified the areas of their business that they think climate change will have the most significant impact on, through both risks and opportunities. We have used this information and our own knowledge of the business and the industry it operates in, including through the assistance of our ESG specialists, to perform an account balance and disclosure level climate change risk assessment.

We have identified risks of material misstatement relating to:

- › the inclusion of climate related cashflows in both impairment testing of non-current assets (section 5.1) and Going Concern forecasting (section 4);
- › the appropriateness of the assumptions applied in the valuation of the restoration provisions;
- › the useful economic lives of property, plant and equipment, particularly the group's gas fuelled kilns, and sites identified as having exposure to climate related physical risks; and
- › the impact that changes in consumer behaviour may have on demand for Ibstock's products, and how this could impact the going concern status of the group.

In response to the risks identified, we performed the following procedures:

- › we have inquired on the risks identified with those charged with governance (TCWG), management, and others;
- › gained an understanding of the relevant controls operating in the business in relation to identification of climate related risks, and the group's response to those risks;
- › we have reviewed internal and external communications surrounding climate change such as sustainability reports, group's risk assessments, press releases and climate-related disclosures;
- › we have gained an understanding of how climate may affect the group's business and operating environment and its financial reporting, including, but not limited to:
  - › group-specific climate initiatives and commitments;
  - › internal and external risk factors affected by climate-related matters including key – performance indicators, regulatory environment, governance structure; and
  - › the group's assessment of the implications of climate related matters on the financial statements and control environment;
- › we have assessed the impact of climate-related commitments made in the latest sustainability report and the impact on accounting for restoration provisions;
- › we have evaluated the directors' going concern and viability assessment as to whether this appropriately considered climate related risks and the impact on cashflows;
- › we also challenged the directors as to the impact on the useful economic lives of certain classes of assets in relation to sustainability commitments being made in the public domain; and
- › together with our ESG specialists, we have read the climate related disclosures included within other information of the annual report and assessed the consistency with the financial statements, the disclosure requirements and knowledge obtained during the audit. Specifically, we have reviewed disclosures in the financial statements in notes 13, 17 and 20 to evaluate how climate related risks have been considered in reaching accounting conclusions.

## Independent Auditor's Report to the members of Ibstock Plc continued

### Report on the audit of the financial statements continued

#### 8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### 9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

#### 10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### 11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

##### 11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- › the nature of the industry and sector, control environment and business performance including the design of the group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- › the group's own assessment of the risks that irregularities may occur either as a result of fraud or error that was approved by the board on;
- › results of our enquiries of management, internal audit, the directors and the audit committee about their own identification and assessment of the risks of irregularities, including those that are specific to the group's sector;
- › any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
  - › identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - › detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - › the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; including the fraud risk register which is maintained by management;
- › the matters discussed among the audit engagement team and relevant internal specialists, including tax, valuations, impairments, data analytics, pensions, IT and ESG regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area: classification and accuracy of exceptional items.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.



## Independent Auditor's Report to the members of Ibstock Plc continued

### Report on the audit of the financial statements continued

#### 11. Extent to which the audit was considered capable of detecting irregularities, including fraud continued

##### 11.1. Identifying and assessing potential risks related to irregularities continued

We also obtained an understanding of the legal and regulatory frameworks that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules, pensions legislation, and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included employment law, occupational health and safety regulations and environmental regulations.

##### 11.2. Audit response to risks identified

As a result of performing the above, we identified the Presentation and Accuracy of Exceptional Items as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- › reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- › enquiring of management, the audit committee and in-house and external legal counsel concerning actual and potential litigation and claims;
- › performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- › reading minutes of meetings of those charged with governance and reviewing internal audit reports, and correspondence with HMRC;
- › assessing the appropriateness and robustness of management's response to the inconsequential fraud identified, and assessed the completeness of the sites in which this fraud was identified; and
- › in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

### Report on other legal and regulatory requirements

#### 12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- › the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- › the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

#### 13. Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- › the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 53;
- › the directors' explanation as to its assessment of the group's prospects, the period this assessment covers and why the period is appropriate set out on page 15;
- › the directors' statement on fair, balanced and understandable set out on page 85;
- › the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 48;
- › the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 89; and
- › the section describing the work of the audit committee set out on page 83.



## Independent Auditor's Report to the members of Ibstock Plc continued

### Report on other legal and regulatory requirements continued

#### 14. Matters on which we are required to report by exception

##### 14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- › we have not received all the information and explanations we require for our audit; or
- › adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- › the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

##### 14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

#### 15. Other matters which we are required to address

##### 15.1. Auditor tenure

Following the recommendation of the audit committee, we were appointed by the Board of Directors on 24 May 2017 to audit the financial statements for the year ending 31 December 2017 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 9 years, covering the years ending 31 December 2017 to 31 December 2025.

##### 15.2. Consistency of the audit report with the additional report to the audit committee

Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISAs (UK).

#### 16. Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

#### Lee Highton, FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Birmingham, United Kingdom

4 March 2026



## Consolidated income statement

	Notes	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Revenue	4	372,104	366,207
Cost of sales	6	(276,121)	(261,650)
<b>Gross profit</b>		<b>95,983</b>	104,557
Distribution costs	6	(36,389)	(34,139)
Administrative expenses		(51,798)	(45,650)
Net profit on sale of business and fixed assets		178	261
Other income		2,340	2,314
Other expenses		(280)	(270)
<b>Operating profit</b>	6	<b>10,034</b>	27,073
Finance costs	8	(9,811)	(8,287)
Finance income	9	673	1,894
<b>Net finance cost</b>		<b>(9,138)</b>	(6,393)
<b>Profit before taxation</b>		<b>896</b>	20,680
Taxation	10	2,178	(5,588)
<b>Profit for the financial year</b>		<b>3,074</b>	15,092
<b>Profit attributable to:</b>			
Owners of the Company		<b>3,074</b>	15,092
	Notes	pence per share	pence per share
<b>Earnings per share</b>			
Basic	11	0.8	3.8
Diluted	11	0.8	3.8

## Non-GAAP measure

Reconciliation of Adjusted EBIT<sup>1</sup> and Adjusted EBITDA<sup>1</sup> to operating profit for the financial year:

	Notes	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
<b>Operating profit</b>		<b>10,034</b>	27,073
Add back exceptional cost impacting operating profit	5	19,478	11,720
Add back incremental depreciation and amortisation following fair value uplift	4	10,236	10,779
<b>Adjusted EBIT<sup>1</sup></b>		<b>39,748</b>	49,572
Add back depreciation and amortisation pre fair value uplift	4	31,296	29,778
<b>Adjusted EBITDA<sup>1</sup></b>		<b>71,044</b>	79,350

All amounts relate to continuing operations.

The notes on pages 129 to 164 form an integral part of these consolidated financial statements.

<sup>1</sup> Alternative performance measures are described in Note 3 and exceptional items are described in Note 5 to the consolidated financial statements.



## Consolidated statement of comprehensive income

Notes	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
	<b>3,074</b>	15,092
<b>Profit for the financial year</b>		
<b>Other comprehensive income/(expense):</b>		
<b>Items that may be reclassified subsequently to profit or loss</b>		
Change in fair value of cash flow hedges <sup>2</sup>	23 <b>64</b>	(54)
Related tax movements <sup>2</sup>	10 <b>(20)</b>	14
	<b>44</b>	(40)
<b>Items that will not be reclassified subsequently to profit or loss</b>		
Remeasurement of post-employment benefit assets and obligations <sup>2</sup>	21 <b>(1,002)</b>	(1,457)
Related tax movements <sup>2</sup>	10 <b>324</b>	437
	<b>(678)</b>	(1,020)
<b>Other comprehensive expense for the year, net of tax</b>		
	<b>(634)</b>	(1,060)
<b>Total comprehensive income for the year, net of tax</b>		
	<b>2,440</b>	14,032
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	<b>2,440</b>	14,032

The notes on pages 129 to 164 form an integral part of these consolidated financial statements.

1 Alternative performance measures are described in Note 3 and exceptional items are described in Note 5 to the consolidated financial statements.

2 Impacting retained earnings.



## Consolidated balance sheet

	Notes	At 31 December 2025 £'000	At 31 December 2024 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	12	66,447	73,950
Property, plant and equipment	13	455,147	462,504
Right-of-use assets	27	23,292	28,363
Post-employment benefit asset	21	5,984	7,839
		<b>550,870</b>	572,656
<b>Current assets</b>			
Inventories	14	137,448	124,819
Current tax recoverable		3,186	1,323
Trade and other receivables	15	32,273	43,815
Cash and cash equivalents		20,971	9,292
		<b>193,878</b>	179,249
<b>Assets held for sale</b>	16	–	200
<b>Total assets</b>		<b>744,748</b>	752,105
<b>Current liabilities</b>			
Trade and other payables	18	(89,482)	(88,853)
Derivative financial instruments	23	–	(78)
Borrowings	19	(41,152)	(31,425)
Lease liabilities	27	(9,588)	(9,471)
Provisions	20	(5,595)	(3,010)
		<b>(145,817)</b>	(132,837)
<b>Net current assets</b>		<b>48,061</b>	46,612
<b>Total assets less current liabilities</b>		<b>598,931</b>	619,268

	Notes	At 31 December 2025 £'000	At 31 December 2024 £'000
<b>Non-current liabilities</b>			
Borrowings	19	(99,862)	(99,427)
Lease liabilities	27	(19,922)	(25,611)
Deferred tax liabilities	22	(88,695)	(91,940)
Provisions	20	(7,992)	(7,027)
		<b>(216,471)</b>	(224,005)
<b>Total liabilities</b>		<b>(362,288)</b>	(356,842)
<b>Net assets</b>		<b>382,460</b>	395,263
<b>Equity</b>			
Share capital	24	4,096	4,096
Share premium	25	4,458	4,458
Retained earnings		769,760	783,800
Other reserves	25	(395,854)	(397,091)
<b>Equity attributable to owners of the Company</b>		<b>382,460</b>	395,263
<b>Total equity</b>		<b>382,460</b>	395,263

The notes on pages 129 to 164 form an integral part of these consolidated financial statements.

These financial statements were approved by the Board and authorised for issue on 4 March 2026. They were signed on its behalf by:

**Joe Hudson**  
Chief Executive Officer

**Richard Akers**  
Chair



## Consolidated statement of changes in equity

	Notes	Share capital £'000	Share premium £'000	Retained earnings £'000	Other reserves (see Note 25) £'000	Total equity attributable to owners £'000	Total equity £'000
<b>Balance at 1 January 2025</b>		<b>4,096</b>	<b>4,458</b>	<b>783,800</b>	<b>(397,091)</b>	<b>395,263</b>	<b>395,263</b>
Profit for the year		–	–	3,074	–	3,074	3,074
Other comprehensive (expense)/income		–	–	(678)	44	(634)	(634)
<b>Total comprehensive income for the year</b>		<b>–</b>	<b>–</b>	<b>2,396</b>	<b>44</b>	<b>2,440</b>	<b>2,440</b>
<b>Transactions with owners:</b>							
Share-based payments	26	–	–	484	–	484	484
Current tax on share-based payment	10	–	–	45	–	45	45
Deferred tax on share-based payment	22	–	–	13	–	13	13
Equity dividends paid	31	–	–	(15,785)	–	(15,785)	(15,785)
Issue of own shares held on exercise of share options	25	–	–	(1,193)	1,193	–	–
<b>At 31 December 2025</b>		<b>4,096</b>	<b>4,458</b>	<b>769,760</b>	<b>(395,854)</b>	<b>382,460</b>	<b>382,460</b>
	Notes	Share capital £'000	Share premium £'000	Retained earnings £'000	Other reserves (see Note 25) £'000	Total equity attributable to owners £'000	Total equity £'000
<b>Balance at 1 January 2024</b>		<b>4,096</b>	<b>4,458</b>	<b>790,971</b>	<b>(399,658)</b>	<b>399,867</b>	<b>399,867</b>
Profit for the year		–	–	15,092	–	15,092	15,092
Other comprehensive expense		–	–	(1,020)	(40)	(1,060)	(1,060)
<b>Total comprehensive income/(expense) for the year</b>		<b>–</b>	<b>–</b>	<b>14,072</b>	<b>(40)</b>	<b>14,032</b>	<b>14,032</b>
<b>Transactions with owners:</b>							
Share-based payments	26	–	–	1,253	–	1,253	1,253
Current tax on share-based payment	10	–	–	18	–	18	18
Deferred tax on share-based payment	22	–	–	124	–	124	124
Equity dividends paid	31	–	–	(20,031)	–	(20,031)	(20,031)
Issue of own shares held on exercise of share options	25	–	–	(2,607)	2,607	–	–
<b>At 31 December 2024</b>		<b>4,096</b>	<b>4,458</b>	<b>783,800</b>	<b>(397,091)</b>	<b>395,263</b>	<b>395,263</b>

The notes on pages 129 to 164 form an integral part of these consolidated financial statements.



## Consolidated cash flow statement

	Notes	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
<b>Cash flow from operating activities</b>			
Cash generated from operations	28	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)
<b>Net cash inflow from operating activities</b>		<b>39,570</b>	53,655
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(44,776)	(45,235)
Proceeds from sale of property, plant and equipment		3,134	379
Proceeds from disposals of business and fixed assets – exceptional	5	31,207	–
Purchase of intangible assets		(1,912)	–
Refund of deferred consideration		–	171
Interest received		142	139
<b>Net cash outflow from investing activities</b>		<b>(12,205)</b>	(44,546)
<b>Cash flows from financing activities</b>			
Dividends paid	31	(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)
<b>Net cash outflow from financing activities</b>		<b>(15,823)</b>	(23,682)
<b>Net increase/(decrease) in cash and cash equivalents</b>			
		<b>11,542</b>	(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)
<b>Cash and cash equivalents at end of the year</b>		<b>20,971</b>	9,292

The notes on pages 129 to 164 form an integral part of these consolidated financial statements.

## Reconciliation of changes in cash and cash equivalents to movement in net debt<sup>1</sup>

	Notes	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Net increase/(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)
<b>Movement in net debt<sup>1</sup></b>		<b>1,517</b>	(20,944)
Net debt <sup>1</sup> at start of year		(121,560)	(100,616)
<b>Net debt<sup>1</sup> at end of year</b>	3	<b>(120,043)</b>	(121,560)
Comprising:			
Cash and cash equivalents		20,971	9,292
Short-term borrowings	19	(41,152)	(31,425)
Long-term borrowings	19	(99,862)	(99,427)
		<b>(120,043)</b>	(121,560)

<sup>1</sup> Alternative performance measures are described in Note 3 to the consolidated financial statements.

## Notes to the consolidated financial statements

### 1. Summary of significant accounting policies

#### 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 in the United Kingdom and registered in England. The registered office is Leicester Road, Ibstock, Leicestershire LE67 6HS and the company registration number is 09760850.

The principal activities of the Company and its subsidiaries (the 'Group') and the nature of the Group's operations are set out in the Strategic Report on pages 1 to 54.

#### 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 International Accounting Standards (IAS). They are prepared on the basis of all IFRS accounting standards and interpretations that are mandatory for the year ended 31 December 2025 and in accordance with the Companies Act 2006. The comparative financial information has also been prepared on this basis.

These consolidated financial statements are prepared on a going concern basis, under the historical cost convention modified by revaluation of certain financial instruments and pension balances. The consolidated financial statements are presented in Sterling and all values are rounded to the nearest thousand, except where otherwise indicated.

The material accounting policies are set out below.

#### Basis of consolidation

The consolidated financial statements comprise the financial statements of Ibstock Plc and its subsidiaries as at 31 December 2025. 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. Details of all the subsidiaries of the Group are given in Note 29.

The subsidiaries are all entities over which the Group has 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 a 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 EBITDA<sup>1</sup>, 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 the demand levels experienced in five of the past ten years ('benchmarked 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 EBITDA<sup>1</sup> 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 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.

## Notes to the consolidated financial statements continued

### 1. Summary of significant accounting policies continued

#### Going concern continued

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.

#### New or amended standards that are effective for the current year

In the current year, the Group has applied the amendment below to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that is mandatorily effective for an accounting period that begins on or after 1 January 2025.

- › Amendments to IAS 21 – Lack of Exchangeability.

The amendment listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

#### New and revised standards in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

- › Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments;
- › IFRS 18 – Presentation and Disclosure in Financial Statements; and
- › IFRS 19 – Subsidiaries without Public Accountability: Disclosures.

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in the current or future reporting periods, except if indicated below.

#### IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some paragraphs from IAS 1 have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- › present specified categories and defined subtotals in the statement of profit or loss
- › provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- › improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The Directors anticipate that the application of these amendments will have an impact on the Group's consolidated financial statements in future periods.

#### Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers (CODMs). The CODMs, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the Chief Executive Officer and Chief Financial Officer of the Group.

The CODMs review the key profit measure, Adjusted EBITDA<sup>1</sup>, as defined in Note 3, and consider the Group's reportable segments to be Clay and Concrete.

#### Foreign currency translation

##### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The consolidated financial statements are presented in Sterling (£), which is the Group's presentation currency.

##### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within net finance costs. All other foreign exchange gains and losses are presented within the income statement.

#### Property, plant and equipment

Property, plant and equipment is stated at the cost to the Group less depreciation. The cost of property, plant and equipment includes directly attributable costs. Costs incurred to gain access to mineral reserves (typically stripping costs) are capitalised and depreciated over the life of the quarry, which is based on the estimated tonnes of raw material to be extracted from the reserves. Management assesses the Group's assets separating their cost into (i) the local statutory books' historical cost and (ii) the associated fair value uplift, which arose on the acquisition of the Group in 2015.

Details of cost and accumulated depreciation are included in Note 13.

## Notes to the consolidated financial statements continued

### 1. Summary of significant accounting policies continued

#### Property, plant and equipment continued

Depreciation is provided on the cost of all assets (except assets in the course of construction and land), so as to write off the cost, less residual value, on a straight line basis over the expected useful economic life of the assets concerned, as follows:

Asset classification	Useful life
Land	Not depreciated
Freehold buildings	15 – 60 years
Plant, machinery and equipment	2 – 40 years
Mineral reserves	Amortised on a usage basis

Exploration expenditure relates to the initial search for mineral deposits with economic potential and is not capitalised. Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential and in obtaining permissions to extract clay. Capitalisation of evaluation expenditure within 'Mineral reserves' commences when there is a high degree of confidence that the Group will determine that a project is commercially viable, i.e., the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the Group.

Mineral reserves may be declared for an undeveloped project before its commercial viability has been fully determined. Evaluation costs may continue to be capitalised during the period between declaration of reserves and approval to extract clay as further work is undertaken in order to refine the development case to maximise the project's returns.

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable. The carrying values of capitalised evaluation expenditure are reviewed for impairment by management.

Useful lives and residual values are reviewed at each balance sheet date and revised where expectations are significantly different from previous estimates. In such cases, the depreciation charge for current and future periods is adjusted accordingly.

#### Intangible assets

Separately acquired brands and non-contractual customer relationships are shown at historical cost. Brands and customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight line method to allocate the cost of brands and customer relationships over their estimated useful lives as follows:

Asset classification	Useful life
Brands	10 – 50 years
Customer contracts and relationships	10 – 20 years

Licences represent carbon allowances the Group purchased to meet carbon emissions in excess of the Group's granted allowances under the UK Emission Trading Scheme (ETS). The carbon allowances are recognised as intangible assets and classified as non-current assets. The costs to settle the forecast emissions in the year in excess of granted allowances are recognised across the year.

For implementation costs in a cloud service contract that are distinct from the related software, the costs are recognised as an expense as incurred (as the service is received) unless it gives rise to a separate intangible asset. The costs of services provided by the cloud vendor, which are not distinct from access to the software, are recognised as an expense over the period of access to the software.

Goodwill is initially recognised and measured as the excess of consideration transferred over the fair value of the net assets acquired in a business combination. Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to the Group's cash-generating unit (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the asset may be impaired.

If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Any impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal. There has been no impairment of goodwill in the current or prior year.

For further details, see Note 12.

#### Impairment of non-financial assets

Assets that are subject to amortisation or depreciation, such as brands and non-contractual customer relationships and property, plant and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised immediately within the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date at which point they are immediately recognised within the income statement.

## Notes to the consolidated financial statements continued

### 1. Summary of significant accounting policies continued

#### Impairment of non-financial assets continued

For assets excluding goodwill, an assessment is made at each reporting date whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's (CGU's) recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. As the Group has no assets carried at revalued amounts, such reversal is recognised in the consolidated income statement.

The Group, where appropriate, separately applies the requirements of IAS 36 to land and to buildings on sites owned considering the individual recoverable values of each and the reliability in estimating these.

For further details, see Note 17.

#### Assets held for sale

Non-current assets and disposal groups are classified as held for sale only if available for immediate sale in their present condition and a sale is highly probable and expected to be completed within one year from the date of classification. Such assets and disposal groups are measured at the lower of carrying amount and fair value less the costs to sell. Non-current assets classified as held for sale (or that form part of a disposal group classified as held for sale) are not depreciated or amortised.

#### Leases

##### The Group as lessee

The Group leases various offices, warehouses, factories, equipment, mobile plant and cars. Rental contracts are typically made for fixed periods of three to twelve years, but may have extension options, as described below, and contain a range of terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. Management also reviews other contracts entered into during the period to assess whether they may contain embedded leases. Such contracts are, or contain, a lease if it conveys the right to control the use of a specified asset (e.g. plant, property and equipment) over a period in exchange for consideration.

Leases are recognised as right-of-use assets and a corresponding liability at the date on which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost.

The finance cost is charged to the income statement over the lease period, so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- › fixed payments (including in-substance fixed payments), less any incentives receivable;
- › variable lease payments that are based on an index or rate;
- › the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- › payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- › the amount of the initial measurement of lease liability;
- › any lease payments made at or before the commencement date less any lease incentives received;
- › any initial direct costs; and
- › restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight line basis as an expense within the income statement. Short-term leases are leases with a term of 12 months or less.

##### (i) Variable lease payments

Some property leases contain variable lease payment terms that are linked to the extraction of raw materials. For individual properties, a percentage of the lease payments are on the basis of the variable payment terms.

Variable lease payments that are dependent upon the level of extraction are recognised within the income statement in the period in which the extraction which triggers that payment occurs.

The value of variable lease payments and the impact of movements in the Group's levels of extraction are insignificant in current and prior periods.

##### (ii) Extension and termination options

Extension and termination options are included in a small number of property leases across the Group. The majority of such options are exercisable only by the Group and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option.

Extension options (or periods after termination options) are only included in the future cash outflows if the lease is reasonably certain to be extended (or not terminated). This assessment is reviewed if a significant event or a significant change in circumstances occurs that affects this assessment and that is within the control of the lessee.

