Brickability GROUP PLC

Building better communities

2024 Preliminary Results

16 July 2024

Agenda

Introduction & Summary	Frank Hanna
Financial Review	Mike Gant
Business and Market Review	Frank Hanna
Outlook	Frank Hanna
Q&A	

Frank Hanna, CEO

Mike Gant, CFO

Building better communities

2024 Summary

Corporate Highlights

- Resilient performance despite a challenging sector environment, reflecting the Group's positioning within the industry
- Strategic acquisitions of Topek and TSL provides a full-service specialist cladding installation and remediation contracting business with a national presence
- Continued progress in diversifying products and services with Bricks and Building Materials representing revenues and adjusted EBITDA of 68% and 54% respectively (2023: 73% and 59%)
- Good progress advancing the Group's ESG strategy
- Transition of CEO from Alan Simpson to Frank Hanna
- Post period end, the Group completed the sale of a freehold property for cash consideration of £2.9m
- Trading in the current financial year to date is in line with management's expectations

£594.1m
Revenue

£44.9m
Adj. EBITDA[1]

7.6%
EBITDA margin

3.35p
Total proposed dividend

[1]Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation and other items considered non-operational in nature or that do not directly correlate with the Group's underlying performance in the period.

Frank Hanna: First impressions since joining Brickability

Familiarisation with the Group and key stakeholders

- Spent the first 13 weeks understanding the business, competitive positions, and reviewing the strategy
- Time spent has included:
  - Meeting with the leadership team and senior management
  - Meeting major shareholders
  - Reviewing the four divisions and respective business opportunities
  - Appraising acquisition strategy and evaluating M&A pipeline
  - Assessing Group procedures, systems and operations

Initial observations to date

- High quality business with areas of the Group benefitting from market leading positions
- Passionate and driven employee base with significant experience
- National scale with blue-chip customer base
- Brickability products and services recognised for quality and excellent customer service
- Acquisition strategy well executed with good momentum of product diversification
- Opportunity to build on strong foundations to drive further progress
- Capital Markets Event in late Autumn

Brickability GROUP PLC

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Financial Review

Financial Summary

Brickability GROUP PLC

Revenue	Gross Profit Margin	Adj. EBITDA [1]	Adj. EBITDA margin
£594.1m	17.8%	£44.9m	7.6%
2023: £681.1m (12.8%) YoY	2023: 16.6% +120bps YoY	2023: £51.5m (12.8%) YoY	2023: 7.6%

Adj. Profit Before Tax	Adj. EPS	Net (debt) [2]	DPS
£35.3m	8.66p	(£56.5m)	3.35p
2023: £44.6m (20.9%) YoY	2023: 11.93p (27.4%) YoY	1.25x adj. EBITDA	2023: 3.16p 6.0% YoY

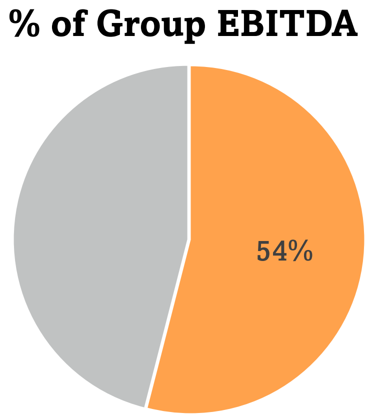
(1) Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation and other items considered non-operational in nature or that do not directly correlate with the Group's underlying performance in the period.

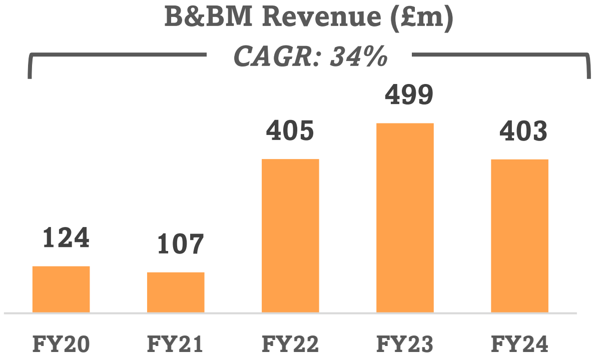
(2) Net (debt) is cash held less bank debt.

