FULL YEAR RESULTS PRESENTATION

FORTERRA PLC

12 MARCH 2025

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AGENDA

NEIL ASH
Chief Executive Officer

BEN GUYATT
Chief Financial Officer

OPERATIONAL AND TRADING HEADLINES

- Revenue flat year-on-year, double digit increase in H2 vs both the prior year and H1 24
- 2024 UK brick industry despatches up 2% compared with 2023, with Q4 20% ahead of the corresponding period
- Strong commercial discipline maintained with selling prices remaining relatively stable
- Adjusted EBITDA of £52.0m, slightly ahead of our revised expectations of around £50m
- Return to strong cash generation, adjusted operating cash flow of £60.1m
- Net debt before leases of £84.9m, closing leverage of c.1.9 times
- Key milestones reached in scaling up Desford production and efficiency
- Continued progress with strategic investments at Wilnecote and Accrington

FINANCIAL REVIEW

KEY FINANCIALS

£m	2024	2023	Change
	Year ended 31 December *		
Revenue	**344.3**	**346.4**	**(0.6)%**
EBITDA	**52.0**	**58.1**	**(10.5)%**
EBITDA margin	*15.1%*	*16.8%*	(170) bps
Operating profit / EBIT	31.2	38.1	(18.1)%
Profit before tax (PBT)	**22.1**	**31.1**	**(28.9)%**
Earnings per share (pence)	**7.6**	**11.4**	**(33.3)%**
Operating cash flow	60.1	(5.3)	
Net debt before leases	(84.9)	(93.2)	(8.9)%
Dividend – total (pence)	3.0	4.4	(31.8)%

**Adjusted results*

Statutory results			
Profit before tax	24.8	17.1	45.0%
Earnings per share (pence)	8.3	6.2	33.9%

PROFIT AND LOSS

	Year ended 31 December*		
£m	**2024**	**2023**	**Change**
Revenue	**344.3**	**346.4**	**(0.6)%**
EBITDA			
- Bricks and Blocks	49.0	52.1	(6.0)%
- Bespoke Products	3.0	6.0	(50.0)%
Total	**52.0**	**58.1**	**(10.5)%**
EBITDA margin	*15.1%*	*16.8%*	(170) bps
Depreciation and Amortisation	(20.8)	(20.0)	4.0%
Operating profit / EBIT	**31.2**	**38.1**	**(18.1)%**
Finance expense	(9.1)	(7.0)	30.0%
Profit before tax (PBT)	**22.1**	**31.1**	**(28.9)%**
Effective tax rate	*27.1%*	*24.5%*	260 bps
Earnings per share (pence)	**7.6**	**11.4**	**(33.3)%**

**Adjusted results*

ADJUSTMENTS TO STATUTORY RESULTS

- Adjusted results are provided to fairly show our underlying trading performance on a like-for-like basis
- Adjustments relate to:
  - Removal of fair value benefit for energy contracts which did not qualify for the own use exemption following reduction in demand
  - Losses on sale of surplus energy not used in the business
  - Costs in respect of an aborted corporate transaction
  - Restructuring costs associated with management actions to right-size the business

	Year ended 31 December	
£m	**2024**	**2023**
EBITDA	**54.7**	**44.1**
Adjusted items		
Fair value movement on energy derivatives	7.1	0.8
Realised loss on the sale of surplus energy	(1.5)	(0.8)
Aborted corporate transaction	(2.7)	–
Restructuring costs	(0.2)	(9.0)
Impairment of plant and machinery	–	(5.0)
Total adjusted items	**2.7**	**(14.0)**
Adjusted EBITDA	**52.0**	**58.1**
Depreciation and amortisation	(20.8)	(20.0)
Finance expense	(9.1)	(7.0)
Adjusted PBT	**22.1**	**31.1**

SEGMENTAL RESULTS: BRICKS AND BLOCKS

- Revenue of £276.7m, in line with prior year
- Brick volumes flat year-on-year with stronger growth in blocks with Aircrete volumes increasing c.20% vs prior year
- Strong commercial discipline maintained with brick pricing relatively stable
- EBITDA margin of 17.7%, only slightly down on 2023 (18.8%)
- Operating at around 60% of capacity resulted in reduced efficiency
- The first step of "Project Rebound" underway, increasing Aircrete production
- Market demand remains c.30% below 2022, providing significant recovery upside
- 2025 pricing discussions underway to recover cost inflation

	Year ended 31 December *		
£m	**2024**	**2023**	**Change**
Revenue	276.7	277.4	(0.3)%
EBITDA before overhead allocation	**66.2**	**70.0**	**(5.4)%**
EBITDA margin before overhead allocation	23.9%	25.2%	(130) bps
Overhead allocation	(17.2)	(17.9)	(3.9)%
EBITDA	**49.0**	**52.1**	**(6.0)%**
EBITDA margin	17.7%	18.8%	(110) bps