## Notes to the consolidated financial statements continued

### 1. Summary of significant accounting policies continued

#### Leases continued

##### The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its surplus properties.

Leases for which the Group is a lessor are classified as either finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and amortised on a straight-line basis over the lease term.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition. Raw materials, consumables and goods for resale are recognised on a weighted average cost basis, while work in progress and finished goods are held at direct cost plus an appropriate proportion of production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

The Group records provisions for obsolete and slow-moving inventory on the basis of historical sales values and volumes, respectively. These inventory provisions are updated regularly to reflect management's most recent information.

#### Investments and other financial assets

##### Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

##### Recognition and derecognition

Purchases and sales of financial assets are recognised on trade date, the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised within the income statement.

##### Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset.

##### Forward energy contracts

The Group has a long-standing practice of locking in prices for gas and electricity used in its production activities and achieves this by committing to take delivery of a certain volume of energy in future months, which creates a contractual commitment and secures a certain price.

The Group takes delivery of the energy and so the Directors believe it meets the requirements of the own use scope exemption in IFRS 9 Financial Instruments. As such, these contracts are not held on the balance sheet at fair value but rather treated as executory contracts and energy purchases are accounted for in the period in which the gas and electricity is consumed, at the contracted price.

##### Derivatives and hedging

The Group enters into derivative transactions to manage its exposure to foreign exchange rate risks on major capital expenditure projects.

Derivatives are recognised initially at fair value on the date the contract is entered into and subsequently remeasured to their fair value at each reporting date.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both the legal right and intention to offset.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk.

These derivatives are designated and effective as hedging instruments, in which event the timing of the transfer within the balance sheet or recognition in the income statement depends on the nature of the hedge relationship.

Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges. At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. The Group documents whether the hedging instrument is effective in offsetting the hedged risk, by confirming that:

## Notes to the consolidated financial statements continued

### 1. Summary of significant accounting policies continued

#### Investments and other financial assets continued

##### Derivatives and hedging continued

- › there is an economic relationship between hedged items and the hedging instrument;
- › the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- › the planned ratio of hedge: hedge item is the same as the actual ratio of hedge: hedge item.

The effective portion of changes in the fair value of derivatives that are designated as cash flow hedges is recognised in other comprehensive income and accumulated under the cash flow hedging reserve. Any gain or loss relating to the ineffective portion of the hedge is recognised immediately in profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to the related capital expenditure project within the balance sheet in the periods when the underlying hedged item affects the balance sheet.

The Group discontinues hedge accounting should the hedge relationship cease to meet the qualifying criteria, or when the hedging instrument expires, is sold, terminated or exercised.

##### Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The measurement category into which the Group classifies its debt instruments is amortised cost.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the income statement.

##### Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 23 for further details.

No significant impairment losses were recorded in the current or prior year. Should they arise, impairment losses are presented as a separate line item in the Group consolidated income statement.

##### Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold in the ordinary course of business. Collection is expected in one year or less and trade receivables are classified as current assets accordingly. Trade receivables are measured at amortised cost using the effective interest method, less provision for impairment.

##### Cash and cash equivalents

In the consolidated balance sheet, cash and cash equivalents reflects cash in hand at the balance sheet date, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

##### Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities where payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

##### Borrowings

The Group's borrowings comprise a Revolving Credit Facility (RCF) and private placement loan notes. Borrowings are recognised initially at fair value, net of directly attributable transaction costs incurred. All other costs are expensed as incurred. Borrowings are subsequently carried at amortised cost.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Finance cost on borrowings is treated as an expense in the income statement, with the exception of interest costs incurred on the financing of major projects, which are capitalised within property, plant and equipment.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

To the extent there is evidence that it is not probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates. Fees relating to short-term variations in financing conditions and terms are recognised in profit or loss in the period in which they are incurred.

An exchange of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

##### Employee benefits

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

##### Pensions

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

## Notes to the consolidated financial statements continued

### 1. Summary of significant accounting policies continued

#### Employee benefits continued

##### Pensions continued

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group recognises contributions payable to defined contribution plans in exchange for employee services in employee benefit expense.

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The amount recognised in the balance sheet in respect of defined benefit pension plans is the fair value of plan assets less the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Where defined benefit schemes have a surplus, the surplus is recognised if future economic benefits are available to the entity in the form of a reduction in the future contributions or a right to refund.

Past-service costs are recognised immediately in the income statement. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets, taking account of any changes in the defined benefit asset/liability during the period as a result of contributions and benefit payments. This cost is included in interest expense in the income statement.

When the benefits of a defined benefit plan are changed or when the plan is curtailed, the change in the present value of the defined benefit obligation arising that relates to the plan amendment or curtailment is recognised immediately within the income statement on its occurrence. Before determining the past service cost (including curtailment gains or losses) or a gain or loss on settlement, the net defined benefit obligation (asset) is remeasured using the current fair value of plan assets and current actuarial assumptions (including current market interest rates and other current market prices) reflecting the benefits offered under the plan before the plan amendment, curtailment or settlement.

Costs of managing the plan assets, remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the period in which they arise.

#### Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the risk-assessed expenditures expected to be required to settle the obligation using a pre-tax risk-free discount rate to reflect current market assessments of the time value of money. The increase in the provision due to passage of time is recognised as interest expense.

The restoration provision is to fund future obligations at a number of sites that the Group is associated with and where the Group has any constructive obligation to restore once it has fully utilised the site. Provisions for dilapidations are recognised on a lease-by-lease basis and are based on the Group's discounted best estimate of the likely committed cash outflows. The restructuring provision is to fund the estimated restructuring costs and only arises when all the criteria in IAS 37 Provisions are met by the Group.

#### Revenue

Revenue represents the fair value of consideration receivable for goods supplied by the Group, exclusive of local sales tax and trade discounts and after eliminating sales within the Group. All of revenue is attributable to the principal activities of the Group being the manufacture and sale of concrete products, clay facing bricks and associated special shaped and fabricated clay products.

Revenue is recognised when the Group's performance obligation is satisfied, which is usually when the promised goods and services are transferred to the customer. In a bill and hold arrangement, revenue is recognised when a customer has obtained control of a product, which arises when all of the following criteria are met: (a) the reason for the arrangement is substantive, (b) the product has been identified separately as belonging to the customer, (c) the product is ready for delivery in accordance with the terms of the arrangement, and (d) the Company does not have the ability to use the product or sell the product to another customer.

#### Customer rebates

Provisions for rebates to customers are based upon the terms of individual contracts, with rebates granted based upon a tiered structure dependent upon an individual customer's purchases during the rebate period. Customer rebates are recorded in the same period as the related sales as a deduction from revenue and the vast majority are coterminous with the Group's financial year end.

For those individual contracts that are non-coterminous, the Group estimates the provision for this variable consideration based on the most likely outcome amount determined by the terms of each agreement at the time the revenue is recognised. At the financial year end, due to settlement of rebates with customers, the level of remaining estimation is limited and the risk of a significant reversal of recognised revenue is negligible.

#### Other income

Other income is attributable to rental income from properties, landfill and gas activity. Other expenses represent associated expenses. This is not deemed to be a principal activity of the Group. Rental income received under operating leases is recognised on a straight line basis over the term of the relevant lease. Assets leased by the Group to third parties are depreciated in line with the Group's normal depreciation policy.



## Notes to the consolidated financial statements continued

### 1. Summary of significant accounting policies continued

#### Research and development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is capitalised when relevant criteria under IAS 38 have been met. Any expenditure carried forward is amortised in line with the expected future sales from the related project.

#### Exceptional items

The Group presents as exceptional on the face of the income statement those items of income and expense which, because of the materiality, nature and/or expected infrequency of the events giving rise to them, merit separate presentation to allow Shareholders to further understand elements of financial performance in the period, so as to facilitate comparison with future years and to assess trends in financial performance. See Note 5 for further details of exceptional items<sup>1</sup> recognised in the current period.

The Directors believe that the use of alternative performance measures (APMs), such as exceptional items<sup>1</sup>, provide useful information for Shareholders. The Group uses APMs to aid comparability of its performance and position between periods. The APMs used represent measures used by management and Board to monitor performance and plan. Additionally, certain APMs are used by the Group in setting Director and management remuneration. Detailed descriptions of APMs used throughout these financial statements are included within Note 3.

APMs used by the Group are generally not defined under IFRS and may not be comparable with similarly titled measures reported by other companies.

It is not believed that adjusted measures are a substitute for, or superior to, statutory measurements.

#### Government grants

Government grants are recognised within the income statement on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Grants are presented as part of the income statement and are deducted in reporting the related expense.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised within the income statement in the period in which they become receivable. Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

#### Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except for tax relating to items recognised in other comprehensive income or directly in equity.

Current tax is the expected tax payable or recoverable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination may be uncertain. The calculation of the tax charge therefore necessarily involves a degree of estimation and judgement. The tax liabilities are based on estimates of whether additional taxes will be due and tax assets are recognised on the basis of probable future recoverability. This requires management to exercise judgement based on its interpretation of tax laws and the likelihood of settlement of tax liabilities or recoverability of tax assets. To the extent that the final outcome differs from the estimates made, tax adjustments may be required which could have an impact on the tax charge and profit for the year in which such a determination is made.

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts included in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

The amount of deferred tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred tax asset is realised or deferred tax liability is settled. Deferred tax assets and liabilities are not subject to discounting.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available, against which the temporary difference can be utilised.

Deferred tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries except for deferred tax liabilities where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets against current tax liabilities where these have been levied by the same tax authority on either the same taxable entity or different taxable entities within the Group where there is an intention to settle the balances on a net basis.

#### Dividend distribution

Dividend distributions to Ibstock Plc Shareholders are recognised in the Group's financial statements in the period in which the dividends are approved in a general meeting, or when paid in the case of an interim dividend.

#### Share-based payments

The Group operates a number of equity-settled share based compensation plans, under which the entity receives services from employees as consideration for equity instruments (for example options or shares) of Ibstock Plc. The fair value of the employee services received in exchange for the grant of the equity instruments is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the instruments granted:

<sup>1</sup> Alternative performance measures are described in Note 3 and exceptional items are described in Note 5 to the consolidated financial statements.

## Notes to the consolidated financial statements continued

### 1. Summary of significant accounting policies continued

#### Share-based payments continued

- › including any market performance conditions (for example, the Group's share price);
- › excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- › including the impact of any non-vesting conditions (for example, the requirement for employees to save or hold shares for a specific period of time).

At the end of each reporting period, the Group revises its estimates of the number of instruments that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity. In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the year between service commencement period and grant date. For the equity-settled share based payment transactions, the fair value of the share instruments granted is derived from established option pricing models. Further details on share based payments are set out in Note 26.

### 2. Critical accounting judgements and key sources of estimation uncertainty

In applying the Group's accounting policies, as described in Note 1, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making these critical judgements and estimates, actual outcomes could be different.

#### Critical judgements in applying the Group's accounting policies

The following critical judgement, that the Directors made in the process of applying the Group's accounting policies, has the most significant effect on the amounts recorded in the financial statements.

#### Exceptional items<sup>1</sup>

Exceptional items<sup>1</sup> are disclosed separately in the financial statements where the Directors believe it is necessary to do so to provide further understanding of the financial performance of the Group. The Group presents as exceptional items<sup>1</sup> in Note 5 those items of income and expense which, because of the materiality, nature and/or expected infrequency of the events giving rise to them, merit separate presentation to allow Shareholders to understand elements of financial performance in the financial period, so as to facilitate comparison with future years and further assess underlying trends in financial performance. Judgement is required in relation to significant material transactions as to whether they are exceptional in nature.

Further details on exceptional items<sup>1</sup> are given within Note 5.

<sup>1</sup> Alternative performance measures are described in Note 3 and exceptional items are described in Note 5 to the consolidated financial statements.

#### Key sources of estimation uncertainty

Estimates and underlying assumptions are reviewed by management on an ongoing basis, with revisions recognised in the period in which the estimates are revised, and in any future period affected. The areas that may have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

#### Defined benefit pension schemes – valuation of liabilities

For defined benefit schemes, management is required to make annual estimates and assumptions about future changes in discount rates, inflation, the rate of increase in pensions in payment and life expectancy. The buy-in agreement in place assumed the insured asset and the corresponding liabilities are broadly matched, but the assumptions used would still affect the pension liabilities at the year end.

In making these estimates and assumptions, management considers advice provided by external advisers, such as actuaries. These assumptions are subject to periodic review.

Note 21 describes the assumptions used together with an analysis of the sensitivity of the defined benefit scheme liability (£316.9 million at 31 December 2025) to changes in key assumptions.

#### Impairment of property, plant and equipment

Assessing the Group's property, plant and equipment assets for impairment requires estimation of the present value of future cash flows. The calculations require the Group to estimate the future cash flows expected to arise from cash-generating units (CGUs). The key assumption in this regard relates to long-term industry demand for the Group's products.

Note 17 describes the other assumptions used together with an analysis of the sensitivity of the impairment assessment to changes in the key assumption.

### 3. Alternative performance measures

Alternative Performance Measures (APMs) are disclosed within the consolidated financial statements where management believes it is necessary to do so to provide further understanding of the financial performance of the Group.

Management uses APMs in its own assessment of the Group's performance and in order to plan the allocation of internal capital and resources. Certain APMs are used in the remuneration of management and Executive Directors, as set out in the Directors' Remuneration Report on pages 91 to 110.

APMs serve as supplementary information for users of the financial statements and it is not intended that they are 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.

Within the notes to the consolidated financial statements, all APMs are identified with a superscript.

## Notes to the consolidated financial statements continued

### 3. Alternative performance measures continued

#### Exceptional items

The Group presents as exceptional 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 future periods and to assess 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 Adjusted EBIT adjusted for depreciation and amortisation pre fair value uplift and Adjusted EBITDA margin is Adjusted EBITDA shown as a proportion of revenue.

The Directors regularly use Adjusted EBIT, Adjusted EBITDA 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 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, fair value adjustments being the amortisation and depreciation on fair value uplifted assets and non-cash interest, net of associated taxation on the adjusted 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 within 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 11.

#### 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 IFRS 16 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.

Net debt is shown at the foot of the Group consolidated cash flow statement on page 128.

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 £'000	Year ended 31 December 2024 £'000
Net debt	<b>(120,043)</b>	(121,560)
Adjusted EBITDA	<b>71,044</b>	79,350
Impact of IFRS 16 (Note 27)	<b>(12,045)</b>	(12,134)
Adjusted EBITDA prior to IFRS 16	<b>58,999</b>	67,216
<b>Ratio of net debt to Adjusted EBITDA (prior to IFRS 16)</b>	<b>2.0</b>	1.8

#### Adjusted return on capital employed

Adjusted return on capital employed (Adjusted ROCE) is defined as earnings before interest and taxation adjusted for exceptional items 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 £'000	Year ended 31 December 2024 £'000
Adjusted EBITDA	<b>71,044</b>	79,350
Less: depreciation	<b>(35,210)</b>	(33,619)
Less: amortisation	<b>(6,322)</b>	(6,938)
Adjusted earnings before interest and taxation	<b>29,512</b>	38,793
Average net debt	<b>132,275</b>	129,699
Average equity	<b>386,673</b>	394,836
Average pension	<b>(6,483)</b>	(8,305)
Average capital employed	<b>512,465</b>	516,230
<b>Adjusted return on capital employed</b>	<b>5.8%</b>	7.5%



## Notes to the consolidated financial statements continued

### 3. Alternative performance measures continued

#### Adjusted return on capital employed continued

Average capital employed figures comprise:

	31 December 2025 £'000	30 June 2025 £'000	31 December 2024 £'000	30 June 2024 £'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)
<b>Capital employed</b>	<b>496,519</b>	<b>528,410</b>	508,984	523,476

#### Adjusted effective tax rate (ETR)

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 10.

#### Cash flow related APMs

The Group presents an adjusted cash flow statement within its Financial Review on page 32. 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 payments 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 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 exclude cash outflow 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 and lease payments reclassified from investing or financing activities totalling cash inflow 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.

#### Reconciliation of statutory cash flow statement to adjusted cash flow statement

Year ended 31 December 2025	Statutory £'000	Exceptional £'000	Reclassification £'000	Adjusted £'000
<b>EBITDA</b>	<b>51,566</b>	<b>19,478</b>	<b>–</b>	<b>71,044</b>
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)
<b>Operating cash flow</b>	<b>39,570</b>	<b>5,092</b>	<b>(9,674)</b>	<b>34,988</b>
Cash conversion				49%
Total capex	(44,776)	–	–	(44,776)
<b>Free cash flow</b>	<b>(5,206)</b>	<b>5,092</b>	<b>(9,674)</b>	<b>(9,788)</b>
Year ended 31 December 2024	Statutory £'000	Exceptional £'000	Reclassification £'000	Adjusted £'000
<b>EBITDA</b>	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)
<b>Operating cash flow</b>	<b>53,899</b>	<b>11,203</b>	<b>(8,962)</b>	<b>56,140</b>
Cash conversion				71%
Total capex	(45,235)	–	–	(45,235)
<b>Free cash flow</b>	<b>8,664</b>	<b>11,203</b>	<b>(8,962)</b>	<b>10,905</b>



## Notes to the consolidated financial statements continued

### 4. Segment reporting

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

The key Group performance measure is Adjusted EBITDA<sup>1</sup>, as detailed below, which is defined in Note 3. The tables below present revenue and Adjusted EBITDA<sup>1</sup> 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 both years 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 have been classified within the Clay segment.

	Year ended 31 December 2025			
	Clay £'000	Concrete £'000	Unallocated and elimination £'000	Total £'000
Product type:				
Bricks and masonry	250,827	17,258	–	268,085
Roofing	–	18,662	–	18,662
Fencing and landscaping	–	24,824	–	24,824
Flooring and lintels	–	40,969	–	40,969
Facades	9,170	–	–	9,170
Rail and infrastructure	–	9,762	–	9,762
Other	–	632	–	632
<b>Total revenue</b>	<b>259,997</b>	<b>112,107</b>	<b>–</b>	<b>372,104</b>
<b>Adjusted EBITDA<sup>1</sup></b>	<b>68,062</b>	<b>9,289</b>	<b>(6,307)</b>	<b>71,044</b>
<b>Adjusted EBITDA margin<sup>1</sup></b>	<b>26.2%</b>	<b>8.3%</b>		<b>19.1%</b>
Exceptional items <sup>1</sup> 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)
<b>Profit before tax</b>	<b>16,821</b>	<b>(2,408)</b>	<b>(13,517)</b>	<b>896</b>
Taxation				2,178
<b>Profit for the year</b>				<b>3,074</b>
<b>Consolidated total assets</b>	<b>636,724</b>	<b>95,308</b>	<b>12,716</b>	<b>744,748</b>

	Year ended 31 December 2025			
	Clay £'000	Concrete £'000	Unallocated and elimination £'000	Total £'000
<b>Consolidated total liabilities</b>	<b>(170,731)</b>	<b>(41,424)</b>	<b>(150,133)</b>	<b>(362,288)</b>
<b>Non-current assets</b>				
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
<b>Total non-current assets</b>	<b>490,418</b>	<b>54,085</b>	<b>383</b>	<b>544,886</b>
<b>Total non-current asset additions</b>	<b>48,915</b>	<b>4,991</b>	<b>–</b>	<b>53,906</b>

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 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.

The Group defined benefit pension scheme surplus was an unallocated asset and amounted to £6.0 million.

<sup>1</sup> Alternative performance measures are described in Note 3 and exceptional items are described in Note 5 to the consolidated financial statements.



## Notes to the consolidated financial statements continued

## 4. Segment reporting continued

	Year ended 31 December 2024			Total £'000
	Clay £'000	Concrete £'000	Unallocated and elimination £'000	
Product type:				
Bricks and masonry	238,932	15,874	–	254,806
Roofing	–	18,346	–	18,346
Fencing and landscaping	–	24,168	–	24,168
Flooring and lintels	–	45,762	–	45,762
Facades	9,832	–	–	9,832
Rail and infrastructure	–	12,562	–	12,562
Other	–	731	–	731
<b>Total revenue</b>	<b>248,764</b>	<b>117,443</b>	<b>–</b>	<b>366,207</b>
<b>Adjusted EBITDA<sup>1</sup></b>	<b>72,287</b>	<b>14,646</b>	<b>(7,583)</b>	<b>79,350</b>
<b>Adjusted EBITDA margin<sup>1</sup></b>	<b>29.1%</b>	<b>12.5%</b>		<b>21.7%</b>
Exceptional items <sup>1</sup> 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)
<b>Profit before tax</b>	<b>29,534</b>	<b>3,454</b>	<b>(12,308)</b>	<b>20,680</b>
Taxation				(5,588)
<b>Profit for the year</b>				<b>15,092</b>
<b>Consolidated total assets</b>	<b>611,544</b>	<b>127,371</b>	<b>13,190</b>	<b>752,105</b>
<b>Consolidated total liabilities</b>	<b>(168,917)</b>	<b>(48,023)</b>	<b>(139,902)</b>	<b>(356,842)</b>
<b>Non-current assets</b>				
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
<b>Total non-current assets</b>	<b>483,060</b>	<b>81,235</b>	<b>522</b>	<b>564,817</b>
<b>Total non-current asset additions</b>	<b>49,381</b>	<b>4,050</b>	<b>–</b>	<b>53,431</b>

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.

The Group defined benefit pension scheme surplus was an unallocated asset and amounted to £7.8 million.

5. Exceptional items<sup>1</sup>

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
<b>Exceptional cost of sale</b>		
Impairment charge – Property plant and equipment	(6,141)	(1,126)
Impairment charge – Right-of-use assets	(195)	(2,706)
<b>Total impairment charge (Note 17)</b>	<b>(6,336)</b>	<b>(3,832)</b>
Write-off of inventory (Note 14)	(2,408)	–
Redundancy costs	(1,904)	(581)
Other costs associated with site closure	(1,135)	(5,358)
<b>Total exceptional cost of sales</b>	<b>(11,783)</b>	<b>(9,771)</b>
<b>Exceptional administrative expenses:</b>		
Redundancy costs	(2,239)	(992)
Other costs associated with site closure	(3,699)	(957)
<b>Total exceptional administrative expenses</b>	<b>(5,938)</b>	<b>(1,949)</b>
<b>Exceptional net loss on disposal of business and fixed assets</b>	<b>(1,757)</b>	<b>–</b>
<b>Exceptional items<sup>1</sup> impacting operating profit</b>	<b>(19,478)</b>	<b>(11,720)</b>
<b>Total exceptional items<sup>1</sup></b>	<b>(19,478)</b>	<b>(11,720)</b>

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.

<sup>1</sup> Alternative performance measures are described in Note 3 and exceptional items are described in Note 5 to the consolidated financial statements.

