A resilient performance in challenging market conditions; no change to FY expectations

Six months ended 30 June 2026

	Adjusted [1]			**Statutory [2]**		
	2026	2025	Change	**2026**	2025	Change
	£m	£m	(%)	**£m**	£m	(%)
Revenue	**168.8**	195.1	(13.5)%	**168.8**	195.1	(13.5)%
Like-for-like revenue[4]	**168.8**	186.1	(9.3%)			
EBITDA[3]	**27.0**	29.9	(9.7%)	**24.0**	21.7	10.6%
EBITDA margin[3]	**16.0%**	15.3%	70 bps	**14.2%**	11.1%	310 bps
Profit before tax (PBT)	**14.5**	16.6	(12.7%)	**11.5**	8.4	36.9%
Earnings per share (pence)	**5.1**	5.8	(12.1%)	**4.1**	2.9	41.4%
Operating cash flow	**8.5**	30.0	(71.7%)	**6.9**	31.0	(77.7%)
Net debt before leases[3]	**(74.5)**	(69.4)	7.3%			
Interim dividend (pence)				**1.7**	1.9	(10.5%)

[1]Adjusted results for the Group have been presented before exceptional items and adjusting items (2026: net expense of £3.0m, 2025: net expense of £8.2m) relative to statutory profit as explained in Alternative Performance Measures (APMs) within note 4.

[2]Statutory results for 2025 have been revised following a change to the Group's accounting policy for carbon credits as outlined within note 2.

[3]EBITDA, adjusted EBITDA and net debt before leases are APMs, as explained in note 4. EBITDA and adjusted EBITDA are presented above under the statutory heading, being calculated with reference to statutory results without adjustment.

[4]Like-for-like revenue is shown excluding the impact of the closed Formpave and Bison Bespoke Precast businesses which were closed in H2 2025.

Neil Ash, Chief Executive Officer, commented:

"Our markets remained challenging in the first half and, in this environment, we took decisive management actions to put Forterra in a strong position for when the inevitable upturn arrives. We produced a resilient performance and, with demand continuing to favour extruded brick, we have again been able to outperform the wider brick market.

"We have a clear strategy based on strengthening the core of our business, whilst looking to grow beyond the core. On the former we have further increased our commercial discipline, implementing necessary price increases, while growing our brick market share by partnering with the right customers. We are increasing the emphasis on our operational excellence programmes which aim to drive process and cost efficiencies across all our factories. These programmes will contribute real value to our bottom line in the future. We have also acted decisively to ensure our production output and cost base remain aligned to current demand.

“We continue to grow our business beyond the core. A good example of this is our investment in brick slips. We are putting in place solid foundations in this attractive and growing market which will allow us to build a leading position. Accrington is now supplying extruded slips into its first projects, and we are investing around £2m in a dedicated brick slip cutting facility at our Measham site, enabling us to build a leading range of both extruded and cut brick slips.

“Markets are certainly challenging at present but looking beyond the current year, the Board remains confident that our recent investments in new production capacity leave the Group well placed to benefit from the market's structural growth drivers and a sustained recovery when it occurs.”

TRADING AND RESULTS

- Like-for-like revenue reduced 9.3% to £168.8m (2025: £186.1m) due to weaker market conditions
- UK brick industry despatches for the five months to May 2026 decreased 8% relative to the prior year with Forterra outperforming the market
- Brick was our most resilient product; our H1 aircrete, aggregate block and precast concrete flooring despatches decreased between 10% and 25% relative to the prior year
- Decisive management actions implemented to ensure production remains aligned to current demand together with a restructuring of management and support functions reducing costs by £2m p.a
- Low single digit brick price increases implemented in Q1, recovering underlying cost inflation with further surcharges across all products in response to the cost impacts of the Middle East conflict
- Around 80% of our FY 2026 gas requirement secured at pre-conflict prices
- Despite the challenging trading conditions, the Group delivered a resilient adjusted EBITDA of £27.0m (2025: £29.9m) with margin improving by 70 bps to 16% and adjusted PBT of £14.5m (2025: £16.6m)
- Strong balance sheet maintained with net debt of £74.5m equating to just under 1.5 x adjusted EBITDA on banking covenant basis

