

30 July 2024

(EPIC: SRC / Market: AIM / Sector: Construction Materials)

SIGMAROC PLC
('SigmaRoc', the 'Group' or the 'Company')

Trading update, CFO succession and Polish anti-trust clearance

Strong first half performance underpins confidence in our full year expectations

Notice of Results, Analyst Briefing & Investor Presentation

SigmaRoc, the Northern European lime and limestone Group, is pleased to provide the following trading update for the six months ended 30 June 2024 ('H1' or the 'Period') reflecting a performance ahead of expectations¹.

Highlights

- H1 revenues £469m (H1 2023: £290m), up 62% YoY, reflecting the contribution from CRH acquisitions;
- Underlying EBITDA of £100m (H1 2023: £55m), up 82% YoY and ahead of budget;
- Underlying EBITDA margin improved to 21.3%, up 240bps YoY (H1 2023: 19.0%), due to effective pricing and cost management;
- Pro-forma² revenue down 8% and underlying EBITDA down 3%, due to softer volumes and lower pass through on top-line;
- Underlying EPS expected to close over 3.1p with pro-forma² underlying EPS over 4.2p, up more than 5% (H1 2023: 4.0p);
- Covenant Leverage expected below 2.6x with pro-forma² leverage under 2.3x; and
- The Board's expectations for the year unchanged.

Notes: ¹ Based on underlying EBITDA; ² Pro-forma calculation includes Deal 2 and Deal 3 for entire Period on an underlying basis.

Update on European lime businesses acquired from CRH

- Acquisition of German, Czech and Irish businesses completed on 4 January 2024 and are now fully integrated ('Deal 1');
- UK lime acquisition completed in March 2024 with integration progressing ahead of schedule ('Deal 2');
- Polish anti-trust clearance delivered post period end with completion expected end of August 2024 ('Deal 3');
- CRH lime businesses performing in line with expectations;
- Synergy programme on track with further detail at the interims.

Markets and trading

Trading evolved in line with trends seen in 2023. The Group's diversified model and end market exposure allowed it to take advantage of certain tailwinds and mitigate the headwinds, delivering trading modestly ahead of budget, along with improved EBITDA margins.

- Industrial Minerals markets (42.3% of H1 2024 Group revenues: H1 2023 30.3%) - Overall performance in line with budget with good volume development. Generally robust sector but demand in the paper and pulp segment was initially impacted by strike action which has now ended. Some early signs of softness in automotive demand may impact steel in the next two to four quarters.
- Environmental and agriculture markets (17.4% of H1 2024 Group revenues: H1 2023 12.5%) - Good volume development in food and water purification segments, while poor weather led to higher than usual wind energy

development in food and water purification segments, while poor weather led to higher than usual wind energy generation and reduced demand from the power generation sector. Some of these trends are expected to continue in the short term.

- Construction markets (40.3% of H1 2024 Group revenues: H1 2023 57.2%) - Infrastructure applications, which represent around 65% of the Group's construction market revenues, saw robust demand in both the UK and Continental Europe. As expected, residential markets remained soft throughout the Period. The Group was effective in re-focusing local market resources to increase infrastructure weighting.

Synergy programme, integration and Poland

The synergy programme targeting EUR30-EUR60m by 2027 is on track, despite not yet including any potential benefits of the Polish perimeter. We will update the market further with the interim results in September.

Integration of businesses acquired to date as part of the CRH acquisitions has gone smoothly. Transitional Service Agreements ('TSA') have been exited for the German, Czech and Irish businesses. Integration of the UK carved-out business is progressing ahead of schedule.

Completion of the Polish acquisition is expected by the end of August 2024, having now received Polish anti-trust clearance ahead of schedule. The Group will aim to integrate the Polish business and exit any TSA arrangements in the same manner as for the other acquired companies.

CFO succession

After nearly eight years with the Group, Garth Palmer has notified the Board of his intention to pursue other interests starting in 2025. Garth will gradually hand over his tasks to Jan Van Beek, Deputy CFO and CFO designate, who will join the Board when Garth steps down. The appropriate AIM disclosures will be provided in due course once all regulatory processes have been completed and, in any event, before Jan is appointed to the Board.

Jan qualified as an accountant with Deloitte and led their international practice in the Netherlands. He subsequently built a distinguished career in senior finance roles within the minerals and chemicals industry based in Europe and the USA. During his time at Shell plc spin-out Hexion Jan was Global Finance Director and subsequently CFO of several divisions, comprising turnover of over USD 4bn and sales in 4 continents.