## Notes to the consolidated financial statements continued

### 5. Exceptional items<sup>1</sup> continued

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 (related cash paid in the year: £4.2 million), while the total charge arising from the enterprise restructuring programme initiated in 2025 was £13.1 million (related cash paid in the year £0.9 million).

#### 2025

Included within the current year are the following exceptional items<sup>1</sup>:

##### Exceptional cost of sales

Impairment charges arising in the current year relate to the impairment of non-current assets as set out in Note 17. 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 sites that will be closed permanently and temporarily, 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 associated with the Group's restructuring announced in the second half of 2025.

Other costs associated with site closure 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 net loss on disposal of business and fixed assets

In 2025, the Group disposed of its Roofing business within 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.

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 profit on sale of business and fixed assets.

#### 2024

Included within the year were the following exceptional items<sup>1</sup>:

##### Exceptional cost of sales

Impairment charges arising in the current year relate to the impairment of non-current assets and working capital items, as set out in Note 17. Due to the 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 related to other costs incurred as a result of the Group's restructuring decisions in 2024. 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 following the Group's restructuring announced in October 2023 and the GRC closure announced in October 2024.

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.

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.

##### Cash flow on exceptional items<sup>1</sup>

In relation to the exceptional disposal of business and fixed assets, 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<sup>1</sup>

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. 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).



## Notes to the consolidated financial statements continued

### 6. Operating profit

Operating profit includes the effect of crediting/(charging):

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Changes in inventories of finished goods and work in progress	22,573	2,605
Raw material and consumables used	(68,649)	(63,368)
Employee benefit expense (Note 7)	(86,363)	(74,829)
Depreciation – Property, plant and equipment (Note 13)	(26,213)	(23,717)
Depreciation – Right-of-use assets (Note 27)	(8,997)	(9,778)
Amortisation (Note 12)	(6,322)	(7,062)
Exceptional cost of sales (Note 5)	(9,375)	(9,771)
Exceptional write-off of inventory	(2,408)	–
Research and development costs	(14,706)	(13,312)
Other production costs	(75,661)	(62,418)
<b>Total cost of sales</b>	<b>(276,121)</b>	<b>(261,650)</b>
Distribution costs	(36,389)	(34,139)
Other employee benefit expenses (Note 7)	(33,289)	(31,442)
Profit on disposal of property, plant and equipment (Note 13)	1,935	261
Advertising costs	(994)	(1,141)
Operating lease income	122	105
Exceptional administrative expenses (Note 5)	(5,938)	(1,949)
Exceptional net loss on disposal of business and fixed assets (Note 5)	(1,757)	–

### Auditor's remuneration

During the year the Group obtained the following services from the Company's auditor.

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
<b>Fees payable to the Company's auditor and its associates for the audit of Parent Company and consolidated financial statements</b>	<b>377</b>	374
<b>Fees payable to Company's auditor and its associates for other services to the Group:</b>		
– Audit of the Company's subsidiaries	682	676
<b>Total audit fees</b>	<b>1,059</b>	1,050
– Audit related assurance services	84	84
<b>Total non-audit fees</b>	<b>84</b>	84

### 7. Employees and Directors

Employee benefit expenses for the Group during the period:

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Wages and salaries – gross	100,507	91,352
Social security costs	11,677	8,014
Pensions costs – defined benefit plans (Note 21)	1,247	959
Pensions costs – defined contribution plans (Note 21)	5,737	4,693
Share based payments (Note 26)	484	1,253
	<b>119,652</b>	106,271

Average monthly number of people (including Executive Directors) employed:

	Year ended 31 December 2025	Year ended 31 December 2024
Sales staff	193	187
Administrative staff	294	170
Production staff	1,519	1,492
	<b>2,006</b>	1,849

Key management compensation:

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Short-term employee benefits	5,298	3,674
Post-employment benefits	112	248
Termination benefits	–	132
Share-based payment	243	617
	<b>5,653</b>	4,671

Key management personnel has been defined as the Board of Ibstock Plc, together with the Group's Executive Team (ET). Members of the ET are set out on pages 58 to 59 of the Annual Report and Accounts 2025. Details of remuneration for Ibstock Plc Directors, including the highest paid director, are presented in the Remuneration Report on pages 91 to 110. The aggregate remuneration of the Directors for the purposes of the financial statements is £1.9 million (year ended 31 December 2024: £2.7 million).



## Notes to the consolidated financial statements continued

### 8. Finance costs

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Interest costs:		
Interest payable on Revolving Credit Facility	(5,648)	(4,231)
Interest payable on Private Placement	(2,220)	(2,226)
<b>Total interest payable on bank borrowings</b>	<b>(7,868)</b>	<b>(6,457)</b>
Capitalised interest	860	828
Other interest payable	(310)	(164)
Interest expense on financial liabilities at amortised cost	(7,318)	(5,793)
Interest on lease liabilities (Note 27)	(2,048)	(2,494)
Net unwinding of discount on provisions/change in discount rate (Note 20)	(445)	–
Other interest payable	(2,493)	(2,494)
<b>Total finance costs</b>	<b>(9,811)</b>	<b>(8,287)</b>

Individual tranches totalling £84.0 million (2024: £87.0 million) of Revolving Credit Facility (RCF) were drawn, with £73.0 million (2024: £81.0 million) subsequently repaid. Interest expense comprised £4.7 million (2024: £3.3 million) interest on funds drawn down, £0.3 million (2024: £0.4 million) of facility commitment fees, £0.1 million (2024: £0.1 million) of other arrangement costs and £0.5 million (2024: £0.4 million) of deal fee amortisation.

£0.9 million (2024: £0.8 million) of borrowing costs are directly attributable to the construction or production of qualifying assets, and therefore, have been capitalised in the relevant assets. The average capitalisation rate was 4.00% (2024: 3.66%).

### 9. Finance income

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Interest income:		
Net interest income arising on the UK pension scheme (Note 21)	394	423
Net unwinding of discount on provisions/change in discount rate (Note 20)	–	1,332
Other interest receivable	279	139
<b>Total finance income</b>	<b>673</b>	<b>1,894</b>

### 10. Taxation

#### Analysis of income tax charge

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Current tax on profit for the year	–	1,306
Adjustments in respect of prior period	749	1,696
<b>Total current tax charge</b>	<b>749</b>	<b>3,002</b>
Deferred tax on profit for the year	(1,787)	4,831
Adjustments in respect of prior period	(1,140)	(2,245)
<b>Total deferred tax (credit)/charge</b>	<b>(2,927)</b>	<b>2,586</b>
<b>Total income tax (credit)/charge</b>	<b>(2,178)</b>	<b>5,588</b>

#### Income tax recognised within the consolidated statement of other comprehensive income

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Tax adjustments arising on the UK pension scheme assets and liabilities:		
Deferred tax credit	(324)	(437)
Tax adjustments arising on gains and losses relating to cash flow hedges:		
Deferred tax charge/(credit)	20	(14)

#### Income tax recognised within the consolidated statement of changes in equity

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Current tax credit on share-based payments	(45)	(18)
Deferred tax credit on share-based payments	(13)	(124)

The tax expense for the period differs from the applicable standard rate of corporation tax in the UK of 25% for the year ended 31 December 2025 (2024: 25%). The differences are explained below:



## Notes to the consolidated financial statements continued

### 10. Taxation continued

#### Income tax recognised within the consolidated statement of changes in equity continued

Year ended 31 December 2025	Statutory		Exceptional and other adjusting items		Adjusted	
	£'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:						
Items not taxable/deductible	(2,011)	(224.39%)	2,557	8.72%	546	1.81%
Changes in estimates relating to prior periods	(391)	(43.64%)	–	–	(391)	(1.29%)
<b>Total taxation expense from continuing operations</b>	<b>(2,178)</b>	<b>(243.03%)</b>	<b>9,884</b>	<b>33.72%</b>	<b>7,706</b>	<b>25.52%</b>

Year ended 31 December 2024	Statutory		Exceptional and other adjusting items		Adjusted	
	£'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	967	4.68%	–	–	967	2.36%
Changes in estimates relating to prior periods	(549)	(2.65%)	–	–	(549)	(1.34%)
<b>Total taxation expense from continuing operations</b>	<b>5,588</b>	<b>27.03%</b>	<b>5,070</b>	<b>25.00%</b>	<b>10,658</b>	<b>26.02%</b>

There are no income tax consequences for the Company in respect of dividends declared prior to the date of authorisation of these financial statements and for which a liability has not been recognised.

The Group expects its effective tax rate in the future to be affected by the outcome of any future tax audits as well as the impact of changes in tax law.

The Finance Act 2024 received Royal Assent on 22 February 2024, which amended certain aspects of the multinational top-up tax and domestic top-up tax rules contained in Finance (No 2) Act 2023. The amendments will have retrospective effect for accounting periods beginning on or after 31 December 2023. The Group is below the €750 million income threshold and therefore the rules will not impact the tax liabilities reported by the Group.

### 11. 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
<b>Basic weighted average number of Ordinary Shares</b>	<b>394,453</b>	393,091
Effect of share incentive awards and options	6,112	3,372
<b>Diluted weighted average number of Ordinary Shares</b>	<b>400,565</b>	396,463

The calculation of adjusted earnings per share<sup>1</sup> is a key measurement used by management that is not defined by IFRS. The adjusted earnings per share<sup>1</sup> measures should not be viewed in isolation but rather treated as supplementary information.

Adjusted earnings per share<sup>1</sup> figures are calculated as the basic earnings per share adjusted for exceptional items<sup>1</sup>, 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 share<sup>1</sup> calculations is as follows:

	Year ended 31 December 2025 Total £'000	Year ended 31 December 2024 Total £'000
<b>Profit for the period attributable to the Parent Shareholders</b>	<b>3,074</b>	15,092
Add back exceptional items <sup>1</sup> (Note 5)	19,478	11,720
Less tax credit on exceptional items <sup>1</sup>	(7,501)	(2,930)
Add back incremental depreciation and amortisation following fair value uplift (Note 4)	10,236	10,779
Less tax 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
<b>Adjusted profit for the period attributable to the Parent Shareholders</b>	<b>22,423</b>	30,302



## Notes to the consolidated financial statements continued

### 11. Earnings per share continued

	Year ended 31 December 2025 Total pence	Year ended 31 December 2024 Total 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 <sup>1</sup> on profit for the year	5.7	7.7
Adjusted diluted EPS <sup>1</sup> on profit for the year	5.6	7.6

<sup>1</sup> Alternative performance measures are described in Note 3 and exceptional items are described in Note 5 to the consolidated financial statements.

### 12. Intangible assets

	Goodwill £'000	Customer contracts and relationships £'000	Brands £'000	Licences £'000	Other intangibles £'000	Total £'000
<b>Cost</b>						
At 1 January 2024	4,061	93,447	37,159	5,995	–	140,662
Additions in the year	–	–	–	1,260	–	1,260
Business combination finalisation	(171)	–	–	–	–	(171)
Utilised in the year	–	–	–	(2,094)	–	(2,094)
At 31 December 2024	3,890	93,447	37,159	5,161	–	139,657
Additions in the year	–	–	–	–	652	652
Utilised in the year	–	–	–	(1,833)	–	(1,833)
<b>At 31 December 2025</b>	<b>3,890</b>	<b>93,447</b>	<b>37,159</b>	<b>3,328</b>	<b>652</b>	<b>138,476</b>
<b>Accumulated amortisation and impairment</b>						
At 1 January 2024	–	(49,919)	(8,726)	–	–	(58,645)
Charge for the year	–	(6,007)	(1,055)	–	–	(7,062)
At 31 December 2024	–	(55,926)	(9,781)	–	–	(65,707)
Charge for the year	–	(5,333)	(989)	–	–	(6,322)
<b>At 31 December 2025</b>	<b>–</b>	<b>(61,259)</b>	<b>(10,770)</b>	<b>–</b>	<b>–</b>	<b>(72,029)</b>
<b>Net book amount</b>						
At 31 December 2024	3,890	37,521	27,378	5,161	–	73,950
<b>At 31 December 2025</b>	<b>3,890</b>	<b>32,188</b>	<b>26,389</b>	<b>3,328</b>	<b>652</b>	<b>66,447</b>

Management performed a goodwill impairment test in both the current and prior year, with no goodwill impairment recognised (see Note 17).

The Group has been part of the UK ETS scheme since 01 January 2021. Licences represent carbon allowances purchased by the Group and surrendered, as required, to meet carbon emissions in excess of the Group's granted allowances.

During the current year, the Group received 212,722 (2024: 217,197) free allowances from the Government at no cost.

The other intangibles category consists of patent and development costs. These are attributable to the Clay segments.

Amortisation is included within cost of sales in the income statement.

The remaining amortisation period of customer contracts and relationships is one to eleven years. At 31 December 2025, the remaining amortisation period of brands is outlined below:

Brands	Net book value at 31 December 2025 £'000	Remaining amortisation period (years)
Ibstock Brick	25,068	39
Supreme	834	4
Longley	487	4
	<b>26,389</b>	



## Notes to the consolidated financial statements continued

### 13. Property, plant and equipment

	Land and buildings £'000	Mineral reserves £'000	Plant, machinery and equipment £'000	Assets in the course of construction (AICC) £'000	Total £'000
<i>Cost</i>					
At 1 January 2024	204,315	63,193	217,683	95,329	580,520
Additions	16,240	–	8,007	22,943	47,190
Transfer to assets held for sale	(200)	–	–	–	(200)
Transfer from AICC	4,021	–	21,565	(25,586)	–
Disposals	(6,640)	(367)	(20,496)	–	(27,503)
At 31 December 2024	217,736	62,826	226,759	92,686	600,007
Additions	<b>3,470</b>	<b>–</b>	<b>31,679</b>	<b>13,984</b>	<b>49,133</b>
Transfer from AICC	<b>8,578</b>	<b>–</b>	<b>85,870</b>	<b>(94,448)</b>	<b>–</b>
Disposals	<b>(27,275)</b>	<b>(110)</b>	<b>(32,272)</b>	<b>–</b>	<b>(59,657)</b>
<b>At 31 December 2025</b>	<b>202,509</b>	<b>62,716</b>	<b>312,036</b>	<b>12,222</b>	<b>589,483</b>
<i>Accumulated depreciation and impairment</i>					
At 1 January 2024	(52,117)	(19,862)	(67,788)	(353)	(140,120)
Charge for the year	(2,586)	(952)	(20,179)	–	(23,717)
Disposals	6,636	363	20,461	–	27,460
Impairment	(852)	–	(274)	–	(1,126)
At 31 December 2024	(48,919)	(20,451)	(67,780)	(353)	(137,503)
Charge for the year	<b>(3,144)</b>	<b>(1,406)</b>	<b>(21,663)</b>	<b>–</b>	<b>(26,213)</b>
Disposals	<b>12,420</b>	<b>110</b>	<b>22,991</b>	<b>–</b>	<b>35,521</b>
Impairment	<b>(2,071)</b>	<b>(360)</b>	<b>(3,710)</b>	<b>–</b>	<b>(6,141)</b>
<b>At 31 December 2025</b>	<b>(41,714)</b>	<b>(22,107)</b>	<b>(70,162)</b>	<b>(353)</b>	<b>(134,336)</b>
<i>Net book amount</i>					
At 31 December 2024	168,817	42,375	158,979	92,333	462,504
<b>At 31 December 2025</b>	<b>160,795</b>	<b>40,609</b>	<b>241,874</b>	<b>11,869</b>	<b>455,147</b>

Management reviews business performance based on segments reported in Note 4. In the current year, impairments totalling £6.1 million relating to the Clay division (2024: £1.1 million relating to the GRC business in the Clay division) were recognised as set out in Note 5. Further tangible asset impairment tests were conducted at the end of 2025 with no impairments required for the remainder of the assets (see Note 17).

In second half 2025, the Group disposed all Roofing related property, plant and equipment totalling £19.7 million as part of the Roofing business disposal.

The Group has also sold the Bedford site in the year and lease it back for a five-year period with various breaks in the lease term. Further details can be found in Note 5.

As part of the Group's strategic planning process, the Group has considered the impact of both transitional and physical risks and opportunities with regard to several climate change scenarios. Through its scenario analysis, management has assessed no indicators of impairment for property, plant and equipment as a result of changes in precipitation patterns and variability in weather patterns such as more frequent storms, cyclones and floods. It anticipates that any impacts arising from climate change would be covered by business-as-usual site refurbishments with no material impact to current useful economic lives or carrying values.

The Group has also considered the potential future requirement to switch to alternative fuels in order to reduce its CO<sub>2</sub> emissions. Although this is an evolving area as technology and capability advances, management's current assumption is that existing factories, and in particular kilns, will be able to be retrofitted with no material impact to current useful economic lives or carrying values.

There are no assets which are pledged as security.

### 14. Inventories

	31 December 2025 £'000	31 December 2024 £'000
Raw materials	<b>39,620</b>	41,018
Work in progress	<b>4,006</b>	4,240
Finished goods	<b>93,822</b>	79,561
	<b>137,448</b>	124,819

The replacement cost of inventories is not considered to be materially different from the values above. At 31 December 2025, a provision of £3.4 million (2024: £2.9 million) was held against the inventory balance.

Inventory write downs recognised during the financial year as part of the 2025 restructuring single coordinated plan totalled £2.4 million (2024: £nil). See further details in Note 5.

### 15. Trade and other receivables

	31 December 2025 £'000	31 December 2024 £'000
Trade receivables	<b>28,472</b>	38,866
Loss allowance	<b>(1,217)</b>	(1,296)
<b>Net trade receivables</b>	<b>27,255</b>	37,570
Prepayments	<b>3,597</b>	5,145
Other tax	<b>636</b>	689
Other receivables	<b>785</b>	411
<b>Total trade and other receivables</b>	<b>32,273</b>	43,815

## Notes to the consolidated financial statements continued

### 15. Trade and other receivables continued

The Directors consider that the carrying amount of trade and other receivables approximates their fair value. The Group's assessment of any expected credit losses is included in Note 23.

The Group has sold without recourse certain trade receivables, sold trade receivables under this agreement as at 31 December 2025 amounted to £4.7 million (2024: £nil). The proceeds were presented within operating cash flows.

### 16. Assets held for sale

	31 December 2025 £'000	31 December 2024 £'000
Assets classified as held for sale as of the beginning of the year	200	–
Additions	–	200
Disposals	(200)	–
Assets classified as held for sale as of the end of the year	–	200

In 2024, the Group's surplus property in Matlock has been categorised as held for sale. The property was sold in 2025.

### 17. 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 dispose ("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 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 the Group's 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. It also expects any changes required due to physical risks arising from its 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.

## Notes to the consolidated financial statements continued

### 17. Impairment continued

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

	Clay £'000
<i>Cost</i>	
Building improvements	2,071
Mineral reserves	360
Plant, machinery and equipment	3,710
Right-of-use assets	195
	<b>6,336</b>

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 (see note 12) 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 operations our goodwill and other intangibles are allocated to:

CGU or group of CGUs	31 December 2025 £'000	31 December 2024 £'000
<b>Goodwill</b>		
Longley (Concrete Segment)	<b>2,964</b>	2,964
Generix (Clay Segment)	<b>888</b>	888
Coltman (Concrete Segment)	<b>38</b>	38
	<b>3,890</b>	3,890
<b>Other intangibles</b>		
Istock Brick (Clay Segment)	<b>47,604</b>	52,216
Generix (Clay Segment)	<b>652</b>	–
Forticrete (Concrete Segment)	<b>–</b>	140
Supreme (Concrete Segment)	<b>11,640</b>	14,432
Longley (Concrete Segment)	<b>2,661</b>	3,272
	<b>62,557</b>	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%.

### 18. Trade and other payables

	31 December 2025 £'000	31 December 2024 £'000
Trade payables	<b>52,877</b>	53,806
Other tax and social security payable	<b>6,936</b>	5,629
Energy accruals	<b>3,606</b>	3,026
Customer rebates payable	<b>7,363</b>	7,988
Accruals and other payables	<b>18,700</b>	18,404
	<b>89,482</b>	88,853

There are no material differences between the fair values and book values stated above. As at 31 December 2025 all items were payable within 12 months of the balance sheet date.

### 19. Borrowings

	31 December 2025 £'000	31 December 2024 £'000
<b>Current</b>		
Private Placement	<b>339</b>	339
Revolving Credit Facility	<b>40,813</b>	31,086
	<b>41,152</b>	31,425
<b>Non-current</b>		
Private Placement	<b>99,862</b>	99,427
<b>Total borrowings</b>	<b>141,014</b>	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 2025, 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).

## Notes to the consolidated financial statements continued

### 19. Borrowings continued

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.

### 20. Provisions

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

	Restoration (i) £'000	Dilapidations (ii) £'000	Restructuring (iii) £'000	Other (iv) £'000	Total £'000
At 1 January 2025	4,405	3,816	1,397	419	10,037
Utilised	–	(175)	(1,096)	(407)	(1,678)
Charged to the income statement	131	819	3,056	777	4,783
Unwind of discount/change in rate	259	186	–	–	445
<b>At 31 December 2025</b>	<b>4,795</b>	<b>4,646</b>	<b>3,357</b>	<b>789</b>	<b>13,587</b>

The current expected timeframe of provision requirements is as follows:

	Restoration (i) £'000	Dilapidations (ii) £'000	Restructuring (iii) £'000	Other (iv) £'000	Total £'000
Within one year	1,307	142	3,357	789	5,595
Between two and five years	–	2,199	–	–	2,199
Between five and ten years	170	1,868	–	–	2,038
Between ten and twenty years	3,264	407	–	–	3,671
Over twenty years	54	30	–	–	84
	<b>4,795</b>	<b>4,646</b>	<b>3,357</b>	<b>789</b>	<b>13,587</b>

- (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 within a 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 obligations will unwind within one year to fifty years.
- (iii) The restructuring provision relates to obligations arising from the Group's restructuring programmes (see further details in Note 5). The provision primarily comprises site closure costs and redundancy expenses. The key estimates involved concern the expected redundancy cost per impacted employee. All costs are expected to be incurred within twelve months 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.

### 21. Post-employment benefit obligations

#### (a) Defined benefit plan

Analysis of movements in the net asset during the year:

	31 December 2025 £'000	31 December 2024 £'000
<b>Funded plan at 31 December</b>		
Opening balance	7,839	9,832
Charge within operating profit	(1,247)	(959)
Interest income	394	423
Remeasurement loss recognised in the statement of comprehensive income	(1,002)	(1,457)
<b>Carried forward at 31 December</b>	<b>5,984</b>	7,839

## Notes to the consolidated financial statements continued

### 21. Post-employment benefit obligations continued

#### (a) Defined benefit plan continued

The Group participates in the Istock Pension Scheme (the 'Scheme'), a defined benefit pension scheme in the UK. The Scheme closed to future accrual from 1 February 2017. The Scheme has four participating employers – Istock Brick Limited, Forticrete Limited, Anderton Concrete Products Limited and Figgs Bidco Limited – and was funded by payment of contributions to a separate Trustee administered fund. The Scheme is a revalued earnings plan and provides benefits to its members based on their length of membership in the Scheme and their average salary over that period. The Scheme is administered by Trustees who employ independent fund managers for the investment of the pension scheme assets. These assets are kept entirely separate from those of the Group.