STRATEGY AND CAPITAL ALLOCATION

- Continued progress with Desford production uplift, Wilnecote commissioning and Accrington slips production
- £20m share buyback ongoing with £8.5m completed at the half year
- £170m revolving credit facility extended to 2030 post period end with a further one year extension option subject to lender consent
- Interim dividend of 1.7 pence per share (2025: 1.9 pence) in line with our dividend policy targeting 2 x cover

OUTLOOK

- We anticipate demand in H2 will be similar to that seen in H1, supporting the Board's expectations that the Group will deliver a full year result in line with consensus *
- However, given the current domestic and global geopolitical environment, forecasting demand for our products in H2 remains challenging
- Looking beyond the current financial year, the Board remains confident that our recent investments in new production capacity leave the Group well placed to benefit from the market's structural growth drivers and a sustained recovery when it occurs

* Company compiled analysts' consensus for FY2026 adjusted EBITDA is £55.6m with a range of £53.1m to £57.6m

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A presentation for analysts will be held today, 28 July 2026, at 9.00am. A live video webcast of the presentation will be available on the Investors section of our website (https://forterraplc.co.uk/).

ABOUT FORTERRA PLC

Forterra is a leading UK manufacturer of essential clay and concrete building products, with a unique combination of strong market positions in clay bricks, concrete blocks and precast concrete flooring. Our heritage dates back many decades and the durability, longevity and inherent sustainability of our products is evident in the construction of buildings that last for generations; wherever you are in Britain, you won't be far from a building with a Forterra product within its fabric.

Our clay brick business combines our extensive secure mineral reserves with modern and efficient high-volume manufacturing processes to produce large quantities of extruded and soft mud bricks, primarily for the new build housing market. We are also the sole manufacturer of the iconic Fletton brick, sold under the London Brick brand, used in the original construction of nearly a quarter of England's housing stock and today used extensively by homeowners carrying out extension or improvement work. Within our concrete blocks business, we are one of the leading producers of aircrete and aggregate blocks, the former being sold under one of the sector's principal brands of Thermalite. Our precast concrete flooring products are sold under the established Bison brand.

CEO'S STATEMENT

The first half of 2026 has been challenging with weak market conditions coupled with the impacts of the conflict in the Middle East. Whilst we cannot control our markets, we strive to make Forterra as resilient and competitive as it can be.

Entering 2026, our housebuilding customers reported some improvement in both enquiries and reservations relative to the second half of 2025 which had seen a softening of demand for our products. However, despatches of our products were affected by the exceptionally wet weather in the first few months of the year.

As Spring began, we did see some recovery in demand, although industry brick market data published by the Department for Business and Trade (DfBT) showed market demand remaining below 2025 levels. Our industry then faced the impacts of the conflict in the Middle East. This increase in macroeconomic and geopolitical uncertainty not only led to sudden increases in energy, fuel and transportation costs, but also resulted in higher mortgage rates driven by expectations of higher inflation. Presently, average mortgage rates remain around 85 bps above pre-conflict levels.

There is undoubtedly a lag effect between the emergence of these macroeconomic and geopolitical events and their associated impacts on our business. With the conflict unresolved, and with the additional uncertainty created by the recent leadership changes within Government and the policy changes this may herald, it remains difficult to forecast how our markets will respond for the rest of the year.

DfBT statistics show that in the five months to May 2026 domestic brick despatches decreased by 8% relative to the prior year, with Industry despatches in that five month period around 33% below the 2022 comparator. Our own performance has benefited from a continuation of the market dynamics which favour extruded brick over soft mud, with activity being strongest away from the South East which is traditionally weighted toward soft mud brick. Alongside this, we see continued evidence of housebuilders choosing cost effective extruded bricks as a way of mitigating cost inflation. With extruded, or wire cut bricks as they are also known, representing around two thirds of our production capacity and any future Government support for increased housebuilding most likely to focus on the affordable end of the market, we are well positioned to meet future demand.

We have maintained our focus on commercial excellence with continued commercial discipline remaining key to our ongoing success, implementing necessary price increases to recover underlying cost inflation whilst remaining agile to ensure we also recover the additional cost increases we have experienced.

