

19 November 2024

Marshalls

('Marshalls' or 'the Group')

CAPITAL MARKETS EVENT

NEW STRATEGY - "TRANSFORM AND GROW" - SET TO DELIVER MARKET OUTPERFORMANCE OVER THE MEDIUM-TERM

Marshalls, a leading manufacturer of sustainable solutions for the built environment, is today hosting a Capital Markets Event.

The management team, led by Matt Pullen, Chief Executive, Justin Lockwood, Chief Financial Officer, and Simon Bourne, Chief Commercial Officer, will set out a new strategic focus along with medium-term financial targets centred on market outperformance.

Transform and Grow

With customers firmly at the centre of its refreshed strategy, Transform and Grow will position the Group's portfolio of businesses towards customers who value its unique set of capabilities: leading brands; best-in-class technical and design support; and reputation for carbon leadership.

The Group's strategy is, in turn, guided by a new purpose and vision for the business.

Building Tomorrow's World reflects the major drivers which will shape the built environment over the years ahead and which Marshalls is strongly positioned to leverage:

- Long-term growth drivers associated with climate change
 - Green urbanisation
 - Low Carbon solutions
 - Water management and drainage
- Nearer term structural and regulatory headwinds
 - Investment in UK housing stock
 - Regulation driving energy transition

Alongside the new Group strategy, each of the Group's business units: the brand powerhouses of Marshalls Landscaping and Marley Roofing; and growth engines of Viridian Solar, Marshalls Water Management and Marshalls Bricks & Masonry, will outline dedicated strategies to deliver market outperformance and sustainable profitable growth.

Medium-term financial targets

The new strategic focus is expected to deliver over the medium term a high-performing business capable of outperforming the wider construction market by between two and four per cent and delivering an operating margin of 15 per cent.

The Group will maintain a disciplined capital allocation policy focused on optimising long-term shareholder value. The strategy is capital-lite with annual capital expenditure of between £20 million and £30 million and a targeted return on capital employed of 15 per cent.

A strong balance sheet will also be a key priority, with a pre-IFRS net debt target range of between 0.5 times and 1.5 times EBITDA.

Matt Pullen, Chief Executive, commented:

"We are excited today to unveil Marshalls' refreshed strategic focus which will deliver a business capable of sustained market outperformance. It is a strategy that builds on the unique set of capabilities that our customers value: our leading brands; best in class technical design and support; and carbon leadership. Our growth will also benefit from the cyclical recovery and near-term structural and regulatory drivers in our end markets."

"Our Transform and Grow strategy has clear potential to drive significant and sustainable long-term shareholder value. This is an exciting time for Marshalls, and we are looking forward to sharing our vision and ambition for the future."

A live webcast of the presentation including Q&A will be held today at 2:00 pm for investors and analysts and will be available via our website at <https://www.marshalls.co.uk/> or on https://brmedia.news/MSLH_CMD_24.

This will be available for playback after the event.

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Notes to editors:

About Marshalls plc:

Established in the late 1880s, Marshalls plc is a leading UK manufacturer of sustainable solutions for the built environment. It operates through three trading divisions: Landscape Products; Roofing Products; and Building Products. At a Group, divisional and brand level, Marshalls' strategy centres around its customers who value its unique set of capabilities, namely leading brands, best in class technical and design support and carbon leadership. This is underpinned by business wide enterprise excellence, leadership in ESG governance and standards and its people, organisation, and culture.

The Group operates a national network of manufacturing and distribution sites. 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 products 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 2023.

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