The valuation used as at 31 December 2025 has been based on the results of the 30 November 2023 triennial actuarial valuation, as updated for changes in demographic assumptions, as appropriate.

Total annual contributions, if any, to the Scheme are based on independent actuarial advice, and are gauged to fund future pension liabilities in respect of service up to the balance sheet date. The Scheme is subject to an independent actuarial valuation at least every three years using the projected unit method. The next actuarial valuation is expected to be carried out in November 2026.

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 insure the 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 change 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 Group may need to pay an additional contribution into the Scheme.

The defined benefit pension scheme (measured under IAS 19 Employee Benefits) is in a net surplus position as the Trust Deed provides Istock with an unconditional right to a refund of surplus asset. This assumes the full gradual settlement of plan liabilities over time until all members have left the plan in the event of a plan wind-up. Furthermore, in the ordinary course of business the Trustees have no right to unilaterally wind up or otherwise augment the benefits due to the members of the Scheme. In line with IFRIC 14, a net pension asset has been recognised. The corresponding deferred tax liability should be measured by applying the standard rate of corporation tax. A deferred tax liability of £1.5 million (2024: £2.0 million) has been recognised.

#### Balance sheet assets/(obligations):

	31 December 2025 £'000	31 December 2024 £'000
Insured annuities	314,879	320,298
Cash fund investment	7,193	9,593
Cash	851	1,045
<b>Total market value of assets</b>	<b>322,923</b>	330,936
Present value of Scheme liabilities	(316,939)	(323,097)
<b>Net Scheme asset</b>	<b>5,984</b>	7,839

Cash fund investment was held with M&G Investment Management in order to protect the capital of the pension.

Cash fund investment is valued at Level 1 in the fair value hierarchy and all other assets held by the Scheme are Level 2 in the hierarchy. The cash fund had a quoted market price in an active market, whilst cash and insured annuities are unquoted.

#### The amounts recognised in the income statement are:

	31 December 2025 £'000	31 December 2024 £'000
Administrative expenses	1,247	1,079
Past service income	–	(120)
Defined contribution scheme costs (Note 21b)	5,737	4,693
<b>Charge within labour costs and operating profit</b>	<b>6,984</b>	5,652
Interest income	(394)	(423)
<b>Total charge to the income statement</b>	<b>6,590</b>	5,229

#### Remeasurements recognised in the statement of comprehensive income:

	31 December 2025 £'000	31 December 2024 £'000
Remeasurement losses on defined benefit scheme assets	(3,117)	(37,470)
Remeasurement gains arising from changes in financial assumptions	7,665	32,536
Remeasurement (losses)/gains arising from changes in demographic assumptions	(2,892)	2,134
Experience (losses)/gains	(2,658)	1,343
<b>Other comprehensive expense</b>	<b>(1,002)</b>	(1,457)

## Notes to the consolidated financial statements continued

### 21. Post-employment benefit obligations continued

Changes in the present value of the defined benefit obligations are analysed as follows:

	31 December 2025 £'000	31 December 2024 £'000
Present value of defined benefit obligation at beginning of year	(323,097)	(363,887)
Past service income	–	120
Interest cost	(17,042)	(16,090)
Experience (losses)/gains	(2,658)	1,343
Benefits paid	21,085	20,747
Remeasurement gains arising from changes in financial assumptions	7,665	32,536
Remeasurement (losses)/gains arising from changes in demographic assumptions	(2,892)	2,134
<b>Present value of defined benefit obligations carried forward at 31 December</b>	<b>(316,939)</b>	<b>(323,097)</b>

Changes in the fair value of plan assets are analysed as follows:

	31 December 2025 £'000	31 December 2024 £'000
Fair value of pension scheme assets at beginning of the year	330,936	373,719
Interest income	17,436	16,513
Remeasurement losses on defined benefit scheme assets	(3,117)	(37,470)
Benefits paid	(21,085)	(20,747)
Administrative expenses	(1,247)	(1,079)
<b>Fair value of pension scheme assets carried forward</b>	<b>322,923</b>	<b>330,936</b>

Plan assets are comprised as follows:

	31 December 2025			
	Quoted £'000	Unquoted £'000	Total £'000	%
<b>Insured annuities</b>	–	314,879	314,879	98%
<b>Cash and net current assets</b>	7,193	851	8,044	2%
<b>Total fair value of plan assets</b>	<b>7,193</b>	<b>315,730</b>	<b>322,923</b>	<b>100%</b>

	31 December 2024			%
	Quoted £'000	Unquoted £'000	Total £'000	
<b>Insured annuities</b>	–	320,298	320,298	97%
<b>Cash and net current assets</b>	9,593	1,045	10,638	3%
<b>Total</b>	<b>9,593</b>	<b>321,343</b>	<b>330,936</b>	<b>100%</b>

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.

The weighted average duration of the defined benefit obligation is 12 years (2024: 12 years).

The principal assumptions used by the actuary in their calculations were:

	31 December 2025 Per annum	31 December 2024 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	19.3	19.5
<b>Mortality assumptions: life expectancy from age 65</b>		
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

The post-retirement mortality assumptions allow for expected changes to life expectancy. The life expectancies quoted for members currently aged 40 assume that they retire at age 65 (i.e. 25 years after the balance sheet date).

The principal financial assumption is the real discount rate, being the excess of the discount rate over the rate of inflation. The discount rate is based on the market yields on high-quality corporate bonds of appropriate currency and term to the defined benefit obligations. The obligations are primarily in Sterling and have a maturity in line with the duration of Scheme liabilities. If the real discount rate increased/decreased by 0.25%, the defined benefit obligations at 31 December 2025 would decrease/increase by approximately 2.9%.

## Notes to the consolidated financial statements continued

### 21. Post-employment benefit obligations continued

The impact on the defined benefit obligation to changes in the financial and demographic assumptions is shown below:

	31 December 2025 £'000	31 December 2024 £'000
Present value of defined benefit obligations at 31 December	<b>(316,939)</b>	(323,097)
0.25% decrease in discount rate	<b>(9,090)</b>	(9,589)
0.25% increase in discount rate	<b>8,669</b>	9,133
0.25% increase in inflation rate	<b>(5,572)</b>	(5,432)
0.25% decrease in inflation rate	<b>4,625</b>	5,040
0.25% increase in pension growth rate	<b>(6,609)</b>	(6,863)
0.25% decrease in pension growth rate	<b>6,366</b>	6,610
1 year increase in life expectancy	<b>(12,614)</b>	(12,390)
1 year decrease in life expectancy	<b>12,721</b>	12,477

In July 2024, the Court of Appeal confirmed an earlier ruling by the High Court in the Virgin Media Limited vs NTL Pension Trustees II Limited case that considered the implications of Section 37 of the Pension Schemes Act 1993. The ruling determined that certain pension plan amendments were invalid unless accompanied by the correct actuarial confirmation.

On 5 June 2025, the Government issued a statement recognising that schemes and sponsoring employers need clarity around scheme liabilities and member benefit levels in order to plan for the future, further to last year's Court of Appeal judgement in the Virgin Media pension case. The Government is looking to introduce legislation to give affected pension scheme the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards.

In 2024, the Group commenced an assessment of the potential impact of the Virgin Media ruling, working in collaboration with the Trustees of its sponsored pension scheme. The Trustees have engaged legal advisers to review all deeds executed between 6 April 1997 and 5 April 2016. This review includes deeds related to the Ibstock Pension Scheme as well as those associated with various other schemes that were subsequently merged into it.

Of the 52 deeds identified, 10 did not have appended actuarial confirmations. It remains unclear whether amendments were made without the required 'Section 37' confirmation from the Scheme Actuary, introducing uncertainty regarding the potential impact of these deeds on the valuation of pension obligations.

As at 31 December 2025, the Group is unable to quantify any potential impact on its pension scheme until the assessment in light of the Virgin Media ruling is complete. The Group understands that the Trustees have established policies and procedures to ensure compliance with applicable laws and regulations. These include regular Trustee meetings attended by professional advisers such as the Scheme Actuary, ongoing involvement of legal counsel, annual scheme audits, and triennial valuations.

### (b) Defined contribution plan

The Group operates defined contribution schemes under the Ibstock Pension Scheme, the Supreme Concrete Limited Pension Scheme, the Anderton Concrete Pension Scheme, the Supreme Concrete Group Personal Plan and the Longley Concrete Pension scheme. Contributions by both employees and Group companies are held in externally invested, externally administered funds.

The Group contributes a specified percentage of earnings for members of the above defined contribution schemes and thereafter has no further obligations in relation to the Scheme. The total cost charged to the income statement in relation to the defined contribution scheme in the year was £5.7 million (2024: £4.7 million).

### 22. Deferred tax assets/liabilities

The movement on the deferred tax account is shown below:

	31 December 2025 £'000	31 December 2024 £'000
Net deferred tax liability at beginning of period	<b>(91,940)</b>	(89,929)
Tax credited/(charged) to the consolidated income statement	<b>2,928</b>	(2,586)
Tax credited within other comprehensive income	<b>304</b>	451
Tax credit directly to equity	<b>13</b>	124
<b>Net deferred tax liability at period end</b>	<b>(88,695)</b>	(91,940)
Presented in the consolidated balance sheet after offset as:		
Deferred tax liabilities	<b>(88,695)</b>	(91,940)
	<b>(88,695)</b>	(91,940)
Deferred tax assets and liabilities before offsetting of balances within the same tax jurisdiction are as follows:		
Deferred tax assets	<b>5,138</b>	5,427
Deferred tax liabilities	<b>(93,833)</b>	(97,367)
<b>Net deferred tax liability at period end</b>	<b>(88,695)</b>	(91,940)
Deferred tax assets expected to unwind within one year	<b>3,151</b>	3,005
Deferred tax assets expected to unwind after one year	<b>1,987</b>	2,422
<b>Total deferred tax assets</b>	<b>5,138</b>	5,427
Deferred tax liabilities expected to unwind within one year	<b>(5,982)</b>	(5,975)
Deferred tax liabilities expected to unwind after one year	<b>(87,851)</b>	(91,392)
<b>Total deferred tax liabilities</b>	<b>(93,833)</b>	(97,367)



## Notes to the consolidated financial statements continued

### 23. Financial instruments – risk management

#### Financial assets

	31 December 2025 £'000	31 December 2024 £'000
Trade and other receivables (Note 15)	28,040	37,981
Cash and cash equivalents	20,971	9,292
<b>Total</b>	<b>49,011</b>	<b>47,273</b>

#### Financial liabilities

	31 December 2025 £'000	31 December 2024 £'000
Trade and other payables (Note 18)	84,526	83,224
Derivative financial instruments	–	78
Lease liabilities (Note 27)	29,510	35,082
Borrowings (Note 19)	141,014	130,852
<b>Total</b>	<b>255,050</b>	<b>249,236</b>

With the exception of the Group's derivative financial instruments, detailed below, all financial assets and liabilities are held at amortised cost.

#### Credit risk

Credit risk arises from cash and cash equivalents, trade receivables and deposits with banks and is managed on a Group basis. This risk arises from transactions with banks, such as those involving cash and cash equivalents and deposits. To reduce the credit risk, the Group has concentrated its main activities with a Group of banks that have strong, independently verified credit ratings. For each bank, individual risk limits are set based on its financial position, credit ratings, past experience and other factors. The utilisation of credit limits is regularly monitored.

The Group has significant sales contracts with a number of blue-chip companies and accordingly the Directors believe there is a limited exposure to credit risk, although this is actively monitored at the operational Company level. The Group's policy on credit risk requires appropriate credit checks on potential customers before sales commence. The Group also maintains credit insurance.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The ageing analysis of the trade receivables (from date of past due) assessed for impairment, but concluded as no impairment is required, is as follows:

	31 December 2025 £'000	31 December 2024 £'000
Not past due	16,500	25,573
Less than one month past due	8,047	8,833
One to six months past due	2,063	1,762
Six to twelve months past due	781	596
More than twelve months past due	649	1,217
	<b>28,040</b>	<b>37,981</b>

The loss allowance recognised against the receivables in the above table are as follows:

	31 December 2025 £'000	31 December 2024 £'000
Less than one month past due	535	295
One to six months past due	–	103
Six to twelve months past due	36	377
More than twelve months past due	646	521
	<b>1,217</b>	<b>1,296</b>

Movements in the provision for impairment of trade receivables are as follows:

	31 December 2025 £'000	31 December 2024 £'000
Opening balance	(1,296)	(965)
Charged to the income statement	(449)	(748)
Utilised	8	75
Released	520	342
<b>Closing impairment provision</b>	<b>(1,217)</b>	<b>(1,296)</b>

The gross carrying amount of trade receivables, reflecting the maximum exposure to credit risk, is £28.5 million (2024: £38.9 million).

Other financial assets at amortised cost are insignificant and the associated credit risk is considered immaterial.

## Notes to the consolidated financial statements continued

### 23. Financial instruments – risk management continued

#### Market risk

Market risk is defined as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk, being currency risk, interest rate risk and other price risk. The Group's interest rate risk arises principally from the Revolving Credit Facility, which attracts floating rate interest, see Note 19. The Group manages its interest rate risk through the use of the fixed rate Private Placement in addition to using this floating rate RCF debt with varying repayment terms. The Group does not trade in derivative financial instruments and is not considered to be significantly exposed to this and other price risks. The exposure to currency risk is considered low.

#### Interest rate sensitivity analysis:

For the Group's borrowings, sensitivity analysis is considered assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A 0.25 percentage points increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 0.25 percentage points higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2025 would decrease/increase by £0.2 million (2024: £0.1 million), which is attributable to the Group's exposure to interest rates on its variable rate borrowings.

The exposure in different currencies of financial assets and liabilities is as follows:

At 31 December 2025	Sterling £'000	US Dollar £'000	Euro £'000	Other £'000	Total £'000
<b>Financial assets</b>					
Cash and cash equivalents	19,386	3	1,582	–	20,971
Trade and other receivables (Note 15)	27,678	–	362	–	28,040
	47,064	3	1,944	–	49,011
<b>Financial liabilities</b>					
Borrowings (Note 19)	(141,014)	–	–	–	(141,014)
Lease liabilities (Note 27)	(29,510)	–	–	–	(29,510)
Trade and other payables (Note 18)	(84,229)	–	(288)	(9)	(84,526)
	(254,753)	–	(288)	(9)	(255,050)

At 31 December 2024	Sterling £'000	US Dollar £'000	Euro £'000	Other £'000	Total £'000
<b>Financial assets</b>					
Cash and cash equivalents	7,918	136	1,238	–	9,292
Trade and other receivables (Note 15)	37,741	–	240	–	37,981
	45,659	136	1,477	–	47,273
<b>Financial liabilities</b>					
Borrowings (Note 19)	(130,852)	–	–	–	(130,852)
Lease liabilities (Note 27)	(35,082)	–	–	–	(35,082)
Derivative financial instruments	(78)	–	–	–	(78)
Trade and other payables (Note 18)	(82,591)	(206)	(440)	13	(83,224)
	(248,603)	(206)	(440)	13	(249,236)

At 31 December 2025, the Group had negligible risk to currency fluctuations as the majority of assets and liabilities are held in the same functional currency.

#### Derivative financial instruments

The Group entered into forward currency contracts as cash flow hedges to manage its exposure to foreign currency fluctuations associated with the future purchase of plant and equipment required for the construction of the 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 (2024: liability of £0.1 million). No amounts have been reclassified to profit or loss as a result of the hedged cash flow during the year. The cash flow hedging reserve within equity includes an accumulated amount of £0.1 million deficit (2024: £0.1 million deficit) relating to these derivative financial instruments.

#### Liquidity risk

The Group has generated sufficient cash from operations to meet its working capital requirements. The Group manages liquidity risk by entering into committed bank borrowing facilities to ensure the Group has sufficient funds available, and monitors cash flow forecasts to ensure the Group has adequate borrowing facilities. Excess cash is placed on interest-bearing deposits with maturity fixed at no more than three months.



## Notes to the consolidated financial statements continued

### 23. Financial instruments – risk management continued

#### Liquidity risk continued

The maturity of the Group's borrowings is as follows:

	Less than six months £'000	Six months to one year £'000	One to two years £'000	Two to five years £'000	Greater than five years £'000	Total £'000
<b>At 31 December 2025</b>						
<i>Borrowings</i>						
Borrowings	41,152	–	–	29,972	69,890	141,014
<b>Total</b>	<b>41,152</b>	<b>–</b>	<b>–</b>	<b>29,972</b>	<b>69,890</b>	<b>141,014</b>
	Less than six months £'000	Six months to one year £'000	One to two years £'000	Two to five years £'000	Greater than five years £'000	Total £'000
<b>At 31 December 2024</b>						
<i>Borrowings</i>						
Borrowings	425	–	31,000	30,404	69,023	130,852
<b>Total</b>	<b>425</b>	<b>–</b>	<b>31,000</b>	<b>30,404</b>	<b>69,023</b>	<b>130,852</b>

At 31 December 2025, the Group had a £125 million Revolving Credit Facility (31 December 2024: £125 million). £84.0 million (2024: £87.0 million) of these facilities were utilised during the year with a repayment of £73.0 million (2024: £81.0 million). The RCF was drawn down by £42.0 million as at 31 December 2025 (2024: £31 million). This resulted in an interest charge of £5.1 million (2024: £3.8 million).

For details of the maturity of other financial liabilities, see Notes 19 and 27.

The contractual non-discounted future cash flows in respect of borrowings and lease liabilities are:

	Less than one year £'000	One to two years £'000	Two to five years £'000	Greater than five years £'000	Total £'000
<b>At 31 December 2025</b>					
Lease liabilities	10,962	8,754	9,509	3,446	32,671
Borrowings	45,317	3,295	37,602	72,491	158,705
<b>Total</b>	<b>56,279</b>	<b>12,049</b>	<b>47,111</b>	<b>75,937</b>	<b>191,376</b>
	Less than one year £'000	One to two years £'000	Two to five years £'000	Greater than five years £'000	Total £'000
<b>At 31 December 2024</b>					
Lease liabilities	11,279	10,001	14,403	4,505	40,188
Borrowings	33,897	2,897	35,955	74,068	146,817
<b>Total</b>	<b>45,176</b>	<b>12,898</b>	<b>50,358</b>	<b>78,573</b>	<b>187,005</b>

(The RCF balance has been added in the 2024 comparison to provide a like for like view of the contractual non-discounted minimum future cash flows of the borrowings).

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's Consolidated Cash Flow Statement as cash flows from financing activities.

	1 January 2025 £'000	Financing from cash flows £'000	Addition to Lease liabilities (note 27) £'000	Other £'000	31 December 2025 £'000	
Lease liabilities (Note 27)	35,082	(9,998)	4,426	–	29,510	
Borrowings (Note 19)	130,852	9,960	–	202	141,014	
	<b>165,934</b>	<b>(38)</b>	<b>4,426</b>	<b>202</b>	<b>170,524</b>	
	1 January 2024 £'000	Financing from cash flows £'000	Addition to Lease liabilities (note 27) £'000	Lease modification (note 27) £'000	Other £'000	31 December 2024 £'000
Lease liabilities (Note 27)	43,833	(9,651)	4,999	(3,858)	(241)	35,082
Borrowings (Note 19)	124,488	6,000	–	–	364	130,852
	<b>168,321</b>	<b>(3,651)</b>	<b>4,999</b>	<b>(3,858)</b>	<b>123</b>	<b>165,934</b>

#### Fair value hierarchy

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 all of the Group's fair value measurements have been categorised as Level 2 with the exception of (i) certain equities within the Group's pension scheme, which were categorised as Level 1 valuations and (ii) the insured pensioner and deferred pensioner asset, which was categorised as a Level 3 valuation and uses assumptions set out in Note 21 to align its valuation to the related liability.

## Notes to the consolidated financial statements continued

### 23. Financial instruments – risk management continued

#### Capital risk management

The capital structure of the Group consists of net debt<sup>1</sup> (borrowings disclosed in Note 19 after deducting cash and bank balances) and equity of the Parent Company, comprising issued capital, reserves and retained earnings, as disclosed in Note 24 and Note 25.

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for Shareholders and benefits for other stakeholders and to maintain an optimal cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to Shareholders, return capital to Shareholders, issue new shares, or borrow additional debt.

The Group must comply with two covenants each half year, as set out in Note 19. The covenants are certain ratios of interest cover and leverage, which are monitored on a regular basis by the Board. At the year end date, significant headroom existed on both covenant conditions.

#### Dividend policy

In line with the Group capital allocation framework, it will look to pay an ordinary dividend. It is committed to paying dividends that are sustainable and progressive, with a targeted cover of approximately two times adjusted profit after tax. This adjusted profit measure can be seen in Note 11 to the Group financial statements. After investing to maintain, enhance and grow our assets, it will return surplus capital to Shareholders.

The Board is recommending a final ordinary dividend of 1.5 pence per share for the 2025 (2024: 2.5 pence per share). See Note 31 for further detail. At 31 December 2025, the Parent maintains significant distributable reserves of around £237 million (2024: around £267 million).

### 24. Share capital

	Number of shares	Share capital £'000
<b>At 1 January 2024</b>		
Issued, called-up and fully paid:		
Ordinary Shares of £0.01 each	409,631,594	4,096
<b>At 31 December 2024 and 31 December 2025</b>	409,631,594	4,096
<b>Comprising:</b>		
Issued, called-up and fully paid:		
Ordinary Shares of £0.01 each	409,631,594	4,096

In the years ended 31 December 2025 and 31 December 2024, there were no changes to the Group's issued share capital. The Company does not have a limited amount of authorised capital.

<sup>1</sup> Alternative performance measures are described in Note 3 and exceptional items are described in Note 5 to the consolidated financial statements.

### 25. Reserves

#### Share premium

The share premium account is used to record the aggregate amount or value of premia paid when the Company's shares are issued/redeemed at a premium.

#### Other reserves

The movement in other reserves during the period is set out in the table below:

	Cash flow hedging reserve £'000	Merger reserve £'000	Own shares held £'000	Treasury shares £'000	Total other reserves £'000
<b>Balance at 1 January 2025</b>	(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
<b>At 31 December 2025</b>	(21)	(369,119)	–	(26,714)	(395,854)
<b>Balance at 1 January 2024</b>	(25)	(369,119)	(514)	(30,000)	(399,658)
Other comprehensive expense	(40)	–	–	–	(40)
Issue of own shares held on exercise of share options	–	–	514	2,093	2,607
<b>At 31 December 2024</b>	(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 as set out in Note 23. 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 remaining shares held in EBT were issued to meet share option requirements in the current year.

