Brickability GROUP PLC

Building better communities

Interim results for the six months ended 30 September 2024

26 November 2024

Agenda

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Frank Hanna, CEO


Mike Gant, CFO

Brickability GROUP PLC

Building better communities

Corporate Highlights

Half Year Highlights

Brickability GROUP PLC

- Resilient, in line performance despite sustained macroeconomic conditions, with revenue growth of 1.9% or a like-for-like reduction of 7.4%
- Improvement in Adjusted EBITDA margin of 50 bps, validating the benefits of the recent strategic and structurally higher margin acquisitions
- Strong revenue performance in the Contracting and Distribution divisions, driven by a doubling of sales of solar PV in Upowa, highlighting the benefit of the Group's diversification strategy
- FY24 full-service specialist cladding installation and remediation contracting acquisitions of Topek and TSL are performing well and trading in line with the pre-acquisition investment case
- Streamlined senior leadership team, focussed on growth and operational outperformance
- Investment underway in IT systems upgrades and process efficiencies
- Increase in the interim dividend reflects the performance in the first half and the Board's confidence in the longer-term outlook for the Group

£330.9m
Revenue

£27.9m
Adj. EBITDA[1]

8.4%
Adj. EBITDA margin

1.12p
Interim dividend

(1) Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation and other items

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Financial Review

Financial Summary

Revenue	Gross Profit Margin	Adj. EBITDA [1]	Adj. EBITDA margin
£330.9m	19.0%	£27.9m	8.4%
H1 FY24: £324.8m +1.9% YoY	H1 FY24: 16.9% +210bps YoY	H1 FY24: £25.6m +9.0% YoY	H1 FY24: 7.9% +50bps YoY
Adj. Profit Before Tax [2]	**Adj. EPS [3]**	**Net debt [4]**	**Interim Dividend**
£21.9m	5.03p	£56.3m	1.12p
H1 FY24: £21.8m +0.5% YoY	H1 FY24: 5.30p (5.1%) YoY	1.20x [5] FY2024: 1.25x	H1 FY24: 1.07p +4.7% YoY

(1) Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation and other items
(2) Statutory profit before tax excluding other items
(3) Adjusted profit after tax (statutory profit after tax before other items) divided by the weighted average number of shares in the period
(4) Net debt is bank borrowings, excluding arrangement fees, less cash
(5) 12 month rolling adjusted EBITDA is the adjusted EBITDA for the current 6 month period plus the final 6 months of FY24

Divisional Performance

Revenue	FY25 H1 £m	FY24 H1[1] £m	% Change	LFL%[2] change
Bricks and Building Materials	**219.9**	242.6	(9.4)%	(9.4)%
Importing	**35.6**	39.8	(10.6)%	(10.6)%
Distribution	**33.7**	33.2	1.5%	1.5%
Contracting	**53.5**	23.4	128.3%	(4.7)%
Group Eliminations	**(11.8)**	(14.2)	(17.4)%	-
Total Group	**330.9**	**324.8**	**1.9%**	**(7.4)%**

Adj EBITDA[3]	FY25 H1 £m	FY25 H1 EBITDA Margin %	FY24 H1[1] £m	FY24 H1 EBITDA Margin %	% change in EBITDA
Bricks and Building Materials	**11.2**	5.1%	14.3	5.9%	(21.6)%
Importing	**2.8**	7.8%	4.2	10.5%	(33.5)%
Distribution	**4.2**	12.5%	5.2	15.7%	(19.7)%
Contracting	**13.2**	24.6%	3.7	15.8%	257.1%
Central	**(3.5)**	-	(1.8)	-	-
Total Group	**27.9**	**8.4%**	**25.6**	**7.9%**	**9.2%**

- Brick volumes and ASPs negatively impacted by customer and product mix
- Timber revenue flat with ASP reduction offset by increased volume
- Upowa revenue doubled
- Contracting benefitting from Topek and TSL acquisitions
- Higher margin acquisitions boost Group profit and drive 50 bps improvement in Adj. EBITDA margins

