2 September 2025

Michelmersh Brick Holdings PLC

("MBH", the "Company", or the "Group")

Half year results for the six months ended 30 June 2025

Michelmersh Brick Holdings PLC (AIM: MBH), the specialist brick manufacturer and brick-fabricator, is pleased to report its half year results for the six months ended 30 June 2025.

Financial Highlights:

	30 June 2025	30 June 2024	Change
Statutory results			
Revenue	**£35.8m**	£35.4m	*1.1%*
Gross margin	**33.6%**	36.2%	*(2.6%)*
Operating profit	**£3.0m**	£4.1m	*(26.8%)*
Profit before tax	**£2.9m**	£4.1m	*(29.3%)*
Basic earnings per share	**2.47p**	3.37p	*(26.7%)*
Cash from operations	**£3.2m**	£0.9m	*up £2.3m*
Net cash	**£1.5m**	£4.1m	*down £2.6m*
Dividend per share	**1.60p**	1.60p	-
Adjusted results*			
Adjusted EBITDA[1]	**£5.9m**	£7.2m	*(18.1%)*
Adjusted operating profit	**£4.0m**	£5.3m	*(24.5%)*
Adjusted profit before tax	**£3.9m**	£5.3m	*(26.4%)*
Adjusted earnings per share	**3.30p**	4.28p	*(22.9%)*

Strategic and Operational Highlights:

- Resilient first half of 2025, with revenue up 1.1% reflecting increased UK despatch volumes offset by very challenging markets in Europe
- Continued outperformance of UK market despatch volumes, which remain c. 25% below 2022 peak; a result of the diversity of our end markets and the quality of our products
- Order intake ahead of normalised manufacturing volumes in H1, underpinning a balanced order book profile for the start of H2
- Highly competitive pricing environment mitigated by a continued focus on collaboration with customers to support stable average selling prices
- H1 weighted capex investment of £3.8 million targeting efficiency improvements across manufacturing facilities
- Additional two-week shutdown at Carlton in January completed a substantial capex programme leading to a three million unit shortfall on the site and a one-off impact on profits in H1; normalised operating cadence re-established in H2
- Challenging market conditions in Belgium with a further 20% decline in housing activity from 2024 led to significant drop in revenue and despatches in Floren; cost reductions realised in order to mitigate current market activity levels
- Active management of input costs on a risk-based approach, with energy costs continuing to be hedged
- Strong balance sheet despite challenging markets, with net cash of £1.5 million and £20 million borrowing facility underpinning financial resilience and flexibility to pursue balanced capital allocation policy
- Declaration of interim dividend of 1.60 pence (1.60 pence H124) underlines the Board's confidence in the outlook of the business and its focus on the importance of returns for shareholders
- Peter Sharp steps down from the Board as CEO to become industry adviser, with Ryan Mahoney formally acceding to the role of CEO as Peter's replacement
- Rachel Warren joins the Board as the new CFO from Wincanton

Outlook

- Resilient momentum in our order intake, continuing to run ahead of manufacturing volumes
- Focus on maintaining a well-balanced forward order book and appropriate pricing in a very competitive market to support demand across our diverse end market customer base
- Decision taken to temporarily stop production at Floren in Q3 due to slow recovery in Belgium market with production expected to restart in Q4
- Continued execution of our balanced capital allocation policy focused on maintaining well invested manufacturing sites and balanced returns to shareholders through dividends and buybacks
- Despite the inflection point for market recovery remaining uncertain, the medium term fundamental market drivers for our business are encouraging and we are well positioned
- With improved trading continuing into H2, the Board expect the full year outturn for FY25 to be broadly reflective of our FY24 financial performance

Commenting on the results, Tony Morris, Chair of Michelmersh Brick Holdings PLC, said:

"The timing uncertainty in the recovery of the wider UK construction industry and Belgium brick markets continues to challenge the Group. UK brick despatches remain c. 25% below the peak in 2022, whilst Belgium is some 40% below over the same period. Despite this, the Group continues to outperform the UK market in despatch volumes. Our fundamental core competency remains our significant strength in the premium end of the brick market in the UK and Benelux addressing a broad and diverse end user base.

"Given the scale of the investment to improve the production efficiency across our facilities over the last 12 months, the additional two-week shutdown at Carlton has impacted our profit metrics in the first half. As we move into the second half of the year, we are now seeing a normalised operational cadence in the UK which is supporting our commercial focus on maintaining momentum in our order intake and balanced order book. With the strength of our balance sheet and net cash position, we are positioned well to continue to trade through the ongoing challenging market conditions but we do not expect to recover the profit shortfall in the second half. As a result, and given the in trading we are seeing in H2, we expect our full year performance to be now broadly in line with FY24 before returning to growth in 2026."