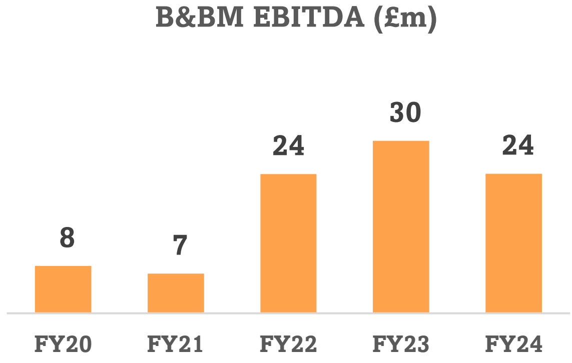
Bricks and Building Materials

Financial Summary
- Revenue of £403.3m down 19.1%
- Adjusted EBITDA of £24.2m down 19.0%
- Adjusted EBITDA margin of 6.1% up 10bps

Commentary
- Brick market volumes significantly down driven by slowdown in new build housing
- Brick volumes declined in line with the market
- Brick pricing during H1 partially mitigated volume impact on revenue
- Timber volumes increased slightly up 2% whilst price fell 18%



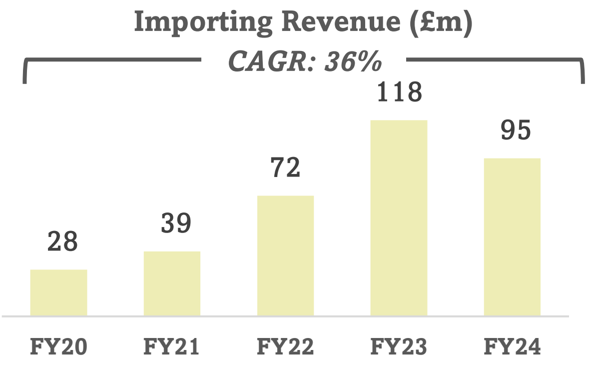


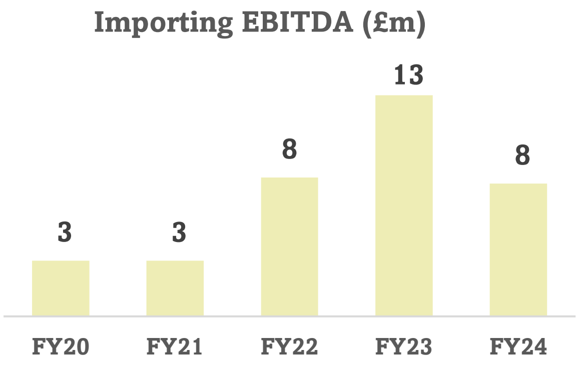


Importing

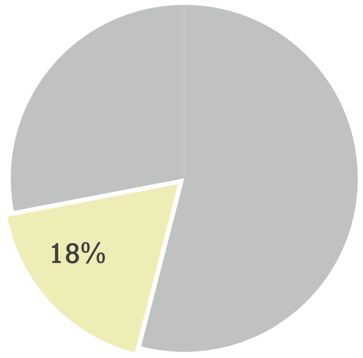
Financial Summary
- Revenue of £94.8m down 34.3% on a LFL basis
- Adjusted EBITDA of £7.9m down 40.2%
- Adjusted EBITDA margin of 8.3%

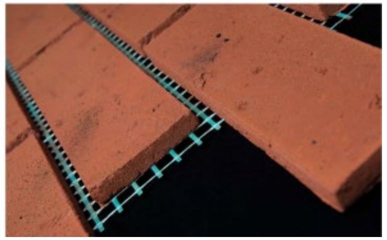
Commentary
- New build housing market negatively impacted volumes as a result of lower demand
- Imported brick volumes fell 40% broadly in line with the estimated industry decline
- Revenue decline impacted operating leverage with adj. EBITDA margin declining 288bps
- Flexible supply chain allows for a quick recovery when volumes increase