**Adjusted results*

SEGMENTAL RESULTS: BESPOKE PRODUCTS

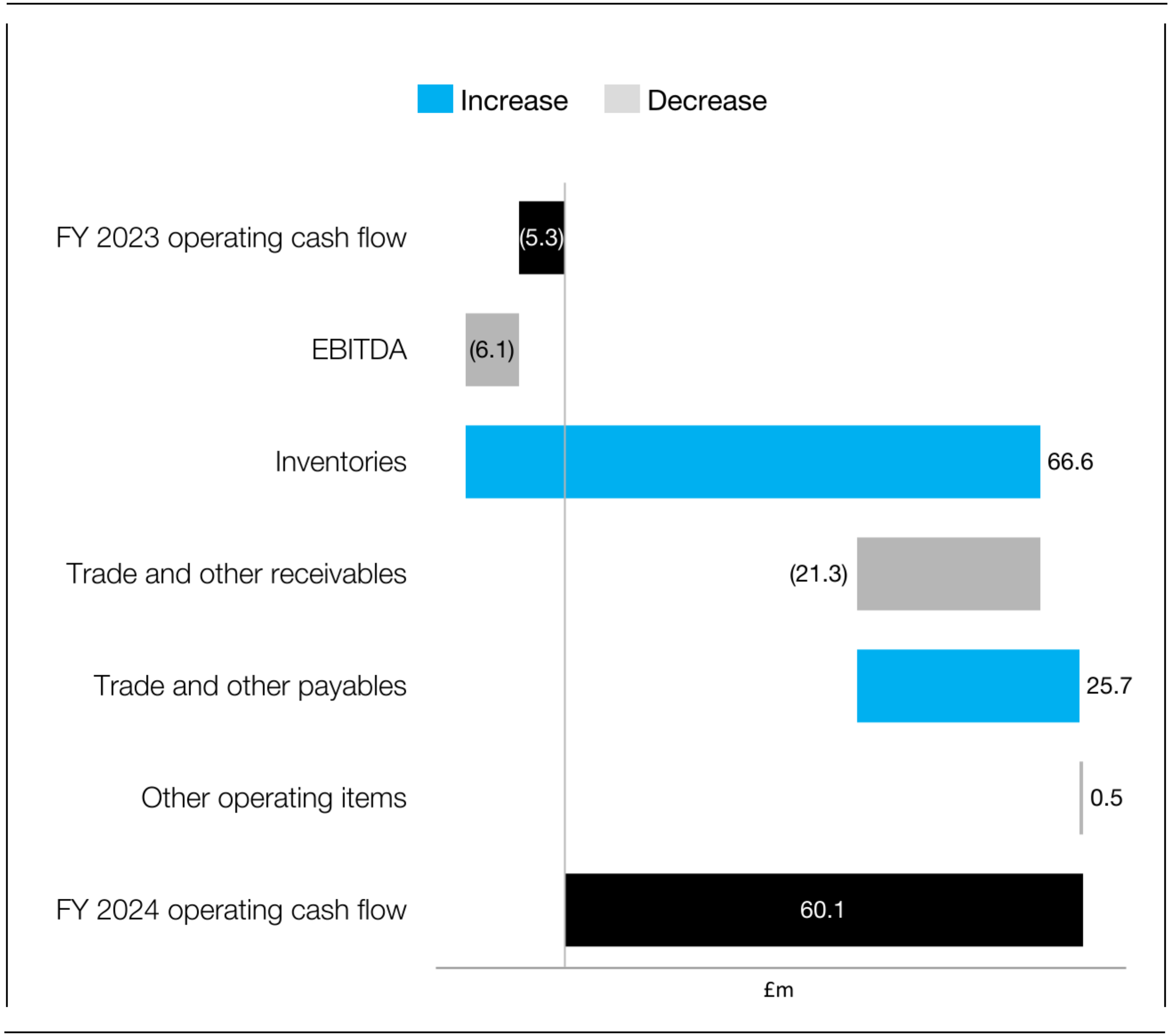
- Revenue broadly flat year-on-year at £71.5m
- As a reminder, this segment delivered an extremely strong result in 2023 ahead of 2022 performance
- Floor beam despatches increased by c.10% with a significant improvement in H2
- Hollowcore more challenging despite strong order books with slippage of customer timetables
- Challenging market conditions resulted in pricing pressure, leaving us unable to offset volatility in insulation costs

	Year ended 31 December*		
£m	**2024**	**2023**	**Change**
Revenue	71.5	72.7	(1.7)%
EBITDA before overhead allocation	**7.3**	**10.5**	**(30.5)%**
EBITDA margin before overhead allocation	10.2%	14.4%	(420) bps
Overhead allocation	(4.3)	(4.5)	(4.4)%
EBITDA	**3.0**	**6.0**	**(50.0)%**
EBITDA margin	4.2%	8.3%	(410) bps

