



Full Year Results
5 March 2025
LEI: 2138003QHTNX34CN9V93

Ibstock Plc

Results for the year ended 31 December 2024

Resilient performance in challenging conditions; Strong strategic progress ensuring Group remains well-placed for market recovery

Ibstock Plc ("Ibstock" or the "Group"), a leading UK manufacturer of building products and solutions, announces results for the year ended 31 December 2024.

Statutory Results

Year ended 31 December	2024	2023	Δ 1Y	% change
Revenue	£366m	£406m	(£40)m	(10)%
Profit before taxation	£21m	£30m	(£9)m	(30)%
EPS	3.8p	5.4p	(1.6)p	(30)%
Total dividend per share	4.0p	7.0p	3.0p	(43)%

Adjusted Results¹

Year ended 31 December	2024	2023	Δ 1Y	% change
Adjusted EBITDA	£79m	£107m	(£28)m	(26)%
Adjusted EBITDA margin	21.7%	26.5%	(480)bps	(18)%
Adjusted EPS	7.7p	13.9p	(6.2)p	(45)%
Adjusted free cashflow	£11m	£(16)m	+\$27m	>100%
ROCE	7.5%	13.4%	(590)bps	(44)%
Net debt	£122m	£101m	£21m higher	+21%

Solid financial performance

- Resilient profit performance against the backdrop of subdued market conditions
- Revenues reduced by 10% to £366 million (2023: £406 million) principally reflecting lower sales volumes in the core business during the first half of the year
- Market demand improved progressively throughout 2024, with revenues in the second half of the year 3% ahead of the equivalent period in 2023 and 6% ahead of H1
- Adjusted EBITDA¹ of £79 million at a robust margin of 21.7% (2023: 26.5%) was in line with our expectations and reflected our focus on margin management despite reduced sales volumes
- Disciplined approach to pricing maintained, with focus on customer service and product quality enabling an increase in market share during the latter part of the year; the Group exited 2024 with brick market share back close to 2023 average levels
- Strong fixed cost management delivered in-year savings in line with the £20 million targeted following the restructuring programme undertaken in late 2023
- Statutory profit before tax of £21 million (2023: £30 million), reflected lower trading performance and an exceptional¹ charge of £12 million (2023: £31 million)
- Strong cash flow performance, with closing net debt of £122m (2023: £101 million) reflecting around £28 million of growth capital, disciplined management of sustaining capital expenditure and a modest investment in working capital
- Final dividend of 2.5p per share (2023: 3.6p), bringing the total dividend for the year to 4.0p (2023: 7.0p)

Strong strategic progress as we continue to invest in our future growth

- Major capital investment projects close to completion, with capacity in place for the market recovery
- Production at our new Atlas factory ramping up well. Atlas adds over 100 million new low cost, efficient and more sustainable brick manufacturing capacity to our network and produces our lowest embodied carbon bricks to date, including our first ever Carbon Neutral® certified bricks
- Customer deliveries of brick slips from the new automated cutting line at Nostell commenced during the second half of 2024. Phase two of the project, the construction of a larger brick slip systems factory, is progressing towards commissioning by the end of 2025, as planned
- Creation of a unified, enterprise-wide new product development team successfully accelerating the pace of

- Creation of a limited, enterprise-wide new product development team successfully accelerating the pace of product innovation - proportion of revenues from new and sustainable products increased to 22% in 2024 (2023: 11%)
- Decision to restructure our Glass Fibre Reinforced Concrete (GRC) business taken in the final quarter of 2024
- Integration of Coltman flooring business now complete, enabling provision of a full UK flooring offer
- Good progress towards our 2030 ESG targets: further progress in carbon reduction (on both a network and per unit basis), and launch of Environmental Product Declarations (EPDs), becoming one of the first UK building materials manufacturers to enhance environmental transparency in this way
- Discussions with potential commercial partners on green energy and calcined clay projects progressing well
- Continued growth in our sector-leading apprenticeship programme; Group awarded Earn & Learn Gold Award from the 5% Club recognising our investment in future talent

Current trading and outlook

- Trading in the early weeks of 2025 year has been solid, with sales volumes, as anticipated, ahead of the comparative period
- Improvement in market volumes expected in 2025, with momentum building through the year
- The Group is continuing to invest selectively to bring capacity back into the network where continued demand improvement is anticipated
- In line with its established strategy, the Group has currently secured around two-thirds of its energy requirements for 2025, with this cover being front-end loaded
- With the benefit of volume increases, the Group expects to make good progress in 2025, with performance weighted towards the second half
- With its capital investment programme now substantially complete, Ibstock has lower cost, more efficient and sustainable capacity in place to respond to increases in market activity - at full capacity, the upgraded clay factory network can operate at roughly double the levels of brick output delivered in 2024
- From the foundation of a robust balance sheet, the Group's anticipated strong free cash flows will provide a solid platform for growth and shareholder returns in the years ahead

Joe Hudson, Chief Executive Officer, said:

"Our continued focus on the active management of capacity and margin ensured we delivered a resilient performance in 2024. As expected, we saw a progressive improvement in sales volumes through the second half with demand supported by our leading service and supply proposition. The effective management of pricing and volumes throughout the year underpinned resilient margins combined with market share gains through the latter part of the 2024 year.

"Against this backdrop, I am also pleased to report strong progress against all elements of the Group's strategy with lower cost, more efficient and sustainable capacity in place to support market recovery, and continued progress towards our ambitious sustainability targets.

"We expect an improvement in market volumes in 2025, with momentum building through the year. Ibstock is well-positioned for a market recovery, and the fundamental drivers of demand in our markets remain firmly in place. We see a significant opportunity for a new era in housebuilding in the UK and with the investments we have made and our market leadership positions, the Group remains well placed to support and benefit from this over the medium term."

Results presentation

Ibstock is holding a presentation at 10.30 GMT today at Peel Hunt, 7th Floor, 100 Liverpool St, London EC2M 2AT.

Please contact ibstock@cdrconsultancy.com to register your in-person attendance.

A live webcast of the presentation and Q&A is also available. Please register [here](#) for the live webcast.

The presentation can also be heard via a conference call, where there will be the opportunity to ask questions.

Conference Call Dial-In Details:	UK-Wide: +44 (0) 33 0551 0200
	UK Toll Free: 0808 109 0700
	US +1 786 697 3501
Confirmation code:	please quote Ibstock - FY24 when prompted

An archived version of today's webcast analyst presentation will be available on www.ibstock.co.uk later today.

Ibstock Plc
Joe Hudson, CEO
Chris McLeish, CFO

01530 261 999

CDR
Kevin Smith

020 7638 9571

About Ibstock Plc

Ibstock Plc is a leading UK manufacturer of building products and solutions, backed by design and technical services that comprises two core divisions:

Ibstock Clay: The leading manufacturer by volume of clay bricks sold in the UK, with 15 manufacturing sites served by 15 active quarries. Ibstock Kington provides masonry and prefabricated component building solutions, operating from four 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.

Both divisions are complemented by Ibstock Futures, which was established in 2021 to accelerate growth in new segments of the UK construction market and focuses on even more sustainable solutions and Modern Methods of Construction (MMC) from two main locations.

The Group's 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.

¹ Alternative Performance measures are described in Note 3 to this results announcement

Chief Executive's Review

Introduction

The Group delivered a resilient performance in 2024, in a challenging market. Activity in our core markets remained subdued, which led to a reduction in overall sales volumes year-on-year, although as expected, we saw improvement in demand as the year progressed. Against this backdrop, effective cost management and our focus on commercial execution ensured that adjusted EBITDA¹ for the year was in line with our expectations at £79 million, a solid performance in the context of difficult market conditions.

I am also pleased to report that we continued to make strong progress with all elements of the Group's strategy: our investments in new low cost, efficient and more sustainable brick manufacturing capacity at our Atlas facility, and the first phase of a significant capacity expansion in the brick slips market at Nostell; the creation of a leaner, more customer-focused business for the future; a step change in the output from our innovation initiatives; and further progress towards our ambitious 2030 sustainability targets.

I would like to thank all colleagues around the Group for their commitment, spirit and flexibility through the year, which enabled the Group to deliver our results and build towards our longer-term ambitions, despite significant external headwinds.

Improving affordability and a more positive evolution of UK housing policy are expected to support a sustained recovery in UK house building over the medium term. We have continued to manage our costs and cash position carefully, to balance near term profitability with the preservation of the capability and capacity required to enable the business to capitalise on an expected improvement in activity levels.

Our growth investment projects are now operational, adding lower cost and more sustainable capacity to our network. In the second half of 2024 we began to see some initial signs of recovering activity levels in new build residential markets which should feed into stronger demand for our products in 2025. In anticipation of this, we will continue to make carefully targeted investments to restore capacity where this is supported by positive demand signals. The Group retains a robust balance sheet, providing both resilience and optionality in respect of future growth investments.

With our organic capital investment programme now nearing completion, we anticipate that capital expenditure within the core business will fall back to long-run sustaining levels, which is expected to support an acceleration in free cash flow generation in the years ahead.

The Board has declared a final dividend of 2.5p per share (2023: 3.6p), representing a full year dividend of 4.0p (2023: 7p), consistent with our stated capital allocation policy, which targets full year cover of approximately two times through the cycle.

Financial Performance

Revenue for the year was 10% lower at £366 million (2023: £406 million) (or 13% lower on a LFL basis, adjusting for the acquisition of Coltman in late 2023), principally reflecting lower sales volumes in the core business in the first half of the year.

Whilst full year revenues were below those for the prior year, demand improved progressively throughout the year, with revenues in the second half 6% ahead of H1 and 3% ahead of the equivalent period in 2023.

With subdued market demand during 2024, the Group continued to manage costs proactively in the period, achieving fixed cost savings in line with the £20 million targeted in the restructuring programme initiated in late 2023. These incremental actions have not compromised our ability to build back capacity quickly as markets recover. During the second half, we began to reinvest selectively in areas where continued demand improvement is anticipated.

Adjusted EBITDA¹ of £79 million (2023: £107 million) was in line with the guidance given alongside the Group's Half Year results in August 2024 and reflected the market backdrop as well as the non-repeat of the £15 million benefit in the prior year from the absorption of fixed costs into finished goods inventories.

A disciplined focus on margin management delivered a solid EBITDA¹ margin performance despite the reduced volumes, with an Adjusted EBITDA¹ margin of 21.7% (2023: 26.5%).

Adjusted earnings per share¹ of 7.7 pence (2023: 13.9 pence) reflected the lower operating profit performance.

Profit before tax was £21 million (2023: £30 million), reflecting the trading performance and an exceptional cost¹ of £12 million (2023: cost of £31 million) relating to site closure activities.

The Group's balance sheet remains robust, with closing net debt of £122 million at 31 December 2024 (2023: £101 million) representing leverage of 1.8x adjusted EBITDA¹ (2023: 1.1x). The closing net debt position was at the lower end of expectations set at the start of 2024, and reflected a strong focus on cash flow performance, with disciplined management of sustaining capital.

Divisional Review

Ibstock Clay

The Clay Division delivered a solid performance, despite a material reduction in sales volumes, as it benefited from strong cost management and robust commercial discipline, as well as agile operational performance.

The market backdrop remained subdued in 2024, with total UK clay brick volumes for the year of 1.7 billion (2023: 1.7 billion), over 30% below the 2.5 billion total delivered in 2022. As expected, imported volumes reduced year on year as a proportion of total UK brick deliveries to 18% (2023: 19%).

Revenues in the Clay Division reduced by 15% to £249 million (2023: £292 million) principally driven by lower sales volumes during the first half of the year, combined with a modest reduction in average selling prices. Sales volumes increased progressively during the year, as anticipated in the Half Year results announcement in August 2024, with revenues during the second half of 2024 around 8% ahead of the first half. As anticipated, market share increased during the latter part of the year and we exited 2024 with domestic market share close to the average levels achieved in 2023.

In the face of a more competitive pricing environment, we maintained a disciplined approach to pricing and remain confident this will allow the Group to achieve targeted levels of market volumes, whilst supporting its margin and return targets, as market conditions normalise. The impact of sales mix contributed to average prices in 2024 being slightly below the prior year.