% of Group EBITDA

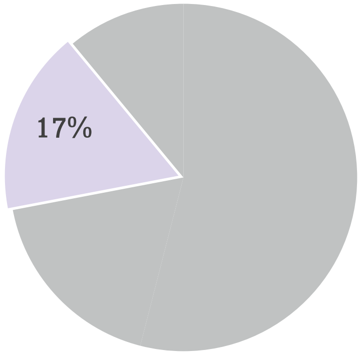




Distribution

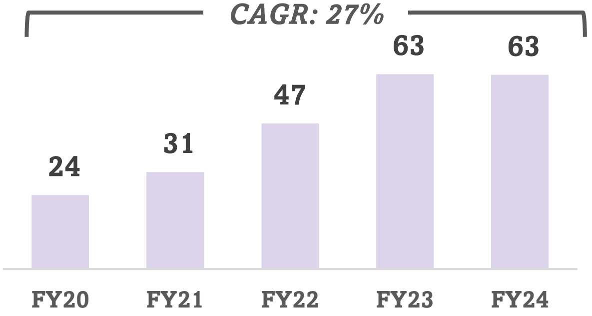
Financial Summary
- Revenue of £62.7m down 0.4%
- Adjusted EBITDA of £7.5m down 15.7%
- Adjusted EBITDA margin of 12.0%

% of Group EBITDA

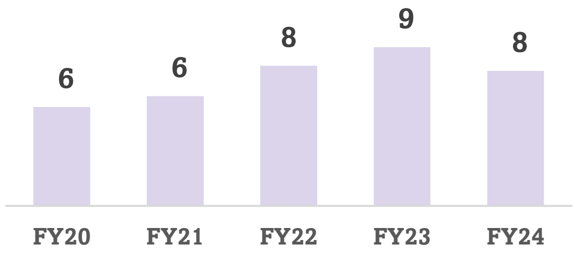


Commentary
- Strong growth from UPOWA driven by Part L requirements for renewable energy, with uptick in orders for renewable products across the wider portfolio
- Off a strong comparator, Towelrads experienced single-digit decline in revenue, with the reduction in housing starts mitigated in part by growth from new products and customers
- Good performance from FSN Doors

Distribution Revenue (£m)



Distribution EBITDA (£m)



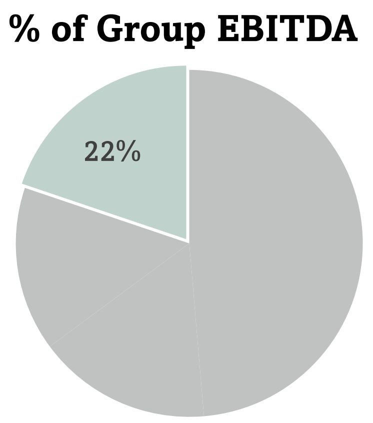
Contracting

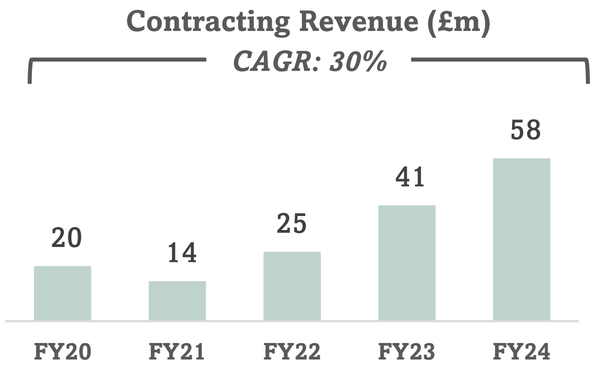
Financial Summary

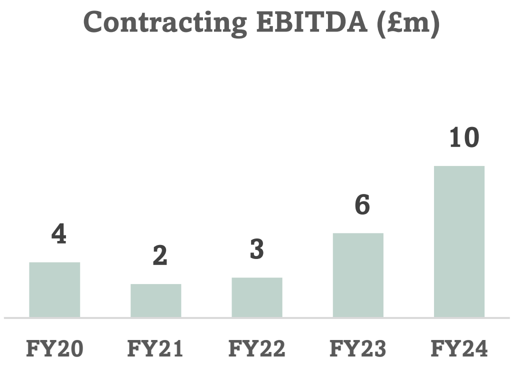
- Revenue of £58.2m up 1.9% on a LFL basis
- Adjusted EBITDA of £10.1m up 79.7%
- Adjusted EBITDA margin of 17.4%

Commentary

- Strong organic performance compounded by significant acquisitions made in H2
- Medium to high-end customers remained active despite general slowdown
- Acquisitions increase the Group's presence in the cladding and fire remediation sectors
- Strong order book provides good visibility, particularly for the Topek businesses