* *The Directors believe that adjusted measures provide a more useful comparison of business trends and performance. Adjusted results exclude exceptional items, costs associated with acquisitions and aborted corporate transactions, and the amortisation of acquired intangibles. The term adjusted is not defined under IFRS and may not be comparable with similarly titled measures used by other companies. Adjusted performance results are reconciled with these reported results in the Chief Executive Officer's Statement below.*

[1] *EBITDA is defined as earnings before interest, tax, depreciation and amortisation.*

An analyst briefing will be held virtually at 09:30am today. To attend, please email michelmersh@yellowjerseypr.com.

The Company also notes that it will be hosting an online presentation to retail investors at 14:00 pm today. Those wishing to join the presentation are requested to register via the following link: https://engageinvestor.news/MBH_IP.

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

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About Michelmersh Brick Holdings PLC:

Michelmersh Brick Holdings PLC is a business with seven market leading brands: Blockleys, Carlton, FabSpeed, Freshfield Lane, Michelmersh, Floren.be and Hathern Terra Cotta. These divisions operate within a fully integrated business, combining the production of premium, precision-made bricks, pavers, special shaped bricks, bespoke Terra Cotta products and prefabricated brick components. The Group also includes a landfill operator, New Acres Limited, and seeks to develop future landfill and development opportunities on ancillary land assets.

Established in 1997, the Company has grown through acquisition and organic growth into a profitable and asset rich business, producing over 120 million clay bricks and pavers per annum. Michelmersh currently owns most of the UK's premium manufacturing brick brands and is a leading specification brick and clay paving manufacturer.

Michelmersh strives to be a well invested, long term, sustainable, environmentally responsible business. Opportunity, training and security for all employees, whilst meeting the needs of stakeholders are at the forefront of everything we do. We aim to lead the way in producing some of Britain's premium clay products and enhancing our environment by adding value to the architectural landscape for generations to come.

We are Michelmersh Brick Holdings PLC: we are "Britain's Brick Specialist".

Please visit the Group's websites at: www.mbhplc.co.uk, www.bimbricks.com and www.sustainablebrick.com

Chief Executive Officer's Statement

I am pleased to report on a resilient start to our 2025 financial year and provide details on our progress against our strategic objectives. These half year results have been delivered in what remains a very challenging environment across the construction industry. The cautionary sentiment of the overall economic environment, no new Help to Buy initiatives to alleviate affordability concerns and the unhurried reduction of interest rates have acted as a combined drag on consumer confidence, impacting demand across our key markets. Alongside this, low planning approvals process, particularly in London and the South East as a result of the Building Safety Act and the Gateway 2 and 3 regulations, has significantly impacted the recovery momentum in some of our key markets most noticeably in the developer space. As ever, the Board is hugely grateful for the work and dedication of all our people across the Group. Through the last six months, the team has overseen significant capital improvement activities whilst continuing to focus on high quality product manufacturing and customer service.

Whilst the ongoing challenges in our sector are set to stretch beyond two years, the fundamentals in our end markets in the UK and Belgium remain positive. There is a critical shortage of both new residential and social housing, a significant legacy housing inventory constructed with brick facades underpinning future Repairs, Maintenance and Improvement ("RMI") demand, and requirements for specification and brick-cladding remedial solutions. The UK Government is still committed to reversing the decades long decline in housing formations with positive statements targeting a greater than 300,000 new homes run rate at the point of exit from this current parliament in 2029. In Belgium, the Government is targeting 70,000 new homes a year to reverse their critical housing shortages, which is set against a historic run rate of 65,000. Our strategic approach remains unchanged by focusing on targeting our broad product portfolio to address a balanced demand across each of these segments. In our view this underpins the resilience of our business as we focus on delivering returns for shareholders. The longevity and depth of our customer relationships also supports this approach, and we are focused on maintaining our partnerships by delivering an excellent product and service.

Our fundamental core competency remains our significant strength in the premium end of the brick market in the UK and Benelux. We view the long-term fundamentals of these markets as positive, with brick continuing to be the façade material of choice due to its longevity, sustainable and energy efficiency qualities, low-cost base and broad aesthetic appeal. Demand for bricks remains c. 25% below the most recent 2022 high point with the ongoing caution from consumers continuing the long trough in activity levels. UK brick production capacity has been gradually brought back over the last six months. As a result, brick production is currently running ahead of despatch volumes and consequently inventory volumes for the sector are back above the five-year average of c. 500 million. These market dynamics made pricing highly competitive in the first half and we will continue to watch with caution to see if the imbalance in supply and demand continues given the fluctuating market conditions.