**Adjusted results*

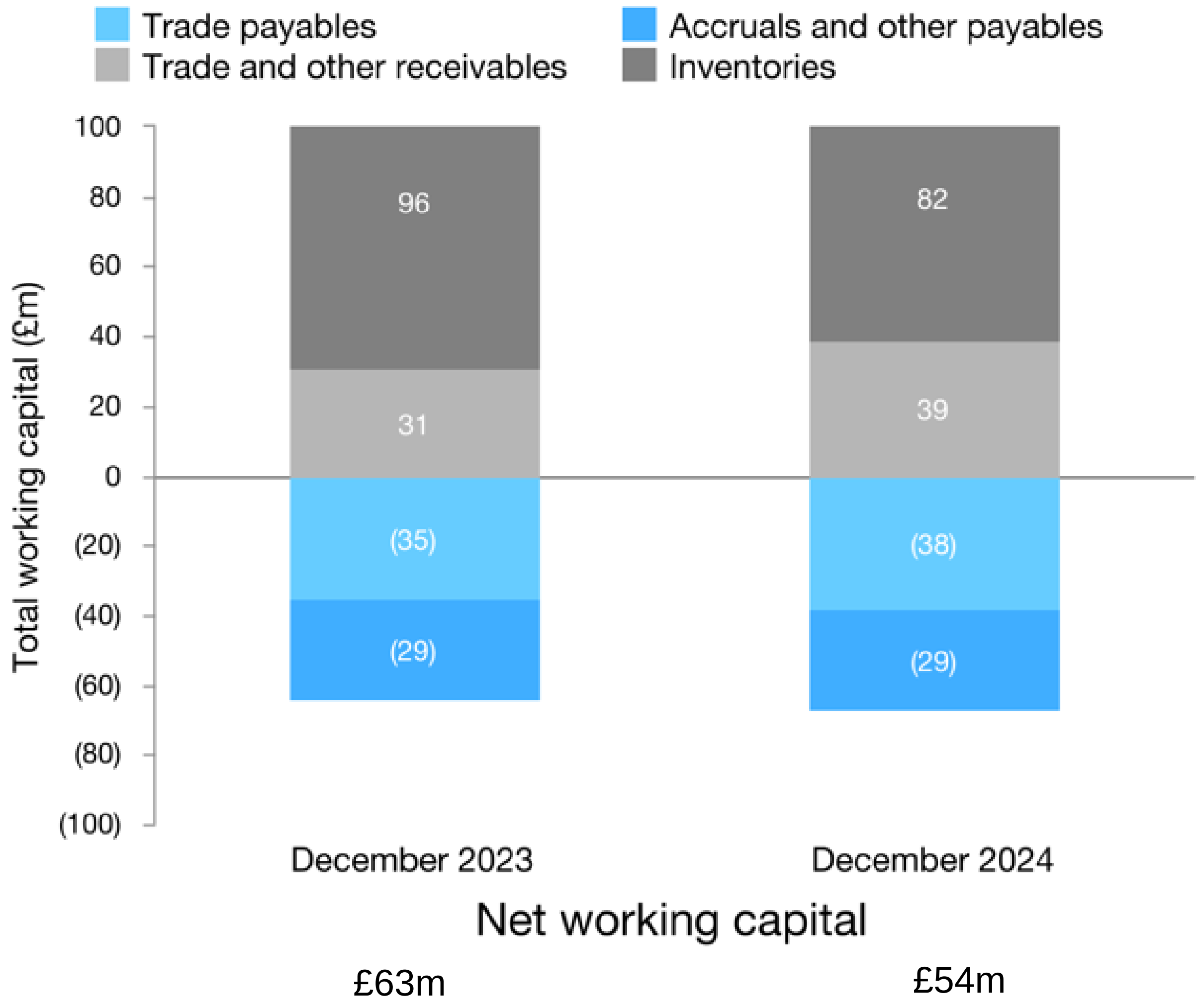
OPERATING CASH FLOW

- Strong recovery in cash generation driven by aligning production to demand
- Inventories reduced in 2024 following significant inventory build seen in 2023
- Anticipate continuation of strong cash generation in 2025



WORKING CAPITAL

- Inventory reduction of £13.8m driven primarily by Aircrete, with brick inventories broadly stable
- Increase in trade receivables reflects increasing activity in Q4 with industry brick despatches around 20% ahead of the 2023 comparative
- Expectation for brick inventories to remain broadly static in 2025 with production increasing with Wilnecote recommissioning and increasing Desford output offsetting improving market demand

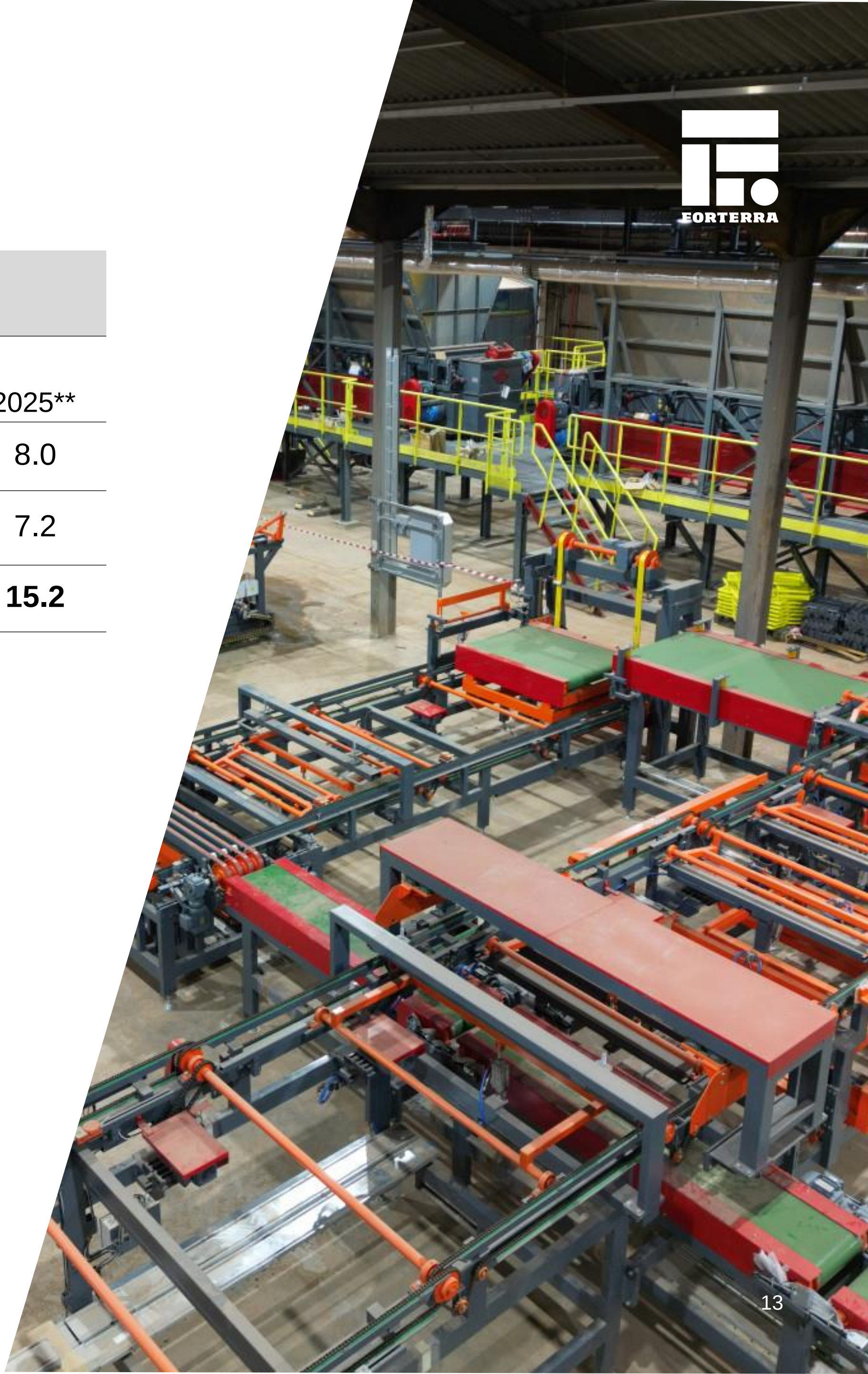


CAPEX HISTORY AND GUIDANCE

	Capital expenditure*						
£m	2019	2020	2021	2022	2023	2024	2025**
Strategic	12.6	19.5	28.9	33.6	19.3	21.6	8.0
Maintenance	9.9	5.4	5.7	10.5	14.8	4.0	7.2
Total capex	**22.5**	**24.9**	**34.6**	**44.1**	**34.1**	**25.6**	**15.2**

