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Ibstock Plc

First Quarter Trading Update

Ibstock Plc ("Ibstock" or the "Group"), a leading UK manufacturer of a diverse range of building products and solutions, today issues a trading update for the first quarter of 2024.

Trading Update

Trading conditions in the first quarter remained challenging, with activity levels across residential construction markets remaining subdued during the period. As a result, sales volumes were below our expectations, with weaker end market demand in part reflecting the exceptionally wet weather experienced across the UK during the early months of the year.

Despite weaker volumes, a strong performance across our cost reduction actions, commercial discipline and operational execution enabled the Group to deliver adjusted EBITDA for the period in line with our expectations.

We are encouraged by recent lead indicators which suggest some improvement in future demand, and it will be important to see how this translates into activity during the spring season. We remain focussed on costs and operational performance during this period of market volatility but continue to expect volumes to improve as the year progresses, with our expectations for full year adjusted EBITDA remaining unchanged.

Our major capital projects are on track with commissioning of the new Atlas factory and the first phase of the brick slip systems investment in Nostell progressing well. These projects, together with the significant investment in our core business over recent years, leave the Group well positioned to support the significant unmet demand for new build housing in the UK.

Joe Hudson, CEO of Ibstock PLC, said:

“Trading conditions remained challenging in the first quarter. Against this background, adjusted EBITDA for the period was in line with our expectations, supported by our disciplined action on costs and strong operational execution.

“While we expect market demand to remain subdued in the near term, lead indicators reflect an increase in housing market activity, which offers encouragement for an improvement in volumes in due course.

“Our medium-term prospects remain strong, underpinned by our robust balance sheet, well invested manufacturing network and leading market positions. We have the capability to take advantage of opportunities against the current subdued backdrop, and the business is well placed to achieve strong, profitable growth as our markets recover.”

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About Ibstock Plc

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

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

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

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

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

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

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

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

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

Forward-looking statements

This announcement contains "forward-looking statements". These forward-looking statements include all matters that are not historical facts and include statements regarding the intentions, beliefs or current expectations of the directors. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that are difficult to predict and outside of the Group's ability to control. Forward-looking statements are not guarantees of future performance and the actual results of the Group's operations. Forward-looking statements speak only as of the date of such statements and, except as required by applicable law, the Group undertakes no obligation to update or revise publicly any forward-looking statements.