The Group's continued ability to generate operational cash underpins our confidence to follow our capital allocation policy. This has enabled us to invest in the projects that address our strategic objectives to improve the sustainability of our manufacturing operations and support ongoing improvements in production efficiency. We remain committed to and focused on the importance of returns to shareholders through maintaining our attractive dividend ratio. The declaration of the interim dividend for the period underlines our confidence in the outlook for the business. We have also supplemented our dividends with the relaunch of our share buyback programme in April 2025. The Board will continue this activity where it determines that it is appropriate to do so to deliver value for shareholders and represents an attractive investment opportunity for the Company. Balancing the returns for our shareholders through dividends and buybacks alongside ensuring we maintain well invested manufacturing sites are central to the Group's capital allocation priorities. This strategy leaves us well-positioned to deliver further progress and shareholder value in the second half of 2025 and beyond.

Group Results

Financial Highlights

	Half year ended 30 June 2025	Half year ended 30 June 2024	Change
Revenue	**£35.8m**	£35.4m	*1.1%*
Gross margin	**33.6%**	36.2%	*(2.6%)*
Adjusted* EBITDA[1]	**£5.9m**	£7.2m	*(18.1%)*
Adjusted* operating profit	**£4.0m**	£5.3m	*(24.5%)*
Operating profit	**£3.0m**	£4.1m	*(26.8%)*
Adjusted* profit before tax	**£3.9m**	£5.3m	*(26.4%)*
Profit before tax	**£2.9m**	£4.1m	*(29.3%)*
Adjusted* basic earnings per share	**3.30p**	4.28p	*(22.9%)*
Basic earnings per share	**2.47p**	3.37p	*(26.7%)*
Dividend per share	**1.60p**	1.60p	-

**The Directors believe that adjusted measures provide a more useful comparison of business trends and performance. Adjusted results exclude exceptional items, costs associated with acquisitions and aborted corporate transactions, and the amortisation of acquired intangibles. The term adjusted is not defined under IFRS and may not be comparable with similarly titled measures used by other companies. Adjusted performance results are reconciled with these reported results in the Chief Executive Officer's Statement below.*

[1] EBITDA is defined as earnings before interest, tax, depreciation and amortisation.

The ongoing challenges in the broader construction market and the timing of our capital improvement works have affected the trading performance in the business in the first half, with the Group being impacted across all of our profit metrics.

Revenue for the six months increased by 1.1% to £35.8 million over the equivalent period in 2024 (HY24: £35.4 million). Taking the UK separately this performance over the first six months included a 3% increase in despatches from the start of the period. At the same time, alongside we continued to focus on appropriate portfolio pricing to maintain diversity in our forward order book which supported stable average selling prices period on period despite a very competitive pricing environment. On the continent, the broader macro market remains very challenging with the key data point of Belgium building permits declining again by c. 20% over the prior period comparison which gives a cumulative shortfall of c. 42% since 2022. As a result, our again by c. 20% over the prior period comparison which gives a cumulative shortfall of c. 42% since 2022. As a result, our Floren despatches and revenue were significantly impacted with an approximate 23% decline in both metrics. Due to this further significant construction activity decline in Belgium we took the decision to temporarily close the Floren facility at the start of Q3 with a planned reopening in Q4. As with our other recent closures in the Group, we have prioritised our inventory planning and manufacturing scheduling to try to ensure there is minimal impact on the planned despatches across our Floren customer base in both the UK and on the Continent.

The overall construction environment remains very challenging which we measure through the sector wide UK brick despatches which are still some 25% below their last peak in 2022. However, as we highlighted last year, we have not seen this level of decline across the Group and we are focused on maintaining our market share in this current environment. We see maintaining our market position in our key end channels as an important indicator reflecting the overall resilience of our business model. Our order intake volumes remain a very important barometer for us and we have continued our momentum in this key metric. This reflects the benefits of our product portfolio's broad reach and the strong customer loyalty and distributor relationships we have across our end markets. With order intake running ahead of normalised manufacturing capacity across the first half, this visibility continues to support our decision to maintain our production volumes in the UK and with no planned capex programmes which would require any further facility downtime.

Due to the timing of our capital improvement activities in the UK and the market challenges in Europe, our profit metrics have been negatively impacted in the first half. Adjusted operating profit of £4.0 million was down 24.5% on the comparative 2024 period (HY24: £5.3 million) and adjusted profit before tax of £3.9 million was down 26.4% (HY24: £5.3 million). The extended shutdown at Carlton by two-weeks and the subsequent commissioning period, combined to reduce our manufacturing volumes by three million units in the first half at this key site. This one-off impact has been the most significant drag on our H1 profit metrics. However, we expect to see normal manufacturing cadence continue for the rest of the year as we start to benefit from the significant investment at Carlton.