## Notes to the consolidated financial statements continued

### 25. Reserves continued

#### Treasury share reserve

The Treasury share reserve represents shares acquired by the Group as part of its share buyback programme in 2022.

In 2022, the Group engaged its brokers to purchase up to £30.0 million of shares on the open market on its behalf. These shares are held by the Group to meet future requirements of employee share based payment plans.

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).

### 26. Share incentive plans

Share based payment charges:

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Long Term Incentive Plan (26(a))	204	534
Senior Manager Share Plan (26(b))	(117)	232
Annual and Deferred Bonus Plan (26(c))	322	268
Save As You Earn/Share Incentive Plan (26(d)/(e)/(f))	75	219
	<b>484</b>	1,253

#### Executive share option plans

The Group operates a Long-Term Incentive Plan (LTIP) a Senior Manager Share Plan (SMSP) and an Annual and Deferred Bonus Plan (ADBP) that provide share-based payment awards for selected members of senior management. Awards were also granted under a Share Option Plan (SOP) until 2018.

##### (a) Long-Term Incentive Plan (LTIP)

The Group granted awards under the LTIP during the year for members of key leadership group. Awards were made at the discretion of the Board. For the year ended 31 December 2025, restricted share awards under the LTIP were granted in the form of nil-priced share options. Prior to 2025, awards under the LTIP were in the form of performance shares and contained performance conditions dependent upon the growth of the Group's adjusted earnings per share (EPS), adjusted Return on capital employed (ROCE), Total shareholder return (TSR) and certain Environmental, social and governance (ESG) targets. Please refer to the information given in the Directors' Remuneration Report on pages 91 to 110 for details in relation to these performance measures.

During the year, 643,592 options (2024: 1,392,639) were granted over Ibstock Ordinary Shares of one penny each and 353,794 were exercised at a weighted average share price at the date of exercise of 176 pence (2024: 298,403 were exercised at a weighted average share price at the date of exercise of 156 pence). During the year ended 31 December 2025, 1,698,202 options (2024: 611,465) lapsed and at 31 December 2025, the weighted average contractual life remaining was 1.3 years (2024: 1.3 years).

##### (b) Senior Manager Share Plan (SMSP)

The Group introduced the SMSP in 2021 to grant share awards to certain members of management. Awards under the scheme have been granted in the form of nil-priced share options and contain performance conditions dependent upon the growth of the Group's adjusted EBITDA.

In the year ended 31 December 2025, no awards were granted (2024: 245,999) to management under the SMSP. During the year 45,706 shares were exercised at a weighted average share price at the date of exercise of 166 pence (2024: 98,655 were exercised with a weighted average share price at the date of exercise of 160 pence). During the year 182,266 options (2024: 107,440 options) lapsed or forfeited. At 31 December 2025, the weighted average contractual life remaining was 0.3 years (2024: 0.6 years).

##### (c) Annual and Deferred Bonus Plan (ADBP)

The ADBP provides for the delivery of annual bonus earned in the financial year, in cash or in the form of Ibstock shares. Where the Board determines that part of the bonus earned under the ADBP is provided as an award of shares, these are deferred for a period of three years in the form of a nil-cost option. A third of a participant's bonus is usually deferred although it was agreed as part of the Remuneration Policy review in 2025, that the level of deferral for the Executive Directors should 50% of bonus until they have reached the required level of shareholding that is required under the Group's shareholding guidelines. In the year ended 31 December 2025, 223,576 options (2024: 113,109) were awarded over Ordinary Shares under the ADBP in relation to the prior year end bonus. No performance conditions apply to these awards.

In the year ended 31 December 2025, 257,791 options (2024: nil) were exercised under the ADBP at a weighted average share price at the date of exercise of 177 pence (2024: 167 pence). At 31 December 2025, the weighted average contractual life remaining was 1.1 years (2024: 1.5 years). At 31 December 2025 160,422 options (2024: nil) lapsed or forfeited. An amount of £0.1 million (2024: £0.1 million) had been recorded in accruals for the award relating to the bonus earned for the year ended 31 December 2025. In the current year, £0.1 million (2024: £0.1m) prior period accruals for the ADBP were reclassified to the share-based payment reserve.

#### All-employee share schemes

In addition to the Executive share option plans, the Group has operated two all-employee share-based payment arrangements – the Ibstock Plc Sharesave Plan and a Share Incentive Plan (SIP). The Group also made a 'one-off' award of shares to employees during 2022 as part of a 'Fire Up Grant'.

##### (d) Save As You Earn (SAYE)

In order to participate in the Group's Sharesave Plan, an employee must enter into a linked savings contract with a bank or building society to make contributions from salary on a monthly basis over a three year period. A participant who enters into a savings agreement is granted an option to acquire Ordinary Shares of 1 pence each under the Sharesave Plan at a specified exercise price.

In the current year 4,255,913 awards were issued (2024: nil). In the current year, 10,227 shares were exercised (2024: 308,180) with a weighted average share price of 114 pence (2024: 176 pence) and 226,440 options lapsed (2024: 1,370,889). As at 31 December 2025, the weighted average exercise price of outstanding options was 114 pence (2024: 176 pence) and the remaining option life was 2.7 years (2024: nil).



## Notes to the consolidated financial statements continued

### 26. Share incentive plans continued

#### All-employee share schemes continued

##### (e) Share Incentive Plan (SIP)

Following the Group's Initial Public Offering in 2015, the Company launched a SIP. Subject to qualifying employment conditions, all employees were entitled to apply for free shares up to a value of £800 depending on their period of service. The number of shares issued under the SIP in the year ended 31 December 2016 was 553,150. The free shares had a three-year employment condition and no further vesting conditions. In the year ended 31 December 2025, 7,150 shares lapsed (2024: nil) and no shares were exercised (2024: nil). No awards have been made under the SIP since the original grant in 2015.

##### (f) Fire Up Grant

In 2022 the Company introduced its 'Fire Up Share Grant'. This provided that, subject to qualifying employment conditions, all employees below senior management were entitled to receive 500 nil-cost options. The number of shares issued under the SIP in 2022 was 1,070,000. The free shares had a two-year employment condition and no further vesting conditions. All awards had been exercised or released in 2024.

#### Share Option Plan (SOP)

In addition to the above discretionary share plans, the Group operated a Share Option Plan from 2018 to 2018 at the discretion of the Board. No options have been granted to management under the SOP since 2018. In current year and prior year no options were exercised under the historical SOP awards. In the year ended 31 December 2025, 164,597 options (2024: 50,081 options) lapsed. The weighted average exercise price of options outstanding is 255 pence (2024: 241 pence). At 31 December 2025 and 2024 there was no contractual life remaining. The SOP has an employment condition of two years and no other performance conditions.

The assumptions used to calculate the fair value of the LTIP, SOP and ADBP awards granted during the year ended 31 December 2025 are detailed below:

	ADBP	LTIP	SAYE
Grant date	20-Mar-25	23-May-25	12-Sep-25
Share price at grant date	£1.84	£1.92	£1.35
Exercise price	Nil	Nil	£1.14
Number of shares issued	191,765	595,882	4,255,913
Vesting period	3 years	3 years	3 years
Pricing model	Share price	Share price	Binomial
% expected to vest	100%	100%	90%
Expected share price volatility	n/a	n/a	30%
Expected dividend yield	n/a	n/a	4%
Expected option life	n/a	3 years	3.4 years
Fair value per share	£1.84	£1.92	£0.35
Risk-free rate	n/a	n/a	4%

Awards under the executive share option plans and all-employee share schemes are as follows:

	Executive share options	All-employee schemes
Outstanding at 1 January 2025	4,918,210	147,435
Awards granted	787,647	4,255,913
Awards granted as dividend equivalent	79,521	–
Awards exercised	(657,291)	(10,227)
Awards lapsed/forfeited	(2,205,487)	(233,590)
Awards outstanding at 31 December 2025	2,922,600	4,159,531

The expected volatility level has been calculated using historical daily data over a term commensurate with the expected life of each award.

### 27. Leases and commitments

#### Amounts recognised within the consolidated balance sheet

The balance sheet shows the following amounts relating to leases:

	31 December 2025 £'000	31 December 2024 £'000
<i>Right-of-use assets</i>		
Buildings	8,905	11,088
Equipment	11,444	13,196
Vehicles	2,943	4,079
<b>Total right-of-use assets</b>	<b>23,292</b>	<b>28,363</b>
<i>Lease liabilities</i>		
Less than six months	(4,820)	(4,815)
Six months to one year	(4,768)	(4,656)
<b>Current</b>	<b>(9,588)</b>	<b>(9,471)</b>
One to two years	(8,163)	(8,750)
Two to five years	(8,833)	(13,004)
Greater than five years	(2,926)	(3,857)
<b>Non-current</b>	<b>(19,922)</b>	<b>(25,611)</b>
<b>Total lease liabilities</b>	<b>(29,510)</b>	<b>(35,082)</b>



## Notes to the consolidated financial statements continued

### 27. Leases and commitments continued

#### Amounts recognised within the consolidated balance sheet continued

Movement in right-of-use asset:

	Buildings £'000	Equipment £'000	Vehicles £'000	Total £'000
<i>Cost</i>				
At 1 January 2024*	31,219	28,316	7,683	67,218
Additions	–	2,627	2,354	4,981
Disposals*	(964)	(6,692)	(2,108)	(9,764)
At 31 December 2024*	30,255	24,251	7,929	62,435
Additions	<b>435</b>	<b>2,623</b>	<b>1,063</b>	<b>4,121</b>
Disposals	<b>(1,175)</b>	<b>(2,908)</b>	<b>(2,220)</b>	<b>(6,303)</b>
<b>At 31 December 2025</b>	<b>29,515</b>	<b>23,966</b>	<b>6,772</b>	<b>60,253</b>

#### Accumulated depreciation and impairment

At 1 January 2024*	(10,522)	(13,153)	(3,712)	(27,387)
Charge for the year	(3,045)	(4,487)	(2,246)	(9,778)
Lease modification	(3,858)	–	–	(3,858)
Impairment	(2,706)	–	–	(2,706)
Disposals*	964	6,585	2,108	9,657
At 31 December 2024*	(19,167)	(11,055)	(3,850)	(34,072)
Charge for the year	<b>(2,423)</b>	<b>(4,375)</b>	<b>(2,199)</b>	<b>(8,997)</b>
Impairment	<b>(195)</b>	–	–	<b>(195)</b>
Disposals	<b>1,175</b>	<b>2,908</b>	<b>2,220</b>	<b>6,303</b>
<b>At 31 December 2025</b>	<b>(20,610)</b>	<b>(12,522)</b>	<b>(3,829)</b>	<b>(36,961)</b>

#### Net book amount

At 31 December 2024	11,088	13,196	4,079	28,363
<b>At 31 December 2025</b>	<b>8,905</b>	<b>11,444</b>	<b>2,943</b>	<b>23,292</b>

\* The information has been updated after the data cleansing exercise carried out in 2025.

Movement in lease liabilities:

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
As at 1 January	<b>(35,082)</b>	(43,833)
Additions	<b>(4,426)</b>	(4,999)
Disposals	–	252
Lease modification	–	3,858
Interest payments	<b>(2,048)</b>	(2,494)
Cash rental payments	<b>12,046</b>	12,134
<b>As at 31 December</b>	<b>(29,510)</b>	(35,082)

#### Amounts recognised within the consolidated income statement

Depreciation charge of right-of-use assets

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Buildings	<b>2,423</b>	3,045
Equipment	<b>4,375</b>	4,487
Vehicles	<b>2,199</b>	2,246
	<b>8,997</b>	9,778
Impairment	<b>195</b>	2,706
<b>Depreciation expense (included within cost of sales)</b>	<b>9,192</b>	12,484
<b>Interest expense (included within finance costs)</b>	<b>2,048</b>	2,494

In the year ended 31 December 2025, the benefit of Adjusted EBITDA as a result of IFRS 16 leases was £12.0 million (2024: £12.1 million). Operating lease charges now expensed via depreciation amount to £9 million (2024: £9.8 million) and interest of £2 million (2024: £2.5 million), resulting in a net reduction in profit before taxation of £1 million (2024: £0.2 million).

The Group is lessee of a number of properties in addition to plant and machinery which it uses in its operations. The operating leases run for a variety of terms and their non-cancellable commitments are set out above. There is no material contingent rent payable, renewal or purchase options, escalation clauses or restrictions imposed by the lease agreements.



## Notes to the consolidated financial statements continued

### 27. Leases and commitments continued

#### The Group as lessor

The Group acts as lessor on a number of properties where it leases surplus land not currently utilised by the business. The operating leases run for a variety of terms and their future minimum lease payments receivable are set out as follows:

	31 December 2025 £'000	31 December 2024 £'000
Within one year	6	64
Between one and five years	10	–
After five years	15	–

#### Capital commitments

Capital expenditure committed to but not yet incurred at the balance sheet date is as follows:

	31 December 2025 £'000	31 December 2024 £'000
Amount contracted for, which has not been provided	4,510	16,021

### 28. Notes to the Group cash flow statement

	31 December 2025 £'000	31 December 2024 £'000
Cash flows from operating activities		
Profit before taxation	896	20,680
Adjustments for:		
Depreciation	35,210	33,495
Asset impairment charge – property, plant and equipment (Note 5)	6,141	1,126
Asset impairment charge – right-of-use assets (Note 5)	195	2,706
Write-off of inventory (Note 5)	2,408	–
Amortisation of intangible assets	6,322	7,062
Net finance costs	9,138	6,393
Gain on disposal of business and fixed assets	(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	12,309	(5,529)
Increase in creditors	(565)	8,355
Increase/(decrease) in provisions	2,551	(4,820)
<b>Cash generated from operations</b>	<b>48,035</b>	<b>62,906</b>



## Notes to the consolidated financial statements continued

### 29. Group subsidiaries

Ibstock Plc had the following subsidiaries as at 31 December 2025:

Entity	Principal activity	Registration number	Country of incorporation	Proportion of Ordinary Shares held directly by the parent	Proportion of Ordinary Shares held by the Group
Ibstock Building Products Limited <sup>1</sup>	Holding Company	09329395	UK	100%	100%
Figgs Bidco Limited	Holding Company	09332893	UK	100%	100%
Ibstock Telling GRC Limited	Manufacturer and supplier of glass reinforced concrete products	09415340	UK	100%	100%
Ibstock Group Limited	Dormant	00984268	UK	100%	100%
Forticrete Limited	Manufacturer of concrete products	00221210	UK	100%	100%
Anderton Concrete Products Limited	Manufacturer and supplier of precast and prestressed concrete products	01900103	UK	100%	100%
Supreme Concrete Limited	Manufacturer and supplier of precast and prestressed concrete products	01410463	UK	100%	100%
Ibstock Brick Holding Company Limited	Holding Company	00784339	UK	100%	100%
Ibstock Brick Limited	Brick manufacturer	00063230	UK	100%	100%
Ibstock Manufacturing Services Limited	Brick manufacturer	12292985	UK	100%	100%
Kevington Building Products Limited	Dormant	02122467	UK	100%	100%
Ibstock Brick Leicester Limited	Dormant	00106667	UK	100%	100%
Ibstock Brick Aldridge Limited	Dormant	00614225	UK	100%	100%
Ibstock Brick Himley Limited	Dormant	00092769	UK	100%	100%
Ibstock Westbrick Limited	Dormant	01606990	UK	100%	100%
Ibstock Brick Aldridge Property Limited	Dormant	00251918	UK	100%	100%
Moore & Sons Limited	Dormant	00118818	UK	100%	100%
Manchester Brick & Precast Limited	Dormant	02888297	UK	100%	100%
Ibstock Brick Nostell Limited	Dormant	00531826	UK	100%	100%
Ibstock Brick Roughdales Limited	Dormant	00598862	UK	100%	100%
Ibstock Brick Cattybrook Limited	Dormant	00011298	UK	100%	100%
Ibstock Hathernware Limited	Dormant	00424843	UK	100%	100%
Ibstock Bricks (1996) Limited	Holding Company	00246855	UK	100%	100%
Loopfire Systems Limited	Dormant	04105160	UK	100%	100%
Longley Holdings Limited	Holding Company	02027916	UK	100%	100%
Longley Concrete Ltd	Manufacturer and supplier of precast and prestressed concrete products	00440463	UK	100%	100%
Generix Facades Ltd	Manufacturer and supplier of facades	08432030	UK	100%	100%
Generix Facades International Limited	Dormant	09777110	UK	100%	100%
G-Tech Coper Limited	Dormant	00888875	UK	100%	100%
Coltman Precast Concrete Limited	Manufacturer and supplier of precast and prestressed concrete products	01032721	UK	100%	100%
Valerie Coltman Holdings Limited	Holding Company	06824310	UK	100%	100%

All entities have a place of business in the UK. The registered office address for all entities is the same as for the ultimate Parent Company, Leicester Road, Ibstock, Leicestershire, LE67 6HS.

All subsidiary undertakings are included in the consolidated financial statements. The proportion of the voting rights in the subsidiary undertakings held directly by the Parent Company do not differ from the proportion of Ordinary Shares held. At 31 December 2025, the Parent Company does not have any shareholdings in the preference shares of subsidiary undertakings included in the Group.

<sup>1</sup> Ibstock Building Products Ltd is owned directly by Ibstock Plc. All other companies are indirectly owned.



## Notes to the consolidated financial statements continued

### 30. Related party transactions

Balances and transactions between Ibstock Plc (the ultimate Parent) and its subsidiaries (listed in Note 29), which are related parties, are eliminated on consolidation and are not disclosed in this note.

See Note 7 for details of Director and key management personnel remuneration.

There are no further material related party transactions nor any related party balances in either the 2025 or 2024 financial years.

### 31. Dividends paid and proposed

Cash flows from operating activities	31 December 2025 £'000	31 December 2024 £'000
<b>Declared and paid during the year</b>		
Equity dividends on Ordinary Shares:		
Final dividend for 2024: 2.5 pence (2023: 3.6 pence)	9,865	14,135
Interim dividend for 2025: 1.5 pence (2024: 1.5 pence)	5,920	5,896
	<b>15,785</b>	20,031
<b>Proposed (not recognised as a liability as at 31 December)</b>		
Equity dividends on Ordinary Shares:		
Final dividend for 2025: 1.5 pence (2024: 2.5 pence)	5,920	9,850
	<b>5,920</b>	9,850

At the beginning of 2026, the Directors proposed 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 8 May 2026, to shareholders on the register at the close of business on 29 May 2026.

### 32. Post balance sheet events

Except for the proposed dividend (see Note 31), no further subsequent events requiring disclosure or adjustment to these financial statements have been identified since the balance sheet date.



## Company balance sheet

(prepared in accordance with UK GAAP – FRS 102)

Company number: 09760850

As at 31 December 2025

	Notes	31 December 2025 £'000	31 December 2024 £'000
<b>Fixed assets</b>			
Investments	P4	628,665	628,604
<b>Current assets</b>			
Debtors	P5	10,169	9,671
Cash at bank and in hand		1,002	1,375
		11,171	11,046
<b>Creditors – amounts falling due within one year</b>	P6	(321,322)	(294,093)
<b>Net current liabilities</b>		(310,151)	(283,047)
<b>Total assets less current liabilities</b>		318,514	345,557
<b>Creditors – amounts falling due after more than one year</b>	P7	(99,862)	(99,427)
<b>Net assets</b>		218,652	246,130
<b>Capital and reserves</b>			
Called-up share capital	P9	4,096	4,096
Share premium		4,458	4,458
Own shares held		(26,714)	(27,907)
Profit and loss account		236,812	265,483
<b>Total equity</b>		218,652	246,130

The notes on pages 167 to 170 are an integral part of these financial statements. As permitted by Section 408 of the Companies Act 2006, the Parent Company's profit and loss account has not been presented in these financial statements. The Parent Company's loss after tax for the year was £12.4 million (year ended 31 December 2024: loss of £10.9 million).

These financial statements were approved by the Board and authorised for issue on 4 March 2026. They were signed on its behalf by:

**Joe Hudson**  
Chief Executive Office

**Richard Akers**  
Chair



## Company statement of changes in equity

	Notes	Share capital £'000	Share premium £'000	Retained earnings £'000	Own shares held £'000	Total equity £'000
<b>At 31 December 2025</b>						
<b>Balance as at 1 January 2025</b>		<b>4,096</b>	<b>4,458</b>	<b>265,483</b>	<b>(27,907)</b>	<b>246,130</b>
Loss for the year		–	–	(12,177)	–	(12,177)
<b>Total comprehensive expense for the financial year</b>		–	–	<b>(12,177)</b>	–	<b>(12,177)</b>
<i>Transactions with owners:</i>						
Share based payments		–	–	484	–	484
Equity dividends paid		–	–	(15,785)	–	(15,785)
Issue of share capital on exercise of share options		–	–	(1,193)	1,193	–
<b>Transactions with owners</b>		–	–	<b>(16,494)</b>	<b>1,193</b>	<b>(15,301)</b>
<b>Balance at 31 December 2025</b>		<b>4,096</b>	<b>4,458</b>	<b>236,812</b>	<b>(26,714)</b>	<b>218,652</b>
<b>At 31 December 2024</b>						
<b>Balance as at 1 January 2024</b>		<b>4,096</b>	<b>4,458</b>	<b>297,799</b>	<b>(30,514)</b>	<b>275,839</b>
Loss for the year		–	–	(10,931)	–	(10,931)
<b>Total comprehensive expense for the financial year</b>		–	–	<b>(10,931)</b>	–	<b>(10,931)</b>
<i>Transactions with owners:</i>						
Share based payments		–	–	1,253	–	1,253
Equity dividends paid		–	–	(20,031)	–	(20,031)
Issue of share capital on exercise of share options		–	–	(2,607)	2,607	–
<b>Transactions with owners</b>		–	–	<b>(21,385)</b>	<b>2,607</b>	<b>(18,778)</b>
<b>Balance at 31 December 2024</b>		<b>4,096</b>	<b>4,458</b>	<b>265,483</b>	<b>(27,907)</b>	<b>246,130</b>

The notes on pages 167 to 170 form an integral part of these financial statements.

## Notes to the Company financial statements

### P1. Authorisation of financial statements

The Parent Company financial statements of Ibstock Plc (the 'Company') for the year ended 31 December 2025 were authorised for issue by the Board of Directors on 4 March 2026 and the balance sheet was signed on its behalf by J Hudson and R Akers.

Ibstock Plc is a public company limited by shares, which is incorporated and domiciled in England whose shares are publicly traded. The Company's Ordinary Shares are traded on the London Stock Exchange. The registered office is Leicester Road, Ibstock, Leicestershire LE67 6HS and the Company registration number is 09760850.