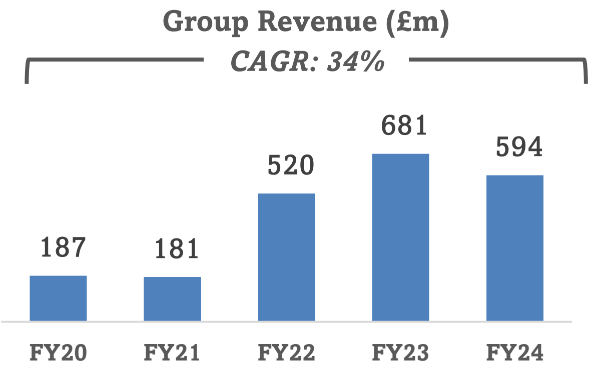
Group

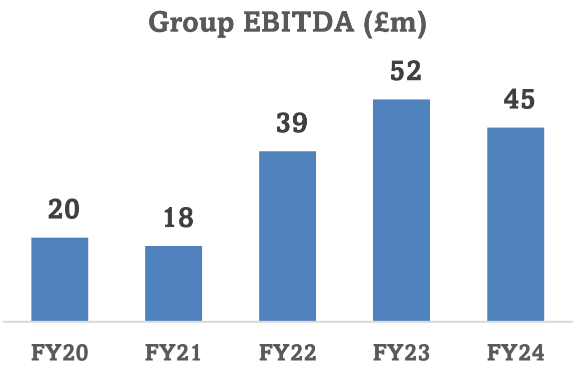
Financial Summary

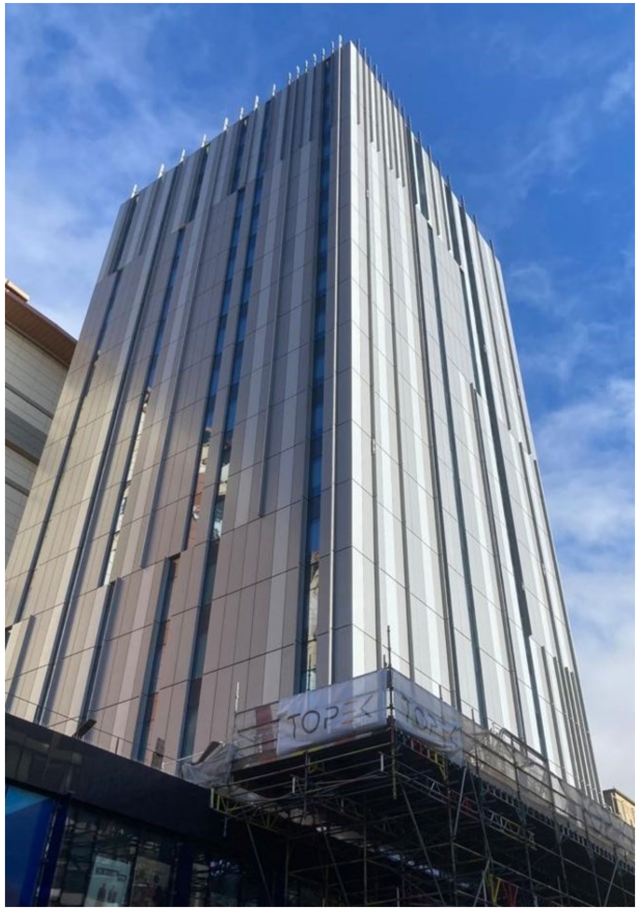
- Revenue of £594.1m down 12.8%
- Adjusted EBITDA of £44.9m down 12.8%
- Adjusted EBITDA margin of 7.6%, consistent with the prior year

Commentary

- Resilient performance despite a challenging sector environment, reflecting the Group's positioning within the industry
- Strategic acquisitions of Topek and TSL provides a full-service specialist cladding installation and remediation contracting business with a national presence