Note: Excluding capitalised borrowing costs*
*Note**: Management forecast*

- £135.5m of strategic capital expenditure since 2019
- Strategic capital expenditure in 2024 has been focused upon the projects at Wilnecote (£10.7m) and Accrington (£8.0m)
- Reduction in maintenance capital spend reflects balance sheet management as well as temporary reduction in output
- Capital spend in 2025 is expected to reduce to around £15m, with approximately £8m of this related to the completion of our strategic projects
- Looking ahead, we still expect long-term average maintenance capex of £12-14m although this will be lower in the short-term whilst output remains significantly below capacity



CASH FLOW

£m	Year ended 31 December 2024	2023
Adjusted operating cash flow	**60.1**	**(5.3)**
Cash flows relating to adjusting operating items	(8.3)	(5.9)
Operating cash flow after adjusting items	**51.8**	**(11.2)**
Interest paid	(10.0)	(6.1)
Tax received / (paid)	0.4	(2.7)
Capital expenditure – maintenance	(4.0)	(14.8)
Capital expenditure – strategic	(21.6)	(19.3)
Dividends paid	(6.3)	(25.7)
Net payments to Employee Benefit Trust	5.1	(1.0)
Other movements	(1.2)	(0.6)
Repayment of lease liabilities	(5.9)	(5.9)
Decrease / (increase) in net debt before leases	**8.3**	**(87.3)**

- Strong adjusted operating cash flow, demonstrating the success of management actions
- Adjusted operating cash flow recovered to £60.1m (2023: outflow of £5.3m), a year-on-year improvement of £65.4m
- Tax received benefits from a £2.2m refund in respect of FY 2023
- Strong cash generation drives an £8.3m reduction in net debt before leases to £84.9m (2023: £93.2m) whilst still spending a total of £25.6m on capital expenditure

BALANCE SHEET POSITION AND FACILITIES

FORTERRA

- Net debt (before leases) of £84.9m equating to leverage of c.1.9 times
  - £8.3m reduction on 2023 (£93.2m) not withstanding total capital spend of over £25m
  - Committed revolving credit facility (RCF) of £170m extending to January 2027 with an option for an extension to June 2028 subject to lender consent
- At the year-end a total of £100m was drawn on the facility leaving headroom of £70m
- Normal seasonal trends expected to apply with net debt expected to be slightly higher at half year 2025 before reducing in H2
- The Board reiterates its leverage target of 1.5 times or below, which it expects to reach by the end of 2025

	At 31 December		
£m	**2024**	**2023**	**Change**
Cash and cash equivalents	15.2	16.0	(0.8)
Loans and borrowings	100.1	109.2	(9.1)
Net debt before leases	**(84.9)**	**(93.2)**	**(8.3)**
Lease liabilities	(20.9)	(24.2)	3.3
Net debt	**(105.8)**	**(117.4)**	**(11.6)**

CAPITAL ALLOCATION

Continued strong free cash flow will be allocated in line with our capital allocation priorities:

- Strategic organic capital investment to deliver compelling returns
- Attractive mid-term dividend policy with a pay-out ratio of 55% of earnings
- Bolt-ons as suitable opportunities arise in adjacent or complementary markets
- Supplementary shareholder returns as appropriate

OUR MARKETS

UK HOUSING MARKET

LONG-TERM HOUSING SHORTAGE

Average number of completions over last 20 years of 172,000 homes, well short of the Government target

SUPPLY-SIDE POLICIES

Government focus on planning reform to 'unlock' supply side and drive UK housebuilding. Skills and labour shortages will need addressing to achieve this

AFFORDABILITY IMPROVING

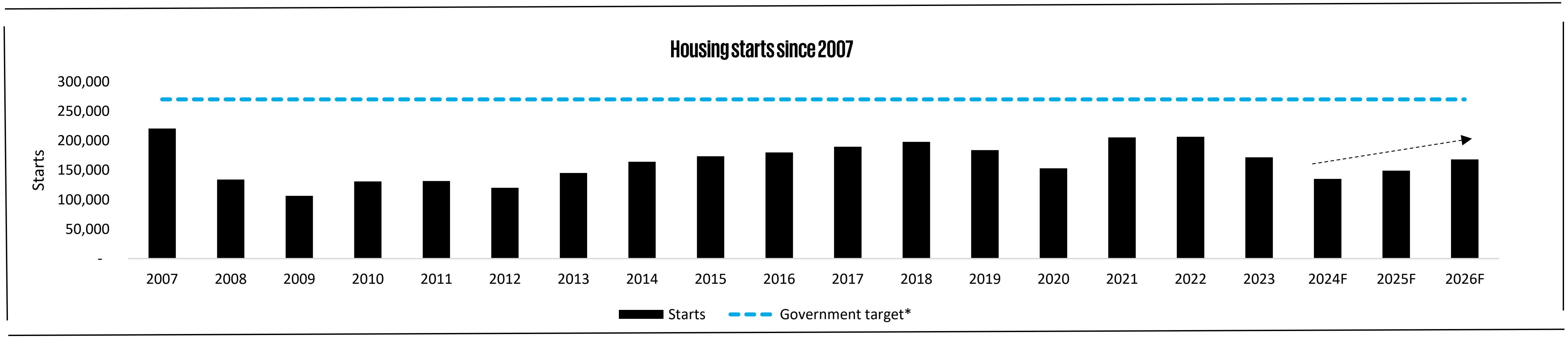
Affordability remains a constraint however interest rates in the UK have seen reductions in 2024 with further falls forecast

CUSTOMER SENTIMENT IMPROVING

Our customers are more positive in the short to medium-term

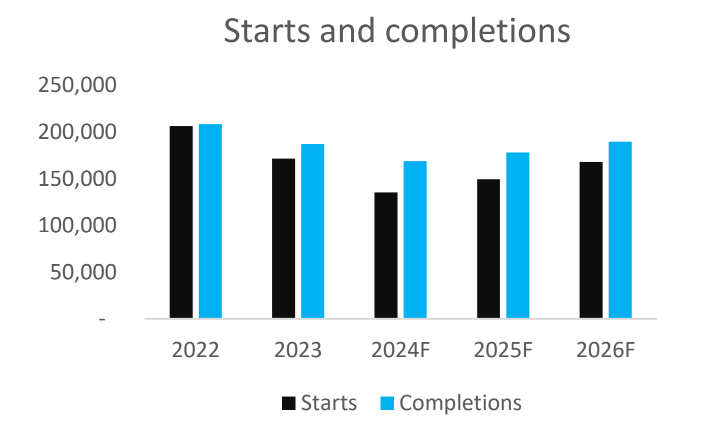
DEMAND STIMULUS

Whilst unlocking the supply side is crucial, demand side support would be advantageous

