

18 January 2024

**Marshalls plc  
(‘Marshalls’ or ‘Group’)**

**Full year trading update and notice of results**

The Group's performance in the period since the trading update on 18 October 2023 has been as anticipated and the Board expects adjusted profit before tax for the full year to be in-line with its expectations.

**Trading performance**

Group revenue for the year ended 31 December 2023 was £671 million (2021: £719 million), which represents a year-on-year reduction of seven per cent including the benefit of an additional four months of trading from Marley. On a like-for-like basis, Group revenue contracted by 13 per cent. This performance reflects lower demand from house builders and continued subdued activity in private housing RMI.

Marshalls Landscape Products' revenue was £321 million (2022: £394 million), which represents a reduction of 18 per cent. On a like-for-like basis, after adjusting for the disposal of Marshalls NV in April 2023, revenues contracted by 16 per cent. Marshalls Building Products' revenue was £170 million (2022: £193 million), a reduction of 12 per cent. Marley Roofing Products' revenue was £180 million (May to December 2022: £132 million), which represents a reduction of nine per cent on a like-for-like basis.

**Management actions**

During the year, management took decisive actions to improve agility and right-size the business through reducing capacity and costs. This included the closure or mothballing of factories, a reduction in shifts and capacity in other facilities, and a reorganisation of commercial and support functions. These actions are expected to deliver net annualised savings of around £11 million, which is £2 million higher than previous estimates. In addition, management reviewed and reprioritised capital expenditure plans, executed a programme of surplus land disposals that generated around £7 million, and focused on efficient working capital and cash management to reduce the Group's net debt.

Importantly, management balanced the need to reduce capacity and the cost base in the short-term while retaining the flexibility to increase production when demand recovers. The Group has significant latent capacity across all its businesses to satisfy materially higher demand than current levels.

**Balance sheet and liquidity**

The Group's balance sheet remains robust, with good progress made to reduce leverage, and the Group ended the year with pre-IFRS16 net debt of £173 million (December 2022: £191 million, September 2023: £190 million). The strong cash generation during the year facilitated a £30 million reduction of the Group's term loan to £180 million in early January 2024, ensuring efficient management of borrowings and finance costs. The Group's revolving credit facility of £160 million was undrawn at the year-end, which, together with the reduced term loan, provides the Group with significant liquidity to fund its strategic and operational plans going forward.

**Outlook**

Execution of the Group's strategy is underpinned by our strong market positions, established brands and focused investment plans to drive ongoing operational improvement. Notwithstanding the anticipated short-term challenges, the Board remains confident that the long-term market growth drivers and a focus on executing key strategic initiatives, will underpin a material improvement in profitability when markets recover. The Board is encouraged recently by the more positive inflation trends and the consequent impact on interest rate expectations, which should support progressive improvements in the Group's end markets during 2024.

**Notice of results**

The Group will announce its results for the year ended 31 December 2023 on 18 March 2024, at which time it will provide further guidance on the year ahead.

**Enquiries:**

Martyn Coffey	Chief Executive	Marshalls plc	+44 (0)1422 314777
Matt Pullen	Chief Executive Designate		
Justin Lockwood	Chief Financial Officer		
Tim Rowntree		MHP Communications	+44 (0)20 3128 8540
Charlie Barker			+44 (0)20 3128 8147

Note to the Editor:

About Marshalls plc:

Established in the late 1880s, Marshalls plc is a leading UK manufacturer of products for the built environment. It operates through three trading divisions: Marshalls Landscape Products; Marshalls Building Products; and Marley

Roofing Products. Marshalls Landscape Products is the UK's leading manufacturer of superior natural stone and innovative concrete hard landscaping products, supplying the construction, home improvement and landscape markets. Marshalls Building Products is a supplier of concrete drainage products, concrete bricks, ready-to-use mortars and aggregates. Marley Roofing Products is a leader in the manufacture and supply of pitched roofing systems, including clay and concrete tiles, timber battens, roof integrated solar solutions and roofing accessories.

The Group operates a national network of manufacturing and distribution sites throughout the UK. Marshalls is committed to quality in everything it does, including the achievement of high environmental and ethical standards and continual improvement in health and safety performance. Its strategic goal is to become the UK's leading manufacturer of sustainable solutions for the built environment.

Forward-Looking Statements:

Any statements in this release, to the extent that they are forward-looking, are subject to risk factors associated with, amongst other things, the economic and business circumstances occurring from time to time in the markets in which Marshalls operates. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a wide range of variables, which could cause actual results to differ materially from those currently anticipated. More information about the factors that may affect Marshalls' performance is contained in the Annual Report to shareholders for the year ended 31 December 2022.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact [ms@seg.com](mailto:ms@seg.com) or visit [www.ms.com](http://www.ms.com).

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

TSTBRMRTMTTBBTI