Operational excellence continues to be a cornerstone of our performance. Our Sustainable Operational Excellence (SOE) programme is vital in helping us navigate the challenges we currently face, equipping leaders with the skills, habits, and behaviours needed to embed continuous improvement across our factories delivering meaningful cost savings and underpinning our resilience.

We have been decisive in addressing the market and macro-economic challenges we face, implementing modest production reductions to ensure our output remains aligned to current demand, ensuring that we continue to tightly control inventory levels. Alongside this we have announced a restructuring of our management and support functions in order to reduce our cost base, saving around £2m annually.

We have implemented a unified sales organisation working across both our Brick and Block and Bespoke segments which will improve our customer relationships and better leverage the synergies between our different product lines.

Despite the short-term market headwinds we currently face, we have continued to make good strategic progress. With our brick production capacity weighted toward extruded brick, we have been able to continue the ramp up of production at our Desford factory, increasing efficiency, reducing unit production costs and increasing profitability.

We have also continued the commissioning of both our Wilnecote brick factory and the Accrington brick slip facility. Our new Wilnecote factory is designed to make a range of bricks aimed at the attractive commercial and specification market and will provide some diversification away from both the cyclical new build housing market and the currently depressed repair maintenance and improvement market (RM&I).

We have made further progress with the commissioning of our brick slip production line at Accrington although the insolvency of a key supplier has caused some delays which we believe are now behind us. Our initial product range has been launched and we have already supplied our extruded slips into our first projects. Aligned with our goal of becoming a leading player in the growing brick slips and facades market, we are investing around £2m in a dedicated brick slip cutting facility at our Measham site, complementing our Omnia range of extruded brick slips manufactured in Accrington with cut slips, ensuring we can meet all of our customers' needs. This new facility is expected to be operational in early 2027.

Looking further ahead, we are continuing to evaluate a potential capital investment in our aircrete business, ensuring we retain both our market position and competitiveness. We would intend to mitigate the capital outlay by maximising the value we derive from existing property assets. A final decision on whether to proceed with this project, which remains subject to planning, is not expected until 2027.

I would like to take this opportunity to thank all colleagues throughout the group for their continued commitment and flexibility in not only addressing the present market driven challenges but also in making Forterra a better business looking forward.

Notwithstanding the current challenging market conditions, Forterra remains well placed to benefit from the recovery of our markets when it occurs.

RESULTS FOR THE PERIOD

Despite challenging trading conditions, the Group delivered a resilient performance in the first half of 2026 (the 'period') Revenue in the period of £168.8m represents a decrease of 13.5% on the prior period (2025: £195.1m). On a like-for-like basis, adjusting for the closure last year of the Formpave and Bison Bespoke precast businesses, the revenue reduction was 9.3%. This decrease reflects the challenging market conditions faced throughout the period with demand in the early months of the year affected by exceptionally wet weather conditions followed by the impact of the conflict in the Middle East.

Adjusted EBITDA for the period was £27.0m (2025: £29.9m), a decrease of 9.7%. Group adjusted EBITDA margin increased to 16.0% (2025: 15.3%) as we benefitted from exiting the unprofitable non-core businesses last year. Financing costs were £2.4m (2025: £3.4m) leading to adjusted PBT of £14.5m, a decrease of 12.7% on the prior period (2025: £16.6m).

The adjusted effective rate of corporation tax in the period was 26.6% (2025: 26.1%) which is in line with our expectations and closely aligned to the 25% headline rate of corporation tax.

After an unusually strong cash flow performance in H1 2025, driven by a strong growth in demand leading to inventory reduction, in 2026 we have seen an inventory increase rather than reduction which along with the impacts of weak trading in the first half, leads to an adjusted operating cash flow of £8.5m (2025: £30.0m). In H2 we expect adjusted operating cash flow to benefit from the normal seasonal reduction in working capital.

Adjusted Earnings per share was 5.1p, a fall of 12.1% on the prior period (2025: 5.8p).

Total exceptional items and adjusting items were a cost of £3.0m (2025: £8.2m). The current period amount relates entirely to exceptional restructuring costs associated with right-sizing the organisation to align with the current market backdrop, with no adjusting items recognised in the period. The prior period amount included both exceptional restructuring costs and adjustments relating to energy accounting and derivative accounting movements.