Adjusted EBITDA¹ reduced by 27% to £72 million (2023: £99 million), reflecting the reduction in sales volumes, partly

mitigated through unit variable cost reductions and continued decisive action to reduce fixed costs. Adjusted EBITDA¹ in 2024 included a £2 million one-off benefit from the favourable resolution of a legacy gas metering adjustment, whilst the comparative period included a £13 million benefit from the absorption of fixed cost into inventory.

A strong focus on cost management underpinned a resilient margin performance, with the adjusted EBITDA¹ margin percentage (excluding Istock Futures) remaining above 30%.

Istock Futures

Despite challenging conditions for the industry in the short term, the structural drivers supporting innovation of sustainable products and modern methods of construction remain compelling and the Group continued to invest in building both capacity and capability in the Istock Futures business during 2024.

We reached an important milestone during the year, when the first phase of our organic investments in brick slip capacity at Nostell, West Yorkshire, entered production. The market response to these initial volumes has been encouraging and the facility is now ramping up to deliver a step change in market volumes from 2025.

Revenues at Futures, which are reported in the Clay segment, totalled £10 million (2023: £12 million). Excluding the contribution from the Glass Fibre Reinforced Concrete ("GRC") business, revenues were £6 million (2023: £7 million) with solid performance in the face of challenging market conditions from our Nexus and Mechslip façade systems. Activity levels reflected broader demand trends in UK construction as well as delays to the Building Safety Act implementation.

Istock Futures continues to develop a range of innovative products that are focused on increasing productivity and improving sustainability across the built environment, including façade systems and masonry support solutions. Its range of products will expand as the new manufacturing facility at Nostell comes on line in late 2025, increasing the range of façade and architectural solutions that the business can offer into the built environment market.

The Group has also invested in enabling research, development and marketing capability to support future revenue opportunities. As such, Futures recognised an overall underlying net cost of £7 million in the year (2023: £5 million), with the year-on-year movement in part reflecting increased losses within the Glass Fibre Reinforced Concrete ("GRC") business.

The GRC business recognised a trading loss of around £3 million in 2024, reflecting acute pressure on margins in the current market environment, as well as losses from recent subcontractor failures. In light of its performance and near-term prospects, during the final quarter of the 2024 year, the Group took the decision to cease production of GRC after discharging all existing commercial commitments, which is expected to conclude during the first half of 2025. The Group has recognised a one-off exceptional charge of £5 million associated with this closure in the 2024 year, of which £2 million is a cash cost. £1 million of this cash cost was paid in 2024, with the remainder expected to be paid in 2025.

Istock Concrete

While the breadth of the Concrete Division's end-market exposure helped to mitigate the impact of the subdued industry conditions, its results for the year reflected weaker new build residential and rail market volumes. Revenues of £117 million (2023: £114 million) were 3% above the prior year period, or 7% lower on a LFL basis excluding the impact of the acquired Coltman Precast business.

The division experienced a reduction in residential new build sales volumes in line with the wider market, although RMI performance was more resilient, supported by firmer fencing volumes. Infrastructure sales volumes were materially lower, with rail activity subdued due to the slow transition to Network Rail Control Period 7, the next five-year period of its network delivery plan. The reduction in this higher margin segment of the concrete business weighed on overall divisional profit performance.

The integration of Coltman, the precast flooring business acquired during the final quarter of 2023, has progressed well, and in line with our expectations. The Coltman business contributed revenues of £12 million in 2024, with an adjusted EBITDA¹ margin approaching 10%, reflecting certain one-off integration costs not expected to recur in 2025.

Adjusted EBITDA¹ for the Concrete Division was £15 million, down 21% year on year (2023: £19 million) reflecting product mix and lower levels of operating efficiencies as factories ran at reduced levels of throughput.

Overall, the division achieved EBITDA¹ margins of 12.5% (2023: 16.4%) as more resilient RMI volumes were more than offset by the impact of lower new build residential and rail volumes. The division benefited from the absorption of around £2 million of fixed costs into inventory in the prior year period.

Major projects

The structural drivers underpinning medium-term demand in our markets remain firmly in place. In 2021 the Group announced two major growth investment projects to capitalise on the attractive fundamentals, across both its core and new, diversified markets. These capital investments are now in production, with high quality, more sustainable and lower-cost capacity in place for the market recovery.

Core clay investments in capacity at Atlas and Aldridge

Production at our new Atlas factory, in the West Midlands, which produces Istock's lowest embodied carbon bricks to date, with around 50% lower carbon than the previous factory, is ramping up well. Atlas has also launched our first ever Carbon Neutral® certified bricks as part of its range. When operating at full capacity, the factory will increase the Group's annual network capacity by over 100 million bricks to support our long-term growth objectives. Atlas made the first customer deliveries in late 2024 and the innovative new products have been well-received by the market. As our Pathfinder factory, Atlas is also piloting new, more sustainable production technologies and processes that could be rolled out across the wider factory network to deliver a further significant reduction in carbon intensity.

Production at Atlas, and the adjacent upgraded Aldridge factory, will ramp up over the course of 2025, with volumes managed as part of the broader network according to prevailing market conditions.

Diversified growth investments in brick slip capacity at Nostell, Yorkshire

Customer deliveries of brick slips from the new automated brick slips cutting line at Nostell, West Yorkshire commenced during the second half. The new line provides a significant domestic supply of brick slips to the UK market for the first time and will deliver up to 17 million slips per annum when operating at full capacity. Customer reaction to this new high-quality source of domestic supply has been positive, and this investment represents our first step towards building a scale leadership position in this fast-growing product category.

Phase two of the Nostell redevelopment, the construction of a larger brick slip systems factory with an initial capacity of a further 30 million slips per annum, is progressing in line with our expectations. This project is on track to commission from the end of 2025.

Strategic update

Our operational strategy remains centred on three strategic pillars of Sustain, Innovate and Grow, with our ambitious

ESG commitments integrated across all three. An update on progress is set out below.

Sustain

As a scale industrial business, sustainable high performance is at the heart of what we do, with activity focused on three priority areas: health, safety and wellbeing; operational excellence; and environmental performance.

Health, safety and wellbeing

The Group remains committed to driving best in class standards for health, safety and wellbeing for all colleagues. In the year the Group recorded a 13% year on year reduction in total incident frequency rate (TIFR).

In order to drive further improvement the Group has now adopted a more comprehensive and rigorous "every incident matters" approach, supported by a refreshed Leadership in Action programme and the introduction of daily risk reduction measures across the Group's operations. This new approach will form the basis of the Group's future health and safety reporting process, which we expect to raise standards and drive further progress over the years ahead.

Operational excellence

Over the last five years we have significantly enhanced the reliability, quality and performance of our factory networks - investing, rationalising and adding flexibility to optimise our footprint. These initiatives have delivered both operational efficiencies and an improved environmental performance.

Specific factory improvement projects included the kiln rebuild at the Parkhouse brick factory driving a 10% increase in efficiency at the current operating rate, which will continue to increase as production ramps up. A further example is the automation of our walling stone factory at Anstone (production volumes up around one-third post investment), which has enabled the Group to navigate difficult market conditions and strengthened our ability to build back capacity quickly as market demand recovers.

Environmental performance

Having further developed our high level carbon transition plan, including the impact of key investment projects and a continued operational enhancement programme across the factory estate, we remain on track to deliver a 40% reduction in carbon by 2030 compared to our 2019 baseline.

Work has continued throughout 2024 and a detailed five-year Carbon Transition Plan is now in place. Whilst market conditions have slowed, progress continued to be made with alternative fuel opportunities (syngas and hydrogen) as well as in other commercial areas. The Group is continuing its dialogue with potential commercial partners in this space, as well as working with partners to submit applications for government support through the Hydrogen Allocation Round 2 ("HAR2") funding process.

As part of the Group's ongoing investment in upskilling its employees on environmental performance issues, a programme of training from the Institute of Environmental Management and Assessment ("IEMA"), the global professional body for environment and sustainability personnel, was rolled out across the Group during the year.

Innovate

Product Innovation

As market leader in clay and concrete products, we have the broadest range of building products and solutions available in the UK, and we continue to invest to enhance our customer offer. In 2023 the Group created a single centralised Product, Innovation and Quality function to strengthen and accelerate its innovation, research and new product development pipeline. This focused team has been driving a significant increase in new product development, with 22% of sales revenue coming from new and sustainable products in the 2024 year (2023: 11%). Initial success has been achieved within the concrete product range, where we have been successful in replacing traditional manufacturing inputs with alternative materials to deliver products with a significant reduction in Scope 3 carbon emissions. A broad range of additional new products is in development, with a number of further introductions expected in 2025.

Following a two-year research project with Sheffield Hallam University's Materials and Engineering Research Institute, the Group is in advanced commercial trials of a waste industrial material which can be substituted to replace fossil-fuel derived products used in the brick manufacturing process. We are excited by the initial results from this project, which has the potential to reduce CO₂ emissions from the existing process by up to 50% and divert around 25,000 tonnes of industrial waste from landfill.

During the year, the Group developed Environmental Product Declarations (EPDs) across its product ranges. The targeted cross category launch demonstrated a leadership position as one of the first UK building materials manufacturers to enhance environmental transparency. This will better enable architects, specifiers, designers, developers and property owners to include carbon in their decisions when selecting building materials over the years ahead. Based on a certified product life of 150 years for our clay brick products, we believe that our products offer a compelling environmental proposition compared to alternative building products.

Customer Experience

The unified "One Ibstock" brand identity and new commercial team structure launched in 2023 has further strengthened key customer relationships across the Group. The broader range of products being offered to customers and an increase in solution selling opportunities helped drive improving market share during the latter part of 2024.

Digital Transformation

The digitisation of our business is a key strategic enabler. During the year we invested in an enhanced data platform, to improve the speed and quality of operational and commercial insight. We also established a new, dedicated business transformation team to increase the pace of progress in process improvement, data quality and decision support.

Grow

Grow the core business

Our redeveloped Atlas 'Pathfinder' factory is now ramping up production. Atlas produces our lowest embodied carbon bricks to date, with around 50% lower carbon than the previous factory. The second half of 2024 also saw the launch of the Atlas "Pathfinder" range of Carbon Neutral® certified bricks - a first for the UK market, which has been well

received by customers as they progress their own emission reduction journeys.

The Group also continued to invest in its Concrete division, integrating and investing in Coltman Precast, one of the UK's largest independent suppliers of precast concrete products. This acquisition establishes a strong national leadership position across concrete flooring, staircases and landings.

Grow through diversification

Phase one of the Nostell brick slips factory investment is now complete, with the first customer volumes being delivered in late 2024. The new automated cutting line uses some first of its kind technology in the UK to enable the supply of domestically manufactured brick slips at pace and scale. This represents a first significant step towards building a significant leadership position in this fast-growing product category. Phase two of the project - the construction of a larger brick slip systems factory - is progressing to plan, as discussed above.

Discussions with potential partners on the commercialisation of our owned clay reserves for the manufacture of calcined clay are continuing and we expect these to progress during the course of the year.

Culture and capability

We are passionate about establishing culture as a key point of difference across our organisation and, notwithstanding the current challenging market conditions, the Group continued to focus on developing its culture and preserving productive capability during the period.

We continued to grow our sector-leading apprenticeship programme and during 2024 were awarded Gold status by the 5% club. During the year, as part of our Builders' Merchants Federation (BMF) pledge, we made a commitment to take on 200 new apprentices across the business over the next 5 years.

Notable achievements also included a new diversity partnership with the Black Professionals in Construction (BPIC) network (a built environment membership network for Ethnic minority representation), and over 80 colleagues benefiting from our leadership development programme.

Future Focus: The creation of Ibstock's "North Star"

The Group has taken significant steps to upgrade its asset footprint and strengthen the capability of its teams over recent years. In order to sharpen our focus on execution, and align everyone across Ibstock with our ambitious strategic goals, during the second half of 2024 we defined a new set of five focus areas under the banner of a unifying "North Star" objective. These areas cover: Obsessive Customer Experience; Ibstock's Safe Reliable Production Systems; Sector Innovation; Sector Leading Sustainability & Social Impact; and People & Culture.