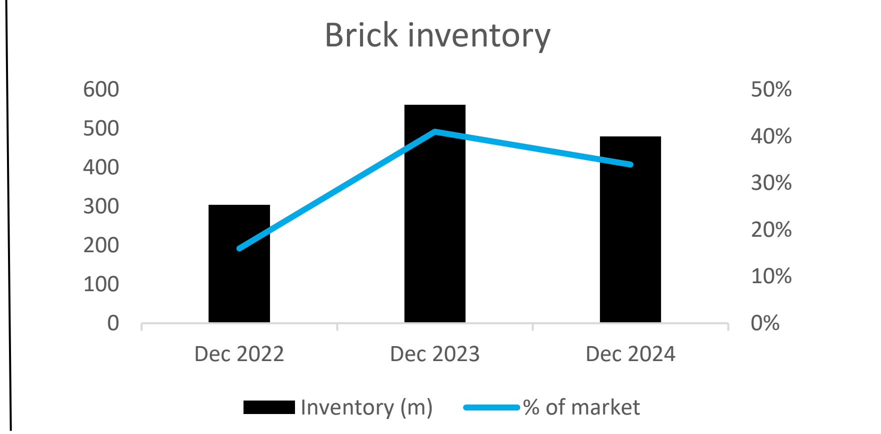


Source: CPA Forecast Winter 2024 / 2025
Note: Government target, annual average based on 1.5m net additional homes 2024-2029 allowing for conversions*

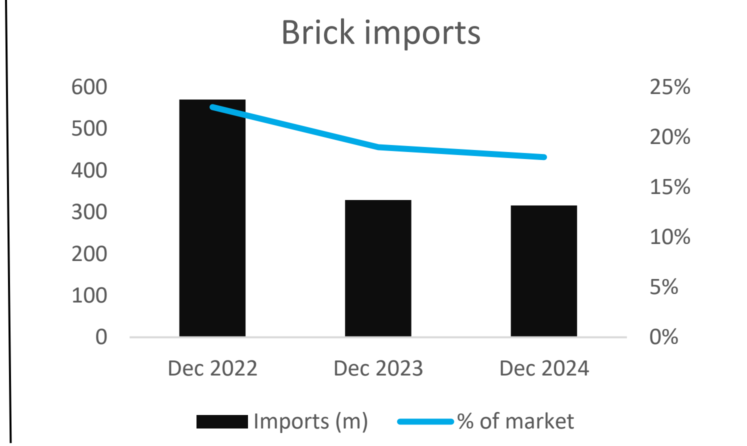
UK BRICK MARKET



Source: CPA Forecast Winter 2024 / 2025



Source: Department for Business & Trade



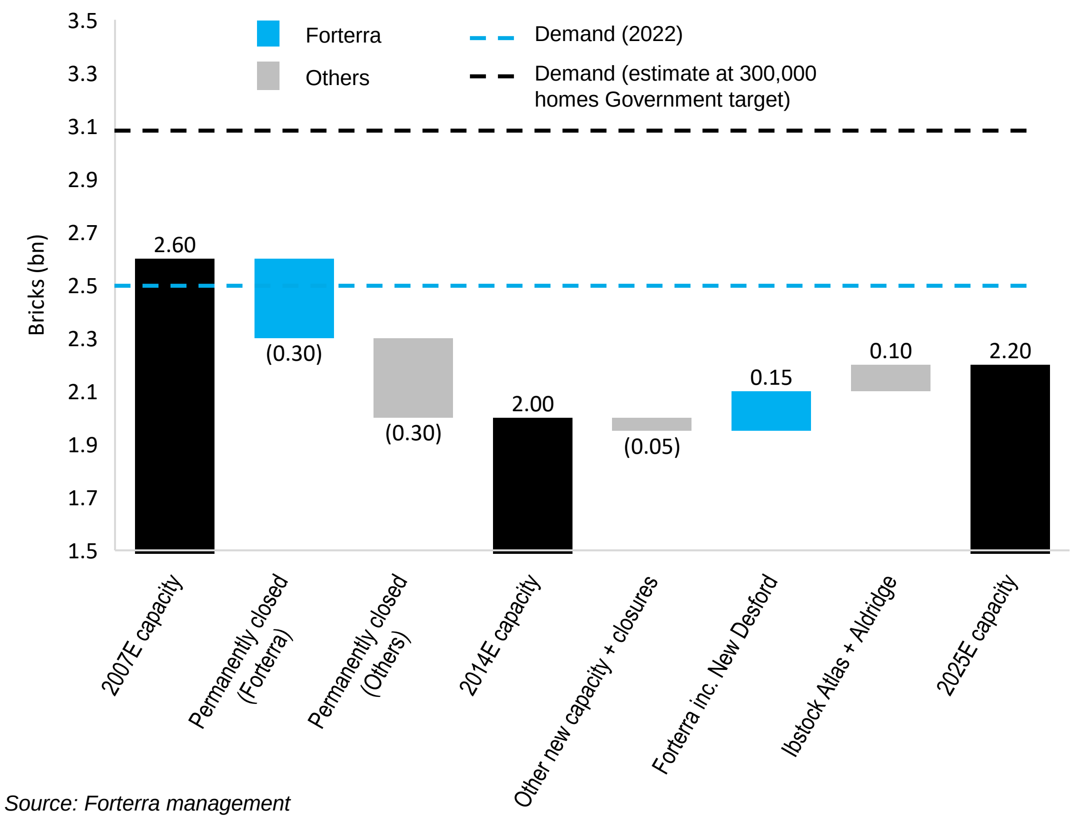
Source: Department for Business & Trade, HMRC

- Industry brick consumption of c.1.7bn, slightly ahead of prior year
- Starts and completions forecast to rise in 2025 and 2026, though remaining below 2022 levels
- Industry inventory levels reduced in 2024
- Imports have continued to reduce both at an absolute level and as a percentage of the market