### P2. Summary of significant accounting policies

The financial statements have been prepared in accordance with applicable accounting standards, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006. As a qualifying entity, as defined by FRS 102, the Company has elected to adopt the reduced disclosure exemptions set out with paragraph 1.12 of FRS 102, as described below.

These financial statements are prepared on a going concern basis, under the historical cost convention.

The Company has not disclosed the information required by regulation 5(1)(b) of the Companies (Disclosure of Auditor's Remuneration and Liability Limitation Agreements) Regulations 2008 as the Group accounts of the Company are required to comply with regulation 5(1)(b) as if the undertakings included in the consolidation were a single group.

#### Going concern

The Directors reviewed detailed cash flows and forecasts of financial performance and stress-tested the projections. The forecasts include estimates of trading performance, operational and capital expenditure and debt requirements within the period to 30 June 2027.

As the Group has financing arrangements in place, despite the net current liability position of the company, the Company is forecast to be able to meet its liabilities as they fall due throughout the review period. Therefore, having assessed the principal risks and all other relevant matters, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements of the Parent Company. The Group going concern assessment can be found in Note 1 of the Group financial statements.

#### Fixed asset investments

Investments in subsidiaries are included at cost stated at the historical value at the time of investment less any provisions for impairment and net of merger and Group reconstruction relief available.

#### Share based payments

The Company operates a number of equity-settled share-based compensation plans on behalf of the Group. The fair value of the employee services received under such plans is capitalised as an investment in the Company's subsidiary until such time as intra-Group recharges are levied by the Company to recover this cost from its subsidiaries. Upon recharge, the amounts recharged are treated as a return of capital contribution and recorded as a credit to equity (up to the value of the initial share-based payment treated as a capital contribution). Any recharge in excess of the capital

contribution is recognised within the Company income statement. The amount to be recognised over the vesting period is determined by reference to the fair value of share-based payments. For further details of share-based payments, see Note 26 of the Group financial statements.

#### Dividend distribution

Dividend distributions to Ibstock's shareholders are recognised in the Company's financial statements in the periods in which the final dividends are approved in the Annual General Meeting, or when paid in the case of an interim dividend.

#### Financial instruments

##### (i) Objectives and policies

The Company, in common with its Group subsidiaries, must comply with the Group's finance guidelines that set out the principles and framework for managing Group-wide finances. Further information on the Group's policies and procedures is available in the Group financial statements. The Company does not enter into speculative treasury arrangements.

##### (ii) Foreign exchange, credit, liquidity and financial risks

###### Foreign exchange risk management

The Company primarily transacts in Sterling and therefore exposure to foreign exchange risk is regarded as low.

###### Credit risk management

For the Company, this risk arises from cash and cash equivalents and deposits with banks. This is managed on a Group basis and there are a number of initiatives underway to mitigate this risk. These include concentrating activities with a group of banks that have strong, independently verified credit ratings. For each bank, individual risk limits are set based on its financial position, credit ratings, past experience and other factors.

###### Liquidity planning, trends and risks

The Company has sufficient committed borrowing facilities to meet planned liquidity needs with headroom, through facilities provided by the Group.

The Company has adopted IAS 39 for recognition and measurement of financial instruments.

##### (iii) Financial assets

Financial assets, including trade and other receivables, loans to fellow Group companies and cash and bank balances, are initially recognised at fair value.

Such assets are subsequently carried at amortised cost using the effective interest method.

##### (iv) Financial liabilities

Financial liabilities, including trade and other payables and loans from fellow Group companies, are initially recognised at fair value.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method in accordance with IAS 39.

## Notes to the Company financial statements continued

### P2. Summary of significant accounting policies continued

#### Taxation

Taxation expense for the year comprises current and deferred tax recognised in the reporting year. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination may be uncertain. The calculation of the tax charge therefore necessarily involves a degree of estimation and judgement. The tax liabilities are based on estimates of whether additional taxes will be due and tax assets are recognised on the basis of probable future recoverability. This requires management to exercise judgement based on its interpretation of tax laws and the likelihood of settlement of tax liabilities or recoverability of tax assets. To the extent that the final outcome differs from the estimates made, tax adjustments may be required which could have an impact on the tax charge and profit for the period in which such a determination is made.

#### (i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### (ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing differences.

#### Share capital

Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of new Ordinary Shares or options are shown in equity as a deduction, from the proceeds.

#### Related parties

The Group discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the Directors, separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

#### Disclosure exemptions

In preparing the Parent Company financial statements, the Company has elected to adopt the reduced disclosure exemptions set out in paragraph 1.12 of FRS 102, because the Company prepares Group consolidated financial statements, as described below:

- (a) Under FRS 102 (Section 1.12(b)), the Parent Company is exempt from the requirements to prepare a cash flow statement on the grounds that its cash flows are included within the Ibstock Plc Group consolidated financial statements.
- (b) The Parent Company is a qualifying entity and has taken advantage of the exemption from disclosing key management compensation (other than Directors' emoluments) under FRS 102 (Section 1.12(e)), as it is a Parent entity whose separate financial statements are presented alongside the consolidated financial statements, which contain the requisite equivalent disclosures.
- (c) The Parent Company is a qualifying entity and has taken advantage of the exemption from disclosing certain financial instrument disclosures under FRS 102 (Section 1.12(c)), as it is a Parent entity whose separate financial statements are presented alongside the consolidated financial statements, which contain the requisite equivalent disclosures.
- (d) The Company has elected to avail itself of the disclosure exemption within FRS 102 (Section 1.12(d)) in relation to certain share based payment disclosure requirements as it is a Parent entity whose separate financial statements are presented alongside the consolidated financial statements, which contain the requisite equivalent disclosures.
- (e) The Company has taken advantage of the reduced disclosure exemption under FRS 102 (Section 1.12(a)) and is not required to follow the requirements of paragraph 4.12(a)(iv) of FRS 102 and as such only discloses a reconciliation of shares outstanding between the beginning and end of the year and not the prior year.

In addition, the Company has taken the exemption within Section 33 of FRS 102 from disclosing intra-Group transactions with wholly owned subsidiaries.

#### Critical accounting judgements and estimation uncertainty

In applying the Company's accounting policies, as described above, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making these critical judgements and estimates, actual outcomes could be different.

There are no critical accounting judgements or key estimation uncertainties in applying the Company's accounting policies in current and prior year.



## Notes to the Company financial statements continued

### P3. Employee information

The Company has no employees. Non-Executive Directors of the Company are employed under letters of appointment. Full details of Executive and Non-Executive remuneration is disclosed in the Annual Report on Remuneration on pages 91 to 110. For further details of Directors' remuneration, refer to Note 7 of the Group financial statements.

### P4. Fixed asset investments

Cost	Investment in subsidiary undertakings £'000
<b>At 1 January 2024</b>	628,049
Additions – fair value of share incentives issued to Group employees	555
<b>At 31 December 2024</b>	628,604
Additions – fair value of share incentives issued to Group employees	61
<b>At 31 December 2025</b>	<b>628,665</b>

The Company holds 100% of the issued share capital of Ibstock Building Products Limited.

### P5. Debtors

	31 December 2025 £'000	31 December 2024 £'000
Amounts owed by subsidiary undertakings	6,587	7,318
Corporation tax assets	2,505	1,651
Deferred tax asset	44	270
Prepayments and other debtors	1,033	432
	<b>10,169</b>	9,671

Amounts owed by subsidiary undertakings are unsecured, repayable on demand and interest free.

### P6. Creditors – amounts falling due within one year

	31 December 2025 £'000	31 December 2024 £'000
Trade creditors	717	537
Amounts owed to subsidiary undertakings	275,329	258,257
Borrowings	41,152	31,425
Accruals and other creditors	4,124	3,873
	<b>321,322</b>	294,092

Amounts owed to subsidiary undertakings are unsecured, repayable on demand and interest free. The Group has a cash pooling arrangement with its transactional bank.

### P7. Creditors – amounts falling due after more than one year

	31 December 2025 £'000	31 December 2024 £'000
Borrowings	99,862	99,427
	<b>99,862</b>	99,427

In November 2021, the Company issued £100 million of private placement notes to 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%).

In 2025, the Company renewed the £125 million Revolving Credit Facility (RCF) provided by a syndicate of four banks for an initial four year period, with a one year extension option. At 31 December 2025, the Group had drawn £42.0 million (2024: £31.0 million) under this facility.

Further details of the Private Placement and RCF are provided in Note 19 of the Group financial statements.

The carrying value 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 currently provided over the Company's borrowings.

### P8. Financial instruments

The Company has the following financial instruments:

	Loans and receivables	
	31 December 2025 £'000	31 December 2024 £'000
Financial assets that are debt instruments measured at amortised cost:		
Amounts owed by subsidiary undertakings	6,587	7,318
Cash and bank balances	1,002	1,375
	<b>7,589</b>	8,693



## Notes to the Company financial statements continued

### P8. Financial instruments continued

	Loans and payables	
	31 December 2025 £'000	31 December 2024 £'000
Financial liabilities measured at amortised cost:		
Trade creditors	717	537
Amounts owed to subsidiary undertakings	275,329	258,257
Borrowings	141,014	130,852
Accruals and other creditors	4,124	3,874
	<b>421,184</b>	<b>393,520</b>

In the current and prior year there are no material differences between the fair values and the book values stated above with the exception of £100 million of private placement notes within borrowing. The fair value of these borrowings is assessed as £90.1 million (2024: £87.8 million), which was determined using discounted cash flows based on observable market data.

### P9. Called-up share capital

	Number of shares	Share
		capital £'000
Issued, called-up and fully paid:		
At 1 January 2025 and		
31 December 2025	Ordinary Shares of £0.01 each	<b>409,631,594</b> <b>4,096</b>

There was no share capital movement in the current and prior year.

### P10. Contingent liabilities

The Company has guaranteed all Group bank borrowings as detailed in Note 19 of the Group financial statements. As part of the Group's joint and several liability, the Company is a party to the guarantee of the Group's VAT liability.

### P11. Related party transactions

The Company is exempt from disclosing related party transactions with other companies that are wholly owned within the Group. See Note 29 of the Group financial statements.

The ultimate Parent Company and the smallest and largest group to consolidate these financial statements is Ibstock Plc.

Share awards to key management personnel resulted in an amount of £0.2 million in the year ended 31 December 2025 (2024: £0.6 million), which has been taken to the fixed asset investment. See Note 26 of the Group financial statements and the Directors' Remuneration Report on pages 91 to 110 for further details of share-based payments.

### P12. Post balance sheet events

A final dividend of 1.5 pence (2024: 2.5 pence) per Ordinary share is proposed in respect of the financial year ended 31 December 2025. See Note 31 of the Group financial statements.

See Note 32 of the Group financial statements for details of other post balance sheet events.



## Group five-year summary

Results summary	Year ended 31 December				2025
	2021	2022	2023	2024	
<i>Continuing operations</i>					
Revenue	408,656	512,886	405,839	366,207	<b>372,104</b>
<b>Adjusted EBITDA<sup>1</sup></b>	103,053	139,667	107,357	79,350	<b>71,044</b>
Exceptional items <sup>1</sup> impacting EBITDA	5,230	6,278	(30,762)	(11,720)	<b>(19,478)</b>
Depreciation and amortisation pre fair value uplift	(28,217)	(26,392)	(29,314)	(29,778)	<b>(31,296)</b>
Incremental depreciation and amortisation following fair value uplift	(10,132)	(12,126)	(12,250)	(10,779)	<b>(10,236)</b>
<b>Operating profit</b>	69,934	107,427	35,031	27,073	<b>10,034</b>
Net finance costs	(4,992)	(2,663)	(4,964)	(6,393)	<b>(9,138)</b>
<b>Profit before taxation</b>	64,942	104,764	30,067	20,680	<b>896</b>
Taxation	(33,129)	(17,884)	(9,007)	(5,588)	<b>2,178</b>
<b>Profit from continuing operations</b>	31,813	86,880	21,060	15,092	<b>3,074</b>
<b>Profit</b>	31,813	86,880	21,060	15,092	<b>3,074</b>
<b>Profit attributable to owners of the Company</b>	31,813	86,908	21,060	15,092	<b>3,074</b>
<b>Profit attributable to non-controlling interest</b>	–	(28)	–	–	<b>–</b>

<sup>1</sup> Alternative performance measures are described in Note 3 and exceptional items are described in Note 5 to the consolidated financial statements.

**Group five-year summary continued**

	At 31 December				
	2021	2022	2023	2024	2025
Employment of capital					
Goodwill and intangible assets	94,625	90,242	82,017	73,950	<b>66,447</b>
Property, plant and equipment	375,800	409,091	440,400	462,504	<b>455,147</b>
Right-of-use assets	25,114	31,478	39,831	28,363	<b>23,292</b>
<b>Non-current assets</b>	<b>495,539</b>	<b>530,811</b>	<b>562,248</b>	<b>564,817</b>	<b>544,886</b>
Inventories	72,821	94,275	119,189	124,819	<b>137,448</b>
Receivables	64,756	65,935	37,919	43,815	<b>32,273</b>
Current tax recoverable	3,199	1,717	1,171	1,323	<b>3,186</b>
Assets held for sale	875	–	–	200	<b>–</b>
<b>Current assets</b>	<b>141,651</b>	<b>161,927</b>	<b>158,279</b>	<b>170,157</b>	<b>172,907</b>
Payables	(103,132)	(120,003)	(80,526)	(88,853)	<b>(89,482)</b>
Lease liabilities	(27,184)	(33,104)	(43,833)	(35,082)	<b>(29,510)</b>
Other liabilities excluding debt	(102,527)	(93,261)	(105,493)	(101,977)	<b>(102,282)</b>
<b>Net assets excluding pension and debt</b>	<b>404,347</b>	<b>446,370</b>	<b>490,675</b>	<b>509,062</b>	<b>496,519</b>
Net debt <sup>1</sup>	(38,872)	(45,922)	(100,616)	(121,560)	<b>(120,043)</b>
Pension	57,754	15,194	9,832	7,839	<b>5,984</b>
Derivative financial instruments	–	567	(24)	(78)	<b>–</b>
<b>Total net assets</b>	<b>423,229</b>	<b>416,209</b>	<b>399,867</b>	<b>395,263</b>	<b>382,460</b>
Called-up share capital	4,096	4,096	4,096	4,096	<b>4,096</b>
Reserves	419,133	412,062	395,771	391,167	<b>378,364</b>
<b>Equity attributable to owners of the Company</b>	<b>423,229</b>	<b>416,158</b>	<b>399,867</b>	<b>395,263</b>	<b>382,460</b>
<b>Equity attributable to non-controlling interest</b>	<b>–</b>	<b>51</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total equity</b>	<b>423,229</b>	<b>416,209</b>	<b>399,867</b>	<b>395,263</b>	<b>382,460</b>

<sup>1</sup> Alternative performance measures are described in Note 3 to the consolidated financial statements.



## Group five-year summary continued

Business ratios	At 31 December				
	2021	2022	2023	2024	2025
Adjusted EBITDA <sup>1</sup> margin	25.2%	27.2%	26.5%	21.7%	<b>19.1%</b>
Interest cover (times)	21x	51x	29x	6x	<b>6x</b>
Net debt to adjusted EBITDA <sup>1</sup>	0.41x	0.35x	1.06x	1.81x	<b>2.03x</b>
Return on capital employed <sup>1</sup>	15.8%	23.5%	13.4%	7.5%	<b>5.8%</b>
Adjusted operating cash flow <sup>1</sup> (£m)	76	108	50	56	<b>35</b>
Capital expenditure (£m)	(25)	(58)	(66)	(45)	<b>(45)</b>
Adjusted free cash flow <sup>1,2</sup> (£m)	51	50	(16)	11	<b>(10)</b>
Statutory basic earnings per share	7.8p	21.4p	5.4p	3.8p	<b>0.8p</b>
Adjusted basic earnings per share <sup>1</sup>	13.9p	22.7p	13.9p	7.7p	<b>5.7p</b>
Interim dividend per share	2.5p	3.3p	3.4p	1.5p	<b>1.5p</b>
Final dividend per share	5.0p	5.5p	3.6p	2.5p	<b>1.5p</b>
Total dividend per share	7.5p	8.8p	7.0p	4.0p	<b>3.0p</b>
Closing share price	204p	154p	152p	174p	<b>140p</b>
Closing market capitalisation (£m)	834.8	630.8	594.0	712.7	<b>544.8</b>

<sup>1</sup> Alternative performance measures are described in Note 3 to the consolidated financial statements.

<sup>2</sup> Impacting retained earnings.

### Cautionary Statement

This Annual Report and Accounts has been prepared for, and only for, the members of the Company, as a body, and no other persons. The Company, its Directors, employees, agents or advisers do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed. By their nature, the statements concerning the risks and uncertainties facing the Group in this Annual Report and Accounts involve uncertainty, since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this Annual Report and Accounts and the Company undertakes no obligation to update these forward-looking statements. Nothing in this Annual Report and Accounts should be construed as a profit forecast.



## Sustainability and Climate Change Reporting

# Sustainability Reporting Data

In this section we have set out all key sustainability data required for reporting purposes. In addition to the summaries presented here, we also provide disclosures in our separate Sustainability Report.

## Streamlined Energy and Carbon Reporting ('SECR') disclosure

		2019	2020	2021	2022	2023	2024	2025
Total Scope 1 CO <sub>2</sub> emissions	tCO <sub>2</sub> e	349,200	223,229	299,698	303,173	237,032	190,577	<b>220,716</b>
Total Scope 1 CO <sub>2</sub> emissions from combustion of gas	tCO <sub>2</sub> e	222,359	145,331	196,622	198,580	153,336	123,546	<b>146,412</b>
Total Scope 1 CO <sub>2</sub> emissions from combustion of other fuels	tCO <sub>2</sub> e	17,978	7,223	5,736	4,508	7,210	5,303	<b>5,681</b>
Total Scope 1 CO <sub>2</sub> emissions from process materials	tCO <sub>2</sub> e	108,886	70,676	97,340	100,084	76,485	60,638	<b>68,623</b>
Total gas used per annum	MWh	1,230,000	780,000	1,050,000	1,080,000	804,915	636,115	<b>798,812</b>
Total Scope 2 CO <sub>2</sub> emissions (location-based)	tCO <sub>2</sub> e	28,429	16,429	19,912	17,514	14,799	12,881	<b>14,287</b>
Total Scope 2 CO <sub>2</sub> emissions (market-based)	tCO <sub>2</sub> e	28,429	16,429	–	–	787	942	<b>929</b>
Total purchased electricity used per annum	MWh	110,507	70,762.89	93,778.99	87,439.18	71,623	62,379	<b>74,192</b>
Total solar-generated electricity used per annum	MWh	–	2	2,480	4,160	4,019	4,743	<b>4,729</b>
Total Scope 1 and 2 CO <sub>2</sub> emissions (market-based)	tCO <sub>2</sub> e	377,629	239,658	299,698	303,173	237,819	191,518	<b>221,645</b>
Intensity ratio tonnes of CO <sub>2</sub> per tonne of production	tCO <sub>2</sub> e/tonne	0.159	0.16	0.141	0.145	0.151	0.148	<b>0.138</b>
% reduction in absolute Scope 1 and 2 CO <sub>2</sub> relative to 2019 baseline	%	–	–	–	20%	37%	49%	<b>41%<sup>1</sup></b>
Total Scope 3 tonnes of CO <sub>2</sub>	tCO <sub>2</sub> e	–	–	–	157,950	107,915	107,010	<b>160,912</b>

<sup>1</sup> Of the 41% reduction, 25% is permanent carbon reduction on 2019 baseline, 16% is temporary production volume decrease which we forecast to reverse by 2030.

All carbon calculations are in line with Greenhouse Gas Protocols.

Market-based Scope 2 emissions are used to calculate the carbon intensity ratio.

We use a small amount of gas, equating to 840 tonnes CO<sub>2</sub> from landfill gas produced at one of our sites, with 88.5 tonnes CO<sub>2</sub> from Weeford site. The rest of our electricity is procured from the grid through a REGO backed green tariff.

For reporting purposes, we define our organisational boundary on an operational control basis, and our Scope 1 and 2 emissions and other sustainability metrics are reported on this basis.

All emissions and energy are consumed in the UK.



## Sustainability and Climate Change Reporting continued

### Group Scope 3 emissions categories reported

GHG Protocol Scope 3 emissions category	Carbon emissions (tonnes of CO <sub>2</sub> e)	Included or excluded
Category 1 – Purchased goods and services	111,151	Included (hybrid-spend and activity method)
Category 2 – Capital goods	2,921	Included (spend-based method)
Category 3 – Fuel- and energy-related activities	28,665	Included (average data method)
Category 4 – Upstream transportation and distribution	14,988	Included (spend-based method)
Category 5 – Waste generated in operations	201	Included (average data method)
Category 6 – Business travel	1,007	Included (hybrid approach)
Category 7 – Employee commuting	329	Included (average data method; modelled)
Category 8 – Upstream leased assets	0	Excluded: Operation of Ibstock's leased fleet and buildings are included in Scope 1 and 2.
Category 9 – Downstream transport and distribution	–	Excluded: Limited data availability.
Category 10 – Processing of sold products	0	Excluded: Ibstock's products are not processed further before use by end customers.
Category 11 – Use of sold products	0	Excluded: Ibstock's products do not lead to significant direct GHG emissions during their use by end customers. Further, attributing building energy usage to Ibstock's products presents a significant data challenge and would likely be immaterial.
Category 12 – End-of-life treatment of sold products	1,649	Included (average data method)
Category 13 – Downstream leased assets	0	Excluded: Ibstock does not lease any assets to third parties.
Category 14 – Franchises	0	Excluded: Ibstock does not have any business franchises.
Category 15 – Investments	0	Excluded: Ibstock does not hold any significant investments in other companies or assets beyond those included in this inventory.

### Key performance indicators

Topic	KPI	Measure	Target	2019	2020	2021	2022	2023	2024	2025
Carbon	% absolute carbon reduction (Scope 1 and 2) relative to 2019 baseline	%	40% by 2030				20%	37%	49%	<b>41%<sup>1</sup></b>
Carbon	Intensity ratio tonnes of CO <sub>2</sub> per tonne of production	tCO <sub>2</sub> e/t		0.159	0.160	0.141	0.145	0.151	0.148	<b>0.138</b>
Water	% reduction in mains water use (relative to 2019 baseline)	%			34%	21%	49%	28%	33%	<b>18%</b>
Waste	% general waste to landfill	%	Zero by 2025		64.0%	13.0%	2.4%	5.0%	4.6%	<b>2.1%</b>
New and sustainable products	% of sales turnover from new and sustainable products	%		11.5%	11.7%	13.0%	13.0%	10.8%	22%	<b>25%</b>
Health and safety	% year on year reduction in Total Injury Frequency Rate	%						5%	13%	<b>+17%</b>
Earn and Learn positions	% of employees in Earn and Learn positions	%	10% by 2030				7.5%	6.9%	7.4%	<b>7.2%</b>
Diversity	% of women in senior leadership positions	%	40% by 2027				27%	35%	34%	<b>32%</b>
Diversity	% of senior leaders identifying as ethnically diverse	%	20% by 2030						7%	<b>15%</b>

<sup>1</sup> Of the 41% reduction, 25% is permanent carbon reduction on 2019 baseline, 16% is temporary production volume decrease which we forecast to reverse by 2030.