This North Star will be key to both our continuing progress as we build momentum throughout 2025, and to the creation of a longer-term roadmap, ensuring that we continue to differentiate our business with clarity and ambition as we support positive change in UK housing and construction.

We look forward to updating further on the progress of this initiative, which we believe has the potential to create significant shareholder value over the years ahead.

Outlook for 2025

Trading in the early weeks of the 2025 year has been solid, with sales volumes, as anticipated, ahead of the comparative period. We continue to expect an increase in market volumes in 2025, with momentum building through the year. With the benefit of these anticipated year-on-year volume increases, together with continued effective operational and commercial execution, the Group expects to make good progress in 2025, with performance expected to be weighted towards the second half.

The Group is continuing to invest selectively to bring capacity back into the network where this is supported by improved demand. In line with its established strategy, the Group has currently secured around two-thirds of its energy requirements for 2025, with this cover being front-end loaded.

Since 2018, Ibstock has invested over £285 million in its manufacturing assets, leaving the business well placed for the market recovery. With its capital investment programme now largely complete, Ibstock has lower cost, efficient and more sustainable capacity in place, to respond to an increase in market activity. At full capacity, the upgraded clay factory network can operate at roughly double the levels of brick output delivered in 2024. From the foundation of a robust balance sheet, the Group's anticipated strong free cash flows will provide a solid platform for growth and capital returns in the years ahead.

We see a significant opportunity for a new era in housebuilding in the UK and, with the investments we have made and our market leadership positions, the Group remains well placed to support and benefit from this over the medium term.

¹ Alternative Performance measures are described in Note 3 to this results announcement

Chief Financial Officer's report

Introduction

The Group delivered a resilient financial performance in 2024 in a challenging market, with both adjusted EBITDA¹ and adjusted earnings per share in line with the guidance given alongside the Group's half year results in August 2024. Both revenue and profit were below the comparative period, principally reflecting lower sales volumes in the core business, although, as expected, we saw an improvement in activity as the year progressed.

The Group managed the reduction in sales volumes well, through the disciplined management of capacity and costs and robust commercial execution.

Group statutory profit before taxation of £20.7 million (2023: £30.1 million), reflected the impact of lower underlying operating profits and an exceptional charge¹ of £11.7 million (2023: £30.8 million) arising in relation to the Group's restructuring plan initiated in late 2023 (£6.5 million) and the cessation and wind down of our GRC business (£5.2 million).

The Group maintained a robust balance sheet, with closing net debt¹ of £122 million at 31 December 2024 representing leverage¹ of 1.8 times adjusted EBITDA¹ (Dec 2023: 1.1 times). This year-end position was achieved

through a resilient cash flow performance which included around £45 million of capital expenditure (including £28 million of growth expenditure). At 31 December 2024, the Group had £94 million of undrawn committed facilities in place.

With our robust financial position, and inherently cash generative business, we expect to generate significant cash to support growth and shareholder returns over the medium term.

Alternative performance measures

This results statement contains alternative performance measures ("APMs") to aid comparability and further understanding of the financial performance of the Group between periods. A description of each APM is included in Note 3 to the financial statements. The APMs represent measures used by management and the Board to monitor performance against budget, and certain APMs are used in the remuneration of management and Executive Directors. It is not believed that APMs are a substitute for, or superior to, statutory measures.

Group results

The table below sets out segmental revenue, profit/(loss) before tax and adjusted EBITDA¹ for the year

	Clay	Concrete	Central costs ²	Total
	£'m	£'m	£'m	£'m
Year ended 31 December 2024				
Total revenue	248.8	117.4	-	366.2
Adjusted EBITDA¹	72.3	14.6	(7.6)	79.4
Margin	29.1%	12.5%		21.7%
Profit/(loss) before tax	29.5	3.5	(12.3)	20.7
Year ended 31 December 2023				
Total revenue	292.2	113.6	-	405.8
Adjusted EBITDA¹	98.8	18.6	(10.1)	107.4
Margin	33.8%	16.4%		26.5%
Profit/(loss) before tax	37.9	5.0	(12.9)	30.1

¹ Alternative Performance Measures are described in Note 3 to the results announcement. Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

² Central costs includes interest charges of £4.6 million (2023: £2.4 million) within Profit/(loss) before tax.

Revenue

Group revenues for the 2024 year decreased by 10% to £366.2 million (2023: £405.8 million), principally reflecting lower sales volumes in the first half of the year and a modest reduction in average selling prices across the core business.

In our Clay Division, revenues of £248.8 million represented a reduction of 15% on the prior year (2023: £292.2 million). Volumes reduced year on year with a modest reduction in average selling price, in part reflecting the impact of changes in channel and product mix. Activity levels increased progressively during the year, with revenues during the second half of 2024 around 8% ahead of the first half. As anticipated, market share increased during the latter part of the year, as we exited the 2024 year with share back close to the average levels achieved in 2023. Istock Futures revenues (reported in the Clay segment) reduced to £10 million (2023: £12 million) reflecting reduced industry demand and the decision in the second half of the 2024 year to cease our GRC operations.

In our Concrete Division, revenue increased by 3% year-on-year to £117.4 million (2023: £113.6 million), which included £11.8 million associated with the Coltman business. Whilst the breadth of end-market exposure helped to mitigate the impact of the subdued trading conditions, like-for-like performance was driven by weaker new build residential volumes and reduced rail infrastructure volumes reflecting the impact of a slow start to Network Rail Control Period 7.

Adjusted EBITDA¹

Management measures the Group's operating performance using adjusted EBITDA¹ and adjusted EBIT¹.

Adjusted EBITDA¹ decreased year on year to £79.4 million in 2024 (2023: £107.4 million) reflecting the significant reduction in sales volumes, partly mitigated through variable cost reductions and continued decisive action to reduce fixed costs. Adjusted EBITDA¹ in 2024 included trading losses of around £3 million from our GRC operations within Istock Futures whilst the comparative period included a £15 million benefit from the absorption of fixed cost into inventory.

Adjusted EBITDA¹ margins remained resilient at 21.7%, (2023: 26.5%) despite the impact of lower sales volumes. Performance benefited from decisive action to reduce both variable and fixed cost, with the Group achieving a fixed cost reduction benefit in line with the £20 million per annum targeted at the beginning of the year.

Within the Clay Division, adjusted EBITDA¹ totalled £72.3 million (2023: £98.8 million), representing an adjusted EBITDA¹ margin of 29.1% (2023: 33.8%). The reduction in adjusted EBITDA¹ reflected significantly lower activity levels in residential construction markets, offset by a resilient contribution margin performance and disciplined and decisive fixed cost management. The division also benefited from around £2 million in the year arising from the positive resolution of a gas metering adjustment. The division recognised a net cost of £6.6 million (2023: £5.0 million) in Istock Futures, as the business continued to both invest in building both capacity and capability during the year.

Adjusted EBITDA¹ in our Concrete Division decreased to £14.6 million (2023: £18.6 million). The division experienced a decline in demand within its residential product and infrastructure categories. Adjusted EBITDA¹ margins reduced to 12.5% from 16.4% in 2023, as strong cost management partly mitigated the impact of lower volumes and the effect of weaker mix as rail and infrastructure volumes reduced as a percentage of total divisional activity.

Central costs decreased to £7.6 million (2023: £10.1 million) reflecting discretionary cost reduction action and lower variable remuneration costs.

Adjusted EBIT¹

In order to focus on a more comprehensive measure of operating performance, the Group has also started to measure and report the Group's performance using adjusted EBIT¹. Adjusted EBIT¹ is defined as adjusted EBITDA¹ less underlying depreciation and amortisation.

For the year ended 31 December 2024, adjusted EBIT¹ reduced to £49.6 million (2023: £78.0 million) reflecting

reduced trading profits.

Exceptional items¹

Based on the application of our accounting policy for exceptional items¹, certain income and expense items have been excluded in arriving at adjusted EBITDA¹ to aid shareholders' understanding of the Group's underlying financial performance.

The amounts classified as exceptional¹ in the period totalled a cost of £11.7 million (2023: £30.8 million gain), comprising:

1. Exceptional costs¹ of £6.5 million arising from the finalisation of the Group's restructuring programme initiated in late 2023. Within the charge, all amounts related to cash costs which were settled during the 2024 year.
2. Exceptional costs¹ of £5.2 million arising from the cessation of GRC activities within Ibbstock Futures, comprising asset impairments and severance costs. Within this charge, £1.5 million represented cash costs, of which around £1 million remains to be settled during the 2025 year.

Further details of exceptional items¹ are set out in Note 5 of the financial statements.

Finance costs

Net cash interest paid of £8.6 million was above the prior year (2023: £5.8 million) due to higher levels of average debt during the 2024 year. The Group continued to benefit from its £100 million private placement at a fixed coupon of 2.19% per annum. We expect the cash interest expense in the 2025 year to remain at around £9 million.

Statutory net finance costs of £6.4 million increased in the year (2023: £5.0 million) principally reflecting increased interest expense from higher utilisation of the Group's RCF, partly offset by increased non-cash interest income arising from the unwind of discounted provisions.

Profit before taxation

Depreciation and amortisation pre fair value uplift increased modestly to £29.8 million (2023: £29.3 million) reflecting incremental depreciation on its clay growth investments. We expect depreciation and amortisation pre fair value uplift to total around £34 million in 2025, reflecting incremental depreciation from the Atlas and Nostell factories.

Group statutory profit before taxation of £20.7 million (2023: £30.1 million), reflected the impact of lower underlying operating profits and an exceptional charge¹ of £11.7 million (2023: £30.8 million) arising from the Group's restructuring plan initiated in late 2023 and the cessation of GRC operations.

Taxation

The adjusted ETR¹ (excluding the impact of the deferred tax rate change and exceptional items¹) for the 2024 year was 26.0% (2023: 24.6%). The increase in adjusted ETR from the prior year was due to the increase in the standard rate of UK corporation tax impacting the full year period. For the 2025 year, we expect the adjusted ETR to remain at around 26%, reflecting the 25% headline rate of UK corporation tax and typical levels of non-deductible expenses.

The Group recognised a statutory taxation charge of £5.6 million (2023: £9.0 million) on Group pre-tax profits of £20.7 million (2023: £30.1 million), resulting in a statutory effective tax rate ("ETR") of 27.0% (2023: 30.0%) compared with the average standard rate of UK corporation tax of 25% (2023: 23.5%). The lower tax charge in 2024 arose principally from the reduction in statutory profits. The higher statutory effective tax rate in 2023 reflected the one-off impact of the increase in the headline UK rate on the Group's deferred tax liability.

Earnings per share

Group statutory basic earnings per share (EPS) decreased to 3.8 pence in the year to 31 December 2024 (2023: 5.4 pence) as a result of the Group's reduced profit after taxation, reflecting the reduced trading result and exceptional costs¹ arising from our enterprise restructuring plan and decision to cease GRC production.

Group adjusted basic EPS¹ of 7.7 pence per share reduced from 13.9 pence in the prior year, reflecting: a decrease in adjusted EBITDA¹; a higher interest charge; and a higher adjusted effective tax rate as explained above. In line with prior years, our adjusted EPS¹ metric removes the impact of exceptional items¹, the fair value uplifts resulting from our acquisition accounting and non-cash interest impacts, net of the related taxation charges/credits. Adjusted EPS¹ has been included to provide a clearer guide as to the underlying earnings performance of the Group. A full reconciliation of our adjusted EPS¹ measure is included in Note 7.

Table 1: Earnings per share

	2024 pence	2023 pence
Statutory basic EPS	3.8	5.4
Adjusted basic EPS ¹	7.7	13.9

Cash flow and net debt¹

Adjusted operating cash flow increased by £6.1 million to £56.1 million (2023: £50.0 million), reflecting a reduction in adjusted EBITDA¹ offset by an improvement in working capital (where a modest increase of £4.5 million in 2024 was materially below the increase of £37.0 million reported in the comparative year period). Overall, we anticipate a modest investment in working capital in 2025, with the typical seasonal increase as at the half year.