(1) FY24 H1 figures re-presented following transfer of E. T. Clay from Importing to Bricks and Building Materials
(2) Like-for-like (LFL) revenue is a measure of growth in sales, adjusted for the impact of acquisitions
(3) Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation and other items

Cashflow: Opening to Closing Net Debt [1] (£m)

- Deferred and contingent payments of £8.5m includes the final earn-out consideration payment of £4.3m relating to Taylor Maxwell
- PPE sales proceeds largely relates to sale the U Plastics Enfield property for £2.8m
- Other includes lease liability payments of £2.6m and PPE purchases of £0.5m
- Leverage of 1.20x 12 month[3] adjusted EBITDA
- RCF facility £96m as at 30 September 2024

(1) Net debt is bank borrowings, excluding arrangement fees, less cash
(2) Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation and other items
(3) 12 month rolling adjusted EBITDA is the adjusted EBITDA for the current 6 month period plus the final 6 months of FY24

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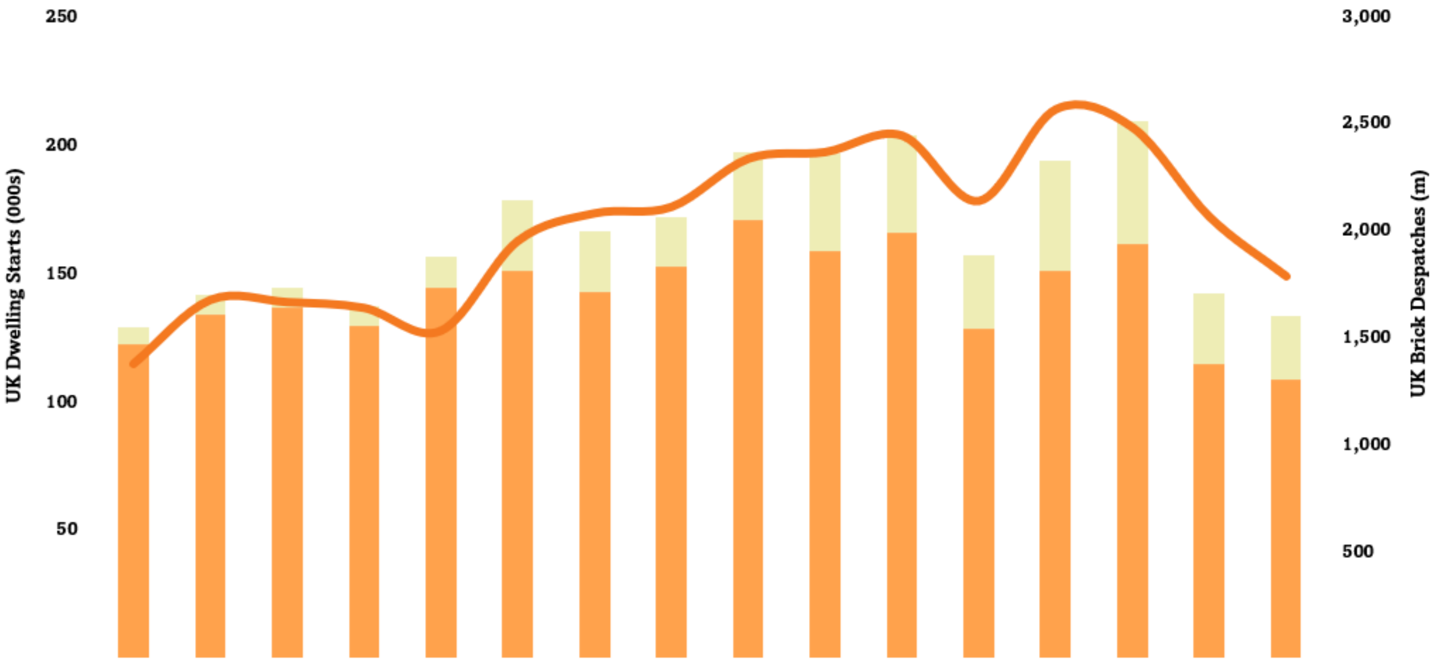
Business and Market Review