FORTERRA BRICK PRODUCTION CAPACITY 15% HIGHER IN NEXT TURN OF CYCLE

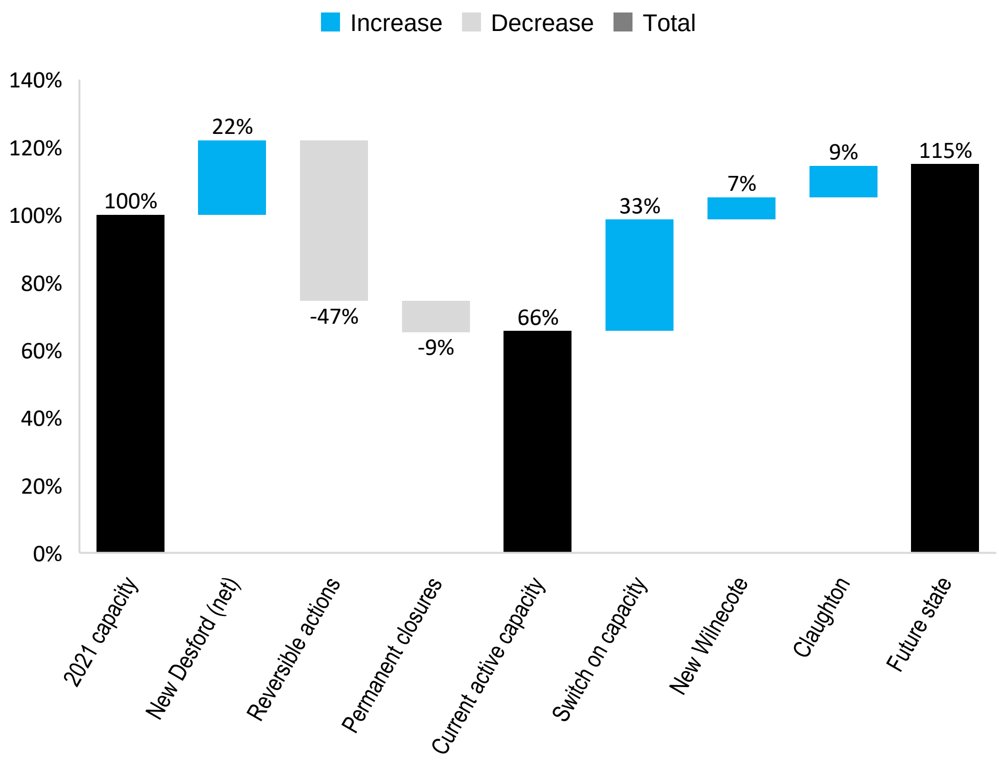
FORTERRA

Evolving domestic brick industry capacity



Source: Forterra management

Forterra capacity



Source: Forterra management

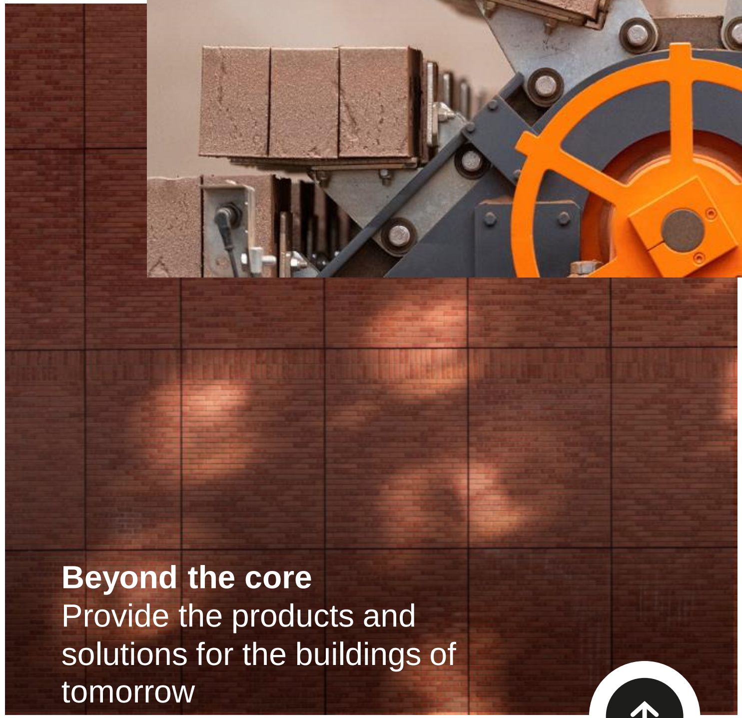
- At 2022 levels of demand, UK domestic brick market remains capacity constrained
- Forterra well placed to benefit with 15% more capacity than the previous turn of cycle

STRATEGIC UPDATE

OUR STRATEGIC IMPERATIVES

- Our strategy supports the delivery of our purpose, recognising the key role our products play in shaping the built environment
- Strategic imperatives provide a clear roadmap for the organisation, guiding our efforts across functions to drive growth, efficiency, and innovation