We continue to manage our input costs on a risk-based approach and as such, we have secured over 70% of our energy requirements for 2025. We see this as an appropriate hedged balance as we continue to see some opportunity in the potential for improvements in the pricing of utilities. Energy contracts are also in place for 50% of our expected requirements in 2026 with further contracts into 2027 and 2028 in line with this approach. Despite the one-off challenge with Carlton in the first half of the year the Group's strategy remains focused on managing our operational efficiency to maximise our financial returns, whilst importantly maintaining a close relationship with our loyal customers through our ability to deliver a greater degree of pricing visibility.

Adjusted EBITDA of £5.9 million is lower by 18.1% against 2024 (HY24: £7.2 million). This is at a lower margin of 16.5% compared to our 2024 exit margin of 20.0% largely reflecting the impact of our Carlton production delays and the challenging trading at Floren.

On a reported basis, the results include the impact of the amortisation of acquired intangibles and some exceptional items we incurred over the last 6 months. The adjustment of £0.7 million for the amortisation of intangibles is in line with 2024. In this six-month period we have incurred exceptional items of £0.3 million, being all related to Group restructuring costs. As a result, operating profit of £3.0 million was 26.8% below 2024 with profit before tax reflecting the same performance also down 29.3% at £2.9 million.

After a tax charge of £0.7 million (HY24: £1.0 million), the Group recorded a profit for the period after tax of £2.3 million (HY24: £3.1 million). The tax rate of 22.3% (HY24: 24.5%) reflects our expected effective Group tax rate for the full year, which is broadly inline with our effective rate of tax from the 2024 financial year.

Basic earnings per share decreased by 26.7% to 2.47p (HY24: 3.37p).

The table below (Adjusted Performance Measures) provides a clear reconciliation of the adjusted performance to the reported numbers.

Adjusted performance measures:

	Half year ended 30 June 2025 £000	Half year ended 30 June 2024 £000	Change	Year ended 31 December 2024 £000
Operating profit	**3,044**	4,145	(26.8%)	8,171
Adjustments:				
Exceptional items	**293**	-		-
Aborted corporate transaction costs and exceptional items	**-**	444		543
Amortisation of acquired intangibles	**687**	684		1,372
Adjusted operating profit	**4,024**	5,273	(24.5%)	10,087
Depreciation	**1,859**	1,917		3,924
Adjusted EBITDA	**5,883**	7,190	(18.1%)	14,011
Finance income/(expense)	**(102)**	(16)		(211)
Depreciation	**(1,859)**	(1,917)		(3,924)
Adjusted profit before taxation	**3,922**	5,257	(26.4%)	9,876

Basic earnings per share	**2.47p**	3.37p	(26.7%)	6.59p
Adjusted basic earnings per share [a]	**3.30p**	4.28p	(22.9%)	8.18p

[a] *The calculation of adjusted basic earnings per share is based on the adjusted profit before tax of £3,922,000, which excludes amortisation of acquired intangibles and exceptional items, then deducting taxation at the effective group rate of 22.3%, and the weighted average number of ordinary shares in issue, below in note 3.*

Group Cash and Working Capital

Cash generated from operations for the six months ended 30 June 2025 was £3.2 million, compared to £0.9 million for the same period in 2024. Operating cash conversion from adjusted EBITDA was 54.2%, ahead of our like for like comparison in 2024 of 12.5% but remaining below our typical first half rhythm of +80%. This was largely the result of the timing of collections for our receivables balances given our quieter Q1 and then a stronger profile of despatches in Q2 across the Group. The timing of our investment of property, plant and equipment has also been very front loaded with the majority of projects completed in the first half. We will run ahead of our normalised run rate for capital expenditure for the full year given the scale of works we have undertaken over the last 12 months particularly and expect the investment profile to normalise in FY26.

Aside from these specific timing differences we remain very confident in the underlying fundamental cash-generating ability of the business and we expect operating cash conversion to return to more historic levels in the second half to continue to underpin the approach to our capital allocation priorities for the Group.

	Half year to 30 June 2025	Half year to 30 June 2024

Net cash generated from operations	**£3.2m**	£0.9m
Tax paid	**(£0.9m)**	(£1.6m)
Purchase of property, plant and equipment	**(£3.8m)**	(£2.5m)
Aborted corporate transaction costs	**-**	(£1.0m)
Exceptional payments	**(£0.3m)**	-
Own shares acquired	**(£0.3m)**	-
Shareplan purchase	**(£0.2m)**	-
Settlement for exercised share options	**-**	(£1.0m)
Lease payments	**(£0.5m)**	(£0.4m)
Interest paid	**(£0.1m)**	-
Dividend paid	**(£1.5m)**	(£1.4m)
Other	**(£0.1m)**	£0.1m
Net (decrease)/increase in cash and cash equivalents	**(£4.5m)**	(£6.9m)
Net cash	**£1.5m**	£4.1m

At the half year the Group had net cash of £1.5 million (HY24: £4.1 million).