Business Review

- Focus on people and processes to drive growth, operational execution and margin expansion
  - Streamlined senior leadership team with four MDs reporting into the Executive team
  - New sales hires to expand technical product expertise
  - Investment commenced for improvements to IT systems and processes to create a robust platform for growth and acquisition integration
- Integration of Topek and TSL well progressed, which is crystalising opportunities for procurement synergies and sales leads
- Nearing completion of the new Taylor Maxwell showroom in Clerkenwell to further strengthen relationships with architects and specifiers
- Regulation and ESG providing increasingly strong tailwinds; Part L of the Building Regulations raising the bar for energy efficiency; Cladding Safety Scheme to address safety fire risks; Net Zero Carbon targets are increasing propensity towards low carbon building products
- "Best of Group" approach to health and safety with improvements made across the business
- Cessation of funding for the German tile manufacturing JV

Market Dynamics - UK Dwelling Starts and Brick Despatches

- 2023 dwelling starts includes 'technical starts' ahead of uprated building regulations
- 2024 forecasts worse than anticipated at the beginning of the year
- Forecast to be the lowest level of total brick despatches since 2009
- Average of 2.2bn bricks over last 10 years
- Medium-long term structural fundamentals strong
- Imports represented 16% of total bricks 2016-2019
- Group well positioned to benefit from recovery of brick sales
- Growth Drivers:
    - Population growth
    - Housing formations
    - Interest rate reductions
    - Regulation
    - Planning reform



Calendar Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024F
UK Dwelling Starts	114	139	138	136	127	162	173	176	194	197	203	178	214	206	172	148
UK Made Bricks	1,469	1,606	1,640	1,550	1,730	1,810	1,710	1,830	2,050	1,900	1,990	1,540	1,812	1,936	1,372	1,300
Imported Bricks	79	93	91	97	143	331	285	229	311	460	450	340	510	570	329	300
Total	1,548	1,699	1,731	1,647	1,873	2,141	1,995	2,059	2,361	2,360	2,440	1,880	2,322	2,506	1,701	1,600

Source: ONS Table 3A, Construction Products Association Autumn 2024 Survey, DBT Construction Materials Data, HMRC UK Trade Info, management estimates

Powering a sustainable future

- Upowa was acquired in November 2021, marking the Group's first acquisition in the renewable products sector
- Significant exposure to in-line solar PV market, representing c90% of Upowa revenues
- Well placed to ensure housebuilders achieve compliance with Part L of the Future Homes Standard through a broad energy efficient product range including solar, radiators, underfloor heating, and hot water heat pump cylinders
- New product development will expand existing offering and ancillary products
- Excellent cross selling opportunities through strong overlapping Group customer relationships
- Live on 395 sites installing solar PV – strong southern presence with potential for geographical expansion
- Blue clip clients across residential and commercial markets including Barratt, Bellway, Crest Nicholson, Thakeham, Taylor Wimpey, Bloor and Amazon
- Attractive margins above the blended average of the Group

UPOWA EcoGen Hot Water Heat Pump Cylinder

For more information visit:
www.upowa.co.uk

Specialist cladding & fire remediation businesses

- Topek and TSL were acquired in October 2023 and January 2024
- Performing strongly and in line with the pre-acquisition investment case
- Significant addressable market with many years of remedial works required
- 12 live significant projects (>£1m contract value)
- Clients and customers include public, private and residential sectors:
  - MOD
  - PBSA providers
  - Facilities Management
  - Hotel groups
  - Sports stadiums
  - NHS
  - Housebuilders
- Accelerating enquiry pipelines
- Government planning gateway approvals provides a short-term headwind
- Driving increase in Group margin