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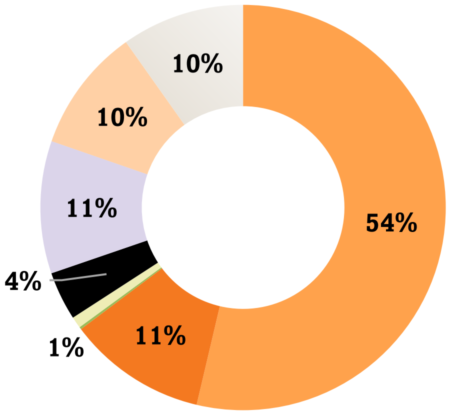
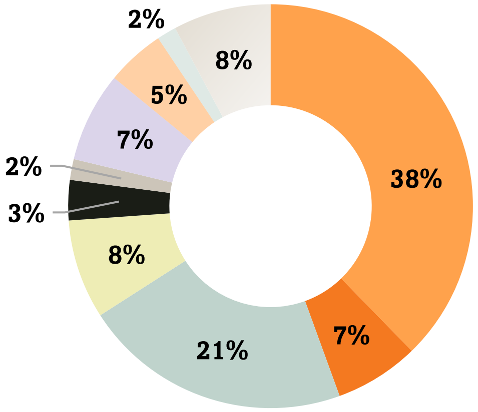
Diversification strategy

FY20 Share of Revenue by product

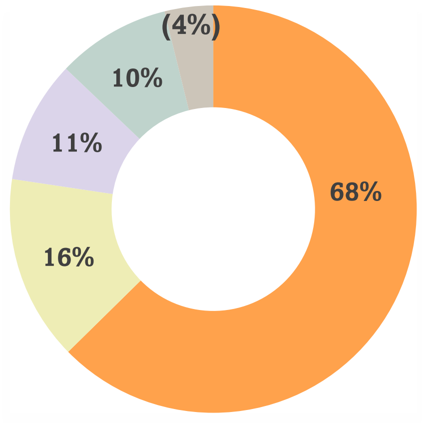


FY24 Share of Revenue by product

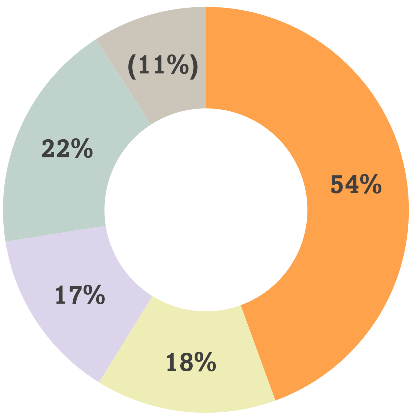


Key	Product
	Bricks
	Import Bricks
	Timber
	Cladding
	Tiles
	Masonry
	Contracting
	Radiators
	Renewables
	Other*