Our operating cash generation, net cash position and new £20 million Sterling and Euro denominated bank facility provides the Group with considerable financial resilience and flexibility to pursue our capital allocation policy. We were very pleased to agree the new bank facility in August which is committed until August 2028 with a further two 1-year extension options.

Property, plant and equipment

Our capital expenditure in the first half of the current financial year highlights our continued focus on proactively maintaining well invested and efficient manufacturing facilities. The principal expenditure over the first half was focused on Carlton, Floren and Michelmersh with the ongoing works carried over from 2024 continuing as the three facilities were closed from the start of this financial period. Taking each site in turn, Carlton was offline for all of January facilitating the completion of works started in November 2024. The works took two weeks longer than we originally planned given the unfortunate delay on the manufacture of a key element of tooling. Michelmersh was closed for all of January and February as we undertook and completed major kiln refurbishment works and key equipment upgrades. Floren remained closed to the end of February as we concluded the major upgrades to improve the environmental efficiency of our manufacturing processes through the installation of a new exhaust scrubber system. As we discussed in our 2024 final results, the changes to the Floren exhaust system also facilitated changes in our input materials mix to importantly extend the life of our mineral reserves significantly which we successfully trialled in March with very satisfactory results.

As we highlighted last year, we focused on working with our customers and directing our inventory build leading up to these scheduled gaps in production as we targeted continuing to supply all our customers' product requirements. We were largely successful at Floren and Michelmersh with despatch volumes in line with our expectations but the longer period of closure at Carlton did unfortunately impact our manufacturing and despatch volumes.

We also took the decision to accelerate our planned integration of our FabSpeed brand where we completed the installation of a new facility at our Michelmersh site as well as expanding the scale of our operations at Charnwood which allowed us to relocate our existing Watlington operations. With the relocation expected to complete in September we will now exit this previously leased site by the end of this financial year.

Purchase of own shares and share option cancellation

In April 2025 we announced the renewal of our share buyback programme which we first launched in November 2022 to reduce the share capital of the Group and to return value to shareholders. The scheme continues to run with a maximum aggregated consideration of £2.0 million up to the end of December 2025 of which £0.3 million had been spent up to the end of the period purchasing an additional 337,500 shares, taking the total shares purchased to date to 2,562,500. The shares continue to be held as treasury shares.

Sustainability

Sustainability is one of the four core pillars of our business, guiding investment and operational improvements across the Group. In the first half, we have continued to reduce our environmental footprint, expanded social value initiatives, and strengthened governance frameworks for ESG reporting. We continue to track progress against 17 non-financial KPI disclosures in line with our net zero 2050 goals, whilst making significant progress in planning strategies for substantial reductions in carbon and energy intensity for the Group.

We have accelerated our energy and carbon strategy, working with independent consultants to define a clear pipeline of major decarbonisation projects for implementation over the next decade. The initial focus is on data, optimisation, and efficiencies to fast-track delivery, supported by the expansion of our on-site renewable power generation projects, reducing reliance on external energy and reinforcing our commitment to a low-carbon future.

Board changes

Peter Sharp steps down from the Board today as he retires from his role as Chief Executive Officer but we are delighted that Peter is staying with the business in his new role as industry adviser to the Board. Peter has been on the Board since 2016 and during that period the Company has enjoyed significant growth and success with the Group's annual brick output increasing from 70 million to over 120 million. The portfolio has also broadened to include brick fabricated products and the Company also entered the European market with Floren in 2019. Peter has worked within the Clay industry for over 40 years so his extensive experience will be of great use to the Board and myself in his new position. Peter has been a highly valued colleague and member of the Board and from a personal perspective I have been very grateful for his support and advice over the last 4 years since I joined the Company.

I am also delighted to announce that Rachel Warren has joined the Board today as our new Chief Financial Officer following a thorough recruitment process. Rachel joins us from Wincanton, the former FTSE listed group who supply business critical services including storage, handling and distribution, where she has been Group Finance Director since January 2022. Prior to that, she spent the majority of her career within the IAG Group of companies, including her role as Director of Business Control for Aer Lingus and a suite of Financial Controller roles within British Airways. Rachel is both a qualified accountant and a fellow of the Association of Chartered and Certified Accountants.

With these changes, we believe that the Board is building a strong balance of skills and experience to support the Group as we continue to deliver against our strategic objectives.

Dividend

The Board recommended a final dividend in respect of 2024 of 3.00 pence per ordinary share to shareholders. The dividend was approved by shareholders at the AGM on 15 May 2025 and as a result the liability for the dividend payment was accrued in the 30 June 2025 interim accounts with the £2.8 million payment made after the half year end on 9 July 2025.