Net interest paid in 2024 increased to £8.6 million (2023: £5.8 million) reflecting higher average net debt levels as the Group drew down on its revolving credit facility. Cash tax amounted to a small outflow of £0.5 million (2023: inflow of £0.6 million), as the Group continued to benefit from the accelerated tax deduction on qualifying capital expenditure. Other cash outflows of £9.6 million (2023: £14.9 million outflow) principally comprised lease payments totalling £9.7 million (2023: £10.0 million). The prior period also included £1.8 million in relation to the purchase of carbon emission credits and an outflow of £2.7 million in relation to the purchase of Coltman.

The Cash conversion¹ percentage increased to 71% (2023: 47%), reflecting a reduction in adjusted EBITDA¹ and a significantly reduced investment in working capital as inventories were tightly controlled and trade receivables well managed.

Adjusted free cash flow¹ increased to an inflow of £10.9 million (2023: outflow of £15.6 million). Capital expenditure of £45.2 million decreased by £20.5 million on 2023 (£65.7 million), reflecting the Group's reduced investment in its organic growth projects as they near completion. The 2024 capital expenditure figure comprised £17 million of

organic growth projects as they near completion. The 2024 capital expenditure figure comprised £17 million of sustaining expenditure and £28 million of growth investments, principally on the Atlas and Nostell factories.

In the 2025 year, sustaining expenditure is anticipated to be around £20 million, with final outflows in respect of the Atlas and Nostell factories expected to total around £20 million.

Table 2: Cash flow (non-statutory)

	2024	2023	Change
	£'m	£'m	£'m
Adjusted EBITDA ¹	79.4	107.4	(28.0)
Adjusted change in working capital ¹	(4.5)	(37.0)	32.5
Net interest	(8.6)	(5.8)	(2.8)
Tax	(0.5)	0.6	(1.1)
Post-employment benefits	-	(0.3)	0.3
Other ²	(9.6)	(14.9)	5.3
Adjusted operating cash flow ¹	56.1	50.0	6.1
Cash conversion ¹	71%	47%	+24ppts
Total capex	(45.2)	(65.7)	20.5
Adjusted free cash flow ¹	10.9	(15.6)	26.5

¹ Alternative Performance Measures are described in Note 3 to the consolidated financial statements.

² Other includes operating lease payments and emission allowance purchases in all years, and Coltman consideration in 2023

The table above excludes cash flows relating to exceptional items¹ in both years. During 2024, the Group incurred £11.2 million of exceptional cash outflows (2023: £4.6 million outflows) relating to the Group's restructuring programme initiated in late 2023 and the GRC closure. Included in this cash outflow of £11.2 million were amounts totalling £4.4 million contained within provisions at the start of the 2024 year.

Net debt¹ (borrowings less cash) at 31 December 2024 totalled £121.6 million (31 December 2023: £100.6 million; 30 June 2024: £137.8 million). The movement during the 2024 year principally reflected capital expenditure of £45.2 million.

At 31 December 2024, the Group had drawn £31 million under its Revolving Credit Facility (RCF), and had £94 million of undrawn committed facilities in place.

The present value of lease liabilities decreased to around £35 million (2023: £44 million) due to the completion of a number of operating lease contracts for mobile plant.

Return on capital employed¹

Return on capital employed¹ (ROCE) in 2024 reduced to 7.5% (2023: 13.4%) reflecting a decrease in adjusted operating profit and an increase in the capital base, as the Group approached the conclusion of its organic investment programme.

Capital allocation

Our capital allocation framework remains consistent with that laid out in 2020, with the Group focused on allocating capital in a disciplined and dynamic way.

Our capital allocation framework is set out below:

- Firstly, we will prioritise investment to maintain and enhance our existing asset base and operations;
- We are focused on a progressive ordinary dividend, with targeted cover of approximately 2 times underlying earnings through the cycle;
- Thereafter, we will deploy capital for growth, both inorganically and organically, in accordance with our strategic and financial investment criteria;
- And, finally, we will return surplus capital to shareholders.

Our framework remains underpinned by our commitment to maintaining a strong balance sheet, and we will look to maintain leverage at between 0.5 and 1.5 times net debt¹ to adjusted EBITDA¹ excluding the impact of IFRS 16, through the cycle.

Dividend

The Board has recommended a final dividend of 2.5p per share (2023: 3.6p), for payment on 30 May 2025 to shareholders on the register on 9 May 2025. This will bring the full year dividend to 4.0p (2023: 7.0p), representing a pay-out of 52% of adjusted basic earnings per share.

Pensions

At 31 December 2024, the defined benefit pension scheme ("the scheme") was in an actuarial accounting surplus position of £7.8 million (2023: surplus of £9.8 million). Applying the valuation principles set out in IAS19, at the year end the scheme had asset levels of £330.9 million (31 December 2023: £373.7 million) against scheme liabilities of £323.1 million (31 December 2023: £363.9 million).

On 20 December 2022, the Scheme completed a full buy-in transaction with a specialist third-party provider, which represented a significant step in the Group's continuing strategy of de-risking its pensions exposure. This transaction, which involved no initial cash payment by the Company, completed during the 2023 financial year. Together with the partial buy-in transaction completed in 2020, this insures the vast majority of the Group's defined benefit liabilities.

In light of the fact that the pension scheme was in a net surplus position after the full buy-in, the Trustees and the Group agreed that the Group would suspend further contributions with effect from 1 March 2023.

Climate Change & TCFD

As a long-term, energy intensive business, a commitment to environmental sustainability and social progress is central to our purpose. In 2022 we launched the Group's ESG 2030 Strategy and remain committed to this approach. This strategy provides the framework for actions across three key areas:

- Addressing climate change;
- Improving lives; and,
- Maximising materials for life.

- manufacturing materials for life.

At the same time, we have identified material transition and physical risks associated with climate change and considered the impacts of these on the financial performance and position of the Company, through our viability scenario assessment, our impairment testing and assessment of the useful economic lives of our assets. We have also assessed the resilience of our business model as part of our strategic planning process. The outputs from these activities are detailed in our TCFD disclosures contained in the 2024 Annual Report and Accounts.

The Group remains committed to increasing the transparency of reporting around climate impacts, risks, and opportunities. This year we continued to enhance our disclosure to ensure full compliance with the recommendations of the Task Force for Climate-related Financial Disclosures (TCFD) and those of Climate-related Financial Disclosure (CFD).

Related party transactions

Related party transactions are disclosed in Note 16 to the consolidated financial statements. During the current and prior year, there have been no material related party transactions.

Subsequent events

Except for the proposed ordinary dividend, no further subsequent events requiring either disclosure or adjustment to these financial statements have arisen since the balance sheet date.

Going concern

The Directors are required to assess whether it is reasonable to adopt the going concern basis in preparing the financial statements.

In arriving at their conclusion, the Directors have given due consideration to whether the funding and liquidity resources are sufficient to accommodate the principal risks and uncertainties faced by the Group.

Having considered the outputs from this work, the Directors have concluded that it is reasonable to adopt a going concern basis in preparing the financial statements. This is based on an expectation that the Company and the Group will have adequate resources to continue in operational existence for at least twelve months from the date of signing these accounts.

Further information is provided in note 2 of the financial statements.

¹ Alternative Performance measures are described in Note 3 to this results announcement

Statement of directors' responsibilities in relation to the financial statements

The 2024 Annual Report and Accounts which will be issued in March 2025, contains a responsibility statement in compliance with DTR 4.1.12 of the Listing Rules which sets out that as at the date of approval of the Annual Report on 4 March 2025, the Directors confirm to the best of their knowledge:

- the Group and unconsolidated Company financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and Company, and the undertakings included in the consolidation taken as a whole; and

- the performance review contained in the Annual Report and Accounts includes a fair review of the development and performance of the business and the position of the Group and the undertakings including the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face.

This responsibility statement was approved by the Board of Directors on 4 March 2025 and is signed on its behalf by:

Joe Hudson
Chief Executive Officer
4 March 2025

Chris McLeish
Chief Financial Officer
4 March 2025

CONSOLIDATED INCOME STATEMENT

	Notes	Year ended 31 December 2024	Year ended 31 December 2023
		£'000	£'000
Revenue	4	366,207	405,839
Cost of sales		(261,650)	(290,883)
Gross profit		104,557	114,956
Distribution costs		(34,139)	(36,797)
Administrative expenses		(45,650)	(47,623)
Profit on disposal of property, plant and equipment		261	1,957
Other income		2,314	3,312
Other expenses		(270)	(774)
Operating profit		27,073	35,031
Finance costs		(8,287)	(5,932)
Finance income		1,894	968
Net finance cost		(6,393)	(4,964)
Profit before taxation		20,680	30,067
Taxation	6	(5,588)	(9,007)
Profit for the financial year		15,092	21,060
Profit attributable to:			
Owners of the parent		15,092	21,060

	Notes	pence per share	pence per share
Earnings per share			
Basic - continuing operations	7	3.8	5.4
Diluted - continuing operations	7	3.8	5.3

Non-GAAP measure			
Reconciliation of Adjusted EBIT and Adjusted EBITDA to Operating profit for the financial year for continuing operations			
	Notes	Year ended 31 December 2024	Year ended 31 December 2023
		£'000	£'000
Operating profit		27,073	35,031
Add back exceptional items impacting operating profit	5	11,720	30,762
Add back incremental depreciation and amortisation following fair value uplift	4	10,779	12,250
Adjusted EBIT		49,572	78,043
Add back depreciation and amortisation pre fair value uplift	4	29,778	29,314
Adjusted EBITDA		79,350	107,357

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year ended 31 December 2024	Year ended 31 December 2023
		£'000	£'000
Profit for the financial year		15,092	21,060
Other comprehensive expenses:			
Items that may be reclassified to profit or loss:			
Change in fair value of cash flow hedges		(54)	(591)
Related tax movements		14	148
		(40)	(443)
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of post-employment benefit assets and obligations	13	(1,457)	(5,283)
Related tax movements		437	1,320
		(1,020)	(3,963)
Other comprehensive expense for the year net of tax		(1,060)	(4,406)
Total comprehensive income for the year, net of tax		14,032	16,654
Total comprehensive income attributable to:			
Owners of the Company		14,032	16,654

CONSOLIDATED BALANCE SHEET

	Notes	31 December 2024	31 December 2023
		£'000	£'000
Assets			
Non-current assets			
Intangible assets		73,950	82,017
Property, plant and equipment		462,504	440,400
Right-of-use assets		28,363	39,831
Post-employment benefit asset	13	7,839	9,832
		572,656	572,080
Current assets			
Inventories		124,819	119,189
Current tax recoverable		1,323	1,171
Trade and other receivables		43,815	37,919
Cash and cash equivalents		9,292	23,872
		179,249	182,151
Assets held for sale		200	-
Total assets		752,105	754,231
Current liabilities			
Trade and other payables		(88,853)	(80,526)
Derivative financial instrument		(78)	(24)
Borrowings	8	(31,425)	(25,496)
Lease liabilities		(9,471)	(9,292)
Provisions	9	(3,340)	(6,000)

Provisions	9	(5,010)	(6,002)
		(132,837)	(121,340)
Net current assets		46,612	60,811
Total assets less current liabilities		619,268	632,891
Non-current liabilities			
Borrowings	8	(99,427)	(98,992)
Lease liabilities		(25,611)	(34,541)
Deferred tax liabilities		(91,940)	(89,929)
Provisions	9	(7,027)	(9,562)
		(224,005)	(233,024)
Total liabilities		(356,842)	(354,364)
Net assets		395,263	399,867
Equity			
Share capital		4,096	4,096
Share premium		4,458	4,458
Retained earnings		783,800	790,971
Other reserves	15	(397,091)	(399,658)
Total equity		395,263	399,867