FY24 Revenue by Division



FY24 Adjusted EBITDA[1] by Division

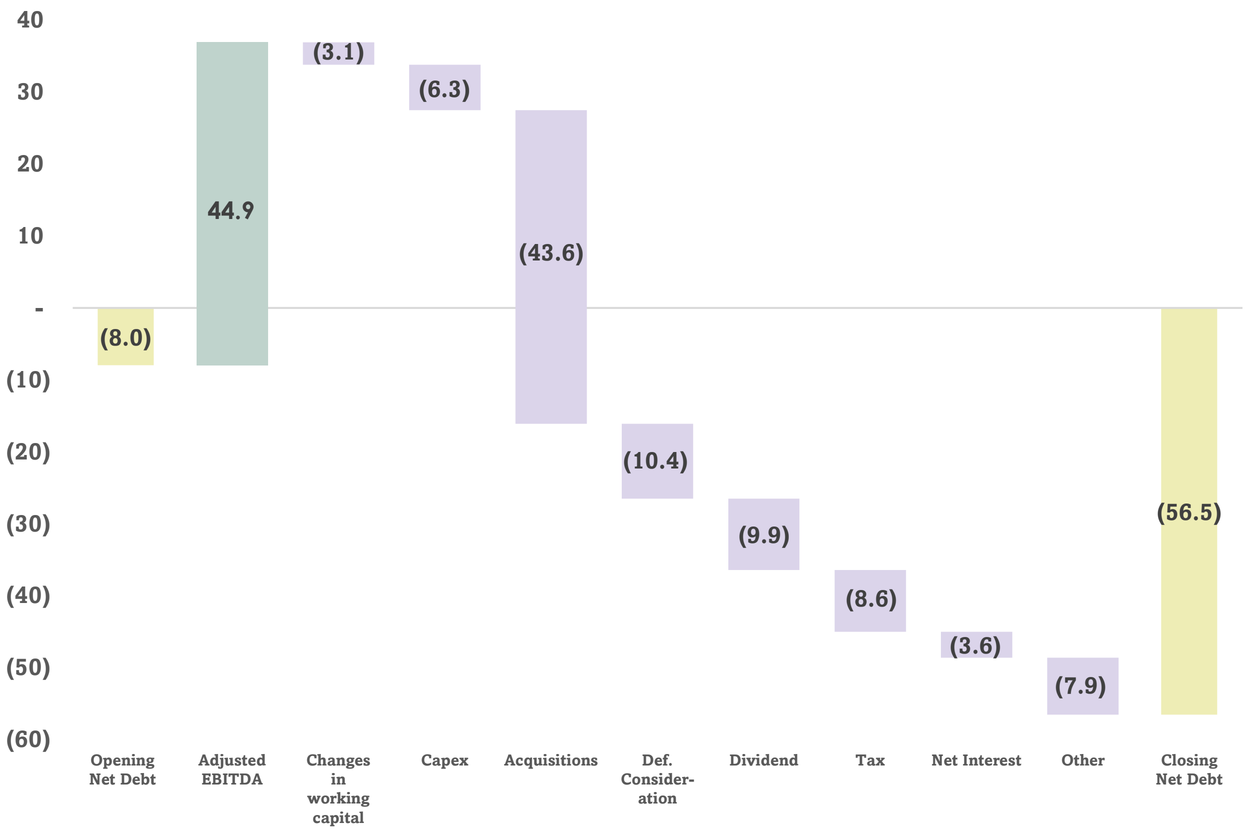


Key	Trading Divisions
	Bricks and Building Materials
	Importing
	Distribution
	Contracting
	Group Eliminations/Central Costs

[1] Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation and other items considered non-operational in nature or that do not directly correlate with the Group's underlying performance in the period.

* Other includes products such as haulage, paving, windows, doors, underfloor heating, guttering etc.

Cashflow: Opening to Closing Net Debt (£m)



- Capex is mostly property purchases – showroom, offices & yard
- Acquisitions cash outflow relates to PFS, Topek and TSL
- £10m of consideration for TSL was satisfied through the issue of c17.1m ordinary shares
- Deferred Consideration includes £4.9m of earnout consideration recognised as remuneration and £5.5m of paid deferred and contingent consideration
- Other includes lease costs of £3.9m and JV loan of £2.1m
- Leverage of 1.25x adjusted EBITDA
- RCF facility £98m at year end