Reflecting our recognition of the importance of our dividend policy to shareholders, the Board has declared an interim dividend of 1.60 pence per ordinary share ("pps") (30 June 2024: 1.60pps). The dividend will be paid on 8 January 2026 to members on the register on 1 December 2025 and is not accrued in the 30 June 2025 interim accounts. The ex-dividend date will be 28 November 2025. With this interim dividend declaration, the Board is maintaining its policy of one third of the total annual dividend being paid at the interim stage and two thirds of the expected total annual dividend being paid at the full year.

Outlook

The resilience of our business model continues to be significantly tested by the fluctuating nature of the construction sector and UK brick despatches still 25% below the demand levels experienced from 2022 and through to H1 2023. Despite this long two-year trough, we have focused on our strategic core principles of well-maintained and efficient operations that manufacture the highest quality premium brick products for our customers. We believe in the fundamentals of our business which is underpinned by the quality of our product portfolio and the strength of our customer and distributor relationships. Following the robust first half, maintaining a well-balanced forward order book through appropriate pricing that covers the broadest range of end markets and customers is essential as we look to deliver a stronger second half.

In the UK, current order intake is running ahead of our manufacturing capacity which is contributing to a resilient order book and deliberately targeted at looking to cover the delays in despatches we experienced in the first half due to customer progress delays. In Belgium the market continues to deteriorate with activity levels measured by housing planning approvals now 40% below historic norms. Consequently, Floren begins the second half with a temporary pause on production. However, we have focused on supporting our people alongside ensuring we have strong inventory coverage available and onsite to minimise any potential impact on our customers ahead of our current planned restart in Q4. The significant strength of our balance sheet continues to underpin our ability to flex our production planning whilst we continue to navigate the difficult current market conditions. Our commercial teams are focused on continuing to diversify across RMI, housing, commercial, social and specification projects and this whole market strategy continues to underpin our resilient outlook.

Despite the lower consumer demand in our sector, we remain well placed at the premium end of the brick market in the UK and Benelux markets. The UK Government has continued to emphasise its focus on improving the overall planning process to deliver its 300,000 new home target over the next four years. These elements indicate that the long-term fundamentals of our markets are positive, with brick continuing to be the façade material of choice due to its longevity, sustainability and energy efficient qualities in use, low cost and broad aesthetic appeal. We believe we are well-positioned operationally to benefit from an improvement in wider market conditions, including a more favourable interest rate environment and reducing mortgage rates.

The active risk management of our cost base has supported our ability to focus on competitive pricing for our customers and we will focus on our partnerships and collaboration with our customers as we move into the second half and prioritise forward demand.

Our continued sustainable operational cash generation underpins our liquidity position at the half year. Combining this with our new £20 million borrowing facility provides the Group with both considerable financial resilience and flexibility to pursue our capital allocation policy as we focus on delivering further value for our shareholders.

The Group continues to operate on the basis of maintaining a well-balanced forward order book, deep and loyal customer and distributor relationships supported by a robust demand from the specification, housing, RMI and commercial sectors. The medium term fundamental market drivers for our business are encouraging and we are very well positioned but given the ongoing challenges in our sector and the delays in the planning process combining with the interest rate environment remaining unpredictable the Board expect our second half performance to improve on H1 and deliver full year performance broadly in line with FY24. We believe our broad brick and brick-fabrication portfolio supports our ability to address the full breadth of our end markets and it is these quality fundamentals in our business that provide resilience and underpin our positive strategic outlook.

Ryan Mahoney
Chief Executive Officer

Consolidated Income Statement

	6 months ended 30 June 2025 £'000	6 months ended 30 June 2024 £'000	12 months ended 31 December 2024 £'000
	Unaudited	Unaudited	Audited
Revenue	**35,769**	35,390	70,107
Cost of sales	**(23,752)**	(22,567)	(44,981)
Gross profit	**12,017**	12,823	25,126

Administration expenses	**(8,362)**	(8,015)	(15,618)
Amortisation of acquired intangibles	**(687)**	(687)	(1,372)
	(9,049)	(8,702)	(16,990)
Other income	**76**	24	35
Operating profit	**3,044**	4,145	8,171
Finance income/(expense)	**(102)**	(16)	(211)
Profit before taxation	**2,942**	4,129	7,960
Taxation	**(656)**	(1,012)	(1,856)
Profit for the period	**2,286**	3,117	6,104
Basic earnings per share attributable to the equity holders of the company	**2.47p**	3.37p	6.59p
Diluted earnings per share attributable to the equity holders of the company	**2.41p**	3.25p	6.46p

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Consolidated Statement of Comprehensive Income