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Retained earnings	Other reserves	Total equity attributable to owners	Non-controlling interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2024	4,096	4,458	790,971	(399,658)	399,867	-	399,867
Profit for the year	-	-	15,092	-	15,092	-	15,092
Other comprehensive expense	-	-	(1,020)	(40)	(1,060)	-	(1,060)
Total comprehensive income/(expense) for the year	-	-	14,072	(40)	14,032	-	14,032
Transactions with owners:							
Share-based payments	-	-	1,253	-	1,253	-	1,253
Current tax on share-based payment	-	-	18	-	18	-	18
Deferred tax on share-based payment	-	-	124	-	124	-	124
Equity dividends paid	-	-	(20,031)	-	(20,031)	-	(20,031)
Issue of own shares held on exercise of share options	-	-	(2,607)	2,607	-	-	-
At 31 December 2024	4,096	4,458	783,800	(397,091)	395,263	-	395,263

	Share capital	Share premium	Retained earnings	Other reserves	Total equity attributable to owners	Non-controlling interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2023	4,096	4,458	807,894	(400,290)	416,158	51	416,209
Profit for the year	-	-	21,060	-	21,060	-	21,060
Other comprehensive expense	-	-	(3,963)	(443)	(4,406)	-	(4,406)
Total comprehensive income/(expense) for the year	-	-	17,097	(443)	16,654	-	16,654
Transactions with owners:							
Share-based payments	-	-	2,308	-	2,308	-	2,308
Deferred tax on share-based payment	-	-	(147)	-	(147)	-	(147)
Equity dividends paid	-	-	(34,907)	-	(34,907)	-	(34,907)
Issue of own shares held on exercise of share options	-	-	(1,075)	1,075	-	-	-
Acquisition of subsidiary with NCI	-	-	(199)	-	(199)	(51)	(250)
At 31 December 2023	4,096	4,458	790,971	(399,658)	399,867	-	399,867

CONSOLIDATED CASH FLOW STATEMENT

		Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Cash flow from operating activities			
Cash generated from operations	11	62,906	63,656
Interest paid		(6,257)	(3,667)
Other interest paid - lease liabilities		(2,494)	(2,368)
Tax paid		(500)	630
Net cash inflow from operating activities		53,655	58,251

Cash flows from investing activities

Purchase of property, plant and equipment	(45,235)	(65,653)
Proceeds from sale of property plant and equipment	379	2,070
Purchase of intangible assets	-	(2,423)
Settlement of deferred consideration	171	(112)
Payment for acquisition of subsidiary undertaking, net of cash acquired	14	-
Interest received	139	257
Net cash outflow from investing activities	(44,546)	(68,503)
Cash flows from financing activities		
Dividends paid	(20,031)	(34,907)
Drawdown of borrowings	87,000	30,000
Repayment of borrowings	(81,000)	(5,000)
Repayment of lease liabilities	(9,651)	(9,986)
Acquisition of non-controlling interests	-	(250)
Net cash outflow from financing activities	(23,682)	(20,143)
Net decrease in cash and cash equivalents	(14,573)	(30,395)
Cash and cash equivalents at beginning of the year	23,872	54,283
Exchange losses on cash and cash equivalents	(7)	(16)
Cash and cash equivalents at end of the year	9,292	23,872

Reconciliation of changes in cash and cash equivalents to movement in net debt

	Year ended 31 December 2024	Year ended 31 December 2023
	£'000	£'000
Net decrease in cash and cash equivalents	(14,573)	(30,395)
Proceeds from borrowings	(87,000)	(30,000)
Repayment of borrowings	81,000	5,000
Non-cash debt movement	(364)	717
Effect of foreign exchange rate changes	(7)	(16)
Movement in net debt	(20,944)	(54,694)
Net debt at start of year	(100,616)	(45,922)
Net debt at end of year (Note 3)	(121,560)	(100,616)
Comprising:		
Cash and cash equivalents	9,292	23,872
Short-term borrowings (Note 8)	(31,425)	(25,496)
Long-term borrowings (Note 8)	(99,427)	(98,992)
	(121,560)	(100,616)

1. AUTHORISATION OF FINANCIAL STATEMENTS

The consolidated financial statements of Ibstock Plc, which has a premium listing on the London Stock Exchange, for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Directors on 4 March 2025. The balance sheet was signed on behalf of the Board by J Hudson and C McLeish. Ibstock Plc is a public company limited by shares, which is incorporated and registered in England. The registered office is Leicester Road, Ibstock, Leicestershire, LE67 6HS and the company registration number is 09760850.

2. BASIS OF PREPARATION

The consolidated financial statements of Ibstock Plc for the year ended 31 December 2024 have been prepared in accordance with UK adopted IAS in conformity with the requirements of the Companies Act 2006 and in accordance with UK adopted IFRS. The comparative financial information has also been prepared on this basis.

The financial information set out does not constitute the Company's statutory accounts for the year ended 31 December 2024 but is derived from those accounts. Statutory accounts for 2024 will be delivered to the registrar of companies in due course. The auditors have reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006 in respect of the accounts for 2024. The consolidated financial statements are presented in Pounds Sterling and all values are rounded to the nearest thousand (£'000) except where otherwise indicated. The significant accounting policies are set out below.

Basis of consolidation

The consolidated financial statements of Ibstock Plc for the year ended 31 December 2024 have been prepared in accordance with UK adopted International Accounting Standards (IAS). The financial statements of subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intra-Group balances, transactions, income and expenses and profit and losses resulting from intra-Group transactions have been eliminated in full.

Subsidiaries are consolidated from the date on which the Group obtains control and cease to be consolidated from the date on which the Group no longer retains control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Going concern

Despite the macroeconomic downturn, there are initial positive external market indicators with inflation and mortgage rates stabilising, and proposed housing and planning policy changes which could increase both housing construction activity and effective demand for housing looking forward. The directors do not believe that the going concern basis of preparation represents a significant judgement.

The Group's financial planning and forecasting process consists of a budget for the next year followed by a medium-term projection. The Directors have reviewed and robustly challenged the assumptions about future trading performance, operational and capital expenditure and debt requirements within these forecasts including the Group's liquidity and covenant forecasts, and stress testing within their going concern assessment.

In arriving at their conclusion on going concern, the Directors have given due consideration to whether the funding and liquidity resources above are sufficient to accommodate the principal risks and uncertainties faced by the Group, particularly those relating to economic conditions and operational disruption. The strategic report sets out in more detail the Group's approach and risk management framework.

Group forecasts have been prepared which reflect both actual conditions and estimates of the future reflecting macroeconomic and industry-wide projections, as well as matters specific to the Group.

The Group has financing arrangements comprising £100 million of private placement notes with maturities between November 2028 and November 2033, and a £125 million RCF maturing in November 2026. The Group believes it would be able to refinance these arrangements as they fall due or obtain equivalent alternative sources of finance. At 31 December 2024 the RCF was £31.0 million drawn.

Covenants under the Group's RCF and private placement notes require leverage of no more than 3 times net debt to adjusted EBITDA, and interest cover of no less than 4 times, tested bi-annually at each reporting date with reference to the previous 12 months. At 31 December 2024 covenant requirements were met with significant headroom.

The key uncertainty faced by the Group is the industry demand for its products. Accordingly, the Group has modelled financial scenarios which see reduction in the industry demand for its products thereby stress testing the Group's resilience. For each scenario, cash flow and covenant compliance forecasts have been prepared. In the most severe but plausible scenario industry demand for Clay and Concrete products is projected to be around 40% lower than 2022 (which is defined as the normalised level of industry demand for the Group's products) in the 2025 year, which is worse than the sales reduction seen in both 2023 and 2024, recovering to around 30% lower than 2022 in 2026.

In the severe but plausible scenario, the Group has sufficient liquidity and headroom against its covenants, with covenant headroom expressed as a percentage of annual adjusted EBITDA being in excess of 20%.

In addition, the Group has prepared a reverse stress test to evaluate the industry demand reduction at which it would be likely to breach the debt covenants, before any further mitigating actions are taken. This test indicates that, at a reduction of 46% in sales volumes versus 2022 levels, in 2025 and a reduction of 48% in the first half of 2026, the Group would be at risk of breaching its covenants.

The Directors consider this to be a highly unlikely scenario, and in the event of an anticipated covenant breach, the Group would seek to take further steps to mitigate, including the disposal of valuable land and building assets and additional restructuring steps to reduce the fixed cost base of the Group.

Having taken account of the various scenarios modelled, and in light of the mitigations available to the Group, the Directors are satisfied that the Group has sufficient resources to continue in operation for a period of not less than 12 months from the date of this report. Accordingly, the consolidated financial information has been prepared on a going concern basis.

3. ALTERNATIVE PERFORMANCE MEASURES

Alternative Performance Measures ("APMs") are used within this report where the directors believe it is necessary to do so in order to provide further understanding of the financial performance of the Group. The Group uses APMs in its own assessment of performance and in order to plan the allocation of internal capital and resources. Certain APMs are also used in the remuneration of senior management and executive directors.

APMs serve as supplementary information for users of the financial statements and are not intended to be a substitute for, or superior to, statutory measures. None of the APMs are outlined within IFRS and they may not be comparable with similarly titled APMs used by other companies.

Exceptional items

The Group presents as exceptional at the foot of the Group's Condensed consolidated income statement those items of income and expense which, because of their materiality, nature and/or expected infrequency of the events giving rise to them, merit separate presentation to allow users of the financial statements to understand further elements of financial performance in the year. This facilitates comparison with comparative periods and the assessment of trends in financial performance over time.

Details of all exceptional items are disclosed in Note 5.

Adjusted EBIT, Adjusted EBITDA and Adjusted EBITDA margin

In the current year, the Directors have introduced Adjusted EBIT as a new APM as it represents a more comprehensive measure of profit than adjusted EBITDA and given its use as a key remuneration measure for senior management. Adjusted EBIT represents earnings before interest and taxation and is adjusted to exclude exceptional items and the incremental depreciation and amortisation arising from historic fair value uplifts.

Adjusted EBITDA is earnings before interest, taxation, depreciation and amortisation and is adjusted to exclude exceptional items. Adjusted EBITDA margin is Adjusted EBITDA expressed as a proportion of revenue.

The Directors regularly use Adjusted EBIT and Adjusted EBITDA margin as key performance measures in assessing the Group's profitability. The measures are considered useful to users of the financial statements as they represent common APMs used by investors in assessing a company's operating performance, when comparing its performance across periods as well as being used in the determination of Directors' variable remuneration.

A full reconciliation of Adjusted EBIT and Adjusted EBITDA is included at the foot of the Group's Condensed consolidated income statement within the consolidated financial statements. Adjusted EBITDA margin is included within Note 4.

Adjusted EPS

Adjusted EPS is the basic earnings per share adjusted for exceptional items and fair value adjustments (being the amortisation and depreciation on fair value uplifted assets and non-cash interest), net of the associated taxation on these adjusting items.

The Directors have presented Adjusted EPS as they believe the APM represents useful information to the user of the financial statements in assessing the performance of the Group, when comparing its performance across periods, as well as being used in the determination of Directors' variable remuneration. Additionally, the APM is considered by the Board when determining the proposed level of ordinary dividend. A full reconciliation is provided in Note 7.

Net debt and Net debt to adjusted EBITDA ("leverage") ratio

Net debt is defined as the sum of cash and cash equivalents less total borrowings at the balance sheet date. This does not include lease liabilities arising upon application of IFRS 16 in order to align with the Group's banking facility covenant definition.

The Net debt to adjusted EBITDA ratio definition removes the operating lease expense benefit generated from IFRS16 compared to IAS 17 within adjusted EBITDA.

The Directors disclose these APMs to provide information as a useful measure for assessing the Group's overall level of financial indebtedness and when comparing its performance and position across periods.

A full reconciliation of the net debt to adjusted EBITDA ratio (also referred to as 'leverage') is set out below:

	Year ended 31 December 2024	Year ended 31 December 2023
	£'000	£'000
Net debt	(121,560)	(100,616)
Adjusted EBITDA	79,350	107,357
Impact of IFRS 16	(12,134)	(12,134)
Adjusted EBITDA prior to IFRS 16	67,216	95,223
Ratio of net debt to adjusted EBITDA	1.8x	1.1x

Adjusted Return on Capital Employed (Adjusted ROCE)

Adjusted Return on Capital Employed ("Adjusted ROCE") is defined as Adjusted earnings before interest and taxation as a proportion of the average capital employed (defined as net debt plus equity excluding the pension surplus). The average is calculated using the period end balance and corresponding preceding reported period end balance (year end or interim).