Brickability GROUP PLC

Building better communities

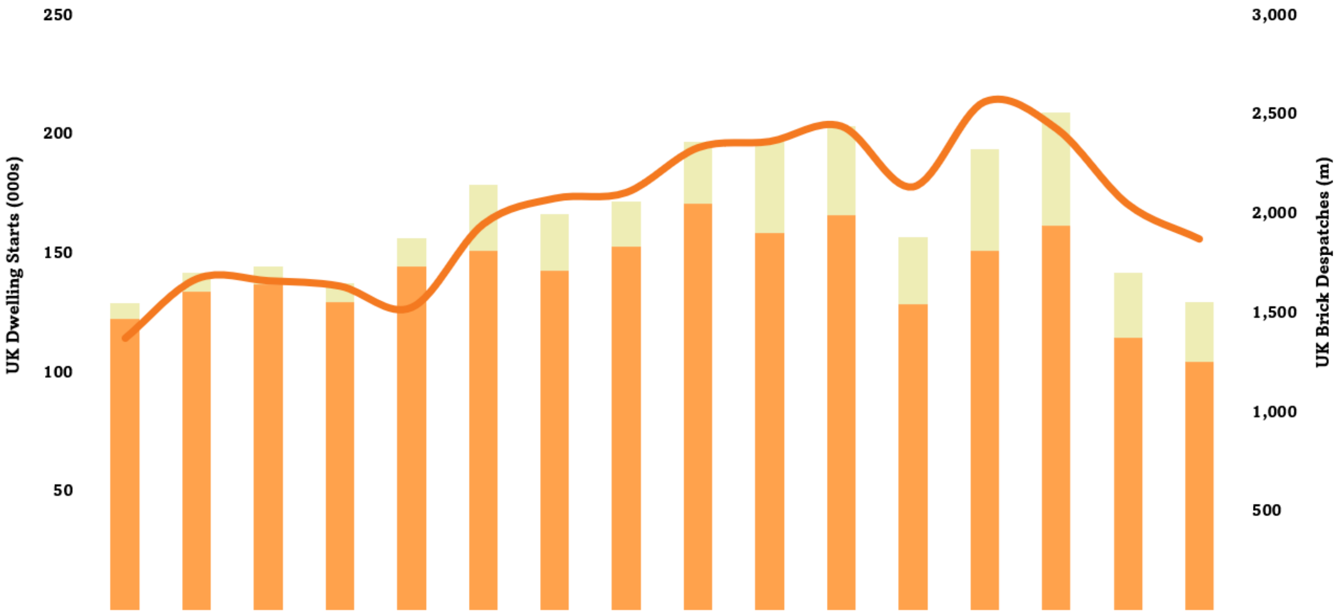
Business and Market Review

Business Review

- Resilient trading performance in the wake of challenging market conditions
- Further strategic progress and acceleration of diversification through execution of two acquisitions
- Focus retained on operating an agile, capital-light business model
- Well positioned in high growth areas of the business, including renewable products (including those required by planning regulation) and retrospective cladding
- Review of Group's current IT architecture and systems, with further work underway in the new financial year
- Further investment in Health & Safety
- New Taylor Maxwell showroom in the popular design district of Clerkenwell supporting the London specification market
- Continued development of the 'Brick Geek' CPD programme to assist with engagement from architects and specifiers
- Partnership with Earth Trust – providing financial support for more than 450 children across 15 schools in the Berkshire area
- Continued support for chosen charities, with the Group donating 0.5% of adjusted EBITDA annually

Market Dynamics - UK Dwelling Starts and Brick Despatches

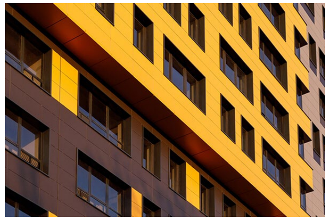
- 2023 dwelling starts includes 'technical starts' ahead of uprated building regulations
- Lowest level of brick despatches since 2009
- Ave 2.2bn bricks last 10 years
- Further declines forecast during 2024
- Medium-long term structural fundamentals strong
- Group well positioned to benefit from recovery of brick sales
- Growth Drivers:
  - Population growth
  - Housing formations
  - Interest rates
  - 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**	**202**	**171**	**156**
GB 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	1,250
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	1,550

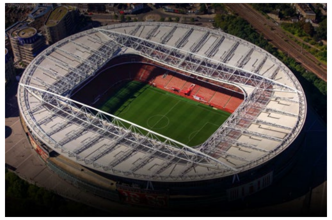
Source: ONS Table 3A, Construction Products Association Spring 2024 Survey, DBT Construction Materials Data, Industry estimate (Imports), management estimates

Two strategically important acquisitions delivered in FY24



- October 2023
- Specialist cladding and fire remediation contractor
- Based Glasgow, national presence

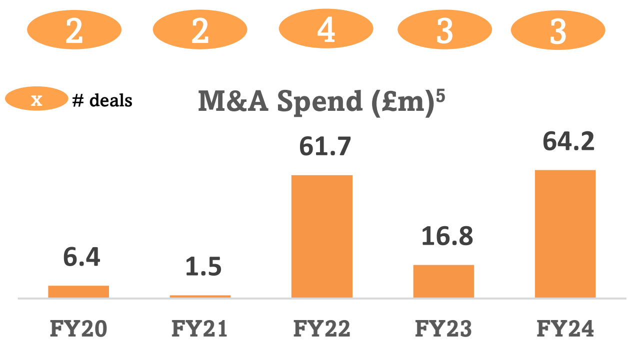
£45m[1]	£21.2m revenue[2]	£8.0m EBITDA[3]	37.7% margin[4]



- January 2024
- Specialist façade systems, cladding and fire remediation
- Based near Portsmouth, national presence

£48m[1]	£38.7m revenue[2]	£8.3m EBITDA[3]	21.4% margin[4]

M&A track record post IPO



£151m
Total M&A spend since IPO[5]

5.4x
Average EBITDA multiple

- **Integration and trading performance in line with pre-acquisition plan**
- **Further accelerates diversification of products and services into high margin revenue streams**

(1) Maximum consideration payable under the SPA assuming full achievement of stretching earn out targets
(2) Revenue for the 12 months ended 31 August 2023
(3) Adjusted EBITDA for the 12 months ended 31 August 2023
(4) Adjusted EBITDA margin for the 12 months ended 31 August 2023
(5) Total M&A spend since IPO is initial cash + consideration shares + deferred consideration *paid* for acquisitions made post IPO