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TOPEK

Novotel London Paddington during remediation and completed project

TSL

Unite Students, Moonraker Point, London

For more information visit:
www.topek.co.uk
www.tsl.uk

Outlook

Outlook

- Trading for the first six weeks of the second half is in line with the Board's expectations
- New build housing market remains soft heading into the new calendar year
- Medium-term housing market fundamentals remain strong, with a structural housing deficit and the new Government's commitment to 1.5 million new homes during this parliament
- Recent increased order intake is encouraging, particularly within the Bricks and Building Materials division
- Profitability is expected to be first half weighted due to phasing of project work in the Contracting division
- The Board is confident in achieving market expectations for the full year[1]

(1) The Company considers market expectations for FY25 to be revenue of £630m and adjusted EBITDA of £47m.

Q&A

Appendix

Brickability GROUP PLC

The Complete Residential Offering

The Group has been formed to pool the combined success of individual businesses into one cohesive structure that will maximise revenue and growth.

Together we are stronger and will take advantage of our individual specialisms to provide a supply hub of extraordinary efficiency and service.

1 BRICK SUPPLY & SERVICES
Apex Brick Cutters
Brickability Ltd
Bricklink
Brick Mongers Wessex
Brick Services
CPG Building Supplies
Crest Brick Slate & Tile
ET Clay
Heritage Clay Tiles
LBT Brick & Facades
Matching Brick
Modular Clay Products
Taylor Maxwell
The Bespoke Brick Co.

2 CLADDING
Alfiam Building Supplies
SBS Cladding
Taylor Maxwell
UP Building Products

3 EXTERNAL DOORS & WINDOWS
Frazer Simpson

4 FLOORING SERVICES
DSH Flooring

5 FLOOR & WALL TILES
Forum Tiles

6 GRP PRODUCTS
Frazer Simpson

7 GUTTERING & DRAINAGE
UP Building Products

8 INTERNAL DOORS & WARDROBE SYSTEMS
FSN Doors

9 RENEWABLE TECHNOLOGIES
UPOWA

10 ROOFING CONTRACTING
Beacon Roofing
Crest Roofing
Crown Roofing
Excel Roofing
Leadcraft

11 ROOFING SUPPLIES
Crest Brick Slate & Tile
RDUK

12 STONE SUPPLY & SERVICES
Frazer Simpson
Vobster Architectural

13 TIMBER & LANDSCAPING
Alfiam Building Supplies
Taylor Maxwell Timber
UP Building Products

14 TOWEL RAILS & RADIATORS
RadiatorsOnline.com
Radiator Valves UK
Towelrads

15 TRANSPORTATION
McCann Logistics

16 UNDERFLOOR HEATING
Towelrads

Brickability GROUP PLC

The Complete Commercial Offering

① BALCONIES
Architectural Facades
Bricklink
Brick Services
Brickability
LBT
SBS Cladding
Taylor Maxwell

② BRICK SUPPLY & SERVICES
Apex Brick Cutters
Brickability Ltd
Bricklink
Brick Mongers Wessex
Brick Services
CPG Building Supplies
Crest Brick Slate & Tile
ET Clay
Heritage Clay Tiles
LBT Brick & Facades
Matching Brick
Modular Clay Products
Taylor Maxwell
The Bespoke Brick Co.

③ CLADDING
Architectural Facades
LBT
SBS Cladding
Taylor Maxwell
Topek
TSL

④ CLADDING INSTALLATION & REMEDIATION
Topek
TSL

⑤ CURTAIN WALLING
Architectural Facades
Topek
TSL

⑥ EXTERNAL WINDOWS/GLAZING
Frazer Simpson
Topek
TSL

⑦ FIRE BREAKS
SBS Cladding

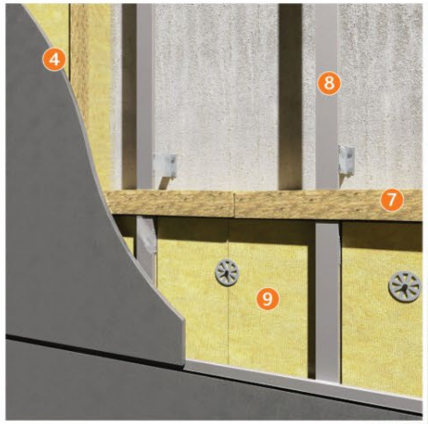
⑧ FRAMING SYSTEMS
Architectural Facades
SBS Cladding
Taylor Maxwell