Statutory profit before tax of £11.5m compares with a 2025 profit of £8.4m.

OUTLOOK

We anticipate demand in H2 will be similar to that seen in H1, supporting the Board's expectations that the Group will deliver a full year result in line with consensus. However, given the current domestic and global geopolitical environment, forecasting demand for our products in H2 remains challenging.

Looking beyond the current financial year, the Board remains confident that our recent investments in new production capacity leave the Group well placed to benefit from the market's structural growth drivers and a sustained recovery when it occurs.

SUSTAINABILITY

Sustainability continues to guide our focus on innovation. Recognising that our housebuilding customers increasingly focus on embodied carbon per home, we now monitor and report carbon emissions per square metre of product alongside our previous weight based measures. We are developing lighter, more efficient products reducing raw material use, energy consumption and distribution emissions, allowing us to demonstrate meaningful progress in lowering our carbon footprint despite the significant operating inefficiencies that the weak demand environment forces upon us. We will continue to collaborate with customers to ensure our innovation and sustainability initiatives deliver tangible value across the supply chain.

Each of our recent capacity investments provides a meaningful sustainability benefit, with the Desford and Wilnecote brick factories both reducing carbon emissions by approximately 25% per brick relative to their predecessor factories. Our innovative brick slip production facility at Accrington offers real sustainability benefits in manufacturing brick slips with around a 75% reduction in energy consumption, raw material usage and embodied carbon relative to traditional bricks.

Having already commercialised the transformation of our London Brick waste into a calcined clay cement substitute, we are continuing our exploration of the opportunities to utilise some of our surplus clay reserves for calcination on a much larger scale. Alongside this, we continue to explore the adoption of alternative fuels, especially hydrogen, within our business and we eagerly await the publication of the Government's much awaited hydrogen strategy. In common with many other businesses across a wide range of industries, we are becoming increasingly mindful that the Government's decarbonisation strategy needs to be balanced and proportional and should not risk disadvantaging UK businesses and the wider domestic economy relative to international competitors.

BRICKS AND BLOCKS

	Adjusted		Statutory [2]	
	2026	2025	**2026**	2025
	£m	£m	**£m**	£m
Revenue[1]	**139.0**	154.2	**139.0**	154.2
Like-for-like revenue[5]	**139.0**	151.4	**139.0**	151.4
EBITDA[3] before overhead allocations	**36.3**	39.6	**33.5**	32.7
Overhead allocations[4]	**(10.6)**	(12.1)	**(10.6)**	(12.1)
EBITDA[3] after overhead allocations	**25.7**	27.5	**22.9**	20.6
EBITDA[3] margin before overhead allocations	**26.1%**	25.7%	**24.1%**	21.2%
EBITDA[3] margin after overhead allocations	**18.5%**	17.8%	**16.5%**	13.4%

[1]Revenue is stated before inter-segment eliminations.

[2]Statutory results for 2025 have been revised following a change to the Group's accounting policy for carbon credits, with the cost of compliance now weighted across the year in line with production. Further details can be found within note 2.

[3]Both EBITDA and adjusted EBITDA are APMs, as explained within note 4. EBITDA is presented above under the statutory heading, being calculated with reference to statutory results without adjustment.

[4]Overhead allocations are costs centrally incurred on behalf of both segments, including general administrative expenses.

[5]Like-for-like revenue is shown excluding the impact of the discontinued Formpave business which was closed in H2 2025.

Like-for-like Bricks and Blocks revenue in the period, adjusting for the closure of the Formpave block paving business in the prior year, decreased by 8.2% to £139.0m.

Segmental adjusted EBITDA in the period of £25.7m compares to £27.5m in 2025. The EBITDA margin of 18.5%, stated after overhead allocations, was ahead of the H1 2025 comparative of 17.8%, also reflecting the exit of the Formpave business with underlying margins stable.

We continue to benefit from our capacity bias toward extruded brick with trade association figures continuing to suggest that demand for extruded brick again significantly outperformed soft mud in the period, resulting in brick being our most resilient product line. Forterra brick despatches fell modestly year-on-year whilst still outperforming the wider brick market. Despatches of our block products fell by a greater amount, with aircrete blocks seeing the sharpest decline with market dynamics now normalised following the supply challenges affecting our competitors in recent years which had led to our market share being somewhat elevated at the beginning of 2025.