## Sustainability and Climate Change Reporting continued

# Sustainability Performance Data

The following table covers our wider sustainability metrics, which are aligned where possible to the SASB disclosure for construction materials. We will continue to review this data suite on an ongoing basis for future reporting periods.

Topic	Metric	2019	2020	2021	2022	2023	2024	2025
Scope 1 CO <sub>2</sub> emissions	Tonnes of CO <sub>2</sub> e combustion of fuel	349,200	223,229	299,698	303,173	237,032	190,577	<b>220,716</b>
Scope 2 CO <sub>2</sub> emissions (location-based)	Tonnes of CO <sub>2</sub> e from electricity consumed if power was purchased from the grid applying averaged emissions	28,429	16,429	19,912	17,514	14,799	12,881	<b>14,287</b>
Scope 2 CO <sub>2</sub> emissions (market-based)	Tonnes of CO <sub>2</sub> e from electricity consumed purchased from renewable sources	28,429	16,429	–	–	787	942	<b>929</b>
Scope 3 tonnes of CO <sub>2</sub>	Tonnes of CO <sub>2</sub> e	N/A	N/A	N/A	157,950	107,915	107,010	<b>160,912</b>
Company cars	Hybrid or electric vehicles as % of total fleet	N/A	N/A	45%	55%	74%	87%	<b>86%</b>
Company mobile fleet	Electric vehicles as % of total mobile plant fleet	N/A	N/A	N/A	N/A	11%	16%	<b>27%</b>
Water intensity ratio	M <sup>3</sup> mains water use per tonne of production	0.105	0.110	0.092	0.072	0.113	0.125	<b>0.128</b>
Mains water	M <sup>3</sup> mains water use per annum	249,854	165,983	197,883	127,544	179,013	166,187	<b>204,918</b>
Non-mains water	M <sup>3</sup> non-mains water use per annum	–	–	–	–	65,531	50,437	<b>51,881</b>
Total water	M <sup>3</sup> total water use per annum	963,387	1,000,815	1,160,443	779,935	244,544	216,624	<b>256,798</b>
Waste sent off-site	Tonnes of waste sent off-site	6,570	5,801	3,490	5,945	6,524	4,958	<b>4,514</b>
Waste diverted from landfill	Tonnes of waste diverted from landfill	3,565	3,709	3,034	5,605	6,370	4,795	<b>4,379</b>
Hazardous waste sent to landfill	Tonnes of hazardous waste sent to landfill	1,126	204	178	48	50	73	<b>27</b>
Non-hazardous waste sent to landfill	Tonnes of non-hazardous waste sent to landfill	1,879	1,888	278	143	105	90	<b>108</b>
General waste sent to landfill	Tonnes of general waste sent to landfill	1,879	1,888	278	143	57	42	<b>21</b>
Total waste sent to landfill	Total waste sent to landfill	–	–	–	–	154	163	<b>135</b>
Total plastic packaging	Total tonnes of plastic packaging	1,887	998	1,476	1,447	1,492	814	<b>799</b>
Plastic packaging intensity ratio	Kg of plastic per tonne of production	–	–	–	–	–	–	<b>0.5</b>
New and sustainable products	% of sales turnover from new and sustainable products	–	12%	13%	13%	11%	22%	<b>25%</b>
Customer referral rating	Customers likely to recommend Ibstock (score out of 10)	–	–	–	–	–	7.58	<b>7.93</b>



## Sustainability and Climate Change Reporting continued

Topic	Metric	2019	2020	2021	2022	2023	2024	2025
Lost time incident frequency rate	Number of lost time injuries for every one million hours worked	3.4	2.2	2.1	1.47	1.51	1.76	<b>2.05</b>
Total Injury Frequency Rate <sup>1</sup>	Total number of injuries for every one million hours worked	–	–	–	63.2	60.1	31.4	<b>36.6</b>
Employee deaths	Number of work-related employee deaths	0	0	0	0	0	0	<b>0</b>
Contractor deaths	Number of work-related contractor deaths	0	0	0	0	0	0	<b>0</b>
Employee diversity – gender	% of all employees that are female	–	15.7%	15%	16%	16.7%	17%	<b>17.3%</b>
Board diversity – gender	% of the Board that are female	–	28.5%	37.5%	37.5%	37.5%	37.5%	<b>42.9%</b>
Senior leader diversity – gender	% of senior leaders that are female	–	18.5%	19%	27%	35%	34%	<b>32%</b>
Apprentice diversity – gender	% of apprentice intake that are females	–	–	–	–	–	29%	<b>7%</b>
Employee diversity – ethnicity	% of all employees identifying as ethnically diverse	–	–	–	–	–	5%	<b>5%</b>
Board diversity – ethnicity	% of the Board identifying as ethnically diverse	–	–	–	–	–	12.5%	<b>14.3%</b>
Senior leader diversity – ethnicity	% of senior leaders identifying as ethnically diverse	–	–	–	–	–	7%	<b>15%</b>
Apprentice diversity – ethnicity	% of apprentice intake identifying as ethnically diverse	–	–	–	–	–	11%	<b>7%</b>
Employee population	Number of employees	2,350	2,064	2,119	2,293	1,896	1,947	<b>1,944</b>
Earn and Learn positions	% of employees in formal Earn and Learn training	–	–	–	7.5%	6.9%	7.4%	<b>7.2%</b>
Apprentices	Number of apprentices	–	35	38	47	51	54	<b>68</b>
Employee engagement	Best companies score %	–	–	61.2%	–	65.0%	–	<b>63.0%</b>
Charitable contributions	Bricks donated to colleges/charities	–	–	83,094	140,000	300,000	311,000	<b>&gt;440,000</b>

1 2024 TIFR figure restated from 52.2 to 31.4 due to calculation incorporating additional data points in 2024.



## Sustainability and Climate Change Reporting continued

# Task Force on Climate-related Financial Disclosures

Ibstock has a long-standing commitment to responsible business delivery, and climate impact is a key part of the Board's strategy discussions. Building on this commitment, we published our ESG 2030 Strategy (the 'Strategy') in 2022.

This focuses on three strategic pillars:

- › Addressing Climate Change
- › Improving Lives
- › Manufacturing Materials for Life

The Strategy includes an ambitious target to reduce our absolute Scope 1 and 2 carbon emissions by 40% by 2030 against a 2019 baseline.

The Strategy was reviewed during 2025 applying outputs from a single materiality review and the Board considers that the ambitions set in this document remain our short-term priorities for managing climate-related risk.

The climate-related financial disclosures made by Ibstock comply with the Task Force on Climate-related Financial Disclosures ('TCFD') recommendations as required by the UKLA Listing Rule 6.6.6R (8); and the requirements of the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

Ibstock disclosures are fully consistent with all 11 of the TCFD disclosure recommendations as set out below:

## Governance

Disclose the organisation's governance around climate-related risks and opportunities. Pages 179 to 180.

- a. Describe the Board's oversight of climate-related risks and opportunities.
- b. Describe management's role in assessing and managing climate-related risks and opportunities.

## Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material. Pages 181 to 187.

- a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.

- b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.
- c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

## Risk management

Disclose how the organisation identifies, assesses and manages climate-related risks. Page 188.

- a. Describe the organisation's processes for identifying and assessing climate-related risks.
- b. Describe the organisation's processes for managing climate-related risks.
- c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.

## Metrics and targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities, where such information is material. Pages 189 to 191.

- a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.
- b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas ('GHG') emissions and the related risks.
- c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

## Task Force on Climate-related Financial Disclosures continued

### 1. Governance

#### a. Describe the Board's oversight of climate-related risks and opportunities.

Ibstock's Board has ultimate oversight of climate-related risks and opportunities. This page shows the full governance structure showing how the consideration of climate-related issues is integrated within governance processes. The Board delegates specific climate-related matters to its Committees and Executive Committee ('ExCo').

#### Board Committees and climate change responsibilities

Responsibilities related to climate change	Examples	Skills and competencies
<p><b>The Board had 10 meetings in 2025</b></p> <p>The Board has ultimate oversight for the long-term strategy, including oversight of climate change-related risks and opportunities and the setting of performance objectives.</p> <ul style="list-style-type: none"> <li>› Considering climate-related issues as a fundamental part when planning Group strategy, approving annual budgets and business plans, making acquisition and divestiture decisions, and overseeing capital expenditure.</li> <li>› Considering climate-related issues as part of the discussions on risk management and its principal risks and uncertainties.</li> <li>› Overseeing progress against our sustainability ambitions, which align to its risk mitigation plans to address climate-related issues.</li> </ul>	<p><b>Role and responsibilities page 70</b></p> <p>When setting the 2026 budget and strategic plan, the Board considered the requirements and sensitivities for mitigating transitional and physical climate change risks.</p> <p>Climate and carbon impact is considered as part of the Board's decision-making.</p>	<p>As per the skills matrix shown on page 56 the Board has sufficient skills and competencies in strategy, sustainability and financial planning.</p>
<p><b>The Sustainability Committee met four times during 2025</b></p> <ul style="list-style-type: none"> <li>› Overseeing, challenging and monitoring the Strategy implementation.</li> <li>› Reviewing performance against key performance indicators ('KPIs') and targets, including carbon reduction.</li> <li>› Overseeing and monitoring of risks and opportunities associated with climate change.</li> <li>› Informing the Board on mechanisms to engage wider stakeholders with regard to sustainability.</li> </ul> <p>Members of the Sustainability Committee inform all other Committees about climate-related issues as key topics are identified or discussed.</p>	<p><b>Role and responsibilities page 81</b></p> <p>At each meeting, the Sustainability Committee considers a horizon scanning report produced by RSM UK Consulting LLP ('RSM'), including emerging climate transition risks.</p> <p>The Committee scrutinised the use of the carbon transition model to support decisions and monitored continued improvements in regular reporting of climate-related metrics.</p>	<p>Chaired by Claire Hawkings, who has extensive experience in sustainability.</p> <p>RSM provides expert technical advice to the Committee.</p> <p>Training for the Sustainability Committee delivered by RSM, including carbon trading and Emissions Trading Schemes ('ETS').</p>
<p><b>The Audit Committee met four times during 2025</b></p> <ul style="list-style-type: none"> <li>› Reviews and makes recommendations on risk management and controls to the Board.</li> <li>› Oversees the internal controls including carbon, and financial statement review of disclosures.</li> </ul>	<p><b>Role and responsibilities page 84</b></p> <p>The Audit Committee received a detailed update on material controls including climate change and carbon.</p> <p>Consideration of climate impact on accounting judgements and disclosures, e.g. impairment and useful economic lives of assets.</p>	<p>The Audit Committee has sufficient skills and competencies in audit, controls and strategy. Board skills matrix on page 56.</p>
<p><b>The Remuneration Committee met four times during 2025</b></p> <ul style="list-style-type: none"> <li>› Aligns LTIP performance to sustainability-related KPIs.</li> </ul>	<p><b>Role and responsibilities page 91</b></p> <p>In setting the LTIP performance targets and underpin, the Remuneration Committee considers the alignment to the Strategy.</p>	<p>The Remuneration Committee has sufficient skills and competencies in Executive remuneration and sustainability. Board skills matrix on page 56.</p>
<p><b>The Executive Committee ('ExCo') met nine times in 2025</b></p> <ul style="list-style-type: none"> <li>› Implements and delivers the Strategy.</li> </ul>	<p><b>Role and responsibilities page 61</b></p> <p>During day to day strategic and operational decisions, the ExCo considers the alignment to the Strategy.</p>	<p>The ExCo has sufficient strategic, operational and management experience to implement and execute the carbon transition for Ibstock.</p>

## Task Force on Climate-related Financial Disclosures continued

### 1. Governance continued

#### Governance of carbon reduction

Our progress on the development of our Carbon Transition Plan is detailed on page 43 and 44. The Sustainability Committee monitors and oversees the progress against the goals and targets for addressing climate-related issues at each meeting by reviewing the Sustainability KPIs which include carbon reduction.

The Committee considers, challenges and recommends changes to the development of the Carbon Transition Plan to the Board for its approval. The Board has oversight of the execution of carbon reduction, including approval of climate-related targets and development of the Carbon Transition Plan.

#### b. Describe management’s role in assessing and managing climate-related risks and opportunities

The CEO is responsible for assessing and managing climate-related risks and opportunities and is supported by the ExCo to implement the Strategy. The Managing Director – Clay and Concrete is the Executive-level sponsor for Addressing Climate Change and the Director – Innovation and Growth is the Executive-level sponsor for Manufacturing Materials for Life. The sustainability update is on page 39. The ExCo is supported by a dedicated Sustainability team, with subject matter experts to support other business units, led by Nick Giles, Group Company Secretary and Compliance Officer. The Sustainability team supports the upskilling of other roles and departments, recognising that all employees have a part to play in the implementation of sustainability. For example, the Sustainability team supports Factory Managers with understanding the carbon emissions from the factory and opportunities to improve carbon reduction. Previously assessing and managing risk was governed through the Net Zero Working Group but this is now run through existing team structures including operational, innovation and technical teams. The reporting structure for management is detailed below. The cross-functional TCFD Working Group, which includes members from the Sustainability, SHEQ and Finance teams, defines the approach for identifying and assessing climate-related risks. This defined the risk gradings, detailed on pages 181 to 183, to assess the impact of climate-related risks and opportunities. Please see page 48 for the Group’s risk management process. The ExCo owns material climate-related risks and opportunities to ensure there is clear ownership for mitigations. The Sustainability team provides monthly updates to the ExCo, and quarterly updates to the Sustainability Committee.

#### Site energy monitoring, targets and champions

In 2025, all of Ibstock’s operational sites maintained ISO 50001 for energy management (with exception of Coltman and Atlas, which will be accredited in 2026) and legal compliance with ESOS. Sites are using the energy management system to continuously monitor and reduce energy consumption, improving their operational efficiency and reducing their carbon impact.

The Energy Manager works across the Group to help the teams identify and quantify operational efficiency with the site technical managers to initiate changes to optimise processes. All sites using the system have access to half hourly electricity data, energy action plans, targets and an energy champion.

#### Management of workstreams assessing or managing climate-related risks

Team/working group	Area of responsibility	Group lead	2025 example of progress
Sustainability team	<ul style="list-style-type: none"> <li>➤ Owns the evolution of the carbon reduction model and support to wider teams on integrating actions into business as usual.</li> <li>➤ Owns data processing of carbon.</li> </ul>	Head of ESG	Improved data quality and controls – see pages 39 to 46.
Operations team	<ul style="list-style-type: none"> <li>➤ Implements energy action plans and carbon reduction projects to achieve targets.</li> </ul>	Operations Director	Replacement of diesel pump with electric pump at Leicester quarry – see page 42.
Innovation team	<ul style="list-style-type: none"> <li>➤ Develops new and evolves existing products with lower carbon impacts to meet customer need.</li> </ul>	Head of Innovation	Continued roll out of lower carbon cements across the concrete product ranges
Technical team	<ul style="list-style-type: none"> <li>➤ Alternative fuels project development and research.</li> <li>➤ Ceramics and cement technology advancement projects.</li> </ul>	Technical Director	On-site Green Hydrogen project shortlisted in Government Hydrogen Allocation Round 2 – see page 42.
TCFD Working Group	<ul style="list-style-type: none"> <li>➤ Identifies, assesses and manages climate-related risks and opportunities.</li> <li>➤ Informs and updates functions of the site climate risks.</li> </ul>	Group Financial Controller <sup>1</sup>	Risks and opportunities reviewed and updated.

<sup>1</sup> The Group Financial Controller took on the role of Interim Chief Financial Officer as of October 2025.

## Task Force on Climate-related Financial Disclosures continued

### 2. Strategy

#### a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term

Material risks and opportunities are evaluated by considering their potential impact, financial or reputational, together with their likelihood as part of enterprise risk management process. Please see page 48 for further details of the risk assessment process.

Our time horizon and impact definitions are shown below, detailing how these align to the organisation. The scenario analysis supports our decision-making processes on strategy, capital allocation and costs in the short-term horizon. Beyond this time period as would be expected, the scenario analysis has less reliable internal and external data with less certainty around the impact of climate-related risks and opportunities, as this is greatly impacted by external factors and dependencies such as the pace and effectiveness of the transition to a lower-carbon economy – see pages 43 to 44.

#### Time horizons considered in climate risk assessment

Short term – to 2030	Medium term – 2031 to 2040	Long term – 2041 to 2050
Aligns to ESG 2030 Strategy	Aligns to medium- to long-term strategy decisions, and achieving net zero Scope 1 and 2	Aligns to longer-term climate reduction targets

#### Impact on Adjusted EBITDA over time

Low	Medium	High
<5%	5% – 15%	>15%

The thresholds for quantifying risks based against our strategic and long-term financial forecasts and align to the risk management processes.

#### Our climate risks and opportunities

The following material risks have been identified through considering the impact across the business value chain. All product types, business functions, customer segments and suppliers have been included in the assessment. Our operations experience similar climate risks and opportunities. We have referenced where risks are specific to one division or sector. Where climate-related financial risks are material, if unmitigated, these have the potential to impact Group Adjusted EBITDA by over 5%.

#### Climate risks

Climate-related financial risk	Description	Impact grading	Scenario with greatest impact	Link to metrics and targets	Expected financial impact
CCR1: Increased prices of carbon credits or reductions or removal in the number of 'free' allowances. <i>Transition, policy and legal</i>	<ul style="list-style-type: none"> <li>Since our Clay operations are part of the UK Emissions Trading Scheme ('UK ETS'), the rising costs of carbon credits and the reduction in 'free' allowances are likely to increase costs if internal carbon reduction initiatives are unsuccessful.</li> </ul>	High	<2°C Medium and long term	Carbon emissions Internal carbon price	Increased costs of carbon credits if carbon reduction initiatives are unsuccessful for our Clay division and the price of carbon credits increases. The allowances for UK ETS are aligned to a net zero consistent cap from 2026.
CCR2: The availability of, and ability to transfer to, new energy technologies due to a lack of or failed investments. <i>Transition, technology</i>	<ul style="list-style-type: none"> <li>Reliant on unproven technology to transition to net zero, e.g. carbon capture and storage.</li> <li>Transitioning to new energy technologies may require significant investment and skills and experience not available.</li> <li>Government support will be required to make the transition across the estate commercially viable, e.g. hydrogen gas pipelines.</li> </ul>	High	>4.3°C Medium and long term	Planned for 2026	<p>Increased capital costs to transition to new energy technologies including alternative fuels and carbon capture.</p> <p>Increased research and developments ('R&amp;D') costs to position business to respond to changes in technology.</p> <p>Increased carbon costs if transition is slowed.</p>

## Task Force on Climate-related Financial Disclosures continued

### 2. Strategy continued

#### Our climate risks and opportunities continued

##### Climate risks continued

Climate-related financial risk	Description	Impact grading	Scenario with greatest impact	Link to metrics and targets	Expected financial impact
CCR3: Transition to new building technologies and approaches redefining the type and nature of materials required. <i>Transition, market</i>	<ul style="list-style-type: none"> <li>➤ Customers switching to alternative products with lower embodied carbon due to regulations or carbon reduction targets.</li> <li>➤ Changes in revenue mix from traditional brick and concrete product lines to products used within Modern Methods of Construction ('MMC').</li> <li>➤ Changes to supply chain may result in scarcity of certain raw materials, e.g. body fuels.</li> </ul>	High	>4.3°C Short, medium and long term	Carbon emissions  New product development  Climate-related opportunities	Increased R&D costs for new products.  Demand changes lead to reduced revenue.  Increased operational costs to use more recycled content or other methods to reduce embodied carbon.
CCR8: New or changing legislation and regulation that will directly or indirectly impact our business. <i>Transition, market</i>	<ul style="list-style-type: none"> <li>➤ Increased regulation for reducing energy usage from fossil fuels.</li> <li>➤ Customers switching to alternative products with lower embodied carbon due to regulation.</li> </ul>	Medium	>4.3°C Short, medium and long term	Carbon emissions  New product development  Climate-related opportunities	Reduced demand from key customer groups (e.g. house builders or building merchants) due to policy changes.  Increased costs from suppliers as they comply with regulation to reduce energy usage and carbon emissions.
CCR5: Extreme variability in weather patterns such as storms, cyclones, and floods and changes in precipitation patterns. <i>Physical, acute</i>	<ul style="list-style-type: none"> <li>➤ Disruption to operations through damage and/or flooding at factories.</li> <li>➤ Disruption to supply chain and customer projects as operations or transportation are impacted by acute physical risks.</li> <li>➤ Changes in precipitation impact water content of raw materials, e.g. clay requires more energy to extract and handle in dry conditions and impossible to extract in drought conditions.</li> </ul>	Low	>4.3°C Long term	Physical climate risks	Reduced revenue from decreased production capacity.  Increased operating costs (e.g. purchasing required for climate mitigation).  Increased capital for mitigation measures and/or repair costs (e.g. damage to infrastructure).  Business disruption in supply chains leading to loss of revenue.  Increase in insurance premiums.

Other risks considered to not be material risks include:

- Increased cost of sustainable energy (e.g. green electricity) or reduced availability as demand increases.
- Rising mean temperatures.
- Rising sea levels.
- Water scarcity affecting operations or those of the supply chain.
- Impact of changing attitudes of investors and financial stakeholders.

We will continue to monitor the risks through the TCFD Working Group and Sustainability Committee.

## Task Force on Climate-related Financial Disclosures continued

### 2. Strategy continued

#### Our climate risks and opportunities continued

##### Climate-related opportunities

Climate-related financial opportunity	Description	Impact grading	Scenario with greatest impact	Link to metrics and targets	Expected financial impact
TR1: Production of more sustainable products. <i>Transition, market</i>	<ul style="list-style-type: none"> <li>We are developing new products for the market with lower carbon impact as well as evolving our existing products for further carbon reduction.</li> </ul>	High	<2°C Medium term	New product development	Increased sales driven by new product development.
TR2: Changes in customers' preferences and building practices resulting in new and emerging products and solutions. <i>Transition, market</i>	<ul style="list-style-type: none"> <li>Changes in the building approaches or preferences of customers could lead to new markets for building products.</li> <li>The opportunity is managed through close relationships with our customers, Government and industry bodies, e.g. Future Homes Hub.</li> </ul>	High	<2°C Medium and long term	New product development	Increased sales driven by new product development.