Outlook

Outlook

Brickability GROUP PLC

- Trading in the current financial year to date is in line with the Board's expectations
- New build housing market remains soft entering the current financial year
- With inflation seemingly under control, the widely anticipated interest rate cuts will act as a catalyst for the sector, with the new Labour government identifying housing availability and affordability as a significant priority
- Housing Market fundamentals remain strong, with a significant shortfall of housing
- The momentum in the diversification of the Group offers a variety of opportunities for growth
- The Group remains well placed, with market leading positions to benefit when the market recovers

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
Alltam 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
Schermbecker

12 STONE SUPPLY & SERVICES
Frazer Simpson
Vobster Architectural

13 TIMBER & LANDSCAPING
Alltam 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

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

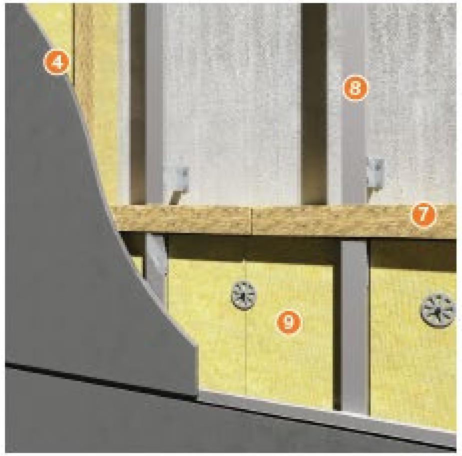
8 FRAMING SYSTEMS
- Architectural Facades
- SBS Cladding
- Taylor Maxwell

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

Brickability GROUP PLC

Bricks and Building Materials

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

Importing

- THE BESPOKE BRICK CO.
- Crest
- ET CLAY
- 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

TSL Case Study:
Ocean Village – Sapphire Court & Cobalt Quarter

- Fire remediation work on 10 storey development, 132 flats.
- Contract value c£5m
- Work involved the façade, timber cladding, EPS (expanded Polystyrene) Render System and High-Pressure Laminate replacement.
- Work commenced April 2024

Financial Summary

Brickability GROUP PLC

	FY24 £m	FY23 £m	% Change
Revenue	**594.1**	681.1	(12.8)%
Gross profit	**105.8**	112.9	(6.3)%
Gross profit margin %	**17.8%**	16.6%	
Adjusted EBITDA (1)	**44.9**	51.5	(12.8)%
Adjusted EBITDA %	**7.6%**	7.6%	
Profit before tax	**21.4**	34.5	(38.0)%
Adjusted profit before tax (2)	**35.3**	44.6	(20.9)%
EPS	**5.06p**	9.26p	(45.4)%
Adjusted EPS (3)	**8.66p**	11.93p	(27.4)%
Net (debt) (4)	**(56.5)**	(8.0)	
Annual dividends paid and proposed per share	**3.35p**	3.16p	6.0%

(1) Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation and other items considered non-operational in nature or that do not directly correlate with the Group's underlying performance in the period.
(2) Statutory profit before tax excluding non-underlying items.
(3) Adjusted profit after tax (statutory profit after tax before non-underlying items) divided by the weighted average number of shares in the year.
(4) Bank borrowings less cash.

Financial Summary – Other items

	FY24 £'000	FY23 £'000
Statutory Profit before tax	**21,444**	34,527
Acquisition costs	**828**	281
Refinancing costs	**111**	-
IT transformational costs	**295**	-
Earn-out consideration classified as remuneration under IFRS 3	**4,944**	5,483
Share-based payment expense	**1,456**	1,567
Amortisation of intangible assets	**10,233**	8,399
Unwinding of discount on contingent consideration	**2,418**	2,891
Share of post-tax profit of equity accounted associates	**(71)**	(123)
Fair value (gains) on contingent consideration	**(6,352)**	(8,432)
Total other items before tax	**13,862**	10,066
Adjusted Profit before tax	**35,306**	44,593
Depreciation and amortisation	**5,672**	4,715
Finance income	**(584)**	(143)
Finance expenses	**4,538**	2,365
Adjusted EBITDA [1]	**44,932**	51,530

[1] Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation and other items considered non-operational in nature or that do not directly correlate with the Group's underlying performance in the period.

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