During the first quarter we implemented low single digit brick price increases which were necessary to recover the underlying cost inflation faced by our business. This was an important milestone following several years of being unable to implement our desired price increases. The pricing environment within the block market was more challenging, particularly following the successful delivery of Aircrete price increases in the prior year.

Following the sharp increases in the cost of energy, and transport after the outbreak of hostilities in the Middle East, we introduced additional supplementary charges on our block products from the beginning of April. Having only recently implemented the annual brick price increase, we initially deferred the introduction of further pricing increases on our bricks, although with these cost pressures remaining unabated, we are currently seeking to implement a further low single digit brick price increase.

Our established policy of forward purchasing our energy requirements has successfully protected us from the sudden increase in energy costs. We entered the year with strong forward coverage with around 80% of our 2026 gas requirement and around 90% of electricity demand secured at competitive pre-conflict prices. As the conflict escalated and spot gas prices increased by around 60%, we were fortunate to have all of our March gas demand secured, although in April, with around 20% of our requirement unsecured, we did mitigate the extra cost by postponing some brick production into the second half, which modestly impacted our H1 result.

Spot energy prices remain elevated and highly volatile, recently returning to the peak levels seen around the start of the conflict. We are currently well positioned with over 80% of our expected demand secured for the remainder of 2026 at competitive pricing. Looking further ahead, we are well positioned for 2027 and beyond with around 80% of our expected 2027 usage secured at competitive prices with tapering levels of coverage in place for 2028 through to 2030. We have recently extended our gas supply contract allowing us to purchase gas as far ahead as early 2031. Our 15 year solar PPA (with 14 years remaining) continues to provide certainty of attractive pricing for the bulk of our electricity consumption.

With demand for our products softening from the levels seen in 2025, we remain agile and have implemented several modest production reductions to ensure our output remains aligned with current demand. With the RM&I market remaining depressed, we have taken appropriate action to reduce production of the London Brick. Alongside this, we have reversed the 2025 increases in the production of Aircrete blocks as well as managing production of our aggregate blocks to ensure our inventories remain tightly controlled. Our ramp up of extruded brick production at Desford is unaffected by these changes as extruded brick inventories remain low.

Whilst these production alignments reduce our fixed costs, they come with a loss of output and reduced efficiency adversely impacting profitability. In addition, we have recently announced a wider restructuring of our management and central support functions in order to align our cost base to the challenging market conditions. This restructuring will provide a cost reduction of around £2m per annum with around half of this benefit accruing in the second half of 2026.

BESPOKE PRODUCTS

	Adjusted		**Statutory**	
	2026	2025	**2026**	2025
	£m	£m	**£m**	£m
Revenue[1]	**30.8**	42.2	**30.8**	42.2
Like-for-like revenue[4]	**30.8**	36.0	**30.8**	36.0
EBITDA[2] **before overhead allocations**	**4.0**	5.4	**3.8**	4.1
Overhead allocations[3]	**(2.7)**	(3.0)	**(2.7)**	(3.0)
EBITDA[2] **after overhead allocations**	**1.3**	2.4	**1.1**	1.1
EBITDA[2] **margin before overhead allocations**	**13.0%**	12.8%	**12.3%**	9.7%
EBITDA[2] **margin after overhead allocations**	**4.2%**	5.7%	**3.6%**	2.6%

[1]*Revenue is stated before inter-segment eliminations.*

[2]*Both EBITDA and adjusted EBITDA are APMs, as explained within note 4. EBITDA is presented above under the statutory heading, being calculated with reference to statutory results without adjustment.*

[3]*Overhead allocations are costs centrally incurred on behalf of both segments, including general administrative expenses.*

[4]*Like-for-like revenue is shown excluding the impact of the discontinued Bison Bespoke Precast business which was closed in H2 2025*

Our Bespoke Products segment now solely comprises our Bison precast concrete flooring business although the comparatives also include the Bison bespoke precast concrete business which we exited in late 2025.