Strengthen the core
Make our current business even better than it is today



Beyond the core
Provide the products and solutions for the buildings of tomorrow

GROWTH DRIVERS

STRATEGIC ENABLERS

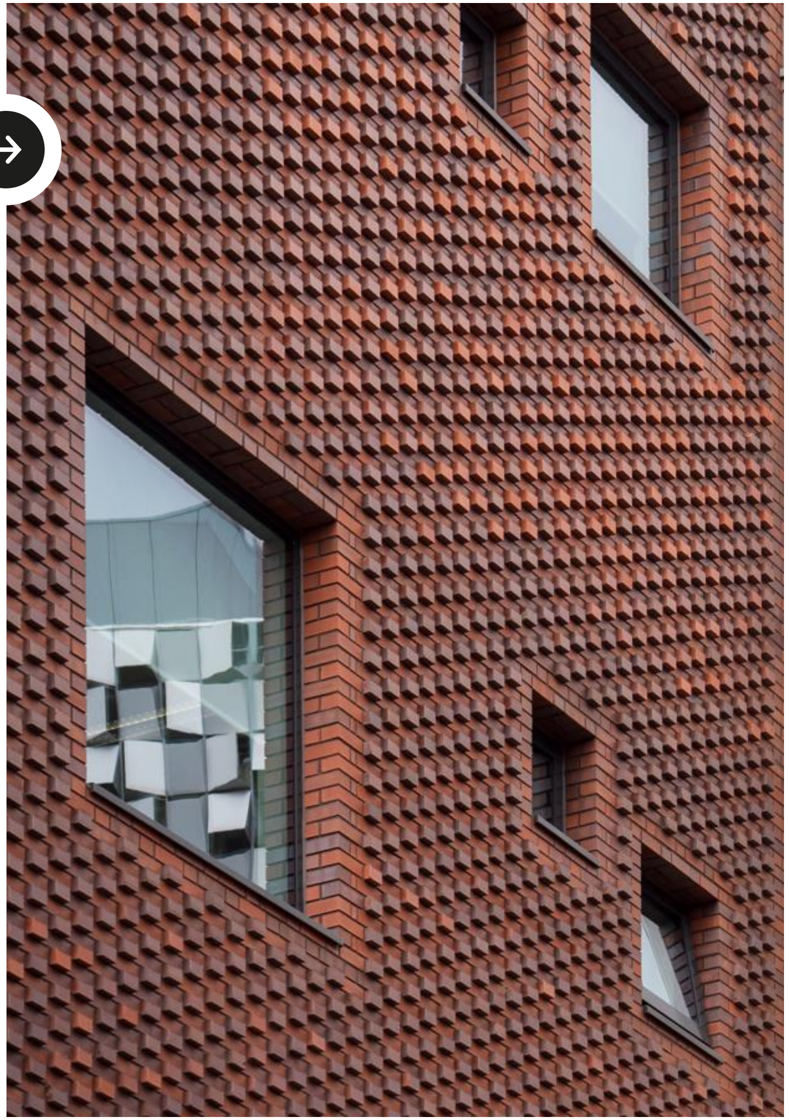
Sustainability
Leave the lightest touch on the world we live in

Safety and engagement
Create an engaged, healthy and safe workforce

STRENGTHEN THE CORE

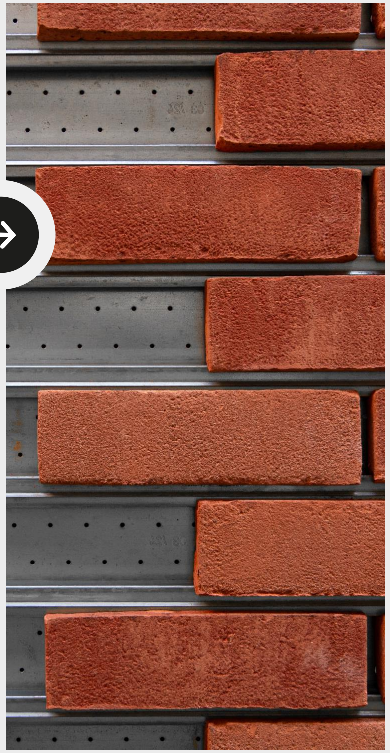
ORGANIC INVESTMENT AT WILNECOTE

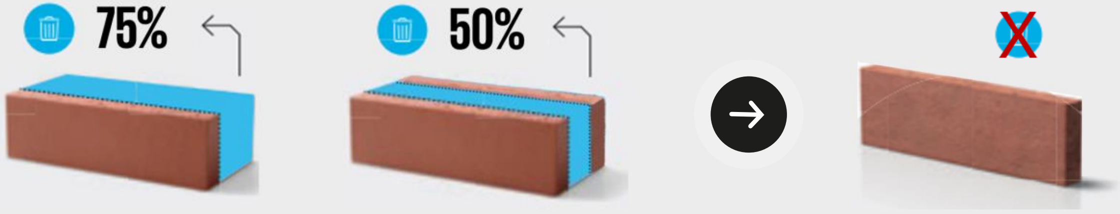
- Further progress on the reinstatement of our Wilnecote factory despite supply chain challenges, which will ultimately deliver:
  - Increased capacity and broader range
  - Diversification through the attractive commercial and specification market
  - A range that includes non-standard brick dimensions & colours which are currently reliant on imports from Europe
- £30m redevelopment is on course for completion in Q2 2025 with the kiln expected to be lit shortly



BEYOND THE CORE
ORGANIC INVESTMENT AT ACCRINGTON

- Investing in new capacity to deliver growth in sales volumes along with enhanced efficiency
- New brick slip manufacturing line at Accrington; a cost-effective entry into this attractive market, with commissioning ongoing
- The first UK manufactured extruded slip solution offers improved cost and sustainability credentials vs. current 'cut' slips
- By investing in brick slips we aim to secure a leading position in lightweight façades





OUR INVESTMENT IN PURPOSE MADE SLIPS WILL REDUCE RAW MATERIAL AND ENERGY BY UP TO 75%

SUSTAINABILITY

OUR SUSTAINABILITY JOURNEY

FORTERRA

2022-23 ACHIEVEMENTS

30% more efficient
Desford brick factory open

Forterra Solar Farm
generating c.80% of our electricity demand now open

2024 PROGRESS

Calcined clay
utilising as cement substitute – initially within our own products

Plastic packaging
Ongoing work to meet our short-term plastic reduction targets

2025 & BEYOND

Alternative fuels
Working to better understand the use of hydrogen, synthetic gas and biomass within our production processes

Carbon capture
We continue to engage with suppliers of carbon capture use and storage technologies (CGUS) monitoring systems in this rapidly developing area

2030 TARGETS

People	Climate	Waste	Innovation
Zero Harm	27.5% Absolute reduction in CO_2	50% Reduction in plastic packaging	10% of revenue from new product index

SUSTAINABILITY
A CEMENT SUBSTITUTE FROM LONDON BRICK WASTE

- Calcined clay is produced by heating clay to high temperatures, resulting in a product that has only 42% of the embodied carbon of traditional cement
- Using waste bricks eliminates an energy intensive element of this process and delivers an even lower embodied carbon – 11% of regular cement
- In 2024, we began incorporating calcined clay as a substitute for cement in our some of our own concrete products
- Industrialisation of process in 2025

