

21 November 2024

BREEDON GROUP PLC

Resilient performance sustained Full Year Outlook in-line with expectations Capital Markets Event: Evolving Breedon 3.0

Breedon Group plc ("Breedon" or the "Group"), a leading vertically-integrated international construction materials group in Great Britain, Ireland and the United States, provides the following trading update for the ten months to 31 October 2024.

Trading performance

The Group has delivered a resilient performance in the ten months to 31 October 2024 with robust pricing and a focus on operational excellence more than offsetting the impact of a challenging GB market.

When compared to the same period in 2023, revenue for the first ten months increased 7% and for the four months to 31 October increased 11%. On a like-for-like¹ basis revenue decreased 4% in the first ten months and decreased 1% for the four months to 31 October.

We have continued to invest in our assets, providing further opportunities to optimise operational performance. We have generated good free cash flow and are on track to deliver a further reduction in covenant leverage at the year end, providing us with the financial flexibility to continue to invest for growth.

Highlights

- In GB, although market conditions remained challenging overall, performance has improved since the half year and our Irish business has continued to perform well. Both businesses have seen encouraging levels of forward enquiries.
- The integration of BMC is now well advanced; performance in the period under our ownership was robust and ahead of plan with pricing remaining strong.
- During October BMC completed its first transaction under Breedon ownership, acquiring a manufacturer of masonry blocks, retaining wall blocks, pavers, stone, and brick products located in Western Illinois. The business is highly complementary to BMC and generates revenue of c. US 9.0m per annum.
- Our Cement business successfully completed the scheduled kiln shutdown and replacement of the primary crusher at Hope on time and within budget. Kinnegad has maintained its world leading performance with alternative fuel substitution consistently in excess of 80%.
- We made further progress in respect of our sustainability priorities with our carbon reduction targets now validated by SBTi. Further information can be found in the separate announcement released today and on our [website](#).

Outlook

The Group has sustained its resilient performance in the year to date and our expectations for the full year remain unchanged. We continue to expect to deliver full year 2024 underlying EBIT in-line with market consensus².

Enquiry and tendering levels across all three geographies are healthy as we look forward to 2025. With interest rates falling and increased political clarity, the conditions for a housing-led recovery coupled with an ongoing focus on infrastructure investment are in place, most notably in GB. While market risks remain, we expect 2024 should represent the floor in construction materials volumes. In the meantime we will continue to focus on self-help, executing operational and commercial excellence programmes while pursuing opportunities in our healthy M&A pipeline.

Rob Wood, Chief Executive Officer, commented:

"These are exciting times at Breedon. We now operate across three geographies, have built a first-class team, and are on track to deliver a further year of record revenue and operating profit.

"2024 has not been an easy year, particularly in GB where soft market conditions have been compounded by poor weather. But we have again proven the power of our vertical model, whatever the economic, political or environmental backdrop happens to be.

"Although we have immense faith in our people, our assets and our model, we are always striving to improve. At our Capital Markets Event today, we are announcing an evolution of our growth strategy, clarifying our priorities and refreshing our medium-term targets.

"Since our last Capital Markets Event in 2021 we have made significant progress. Looking forward we see further opportunities for growth and we look forward to sharing those plans with you today."

CAPITAL MARKETS EVENT - Evolving Breedon 3.0

Breedon will host a capital markets event for institutional investors and analysts at the London Stock Exchange from 10:00am to 12.00pm today, followed by an informal lunch, with registration open from 9:30am. The event will include presentations from Breedon's senior leadership team addressing the Group's growth strategy, sustainability, approach to M&A, US market opportunity and capital allocation.

No further information on current trading will be provided today. Presentation materials and a recorded webcast of the event will be available on our [website](#) following the event.

Notes:

1. Like-for-like reflects reported values adjusted for the impact of acquisitions and disposals.
2. Company compiled consensus can be found on the Breedon IR website [Analysts & consensus estimates - Breedon \(breedongroup.com\)](#); FY24 consensus mean Underlying EBIT including associates and joint ventures is £169.4m

ENQUIRIES

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About Breedon Group plc

Breedon Group plc, a leading vertically-integrated international construction materials group in Great Britain, Ireland and the United States delivers essential products to the construction sector. Breedon holds c.1.4bn tonnes of mineral reserves and resources with long reserve life, supplying value-added products and services, including specialty materials, surfacing and highway maintenance operations, to a broad range of customers through its extensive local network of quarries, ready-mixed concrete and asphalt plants.

The Group's two well-invested cement plants are actively engaged in a number of carbon reduction practices, which include utilising alternative raw materials and lower carbon fuels. Breedon's 4,500 colleagues embody our commitment to 'Make a Material Difference' as the Group continues to execute its strategy to create sustainable value for all stakeholders, delivering growth through organic improvement and acquisition in the heavyside construction materials market. Breedon shares (BREE) are traded on the Main Market of the London Stock Exchange and are a constituent of the FTSE 250 index.

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