	6 months ended 30 June 2025 £'000	6 months ended 30 June 2024 £'000	12 months ended 31 December 2024 £'000
	Unaudited	Unaudited	Audited
Profit for the financial period	**2,286**	3,117	6,104
Other comprehensive income/(expense)			
Items which may subsequently be reclassified to profit or loss			
Currency movements	133	96	(65)
Items which will not subsequently be reclassified to profit or loss			
Revaluation deficit of property, plant and equipment	-	-	(2,325)
Revaluation surplus of property, plant & equipment	-	-	5,187
Deferred tax on revaluation movement	-	-	(969)
	133	96	1,828
Total comprehensive income for the financial period	2,419	3,213	7,932

Consolidated Balance Sheet

	As at 30 June 2025 £'000	As at 30 June 2024 £'000	As at 31 December 2024 £'000
	Unaudited	Unaudited	Audited
Assets			
Non-current assets			
Intangible assets	**21,905**	23,266	22,587
Property, plant and equipment	**72,565**	64,756	69,387
	94,470	88,022	91,974
Current assets			
Inventories	**18,921**	19,537	19,212
Trade and other receivables	**14,889**	13,152	9,772

Cash and cash equivalents	**1,514**	4,086	6,004
Total current assets	**35,324**	36,775	34,988
Total assets	**129,794**	124,797	126,962
Current liabilities			
Trade and other payables	**16,325**	15,686	11,437
Lease liabilities	**799**	620	689
Corporation tax payable	**821**	963	1,061
Total current liabilities	**17,945**	17,269	13,187
	5,420	5,420	
Non-current liabilities			
Lease liabilities	**1,891**	1,246	1,575
Deferred tax liabilities	**16,269**	15,357	16,269
	18,160	16,603	17,844
Total liabilities	**36,105**	33,872	31,031
Net assets	**93,689**	90,925	95,931
Equity attributable to equity holders			
Share capital	**19,181**	19,181	19,181
Share premium account	**16,724**	16,724	16,724
Other reserves	**22,858**	20,745	22,764
Retained earnings	**34,926**	34,275	37,262
Total equity	**93,689**	90,925	95,931

Consolidated Statement of Changes in Equity

	Share Capital	**Share Premium**	**Other Reserves**	**Retained Earnings**	**Total Equity**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
As at 1 January 2024	19,181	16,724	21,615	35,324	92,844
Profit for the period	-	-	-	3,117	3,117
Currency difference	-	-	96	-	96
Total comprehensive income		-			
Total comprehensive income	-		96	3,117	3,213
Share based payment	-	-	29	-	29
Released on settlement of options	-	-	(995)	-	(995)
Dividends paid	-	-	-	(1,388)	(1,388)
Dividends payable	-	-	-	(2,778)	(2,778)
As at 30 June 2024	19,181	16,724	20,745	34,275	90,925
Profit for the period	-	-	-	2,987	2,987
Currency difference	-	-	(161)	-	(161)
Revaluation deficit	-	-	(2,325)	-	(2,325)
Revaluation surplus	-	-	5,187	-	5,187

Deferred tax on revaluation	-	-	(969)	-	(969)
		-			
Total comprehensive income	-	-	1,732	2,987	4,719
Share based payment	-	-	397	-	397
Released on settlement of options	-	-	35	-	35
Shareplan purchase	-	-	(41)	-	(41)
Deferred tax on share options	-	-	(104)	-	(104)
Dividend payable	-	-	-	2,778	2,778
Dividend paid	-	-	-	(2,778)	(2,778)
As at 31 December 2024	**19,181**	**16,724**	**22,764**	**37,262**	**95,931**
					2,212
Profit for the period	**-**	**-**	**-**	2,286	**2,286**
Currency difference	**-**	**-**	**133**	**-**	**133**
		-			
Total comprehensive income	**-**	**-**	**133**	**2,286**	**2,419**
Share based payment	**-**	**-**	**114**	**-**	**114**
Released on exercise of options	**-**	**-**	**(151)**	**-**	**(151)**
Purchase of own shares	**-**	**-**	**-**	**(347)**	**(347)**
Dividends paid	**-**	**-**	**-**	**(1,502)**	**(1,502)**
Dividends payable	**-**	**-**	**-**	**(2,773)**	**(2,773)**
As at 30 June 2025	**19,181**	**16,724**	**22,858**	**34,926**	**93,689**

Other reserves consists of merger reserve, FX reserve, revaluation reserve and share based payment reserve.