At Hexion Jan was jointly responsible for investor relations work in relation to USD 3bn NYSE listed bonds, the refinancing of multi-layered debt facilities as well as reporting work up to ultimate owner Apollo Global Management. At the end of his tenure with Hexion, Jan became CFO designate of a USD 2bn spin-out.

Most recently Jan was Head of Finance at ASML, the world leading producer of machines for the semiconductor industry with a market capitalisation of EUR 335bn.

Outlook

Trading conditions in Europe present both head and tailwinds which the Board is actively managing. A rebound in residential construction has not yet materialised given prevailing high interest rates and relatively low new planning applications. Industrial minerals will see areas of outperformance and possible challenges in relation to expected softness in automotive demand. Environmental markets have been consistently strong in the food and agricultural segments, with weather-related pockets of lower demand in power generation.

The Board remains confident in the Group's ability to deliver on the completion and integration of the Polish assets, and to continue to build on SigmaRoc's position as a European leader in lime and limestone.

The Board's current outlook for FY24 remains unchanged and in line with consensus¹.

Note: ¹Consensus expectations for SigmaRoc, being the average of forecasts for the year ending 31 December 2024 provided by Analysts covering the Company, are revenue of £1,060.0m and underlying EBITDA of £219.3m.

Max Vermorken, CEO of SigmaRoc, commented:

"2024 is a year of profound transformation as we complete the three phases of the CRH acquisitions as we build a leading industrial and construction minerals platform with a focus on lime and limestone.

"On a proforma basis the Group sees its earnings per share expand again. Given how busy the teams have been with the integration of several new businesses, a demanding synergy programme, while also navigating mixed market conditions, this is an outstanding result.

"The integration of the Group is progressing smoothly. We thank our new colleagues for the warm welcome we have received as new owners and appreciate the shared enthusiasm for building a unique European minerals platform.

"We are confident the enlarged Group can deliver strongly in the coming years to the benefit of all our stakeholders. Lime is an essential product for life, used in multiple areas of the economy, from construction to industry. It is essential for the green transition, including flue gas cleaning, slaking rivers and lakes, the manufacture and recycling of lithium batteries, and the construction infrastructure behind green energy production."

Chairman, David Barrett, on behalf of the SigmaRoc Board, added:

"We would like to thank Garth Palmer for his dedication to the Group over the last eight years. Without his tenacity, professionalism, rigour and Australian no nonsense approach, this Group would not have been able to deliver what it has to date. We will be sad to see Garth depart and wish him the very best for the future.

"We also congratulate Jan, who joined in May, on his upcoming appointment as CFO of the Group. Jan was selected following a rigorous external search process involving the Group's nominations Committee and its founders. Jan brings a wealth of experience and above all the can-do attitude which this Group so much appreciates in its key team members. We look forward to continuing the journey with Jan.

"We look to the future with optimism as we have again delivered a strong first half despite mixed market conditions."

Notice of Interim Results - Analyst Briefing & Investor Presentation

SigmaRoc will announce its results for the six months ending 30 June 2024 on Monday, 9 September 2024.

Analyst Briefing

SigmaRoc will host an online briefing for analysts on Monday, 9 September 2024 at 08:30 GMT. For more details and to register to attend please email SigmaRoc@walbrookpr.com.

Investor Presentation

SigmaRoc is pleased to announce that its Executive team will provide a live presentation to private investors reviewing the 2024 interim results and prospects via Investor Meet Company on Monday, 9 September at 14.00 GMT.

The presentation is open to all existing and potential shareholders. Questions can be submitted before the event via your Investor Meet Company dashboard up until 9.00am the day before the meeting or at any time during the live presentation. Investors can sign up to Investor Meet Company for free and add to meet SigmaRoc via:

<https://www.investormeetcompany.com/sigmaroc-plc/register-investor>

Investors who already follow SigmaRoc on the Investor Meet Company platform will automatically be invited.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF THE MARKET ABUSE REGULATION (EU) NO. 596/2014 AS IT FORMS PART OF UK LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018, AS AMENDED.

Information on the Company is available on its website, www.sigmaroc.com.

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About SigmaRoc plc:

SigmaRoc is a quoted industrial minerals and construction materials group, focussed on lime and limestone, targeting limestone assets in the UK and Northern Europe.

Lime and limestone are key resources in the transition to a more sustainable economy. New applications for lime and limestone products as part of a drive for sustainability include the production and recycling of lithium batteries, the decarbonisation of construction including through substitution of cementitious material and new building materials, and environmental applications including lake liming, air pollution and direct air capture.

SigmaRoc seeks to create value by purchasing assets in fragmented materials markets and extracting efficiencies through active management and by forming the assets into larger groups. It seeks to de-risk its investments through the selection of projects with strong asset backing.

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