⑨ INSULATION
Alfiam
Brickmongers Wessex
SBS Cladding

⑩ ROOFING
Topek
TSL

⑪ STONE SUPPLY & SERVICES
Frazer Simpson
Vobster Architectural

⑫ TOWEL RAILS & RADIATORS
RadiatorsOnline.com
Radiator Valves UK
Towelrads



Brickability Businesses and Brands

Brickability GROUP PLC

Bricks and Building Materials

- Alfiam Building Supplies
- architectural FACADES
- BrickMongers Wessex
- Brick Services
- Brickability
- Bricklink
- ET CLAY
- cpg Building Supplies
- LBT Brick & Facades
- Matching Brick
- SBS CLADDING
- TAYLOR MAXWELL
- VOBSTER ARCHITECTURAL

Importing

- THE BESPOKE BRICK CO.
- Crest
- Heritage Clay Tiles Ltd
- McCANN LOGISTICS
- RDUK ROOFING DISTRIBUTION UK
- Modular Clay Products

Distribution

- Forum Tiles
- Frazer Simpson
- FSN Doors
- RADIATORS ONLINE.COM
- RadiatorValves UK
- Towelrads
- UP Building Products
- upowa

Contracting Services

- BEACON ROOFING LIMITED
- Crest Roofing
- Excel ROOFING
- Leadcraft Ltd ROOFING CONTRACTORS
- DSH Flooring
- TOPEK
- TSL

Financial Summary

	H1 FY25 £m	H1 FY24 £m	% Change
Revenue	**330.9**	324.8	1.9%
Gross profit	**63.0**	55.0	14.5%
Gross profit margin %	***19.0%***	*16.9%*	
Adjusted EBITDA (1)	**27.9**	25.6	9.0%
Adjusted EBITDA %	***8.4%***	*7.9%*	
Adjusted profit before tax (2)	**21.9**	21.8	0.5%
EPS	**0.92**	3.78	
Adjusted EPS (3)	**5.03**	5.30	(5.1)%
Net debt (4)	**56.3**	30.8	
Dividends proposed per share	**1.12**	1.07	4.7%

(1) Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation and other items
(2) Statutory profit before tax excluding other items
(3) Adjusted profit after tax (statutory profit after tax before other items) divided by the weighted average number of shares in the period
(4) Bank borrowings, excluding arrangement fees, less cash

Financial Summary – Other items

	H1 FY25 £'000	H1 FY24 £'000
Statutory profit before tax	**6,951**	15,970
Acquisition costs	**-**	23
IT transformation costs	**103**	-
Earn-out consideration classified as remuneration under IFRS 3	**310**	2,695
Share-based payment expense	**536**	830
Amortisation of acquired intangible assets	**6,720**	4,315
Impairment of loan to joint venture	**5,318**	-
Unwinding of discount on contingent consideration	**1,861**	832
Share of post-tax profit of equity accounted associates	**(15)**	(97)
Fair value losses/(gains) on contingent consideration	**130**	(2,815)
Total other items before tax	**14,963**	5,783
Adjusted profit before tax(1)	**21,914**	21,753
Depreciation and amortisation	**3,216**	2,606
Finance income	**(249)**	(208)
Finance expenses	**3,034**	1,416
Adjusted EBITDA(2)	**27,915**	25,567

(1) Statutory profit before tax excluding other items
(2) Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation and other items

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