The Directors disclose the Adjusted ROCE APM in order to provide users of the financial statements with an indication of the relative efficiency of capital use by the Group over the period, assessing performance between periods as well as being used within the determination of executives' variable remuneration.

The calculation of Adjusted ROCE is set out below:

Year ended 31 December 2024	Year ended 31 December 2023
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	£'000	£'000
Adjusted EBITDA	79,350	107,357
Less depreciation	(33,495)	(34,626)
Less amortisation	(7,062)	(6,938)
<i>Adjusted earnings before interest and taxation</i>	38,793	65,793
Average net debt	129,699	94,863
Average equity	394,836	407,061
Average pension	(8,305)	(10,160)
<i>Average capital employed</i>	516,230	491,764
Adjusted ROCE	7.5%	13.4%

Average capital employed figures are derived using the following closing balance sheet values:

	31 December 2024	30 June 2024	31 December 2023	30 June 2023
	£'000	£'000	£'000	£'000
Net debt	121,560	137,838	100,616	89,110
Equity	395,263	394,409	399,867	414,254
Less: Pension assets	(7,839)	(8,771)	(9,832)	(10,488)
Capital employed	508,984	523,476	490,651	492,876

Adjusted effective tax rate

The Group presents an adjusted effective tax rate (Adjusted ETR) within its Financial Review. This is disclosed in order to provide users of the financial statements with a view of the rate of taxation borne by the Group adjusted for exceptional items, fair value adjustments (being the amortisation and depreciation on fair value uplifted assets), non-cash interest and changes in taxation rates on deferred taxation.

A reconciliation of the adjusted ETR to the statutory UK rate of taxation is included in Note 6.

Cash flow related APMs

The Group presents an adjusted cash flow statement within its Financial Review. This is disclosed in order to provide users of the financial statements with a view of the Group's operating cash generation before the impact of cash flows associated with exceptional items (as set out in Note 5) and stated after interest, lease payment and non-exceptional property disposal-related cash flows.

The Directors use this APM table to allow shareholders to further understand the Group's cash flow performance in the period, to facilitate comparison with comparative periods and to assess trends in financial performance. This table contains a number of APMs, as described below and reconciled in the following table.

Adjusted change in working capital:

Adjusted change in working capital represents the statutory change in working capital adjusted for the changes associated with exceptional items arising in the year of £3.1 million (2023: £5.4 million).

Adjusted operating cash flow:

Adjusted operating cash flows are the cash flows arising from operating activities adjusted to add back cash flows relating to exceptional items of £11.2 million (2023: add back cash flows of £4.6 million) but stated after cash flows associated with: interest income; proceeds from the sale of property, plant and equipment; purchase of intangibles; and lease payments reclassified from investing or financing activities totalling £9.0 million (2023: £12.8 million).

Cash conversion:

Cash conversion is the ratio of Adjusted operating cash flow (defined above) to Adjusted EBITDA (defined above). The Directors believe this APM provides a useful measure of the Group's efficiency of its cash management during the period.

Adjusted free cash flow:

Adjusted free cash flow represents Adjusted operating cash flow (defined above) less total capital expenditure. The Directors use the measure of Adjusted free cash flow as a measure of the funds available to the Group for the payment of distributions to shareholders, for use within M&A activity and other investing and financing activities.

Year ended 31 December 2024	Statutory £'000	Exceptional £'000	Reclassification £'000	Adjusted £'000
Adjusted EBITDA	67,630	11,720	-	79,350
Change in working capital	(7,627)	3,103	-	(4,524)
Impairment charges	3,832	(3,832)	-	-
Net interest	(8,751)	-	139	(8,612)
Tax	(500)	-	-	(500)
Post-employment benefits	959	-	(959)	-
Other	(1,644)	212	(8,142)	(9,574)
Adjusted operating cash flow	53,899	11,203	(8,962)	56,140
Cash conversion				71%
Total capex	(45,235)	-	-	(45,235)
Adjusted free cash flow	8,664	11,203	(8,962)	10,905

Year ended 31 December 2023	Statutory £'000	Exceptional £'000	Reclassification £'000	Adjusted £'000
Adjusted EBITDA	76,595	30,762	-	107,357
Change in working capital	(31,636)	(5,355)	-	(36,991)
Impairment charges	20,599	(20,599)	-	-
Net interest	(6,035)	-	257	(5,778)
Tax	630	-	-	630
Post-employment benefits	790	-	(1,081)	(291)
Other	(2,692)	(177)	(12,012)	(14,881)
Adjusted operating cash flow	58,251	4,631	(12,836)	50,046
Cash conversion				47%
Total capex	(65,653)	-	-	(65,653)
Adjusted free cash flow	(7,402)	4,631	(12,836)	(15,607)

4. SEGMENT REPORTING

The Directors consider the Group's reportable segments to be the Clay and Concrete Divisions.

One of the key Group performance measures is Adjusted EBITDA, as detailed below, which is defined in Note 3. The tables, below, present revenue and Adjusted EBITDA and profit before taxation for the Group's segments.

Included within the "Unallocated and elimination" columns in the tables below are costs including share-based payments and Group employment costs. Unallocated assets and liabilities are pensions, taxation and certain centrally held provisions. Eliminations represent the removal of inter-company balances. Transactions between segments are carried out at arm's length. There is no material inter-segment

removal of inter-company balances. Transactions between segments are carried out at arms length. There is no material inter-segmental revenue, and no aggregation of segments has been applied.

For all the periods presented, the activities of Istock Futures were managed and reported as part of the Clay Division. Consequently, the position and performance of Istock Futures for all periods has been classified within the Clay segment.

Year ended 31 December 2024				
	Clay £'000	Concrete £'000	Unallocated & elimination £'000	Total £'000
Total revenue	248,764	117,443	-	366,207
Adjusted EBITDA	72,287	14,646	(7,583)	79,350
Adjusted EBITDA margin	29.1%	12.5%		21.7%
Exceptional items impacting operating profit (see Note 5)	(11,336)	(384)	-	(11,720)
Depreciation and amortisation pre fair value uplift	(24,188)	(5,446)	(144)	(29,778)
Incremental depreciation and amortisation following fair value uplift	(5,926)	(4,853)	-	(10,779)
Net finance costs	(1,303)	(509)	(4,581)	(6,393)
Profit/(loss) before tax	29,534	3,454	(12,308)	20,680
Taxation				(5,588)
Profit for the year				15,092
Consolidated total assets	611,544	127,371	13,190	752,105
Consolidated total liabilities	(168,917)	(48,023)	(139,902)	(356,842)
Non-current assets				
Consolidated total intangible assets	52,649	21,301	-	73,950
Property, plant and equipment	411,111	51,393	-	462,504
Right-of-use assets	19,300	8,541	522	28,363
Total	483,060	81,235	522	564,817
Total non-current asset additions	49,381	4,050	-	53,431

Included within revenue for the year ended 31 December 2024 were £0.1 million of bill and hold transactions in the Concrete Division. At 31 December 2024, £0.1 million of inventory relating to these bill and hold transactions remained on the Concrete Division's premises. Additionally, £0.1 million of inventory related to bill and hold sales in previous years remained on the Concrete Division's premises and £0.4 million on the Clay Division's premises. The unallocated segment balance includes the fair value of the Group's share based payments and associated taxes (£1.5 million), plc Board and other plc employment costs (£5.2 million), pension costs (£1.0 million) and legal/administrative expenses (£3.6 million). These costs have been offset by research and development taxation credits (£2.6 million) and segmental recharges (£1.1 million). During the current period, one customer accounted for greater than 10% of Group revenues with £55.7 million of sales across the Clay and Concrete divisions.

Year ended 31 December 2023				
	Clay £'000	Concrete £'000	Unallocated & elimination £'000	Total £'000
Total revenue	292,220	113,619	-	405,839
Adjusted EBITDA	98,847	18,623	(10,113)	107,357
Adjusted EBITDA margin	33.8%	16.4%		26.5%
Exceptional items impacting operating profit (see Note 5)	(28,170)	(2,404)	(188)	(30,762)
Depreciation and amortisation pre fair value uplift	(23,406)	(5,733)	(175)	(29,314)
Incremental depreciation and amortisation following fair value uplift	(7,374)	(4,876)	-	(12,250)
Net finance costs	(2,015)	(569)	(2,380)	(4,964)
Profit/(loss) before tax	37,882	5,041	(12,856)	30,067
Taxation				(9,007)
Profit for the year				21,060
Consolidated total assets	610,867	133,502	9,862	754,231
Consolidated total liabilities	(174,062)	(46,127)	(134,175)	(354,364)
Non-current assets				
Consolidated total intangible assets	56,178	25,839	-	82,017
Property, plant and equipment	389,165	51,235	-	440,400
Right-of-use assets	29,915	9,310	606	39,831
Total	475,258	86,384	606	562,248
Total non-current asset additions	62,837	6,654	-	69,491

Included within revenue for the year ended 31 December 2023 were £1.1 million of bill and hold transactions in the Clay Division. At 31 December 2023, £1.1 million of inventory relating to these bill and hold transactions remained on the Clay Division's premises. Additionally, £0.1 million of inventory related to bill and hold sales in previous years remained on the Concrete Division's premises. The unallocated segment balance includes the fair value of the Group's share-based payments and associated taxes (£2.5 million), plc Board and other plc employment costs (£5.4 million), pension costs (£1.1 million) and legal/administrative expenses (£3.5 million). These costs have been offset by research and development taxation credits (£2.4 million). During 2023, one customer accounted for greater than 10% of Group revenues

by Research and Development taxation credits (£2.7 million). During 2023, one customer accounted for greater than 10% of Group revenues with £70.6 million of sales across the Clay and Concrete Divisions.

5. EXCEPTIONAL ITEMS

	Year ended 31 December 2024	Year ended 31 December 2023
	£'000	£'000
<u>Exceptional cost of sales</u>		
Impairment charge - Property, plant and equipment	(1,126)	(15,397)
Impairment charge - Right-of-use assets	(2,706)	(1,181)
Impairment charge - working capital	-	(4,022)
Total impairment charge	(3,832)	(20,600)
Redundancy costs	(581)	(7,470)
Costs associated with the closure of sites	(5,358)	(1,196)
Total exceptional cost of from sales	(9,771)	(29,266)
<u>Exceptional administrative expenses:</u>		
Redundancy costs	(992)	(1,496)
Other costs associated with restructuring programme	(957)	-
Total exceptional administrative expenses	(1,949)	(1,496)
Exceptional items impacting operating profit	(11,720)	(30,762)
Total exceptional items	(11,720)	(30,762)

During the 2024 year, the total exceptional charge arising from the enterprise restructuring programme initiated in late 2023 was £6.5 million, while the total charge arising from the decision to cease glass reinforced concrete (GRC) operations was £5.2 million.

2024

Included within the current year are the following exceptional items:

Exceptional cost of sales

Impairment charges arising in the current year relate to the impairment of non-current assets as set out in Note 10. Due to their materiality and non-recurring nature, these costs have been categorised as exceptional.

Redundancy costs relate to the severance for employees engaged in production activities following the Group's announced restructuring activities. These costs have been categorised as exceptional due to their materiality, and unusual and non-recurring nature of the events giving rise to the costs.

Costs associated with the closure of sites relate to other costs incurred as part of its single co-ordinated plan arising as a result of the Group's restructuring decisions in prior year. These costs mainly include closed site security and decommissioning activities.

Exceptional administration expenses

Exceptional redundancy costs arising in the current period relate to costs of redundancy of employees within the Group's selling, general and administrative ("SG&A") functions following the Group's restructuring announced in October 2023 and the GRC closure announced in October 2024.

The costs have been treated as exceptional due to their materiality, and the unusual and non-recurring nature of the event giving rise to the costs.