Consolidated Statement of Cash Flows

	6 months	6 months	12 months
	ended	ended	ended
	30 June	30 June	31 December
	2025	2024	2024
	£'000	£'000	£'000
	Unaudited	Unaudited	Audited
Net cash generated by operations	**3,175**	896	10,185
Exceptional payments	**(293)**	-	-
Aborted corporate transaction cost *	**-**	(958)	(958)
Taxation paid	**(896)**	(1,581)	(2,323)
Net cash (used in)/generated by operating activities	**1,986**	(1,643)	5,539
Cash flows from investing activities			
Purchase of property, plant and equipment	**(3,787)**	(2,544)	(5,600)
Proceeds from sale of fixed assets	**33**	-	6
Investment in intangible assets	**(4)**	-	(8)
Net cash used in investing activities	**(3,758)**	(2,544)	(5,602)
Net cash used in investing activities	**(1,004)**	(1,004)	(227)
Cash flows from financing activities			
Interest received/(paid)	**(102)**	(16)	(211)
Lease payments	**(483)**	(409)	(821)
Settlement for exercised share options	**-**	(995)	(960)
Shareplan purchase	**(152)**	-	-
Purchase of own shares	**(347)**	-	(41)
Proceeds from share schemes	**-**	29	-
Dividends paid	**(1,502)**	(1,388)	(4,166)

Net cash used in financing activities	**(2,586)**	(2,779)	(6,199)
Net (decrease)/increase in cash and cash equivalents	**(4,358)**	(6,968)	(4,896)
Cash and cash equivalents at beginning of period	**6,004**	10,958	10,958
Foreign exchange differences	**(132)**	96	(58)
Cash and cash equivalents at end of period	**1,514**	4,086	6,004
Cash and cash equivalents comprise:			
Cash at bank and in hand	**1,514**	4,086	6,004

*The aborted transaction costs for June 2024 and December 2024 have been reclassified from financing activities to operating activities on the basis of where they were classified in the income statement. This has resulted in the net cash used in financing activities and the net cash (used in)/generated by operating activities changing.

NOTES TO THE GROUP INTERIM REPORT

1. GENERAL INFORMATION

Michelmersh Brick Holdings PLC ("the Company") is a public limited company incorporated in the United Kingdom under the Companies Act 2006 (registration number 3462378). The Company is domiciled in the United Kingdom and its registered address is Freshfield Lane, Danehill, Haywards Heath, West Sussex, RH17 7HH. The Company's Ordinary Shares are traded on AIM, part of the London Stock Exchange plc. Copies of the Interim Report and Annual Report and Accounts may be obtained from the address above, or at www.mbhplc.co.uk.

2. ACCOUNTING POLICIES

Basis of preparation

The interim financial information in this report has been prepared using accounting policies consistent with IFRS as adopted by the United Kingdom. IFRS is subject to amendment and interpretation by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee and there is an ongoing process of review and endorsement by the United Kingdom. The financial information has been prepared on the basis of IFRS that the Directors expect to be adopted by the United Kingdom and applicable as at 31 December 2025. The group has chosen not to adopt IAS 34 "Interim Financial Statements" in preparing the interim financial information.

Statutory accounts

Financial information contained in this document does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006 ("the Act"). The statutory accounts for the year ended 31 December 2024 have been filed with the Registrar of Companies. The report of the auditors on those statutory accounts was unqualified and did not contain a statement under section 498(2) or (3) of the Act.

The financial information for the six months ended 30 June 2025 and 30 June 2024 is unaudited.

3. EARNINGS PER SHARE

The calculation of earnings per share is based on a profit of £2,286,000 (six months ended 30 June 2024 -£3,117,000; 12 months ended 31 December 2024-£6,104,000) and 92,448,069 (at 30 June 2024 92,592,874 and 31 December 2024, 92,601,027) being the weighted average number of ordinary shares in issue, excluding those held in the employee benefit trust.

Diluted

At 30 June 2025 there were 2,288,179 (June 2024: 3,419,294, and at 31 December 2024: 1,976,771) dilutive shares under option leading to 94,736,248 shares (30 June 2024: 96,012,168, and at 31 December 2023: 94,577,798) being the weighted average number of ordinary shares for the purposes of diluted earnings per share. A calculation is performed to determine the number of share options that are potentially dilutive based on the number of shares that could have been acquired at fair value, considering the monetary value of the subscription rights attached to outstanding share options.

Own shares held

At 30 June 2025 893,010 (30 June 2024 - 1,085,705; 31 December 2024 - 1,077,552) ordinary shares were held by Michelmersh Brick Holdings PLC Employee Benefit Trust (the "EBT") and are intended to be used to satisfy the exercise of share options by employees. The EBT is a discretionary trust for the benefit of the Company's employees, including the Directors of the Company. Dividends on these shares have been waived.

The market value of the shares held in the trust at 30 June 2025 was £1.0m (30 June 2024 and 31 December 2024: £1.0m). All 893,010 shares held by the EBT were acquired by the trust prior to the period and 184,542 shares were used in the period to satisfy awards following the vesting of shares relating to Company share incentive schemes.

As a result of the share buyback programme, 2,562,500 shares had been bought up to the 30 June 2025 (30 June 2024 and 31 December 2024 - 2,225,000) and are held in treasury and excluded from the weighted average share calculations and the dividends on these shares have been waived.

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