#### b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning

In 2025, Ibstock has made progress against the ESG 2030 Strategy, which includes:

- Further development of our carbon modelling tool to enable informed decisions in our carbon reduction investment.
- Evolved our Carbon Transition Plan as we develop our Net Zero Transition Plan in line with Transition Plan Taskforce guidelines, see page 43.
- Short to medium term, the investment to achieve our carbon reduction is embedded in our financial forecast to align with our carbon reduction target for 2030.
- Successfully rolled out cement reduction initiatives across a wide range of products exceeding our target to hit 20% sales revenue from new and sustainable products by 2030.
- Utilised life cycle analysis capability to both inform our new product development ('NPD') decision-making and to launch environmental product declarations ('EPDs') to our customers on key products.

Operations were minimally impacted by localised flooding events that stopped production for less than a week combined. Processes and emergency response plans are in place to reduce the risk and impact of floods/storm and alert the business to severe weather events using our communications channels and our tiered meetings structure. Our data centre providers experienced incidents of overheating and were required to bring in additional cooling capacity impacting services for a number of days. Steps have been taken to mitigate the risk of overheating impacting service in the future.

We have considered the potential impact of identified climate change risks and opportunities through our indicators of impairment reviews and also in the assessment of useful economic lives of assets. There are a series of sites deemed to be vulnerable to physical risk of variability of precipitation in the long term (2040 to 2050). Management expects any changes required due to climate change will be covered through maintenance and refurbishment spend as well as strategic estate management phased over multiple years. Therefore, the related cash outflow would not be material in any given year. With no mitigations in place, management expects the carbon costs will increase in the future but would impact the whole industry. We would expect any carbon-related costs to increase the sales price and there would be no material impact in the forecast cash flows. See the Metrics and Targets on pages 189 to 191 for the investment in the low-carbon transition and the impairment and PPE notes for further information.

An internal carbon price was developed in 2023 and is included in decision-making, including capex projects and NPD. The carbon price is a shadow price based on the UK ETS carbon price, as our Clay factories are covered by the regime. However, we will take an average for the year due to short-term variability in the market price. The internal carbon price covers all the business over Scope 1 and 2 emissions.



## Task Force on Climate-related Financial Disclosures continued

### 2. Strategy continued

#### b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning continued

The internal carbon price was used in the following processes:

- › Position management for the valuation of assets to inform replacement and maintenance schedules.
- › Investment decisions, including new capital expenditure to assess carbon savings.
- › Impact of new product development for reduced embodied carbon.

Capital expenditure and new product development processes currently assess the impact of carbon emissions savings and apply the internal carbon price.

The UK ETS carbon price is expected to increase over time with proposed alignment with EU trading scheme and this trend is reflected in the Company's scenario analysis. In 2025, the average carbon price under UK ETS was £41.84.

#### Carbon transition planning

Ibstock's carbon transition is informed by a detailed profile of carbon reduction projects and actions in the short, medium and long term with financially quantified impacts. This enables modelling around investment decisions to incorporate carbon impacts and opportunities.

The carbon transition and targets set by Ibstock support a <2°C pathway and is aligned to industry transition pathways.

#### c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

##### Ibstock's approach to scenario analysis

Scenario analysis is a process for identifying and assessing the potential impact of a range of climate scenarios. This is not designed to deliver precise outcomes or forecasts but has been used by our teams to assess strategic resilience and support business planning decisions.

Our scenario analysis is integrated into our strategic planning cycle, including financial forecasts, and covers our operational footprint. We have considered two contrasting climate scenarios to provide a contrasting perspective – one below 2°C scenario and a failed transition. This is consistent with the scenario analysis approach within our sector.

We have a detailed strategic plan to 2030 that has been used within the scenario analysis. The full scenario analysis extends to 2050; however, the data available for this timeframe is less sophisticated.

The scenario analysis draws on both internal and external data sources where appropriate. The current year scenario analysis uses the following external data sources: Bank of England Climate Biennial Exploratory Scenario ('CBES') data points; Met Office projections for precipitation; temperature; and water scarcity along with externally commissioned site flood analysis.

### CASE STUDY

#### Improving data quality and controls

Recognising the need to mature the data quality and controls of our material non-financial data, including gas and electricity, we have made improvements to the transparency, traceability and reliability of meter read data across our estate by introducing a new software application. The application enables our sites to enter meter read data together with photographic evidence directly into a central system either from their PC/laptop or phone. The application includes data controls to ensure the data entered is accurate before it is then exported into reports, which can be used for various use cases including into our ERP system and carbon data reports.

**Task Force on Climate-related Financial Disclosures** continued**2. Strategy** continued**c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario** continued**Approach to scenario analysis**

Climate scenario	Below 2°C	Above 4.3°C
Data sets considered	IPCC RCP 2.6	RPCC RCP 8.5
Description of scenario	Limits global warming to below 2°C Increased transition risks depending on pathway to meet emission reduction target Projected carbon price in 2040: USD650	High emission scenario where warming may exceed 4°C Lower transition risks as there is no further action on climate change Projected carbon price in 2040: USD650
Assumptions that apply to all scenarios	Current market share is consistent with performance today The location of factories and quarries is consistent with today's footprint Acceleration of the removal of carbon credits within UK ETS for the clay operations Capital and research and development investments increase in both climate scenarios	
Data sets used	IPCC 2021 Climate Biennial Exploratory Scenario for transition risks UK CP18 Met Office projection for physical risks Flood risk analysis on Ibstock sites	

**Scenario analysis results**

The tables that follow show the results of our scenario analysis and the strategic response. The financial impact represents the expected impact to Adjusted EBITDA\* and cost impact. The output is aligned to the risk thresholds on page 181. Overall, the results of the scenario analysis indicate the unmitigated physical and transition risks and opportunities will have an impact on the business strategy; however, as our business strategy includes mitigating factors to these risks, Ibstock remains resilient to the assessed risks.

The highest-impact risks overall are the risk of increased prices of carbon credits or reductions or removal in the number of 'free' allowances, the cost and/or failure of new technologies to support decarbonisation, the transition to new building technologies and the type and nature of materials required along with new or changing legislation and regulation that will directly or indirectly impact our business. In 2026, we will be reviewing our external climate disclosures and making any changes and amendments as appropriate or required.



## Task Force on Climate-related Financial Disclosures continued

### 2. Strategy continued

#### Scenario analysis results continued

##### Below 2°C scenario

Risks/opportunities with greatest impact in scenario	How the risk is modelled
<ul style="list-style-type: none"> <li>› Increased prices of carbon credits or reduction of free allowances over time.</li> <li>› Availability of, and ability to, transfer to new energy technologies.</li> <li>› Development of new sustainable products and services to satisfy customer demand.</li> <li>› Willingness to pay for low-carbon solutions. Change in customer preferences and building practices resulting in new and emerging markets developing.</li> </ul>	<p>The carbon price is projected to increase yearly with the accelerated removal of free allowances, principally impacting the Clay division, which operates within UK ETS. We have used data from the Bank of England's projected shadow price, and an accelerated removal of free allowances.</p> <p>We have assumed research and development costs will increase, and there is also an increased risk of impairment of assets.</p> <p>We have assumed there will be an increase in sales volume for clay and concrete as a result of increased demand for new and sustainable products, including Futures, to grow sales until 2050.</p> <p><b>Impact from scenario analysis</b></p> <p>In the short to medium term, unmitigated transition, policy, legal and market risks present the greatest risk to financial performance. The highest impact risks are:</p> <ul style="list-style-type: none"> <li>› Increased prices of carbon credits or reduction in free allowances: Our scenario assumes carbon-free allowances reduce by 50% from today's level by 2030 and are reduced in an accelerated basis post-2030 with additional increases of costs in line with climate pathways outlined by the Bank of England's early action pathway.</li> <li>› Development of new sustainable products and services to satisfy customer demand. The scenario assumes a 20% sales volume increase from 2023 to 2050.</li> </ul>
	<p><b>Strategic response</b></p> <p>The carbon reduction tool is a quantified model, including the capital and financial cost along with the expected carbon reduction from planned projects and potential initiatives. Delivering projects, contributing to our carbon targets, will reduce the risk exposure to carbon prices and the reduction/removal of UK ETS allowances.</p> <p>We are exploring commercial terms with strategic suppliers and partners to develop alternative fuels, including synthetic gas and hydrogen, as a lower-carbon alternative to natural gas.</p> <p>Developing products with increased recycled content contributes to circularity and reduces carbon emissions.</p>



## Task Force on Climate-related Financial Disclosures continued

### 2. Strategy continued

#### Scenario analysis results continued

##### Above 4.3°C scenario

Risks/opportunities with greatest impact in scenario	How the risk is modelled
<ul style="list-style-type: none"> <li>› Increased prices of carbon credits or reduction of free allowances over time.</li> <li>› Availability of, and ability to, transfer to new energy technologies.</li> <li>› Increased severity of precipitation patterns and extreme variability in weather.</li> <li>› Redefining the type and nature of materials required.</li> <li>› New or changing legislation and regulation that will directly or indirectly impact our business.</li> </ul>	<p>The carbon price is projected to increase yearly with the accelerated removal of free allowances, principally impacting the Clay division, which operates within UK ETS. We have used data from the Bank of England projected shadow price, and an accelerated removal of free allowances.</p> <p>We have assumed a decrease in sales volume and no increased move to new energy technologies or low embodied carbon bricks. We have modelled disruption in production at production facilities that we have assessed as having an increased risk identified through UK CP18 projections. We have modelled an increased risk production disruption in the long-term period between 2040 and 2050.</p> <hr/> <p><b>Impact from scenario analysis</b></p> <p>In the short term, transitional policy and legal risks impact financial performance:</p> <ul style="list-style-type: none"> <li>› Increased prices of carbon credits or reduction in free allowances: Our scenario assumes carbon-free allowances reduce by 50% from today's level by 2030 and are fully removed from 2030 with additional increases of costs in line with climate pathways outlined by the Bank of England early action pathway.</li> </ul> <p>In the medium to long term, transitional market and physical risks present a risk to financial performance. The highest impact risks are:</p> <ul style="list-style-type: none"> <li>› Transition to new building technologies and approaches to redefining the type and nature of materials required and also new or changing legislation and regulation directly or indirectly impacting our business. These combined scenarios assumes a 30% decrease in sales volume from 2024 to 2030 with a further 10% decline to 2050.</li> <li>› Increased severity of precipitation patterns and extreme variability in weather. Our scenario assumes a one to two-month lost production for red and amber surface and river flood risk factories.</li> </ul> <hr/> <p><b>Strategic response</b></p> <ul style="list-style-type: none"> <li>› Implementation of carbon reduction initiatives to reduce impact of carbon credit allowance reductions and mitigate the impact of higher carbon prices.</li> <li>› Diversification to new building products and services and maintaining new and more sustainable product development at or above NPD KPI of 20% to position the business to adapt to changing market preferences and regulation.</li> <li>› All factories have an emergency response plan. Our business continuity plan considers processes in light of business disruption that can be applied during a climate event.</li> <li>› Hot weather Personal Protective Equipment ('PPE') is available to sites during the summer to improve working conditions in periods of extreme heat.</li> <li>› Implementing a feedback process for improvements and mitigation actions following climate impacts. For example, in 2025 (following flooding at sites in autumn 2024), we issued early notifications and reminders for drainage clearance on site in late summer.</li> </ul>



## Task Force on Climate-related Financial Disclosures continued

### 3. Risk management

#### a. Describe the organisation's process for identifying and assessing climate-related risks

Climate change is a principal risk to Ibstock and is integrated into the enterprise risk management processes. Climate change is therefore assessed and managed in line with Ibstock's risk management framework, as detailed under the governance pillar and on page 48.

However, we recognise that climate change risks and opportunities are complex and can crystallise over a longer time period than typically considered in our enterprise risk management processes. Therefore, we have a specialist climate-related risk assessment process that provides the framework for identifying material climate-related risks and opportunities, ensuring that climate-risk considerations are reviewed appropriately, and the outputs and considerations are fed into the broader risk management processes of the Group. This involves a working group of subject matter experts, advisers, and representatives from around the business.

The process to identify and assess climate-related risks includes:

1. A long list of climate-related risks and opportunities and consideration of horizon-scanning reports for legislation and policy risk across all revenue streams.
2. Climate-resilience assessments at each factory to support physical climate risk assessment.
3. Impact on stakeholders, including investors and employees, is considered.
4. Expected financial impact and areas of value chain impacted by the risk is documented.
5. Impact from scenario analysis, or qualitative review of potential impact where data is not available (e.g. reputational risks).

The climate-related risks and opportunities are assessed for impact and likelihood and shown on heat maps after considering mitigations. The most material risks are shown on pages 181 to 182.

Following the completion of the risk management review, each risk is considered relative to its residual rating having taken into account all existing controls.

#### b. Describe the organisation's processes for managing climate-related risks

The climate change risks are graded as low, medium and high risk. Principal risks have at least one ExCo member assigned as the risk owner. The working groups on page 180 also have responsibilities to manage climate risk.

With recognition of the nature of our industry, Ibstock has set a low to medium risk tolerance and has a robust process to identify any changes to the risk landscape, agreeing proportionate further mitigating actions where appropriate. As documented on page 48, Ibstock has a three lines of defence structure to the internal controls. This extends to climate change risk. The first line of defence is operated by management and covers the day to day risk management activities of implementing and executing internal controls. This extends to a risk register for factories, including carbon reduction and resilience to climate change risk.

The second line (health and safety, quality control and other central functions) works alongside the risk owners to support the design and implementation of the controls framework, whilst the independent third line is operated by our outsourced Internal Audit provider, RSM.

#### c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management

As noted above, the climate change risks are integrated into the enterprise risk management processes, with climate change being a principal risk. In addition, a climate risk assessment takes place to ensure all climate risks and opportunities are captured through the process. Climate change is considered as part of the operational risk registers at the half and full year. The results are reviewed and mapped to the principal risk register. The ExCo considers the risk register ahead of review by the Audit Committee and the Board.

Ibstock applies the same risk thresholds and risk appetite for climate change-related risks.

## Task Force on Climate-related Financial Disclosures continued

### 4. Metrics and targets

#### a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process

The table below shows the metrics used to monitor climate risks and opportunities. The metrics cover both transition and physical risks, as illustrated through the aligned risks. We recognise that our carbon reduction journey may not always be linear and that investments may take some time and resource to fully embed within our manufacturing processes. We consider ourselves to be on track to deliver our sustainability targets.

In determining the metrics, Istock has considered the all sector- and industry-specific guidance. As a business that uses a large amount of energy, carbon reduction is a key metric and KPI of the business.

Category	Metric and target	Linked climate risk or opportunity	Explanation of movement
GHG emissions	40% reduction in Scope 1 and 2 carbon by 2030 based on 2019 benchmark.  Net zero carbon emissions by 2040 (Scope 1 and 2).  Less than 10% of the target reduction is delivered through offsetting with carbon credits.	Increased prices of carbon credits or reductions in the number of 'free' allowances.	Scope 1 and 2 carbon emissions reduced by 41% during 2025 versus the 2019 baseline. This was driven by the reduction of carbon used during our production processes as well as decreased production volumes during 2025. Of the 41% reduction, 25% is permanent carbon reduction on 2019 baseline 16% is temporary production volume decrease which we forecast to reverse by 2030.
GHG emissions	Carbon intensity – Intensity (tCO <sub>2</sub> e) per tonne of production (Scope 1 and 2).	Increased prices of carbon credits or reductions in the number of 'free' allowances.	The carbon intensity metric for 2025 was 0.138 tonnes of carbon per tonne of production, a year on year improvement but below targeted level due to the estate running at a lower efficiency as the market remains slow. We expect the full impact of energy and carbon investments to benefit factories when they return to optimal capacity.
GHG emissions	Scope 3 carbon emissions net zero before 2050.	Development of new sustainable products and services to satisfy customer demand.  Willingness to pay for low carbon solutions.  Change in customer preferences and building practices resulting in new and emerging markets developing.	The majority of Scope 3 categories applicable to Istock are calculated using spend-based data. In 2025, we began moving our high-impact products, like cement, to more accurate activity based reporting using product-specific EPDs. As a result, we saw Scope 3 carbon (purchased goods and services) increase significantly due to these data accuracy improvements.
Physical climate risks <sup>1</sup>	Number of sites vulnerable to physical risks.	Changes in precipitation patterns and extreme variability in weather patterns.	Greater granularity in our scenario analysis on physical risk showed that none of our sites are at physical risk in the short to medium term in the below 2°C scenario.
Climate-related opportunities	Proportion of revenue, assets or other business activities aligned with climate-related opportunities.  20% of revenue from new and sustainable products by 2030.	Production of more sustainable products.	During 2025, 25% of revenue came from new and sustainable products. This increase comes in part from the lower-carbon bricks produced at our new Atlas factory.
Capital deployment	Amount of capital expenditure and investment deployed towards climate-related risks and opportunities.	Production of more sustainable products.  Changes in precipitation patterns and extreme variability in weather patterns.	Expenditure is in investment in R&D for low-carbon products and services.  Investment in climate resilience.  This has not been quantified in 2025. We will explore this further in 2026.

<sup>1</sup> Following a review of Istock's transitional risks, we have concluded that a metric and target around site level transitional risk is inappropriate as these risks will be managed, mitigated and governed at a Group level.

## Task Force on Climate-related Financial Disclosures continued

### 4. Metrics and targets continued

#### a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process continued

Category	Metric and target	Linked climate risk or opportunity	Explanation of movement
Internal carbon price	Price of each tonne of GHG emission used internally.	Increased prices of carbon credits or reductions in the number of 'free' allowances.	The internal carbon price is aligned to UK ETS price as clay operations are in the UK ETS scheme. During 2025, we used the internal carbon price of £41.84.
Waste management	Zero general waste to landfill	Supports the success of our carbon reduction targets and aligns to circularity principles.	General waste to landfill decreased again in 2025 with just 2.1% of general waste going to landfill due to improvements in waste providers material management.
Water usage	No current target Metric measured is % reduction in mains water use against 2019 baseline	Supports the success of our carbon reduction targets and reduces water stress.	18% reduction in mains water use from 2019 baseline, an increase from 2024 due to longer dry spells and increased production.
Remuneration	20% of the 2023 and 2024 LTIP is assessed on sustainability factors: <ul style="list-style-type: none"> <li>➤ Carbon emission reduction/Carbon per brick</li> <li>➤ % female leadership/% Earn and Learn</li> <li>➤ % sales from new and sustainable products</li> </ul>	Drives the leadership behaviours to support the success of the Carbon Transition Plan, including development of lower-carbon products to meet customer demand.	The outcomes of the 2023 LTIP scheme are described on page 104. From 2025, performance shares were replaced by restrictive shares where sustainability strategy progress forms part of the LTIP qualitative underpin.

#### b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ('GHG') emissions and the related risks

We have verification of over 90% of our Scope 1 and 2 emissions by Lucideon CICS. Lucideon CICS is accredited to ISO 14065 by the United Kingdom Accreditation Service ('UKAS') to provide independent third-party verification and verify our emissions as part of compliance with UK ETS to ISO 14064-3.

Scope 1 and 2 emissions are included in the SECR disclosure on page 174. Scope 3 emissions are on page 175.

The related risks around achieving carbon reduction for the scope of emission:

Scope 1	Scope 2	Scope 3
Failure to transition away from natural gas in manufacturing processes. Ibstock is investing in trialling syngas and hydrogen. Please see page 43 for progress with our carbon transition planning.	Failure to reduce energy consumption leading to increased energy costs. Please see page 43 for the progress with our carbon transition planning.	Failure of our supply chain to reduce carbon in line with our own ambitions to meet customer need and longer-term climate reduction targets.



## Task Force on Climate-related Financial Disclosures continued

### 4. Metrics and targets continued

#### c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

The Sustainability team prepares a sustainability data dashboard including the following metrics:

- › Carbon emissions.
- › Water usage.
- › New product development.

This is reviewed by the ExCo and the Committee four times a year. The Sustainability team provides an overview of progress towards the targets, including any challenges or risks.

The carbon targets were recommended by the ExCo and approved by the Sustainability Committee as part of the ESG 2030 Strategy launched in 2022. The targets were aspirational and leading within our sector. Our carbon transition planning provides an analysis to demonstrate the 2030 target remains achievable.

Please see page 43 for the summary and progress of our carbon transition planning.

#### Performance against our 2025 priorities

A summary of our performance relative to our climate change priorities for the 2025 financial year have been set out below:

- › We continued to develop our carbon transition model through 2025 and will publish a plan aligned with the Transition Plan Taskforce in 2026.
- › Validating our carbon reduction targets through SBTi remains challenging for the ceramics sector without a sector-specific pathway.
- › Commenced analysis of the potential for climate-related product opportunities.
- › Mapping our nature-related risks and opportunities in 2025 was not progressed and will be moved to a 2026 priority.

#### Priorities for 2026

We believe that we have complied with the requirements of TCFD and are starting to adopt climate change into business decision-making. We recognise that there are always improvements to make. Therefore, the 2026 priorities include:

- › Perform a new climate scenario analysis in 2026, as per TCFD recommendations for this to be completed every three years.
- › Establish a metric for engagement/collaboration on new and developing technologies to ensure industry and Government understand the interdependencies of our sector.
- › Review short-term physical risk mitigation for our sites in response to scenario analysis findings.
- › Continue to move our reporting towards alignment with IFRS S1 and S2 standards.
- › Engage SBTi to work with the ceramics sector on developing routes to achieving target validation.
- › Map our nature-related risks and opportunities in 2026 to align with the Taskforce on Nature-related Financial Disclosure framework.



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### Website

[www.ibstock.co.uk](http://www.ibstock.co.uk)

### Analysis of shareholders – 31 December 2025

2024	Number of holdings	%	Balance as at 31 December 2025	%
1 – 1,000	609	50.75	<b>229,219</b>	0.06
1,001 – 5,000	201	16.75	<b>548,616</b>	0.13
5,001 – 10,000	79	6.58	<b>583,395</b>	0.14
10,001 – 50,000	119	9.92	<b>2,657,732</b>	0.65
50,001 – highest	192	16.00	<b>405,612,632</b>	98.02
<b>Total</b>	<b>1,200</b>	<b>100</b>	<b>409,631,594</b>	<b>100</b>

Holder type	Number of holdings	%	Balance as at 31 December 2025	%
Individuals	844	70.33	<b>1,805,031</b>	0.44
Nominee and institutional investors	356	29.67	<b>407,826,563</b>	99.56
<b>Total</b>	<b>1,200</b>	<b>100</b>	<b>409,631,594</b>	<b>100</b>



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