Other costs associated with closure of site relate to other SG&A costs directly attributable to the Group's cessation of the GRC business announced in October 2024.

2023

Included within 2023 are the following exceptional items:

Exceptional cost of sales

Impairment charges arising in 2023 relate to the impairment of non-current assets and working capital items. Due to their materiality and non-recurring nature, these costs had been categorised as exceptional.

Redundancy costs relate to employees engaged in production activities following the Group's announced restructuring activity in response to the deterioration in near-term demand outlook caused by a market downturn. These costs had been categorised as exceptional due to their materiality, and unusual and non-recurring nature of the events giving rise to the costs.

Costs associated with the closure of sites relate to other costs incurred as a result of the Group's restructuring decisions during 2023. These costs include closed site security and decommissioning activities.

Exceptional administration expenses

Exceptional redundancy costs recognised in 2023 relate to costs of redundancy of employees within the Group's selling, general and administrative ("SG&A") functions following the Group's announced restructuring in October 2023. The costs had been treated as exceptional due to their materiality, and the unusual and non-recurring nature of the event giving rise to the costs.

Cash flow on exceptional items¹

Exceptional cash costs of £8.1 million (2023: £10.2 million) arose as a result of the Group's rationalisation and closure of sites as part of its restructuring plans, of which £6.8 million (2023: £4.6 million) was cash settled in the year as detailed in Note 3. The exceptional non-cash charge of £ 3.6 million (2023: £20.6 million) comprised an impairment charge of £3.8 million associated with the Group's closure of GRC as detailed in Note 10 and a £0.2 million credit upon true up of the 2023 restructuring plan.

Total cash outflows of £11.2 million in relation to exceptional items in the 2024 year comprised £6.8 million relating to in-year exceptional charges and the settlement of provisions within the opening balance sheet totalling £4.4 million.

Tax on exceptional items

In the current year, impairment charges arising on non-current assets are not tax deductible but give rise to a deferred tax credit in the period. The redundancy and site closure costs are treated as tax deductible in the period. The total tax credit on exceptional items was £2.9 million (2023: £7.0 million).

6. TAXATION

Year ended 31 December 2024	Total statutory		Exceptional and other adjusting items		Adjusted PBT	
	£'000	Percentage	£'000	Percentage	£'000	Percentage
Profit before tax	20,680	100%	20,280	100%	40,960	100%
Profit before tax multiplied by the rate of corporation tax in the UK	5,170	25.00%	5,070	25.00%	10,240	25.00%
Effects of:						
Expenses not deductible / items not taxable	967	4.68%	-	-	967	2.36%
Permanent benefit of super-deduction on capital expenditure	-	-	-	-	-	-

Changes in estimates relating to prior periods	(549)	(2.65%)	-	-	(549)	(1.34%)
Rate change on deferred tax provision	-	-	-	-	-	-
Total taxation expense from continuing operations	5,588	27.03%	5,070	25.00%	10,658	26.02%

Year ended 31 December 2023	Total statutory £'000	Percentage	Exceptional and other adjusting items £'000	Percentage	Adjusted PBT £'000	Percentage
Profit before tax	30,067	100%	42,186	100%	72,253	100%
Profit before tax multiplied by the rate of corporation tax in the UK	7,067	23.50%	9,913	23.50%	16,980	23.50%
Effects of:						
Expenses not deductible / items not taxable	1,175	3.91%	(278)	(0.66%)	897	1.24%
Permanent benefit of super-deduction on capital expenditure	(292)	(0.97%)	-	-	(292)	(0.40%)
Changes in estimates relating to prior periods	195	0.65%	-	-	195	0.27%
Changes in taxation rate on deferred tax	862	2.87%	(862)	(2.04%)	-	-
Total taxation expense from continuing operations	9,007	29.95%	8,773	20.80%	17,780	24.61%

7. EARNINGS PER SHARE

The basic earnings per share figures are calculated by dividing profit for the year attributable to the parent shareholders by the weighted average number of Ordinary Shares in issue during the year. The diluted earnings per share figures allow for the dilutive effect of the conversion into Ordinary Shares of the weighted average number of options outstanding during the year. Where the average share price for the year is lower than the option price the options become anti-dilutive and are excluded from the calculation. The number of shares used for the earnings per share calculation are as follows:

	Year ended 31 December 2024 (000s)	Year ended 31 December 2023 (000s)
Basic weighted average number of Ordinary Shares	393,091	392,217
Effect of share incentive awards and options	3,372	3,437
Diluted weighted average number of Ordinary Shares	396,463	395,654

The calculation of adjusted earnings per share is a key measurement used by management that is not defined by IFRS. The adjusted earnings per share measures should not be viewed in isolation but rather treated as supplementary information.

Adjusted earnings per share figures are calculated as the Basic earnings per share adjusted for exceptional items, and fair value adjustments (being the amortisation and depreciation on fair value uplifted assets and non-cash interest expenses). Adjustments are made net of the associated taxation on the adjusted items. A reconciliation of the statutory profit to that used in the adjusted earnings per share calculations is as follows:

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Profit for the period attributable to the parent shareholders	15,092	21,060
Add back exceptional items (Note 5)	11,720	30,762
Less back tax credit on exceptional items	(2,930)	(6,952)
Add back incremental depreciation and amortisation following fair value uplift	10,779	12,250
Less tax credit on incremental depreciation and amortisation following fair value uplift	(2,695)	(2,878)
Less net non-cash interest	(2,219)	(826)
Add back tax expense on non-cash interest	555	194
Add back impact of deferred taxation rate change	-	844
Adjusted profit for the period attributable to the parent shareholders	30,302	54,454
	Year ended 31 December 2024 pence	Year ended 31 December 2023 pence
Basic EPS on profit for the year	3.8	5.4
Diluted EPS on profit for the year	3.8	5.3
Adjusted basic EPS on profit for the year	7.7	13.9
Adjusted diluted EPS on profit for the year	7.6	13.8

8. BORROWINGS

	£'000	£'000
Current		
Private Placement	339	333
Revolving Credit Facility	31,086	25,163
	31,425	25,496
Non-current		
Private Placement	99,427	98,992

	99,427	98,992
Total borrowings	130,852	124,488

At current and prior year end, the Group held £100 million of private placement notes from FRICOA Private Capital, with maturities of between 2028 and 2033 and an average total cost of funds of 2.19% (range 2.04% - 2.27%). The agreement contains debt covenant requirements of leverage (net debt to adjusted EBITDA) and interest cover (adjusted EBITDA to net finance charges) of no more than 3 times and at least 4 times, respectively, tested semi-annually on 30 June and 31 December in respect of the preceding 12-month period.

Additionally, a £125 million RCF facility is held with a syndicate of five banks for an initial four year period ending in November 2025, which was extended to November 2026 in 2022. Interest is charged at a margin (depending upon the ratio of net debt to Adjusted EBITDA) of between 160bps and 260bps above SONIA, SOFR or EURIBOR according to the currency of the borrowing. The facility also includes an additional £50 million uncommitted accordion facility. Based on current leverage, the Group will pay interest under the RCF initially at a margin of 210bps which is expected to increase to a margin of 210bps in the second quarter of 2025 as a result of an increase the Group's leverage. This facility contains debt covenant requirements that align with those of the private placement with the same testing frequency. As at 31 December 2024 the RCF was drawn down by £31.0 million (2023: £25.0 million).

The carrying values of financial liabilities have been assessed as materially in line with their fair values, with the exception of £100 million of private placement notes. The fair value of these borrowings has been assessed as £87.8 million (2023: £88.3 million).

No security is provided over the Group's borrowings.

9. PROVISIONS

	£'000	£'000
Restoration (i)	4,405	5,489
Dilapidations (ii)	3,816	4,620
Restructuring (iii)	1,397	5,037
Other (iv)	419	418
	10,037	15,564
Current	3,010	6,002
Non-current	7,027	9,562
	10,037	15,564

(i) The restoration provision comprises obligations governing site remediation and improvement costs to be incurred in compliance with applicable environmental regulations together with constructive obligations stemming from established practice once the sites have been fully utilised. Provisions are based upon management's best estimate of the ultimate cash outflows. The key estimates associated with calculating the provision relate to the cost per acre to perform the necessary remediation work as at the reporting date together with determining the expected year of retirement. Climate change is specifically considered at the planning stage of developments when restoration provisions are initially estimated. This includes projection of costs associated with future water management requirements and the form of the ultimate expected restoration activity. Other changes to legislation, including in relation to climate change, are factored into the provisions when legislation becomes enacted. Estimates are reviewed and updated annually based on the total estimated available reserves and the expected mineral extraction rates. Whilst an element of the total provision will reverse in the medium-term (one to ten years), the majority of the legal and constructive obligations applicable to mineral-bearing land will unwind over a greater than twenty-year timeframe. In discounting the related obligations, expected future cash outflows have been determined with due regard to extraction status and anticipated remaining life. Discount rates used are based upon UK Government bond rates with similar maturities.

(ii) Provisions for dilapidations are recognised on a lease-by-lease basis and are based on the Group's best estimate of the likely contractual cash outflows, which are estimated to occur over the lease term. Third party valuation experts are used periodically in the determination of the best estimate of the contractual obligation, with expected cash flows discounted based upon UK Government bond rates with similar maturities.

(iii) The restructuring provision comprised obligations arising from the completion of the Group's review of operations announced in October 2023 and the restructuring of the GRC business announced in October 2024. The restructuring involved site closures and associated redundancy costs. The key estimates associated with the provision relate to redundancy costs per impacted employee. All of the cost is expected to be incurred within one year of the balance sheet date.

(iv) Other provisions include provisions for legal and warranty claim costs, which are expected to be incurred within one year of the balance sheet date.

10. IMPAIRMENT

In the year, in light of the lower activity levels across the UK construction industry, management identified indicators of potential impairment. Subsequently recoverable amounts across the Group's cash-generating units (CGUs) were calculated and compared with the carrying value of the assets that were allocated to the relevant CGUs.

For tangible asset impairment testing purposes, the Group has determined that each factory is a separate Cash Generating Unit (CGU), with the exception of: Leighton Buzzard and Stretton which are considered as one roofing CGU and Bedford and Barnwell which are considered as one Southern fencing and building CGU in the Concrete Segment. Due to the production and supply arrangements made in 2024, Thornley and Northwich are no longer considered as one Rail CGU as in 2023; instead, they are considered as separate CGUs.

For intangible asset impairment testing, the Group has determined that each legal entity is a separate CGU as this is the lowest level at which the intangible assets can be directly attributed.

Following announcement of the cessation of the glass reinforced concrete (GRC) business, in the Clay segment, management performed detailed impairment testing for the carrying value of the assets associated with the operation.

The Group determined the recoverable amount based on the fair value less costs to disposal ("FVLCTD"). This assessment falls within level 3 of the fair value hierarchy and was based on management's judgement that the assets could not be sold for any value, this being the assumption the recoverable amount is most sensitive to.

Determination of FVLCTD by management reflected full impairment of all items of plant and machinery, building improvement and right-of-use (ROU) assets for which management's assessment was that no alternative use, future salvage value or disposal proceeds are expected for the impacted assets.

This assessment of impairment resulted in the recognition of an exceptional impairment charge of £3.8 million (2023: £20.6 million) within cost of sales within the Group's consolidated income statement.

The impairment of assets valued at historical cost impacted the Clay segment of the Group in the current period as follows:

	Clay
	£'000
Leasehold improvement	852
Plant, machinery and equipment	274
Right-of-use assets	2,706
Total	3,832

Additionally, management completed detailed impairment testing based on value-in-use ("VIU"), for the Group's other operating CGUs as at 31 December 2024.

The key assumptions used within the VIU calculation is noted below:

Management has used the latest Board approved budget and strategic planning forecasts in its estimated future cash flows, covering the period 2025 to 2029, which includes assumptions regarding industry demand for the Group's products.

Clay CGUs:

For the Clay division, these forecasts assume a return to normalised levels of industry demand for the Group's products (defined as a level of demand in line with the 2022 year) over the medium term.