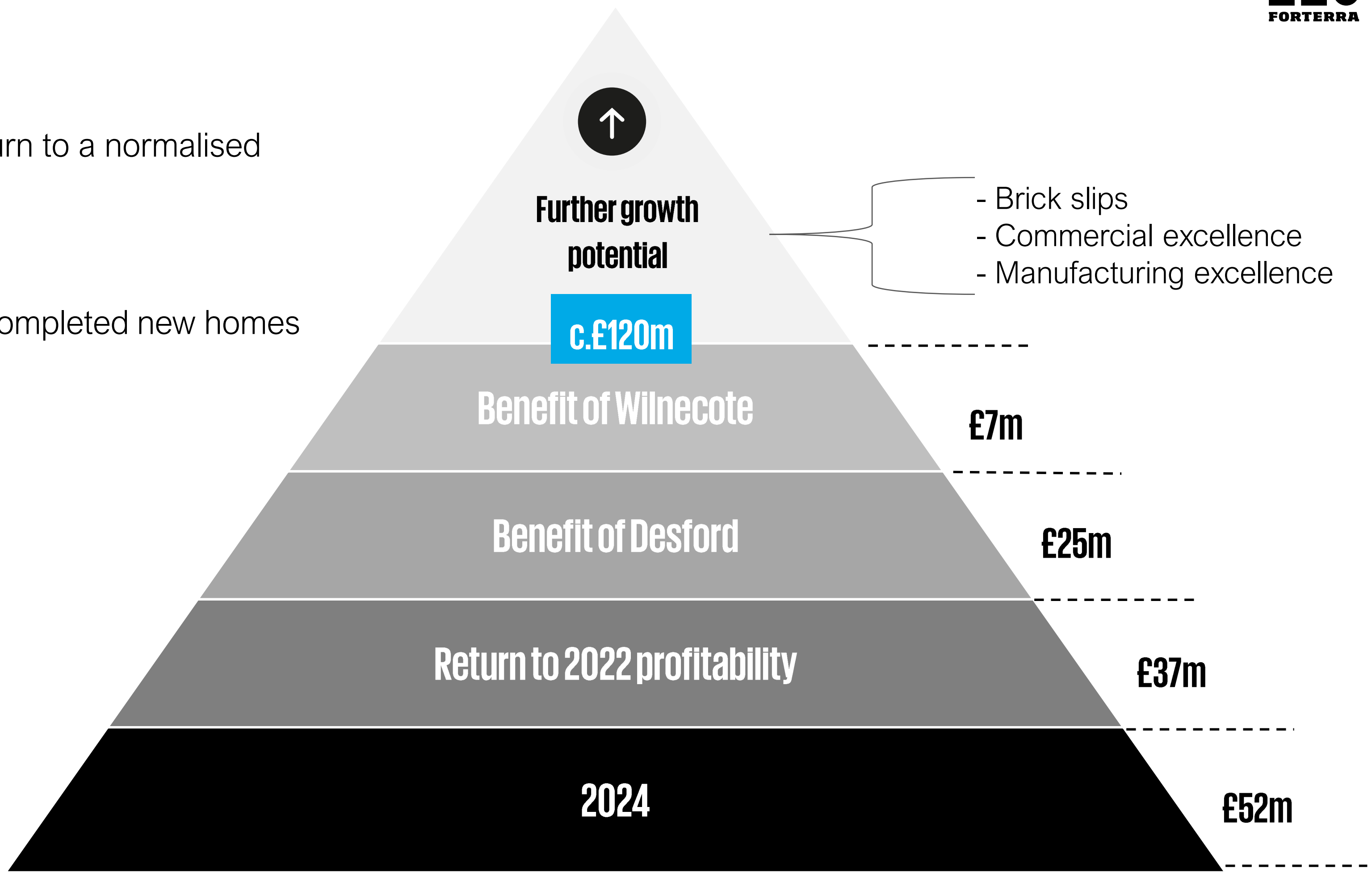
OUTLOOK

2025 OUTLOOK

- Trading in the first two months of 2025 continued the positive trends seen in the final quarter of 2024, with our brick despatches 17% ahead of the weather impacted prior year
- Entering 2025 we are facing more normal levels of cost inflation, but with the added challenge of increasing Employers' National Insurance contributions from April
- We are currently concluding our customer pricing discussions and expect to deliver necessary price increases to offset cost inflation
- We continue to take encouragement from the Government's ambition to materially increase housebuilding but remain wary of the challenges in delivering this
- We anticipate a steady recovery in our markets during 2025, whilst remaining mindful of wider macroeconomic conditions
- The Group remains well placed to capitalise as its key markets recover

GROUP WELL POSITIONED FOR FUTURE CYCLES

- Strategic capital investments will leverage the return to a normalised market
- Growth illustration assumes:
  - Return to 2022 levels of profitability (208k completed new homes vs.169k in 2024)
- Incremental benefits from projects (assuming normalised market):
  - £25m from Desford
  - £7m incremental at Wilnecote
- Proforma Group adjusted EBITDA of c.£120m
- Further potential upside from brick slips and excellence projects



The Group is well positioned to capitalise on the recovery of our key markets

APPENDICES

BALANCE SHEET POSITION

FORTERRA

	Year ended 31 December		
£m	**2024**	**2023**	**Change**
Intangible assets	11.6	19.2	(7.6)
Property, plant and equipment	263.8	249.7	14.1
Right-of-use assets	20.5	24.1	(3.6)
Derivative asset	2.8	5.0	(2.2)
Total non-current assets	**298.7**	**298.0**	**0.7**
Inventories	82.0	95.8	(13.8)
Trade and other receivables	39.0	31.0	8.0
Cash and cash equivalents	15.2	16.0	(0.8)
Derivative asset	5.1	1.6	3.5
Other assets	2.4	2.3	0.1
Total current assets	**143.7**	**146.7**	**(3.0)**
Total assets	**442.4**	**444.7**	**(2.3)**
Trade and other payables	(68.7)	(66.3)	(2.4)
Loans and borrowings	(100.1)	(109.2)	9.1
Lease liabilities	(20.9)	(24.2)	3.3
Other liabilities	(27.8)	(37.2)	9.4
Net assets	**224.9**	**207.8**	**17.1**

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FORTERRA

THE ORIGINAL LONDON BRICK
ECOSTOCK BRICK
BUTTERLEY BRICK
CRADLEY SPECIAL BRICK
RED BANK
THERMALITE
CONBLOC
BISON PRECAST
INNOVATORS IN FORMPAVE PERMEABLE PAVING