Management is of the view that a downside sensitivity, evaluated as an unforeseen material reduction of greater than 10% in the long-term industry demand for the Division's products (against a level of demand in line with the 2022 year) could lead to a risk of impairment of the Division's non-current assets of between £15 million and £25 million.

Roofing CGU:

Following the operational challenges experienced in the Roofing category in 2022, there has been on-going recovery, however output remains below what has been experienced. Management is of the view that a downside sensitivity, evaluated as the inability to achieve the planned mid-term output (defined as a level of demand in line with the 2021 year) by 30%, could lead to a risk of impairment of the Group's non-current assets at its Leighton Buzzard and Stretton CGU of between £7 million to £14 million.

The other assumptions used within the VIU calculation are noted below:

1. A pre-tax weighted average cost of capital ("WACC") of 11%-15% was used within the VIU calculation based on an externally derived rate and benchmarked against industry peer group companies.
2. Terminal nominal growth rates of 2% were used reflecting long term inflationary expectations and management's past experience and expectations.

Management is of the view that no reasonable movement in the assumptions of the WACC or terminal growth rate outlined would result in impairment of the Group's non-current assets.

The cash flows include ongoing capital expenditure required to maintain the productive capacity of the network but exclude any growth capital initiatives not committed.

The immediately quantifiable impacts of climate change and costs expected to be incurred in connection with our climate resilience plan, are included within the budget and strategic plan, which have been used to support the impairment reviews, with no material impact on cash flows. We also expect any changes required due to physical risks arising from our assessment of climate change would be covered by business-as-usual site refurbishments and phased over multiple years. Therefore, the related cash outflow would not have a material impact in any given year. As a consequence, there has been no material impact on the forecast cash flows used for impairment testing.

As a result of the detailed impairment testing performed as at 31 December 2024 no further impairment charges were recognised. No material impairment reversals arose during the year.

Goodwill

The Group's goodwill balance of £3.9 million arose on the acquisition of the Longley operations in July 2019 (£2.9 million), acquisition of the Generix operation in July 2022 (£0.9 million) and acquisition of Coltman in November 2023 (£0.1 million). Based upon management's detailed testing of the recoverable value of the CGUs to which goodwill is allocated, no impairment was indicated. Key assumptions used within the testing of goodwill for impairment are consistent with those set out above.

For the Longley CGU, a pre-tax discount rate of 13.44% has been used, together with a long-term growth rate of 2%. CGU-specific cash flows for the detailed five-year time period used by management contain a revenue compound growth rate of 5.2%.

Based on management's projections, no reasonably possible change in key assumptions within the VIU calculation supporting the impairment calculation could cause the carrying value of goodwill to exceed its recoverable amount.

11. NOTES TO THE GROUP CASH FLOW STATEMENT

	Year ended 31 December 2024	Year ended 31 December 2023
	£'000	£'000
Cash flows from operating activities		
Profit before taxation	20,680	30,067
Adjustments for:		
Depreciation	33,495	34,626
Impairment of property plant and equipment	1,126	15,397
Impairment of right-of-use assets	2,706	1,181
Impairment of working capital	-	4,022
Amortisation of intangible assets	7,062	6,938
Net finance costs	6,393	4,964
Gain on disposal of property, plant and equipment	(261)	(1,957)
Research and development expenditure credit	(2,635)	(2,427)
Share based payments	1,253	2,308
Post-employment benefits	959	790
Other	(245)	(617)
	70,533	95,292
Increase in inventory	(5,633)	(28,495)
(Increase)/decrease in debtors	(5,529)	28,298
Increase/(decrease) in creditors	8,355	(36,865)
(Decrease)/increase in provisions	(4,820)	5,426
Cash generated from operations	62,906	63,656

12. FINANCIAL INSTRUMENTS

IFRS 13 'Financial Instruments: Disclosures' requires fair value measurements to be recognised using a fair value hierarchy that reflects the significance of the inputs used in the measurements, according to the following levels:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

At 31 December 2024 and 31 December 2023, the Group's fair value measurements were categorised as Level 2, except for (i) quoted investments within the Group's pension schemes, which were valued as Level 1 and (ii) the insured pensioner and deferred pensioner asset, which was categorised as a Level 3 valuation and uses assumptions set out in Note 13 to align its valuation to the related liability.

The Group entered into forward currency contracts as cash flow hedges to manage its exposure to foreign currency fluctuations associated with the future purchases of plant and equipment required for the construction of major capital expenditure projects. These instruments are measured at fair value using Level 2 valuation techniques subsequent to initial recognition.

At 31 December 2024, a liability valued at £0.1 million (31 December 2023: a liability of £0.1 million) was recognised for these derivative financial instruments.

At 31 December 2024 and 31 December 2023, the Group held no other significant derivative financial instruments. There were no transfers between levels during any period disclosed.

The carrying value of the Group's short-term receivables and payables is a reasonable approximation of their fair values. The fair value of all other financial instruments carried within the Group's financial statements is not materially different from their carrying amount, with the exception of £100 million of private placement notes. The fair value of these borrowings has been assessed as £87.8 million (2023: £88.3 million).

13. POST EMPLOYMENT BENEFITS

The Group participates in the Ibstock Pension Scheme (the 'Scheme'), a defined benefit pension scheme in the UK. During the year ended 31 December 2024, the opening Scheme surplus of £9.8 million decreased to a closing surplus of £7.8 million. Analysis of the movements during the year ended 31 December 2024 was as follows:

	£'000
Scheme surplus at 31 December 2023	9,832
Charge within labour costs and operating profit	(959)
Interest income	423
Remeasurement due to:	
- Change in financial assumptions	32,536
- Change in demographic assumptions	2,134
- Experience gains	1,343
- Return on plan assets	(37,470)
Scheme surplus at 31 December 2024	7,839

On 20 December 2022, the Scheme completed a full buy-in transaction with a specialist third-party provider, which represented a significant step in the Group's continuing strategy of de-risking its pensions exposure. This transaction, together with the partial buy-in transaction in 2020 insured the significant majority of the Group's defined benefit liabilities. As a result, the insured asset and the corresponding liabilities of the Scheme are assumed to be broadly matched without exposure to interest rate, inflation risk or longevity risk. However, there is a residual risk that the insurance premium may be increased following a data cleanse to reflect a more accurate liability position. If the surplus Scheme assets are insufficient to meet any additional premium, then the company may need to pay an additional contribution into the Scheme.

The financial assumptions used by the actuary have been derived using a methodology consistent with the approach used to prepare the accounting disclosures at 31 December 2023. The assumptions have been updated based on market conditions at 31 December 2024:

	Year ended 31 December 2024	Year ended 31 December 2023
	Per annum	Per annum
Discount rate	5.45%	4.55%
RPI inflation	3.25%	3.10%
CPI inflation	2.75%	2.50%
Rate of increase in pensions in payment	3.65%	3.60%
Commutation factors	19.50	21.20

Mortality assumptions: life expectancy from age 65

For a male currently aged 65	21.4 years	21.4 years
For a female currently aged 65	24.2 years	24.1 years
For a male currently aged 40	23.1 years	23.1 years
For a female currently aged 40	26.0 years	25.9 years

In light of the fact that the pension scheme was in a net surplus position after the full buy-in, on 27 February 2023 the Trustees and the Group agreed that the Group would suspend paying regular contributions with effect from 1 March 2023. The schedule of contributions was reviewed again as part of the 30 November 2023 actuarial valuation, and as the net surplus position remained unchanged, no further contributions were required.

In July 2024, the Court of Appeal confirmed an earlier ruling by the High Court in the Virgin Media Limited vs NTL Pension Trustees II Limited case that considered the implications of section 37 of the Pension Schemes Act 1993. The ruling determined that certain pension plan amendments were invalid unless accompanied by the correct actuarial confirmation.

The Group has begun an assessment of the potential impact of the ruling working with the Trustees of its sponsored scheme who have engaged their legal advisers to review the deeds executed between 6 April 1997 and 5 April 2016 – this includes deeds relating to the Ibstock Pension Scheme itself as well as deeds relating to the various other schemes that transferred into it over time. Of the 52 deeds identified, 10 did not have appended actuarial confirmations and it is not yet clear if amendments were made without "Section 37" confirmation from the scheme actuary which introduces uncertainty over the potential impact of these deeds to the valuation of the pension obligations. At this stage, the Group is unable to quantify any potential impact on its pension scheme until it concludes its assessment against the Virgin media ruling. The Group understands that the Trustees have in place policies and procedures to ensure compliance with laws and regulations, including regular trustee meetings with attendance by professional advisers including the Scheme Actuary, regular involvement of legal advisers, annual scheme audits and triennial valuations.

14. BUSINESS COMBINATIONS

On 30 November 2023, the Group acquired 100% of the share capital of Valerie Colman Holdings Limited and its subsidiary Colman Precast Concrete Limited for a cash consideration of £5.2 million, net of £2.5 million cash acquired. The values of acquired assets associated with the acquisition were finalised during 2024 with updates to provisional values assigned and resulted in a £0.2 million refund of the initial consideration.

15. OTHER RESERVES

	Cash flow hedging reserve	Merger reserve	Own shares held	Treasury shares	Total other reserves
	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2024	(25)	(369,119)	(514)	(30,000)	(399,658)
Other comprehensive expense	(40)	-	-	-	(40)
Issue of own shares held on exercise of share options	-	-	514	2,093	2,607
At 31 December 2024	(65)	(369,119)	-	(27,907)	(397,091)
At 1 January 2023	418	(369,119)	(1,589)	(30,000)	(400,290)
Other comprehensive expense	(443)	-	-	-	(443)
Issue of own shares held on exercise of share options	-	-	1,075	-	1,075
At 31 December 2023	(25)	(369,119)	(514)	(30,000)	(399,658)

Cash flow hedging reserve

The cash flow hedging reserve records movements for effective cash flow hedges measured at fair value. The accumulated balance in the

cash flow hedging reserve will be reclassified to the cost of the designated hedged item in a future period.

Merger reserve

The merger reserve of £369.1 million arose on the acquisition of Figgs Topco Limited by Istock plc in the period ended 31 December 2015 and is the difference between the share capital and share premium of Figgs Topco Limited and the nominal value of the investment and preference shares in Figgs Topco Limited acquired by the Company.

Own shares held

The Group's holding in its own equity instruments is shown as a deduction from shareholders' equity at cost. These shares represented shares held in the Employee Benefit Trust (EBT) to meet the future requirements of the employee share-based payment plans. Consideration, if any, received for the sale of such shares is also recognised in equity with any difference between the proceeds from sale and the original cost being taken to the profit and loss reserve. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of equity shares. All remaining shares held in EBT were issued to meet share option requirements in the current year.

Treasury share reserve

The Group holds treasury shares to meet the future requirements of employee share-based payment plans. Consideration, if any, received for the sale of such shares is also recognised in equity with any difference between the proceeds from sale and the original cost being taken to the profit and loss reserve. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of equity shares.

At 31 December 2024, the treasury shares are shown as a deduction from shareholders' equity at cost totalling £27.9 million (31 December 2023: £30.0 million).

16. RELATED PARTY TRANSACTIONS

Balances and transactions between Istock Plc (the ultimate Parent) and its subsidiaries, which are related parties, are eliminated on consolidation and are not disclosed in this note. There were no further material related party transactions, nor any related party balances in either the 2024 or 2023 financial year other than remuneration for the Directors and key management personnel.

17. DIVIDENDS PAID AND PROPOSED

The Directors are proposing a final dividend in respect of the financial year ended 31 December 2024 of 2.5 pence (2023: 3.6 pence) per Ordinary Share, which will distribute an estimated £9.9 million (2023: £14.1 million) of shareholders' funds. Subject to approval at the Annual General Meeting, this will be paid on 30 May 2025, to shareholders on the register at the close of business on 9 May 2025. These condensed consolidated financial statements do not reflect the 2024 final dividend declared.

18. POST BALANCE SHEET EVENTS

Except for the proposed ordinary dividend (see Note 17), no further subsequent events requiring either disclosure or adjustment to these financial statements have arisen since the balance sheet date.

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