Segmental revenue on a like-for-like basis in the period was £30.8m, a decrease of £5.2m or 14.4% relative to 2025, driven primarily by lower despatches of both beam and block and hollowcore flooring. In common with our block products, we have seen meaningful declines in demand relative to the prior year.

Pricing remains challenging although, consistent with our block products, we did implement low single digit surcharge increases in April in order to recover the significant increase in transport costs seen as a result of the events in the Middle East. Expanded polystyrene insulation is a key component of our Jet Floor insulated ground floor system and being oil based, we have seen a significant increase in this cost and we have commenced negotiations with customers in seeking to recover this additional cost.

Segmental adjusted EBITDA, after allocating group overheads, totalled £1.3m (2025: £2.4m). EBITDA margin prior to allocation of group overheads was 13.0% compared to 12.8% in 2025. We have disclosed previously that the method of allocation of overheads places an additional burden on this segment beyond that which would be required if it was a stand-alone business.

ALTERNATIVE PERFORMANCE MEASURES

In order to provide the most transparent understanding of the Group's performance, the Group uses alternative performance measures (APMs) which are not defined or specified under IFRS and may not be comparable with similarly titled measures used by other companies. The Group believes that its APMs provide additional helpful information on how the trading performance of the business is reported externally and assessed internally by management and the Board.

Adjusted results for the Group have been presented before: i) exceptional items and ii) adjusting items.

	2026	2025
	£m	£m
Adjusted profit before tax	**14.5**	16.6
Exceptional items		
Restructuring costs	**(3.0)**	(4.0)
Adjusting items		
Realised gain on the sale of surplus energy	**–**	0.6
Fair value movement on energy derivatives	**–**	(4.8)
Statutory profit before tax	**11.5**	8.4

EXCEPTIONAL ITEMS

Following the actions taken during the period to reduce output and right-size the Group's cost base, exceptional items recognised in the six months ended 30 June 2026 amounted to a net cost of £3.0m.

The cost principally relates to restructuring activities undertaken across the Group, including redundancies at certain operating sites and within central administrative functions, as production output was aligned to demand and the overhead cost base reduced.

Exceptional items in the prior period related to the closure and exit from the Group's former non-core Formpave and Bison Bespoke Precast operations and amounted to a cost of £4.0m, which was predominantly non-cash in nature.

ADJUSTING ITEMS

Realised and unrealised movements in forward energy purchases
In addition to exceptional items we also disclose further adjusting items, the separate disclosure of which presents our results in a manner that allows users of our financial statements to understand the underlying trading performance of the business, applying consistent treatments as used by management to monitor the performance of the Group.

In the previous year, the Group recognised adjusting items in respect of both realised and open energy positions, where due to the significant temporary fall in demand for our products seen in 2023 and the resulting cuts in production, committed energy purchased by the Group was expected to exceed consumption. Where forward energy contracts are expected to be utilised in full, we apply the own use exception within IFRS 9 Financial Instruments and these are not mark-to-market. However, where we have energy in excess of our anticipated needs secured under forward contracts, these contracts do not meet the own use exemption and as such are treated as derivatives and marked-to-market, resulting in gains and losses as market prices fluctuate.

In prior periods, the Group realised gains and losses on the sale of surplus energy back to the market, which were removed from adjusted results. In addition, adjusted results have historically excluded the mark-to-market impact of energy derivatives, instead reflecting the cost of energy consumed at the forward contracted rate. No gain, loss or fair value movement was recognised in the current period in respect of these energy contracts.

2025 represented the final year of adjustments relating to energy accounting. All excess energy contracts have now been discharged and future energy purchase commitments are below expected consumption levels. Accordingly, the Group expects to apply the own use exemption under IFRS 9 to its energy purchase contract going forward and does not anticipate further adjustments in respect of energy accounting.

EARNINGS PER SHARE AND DIVIDEND

Adjusted earnings per share (EPS) in the period of 5.1 pence reduced by 12.1% (2025: 5.8 pence). EPS is calculated based on the average number of shares in issue during the period, adjusted for the shares held by the Employee Benefit Trust.

The Board has declared an interim dividend of 1.7 pence per share (2025: 1.9 pence). The interim dividend will be paid on 9 October 2026 to shareholders on the register at 18 September 2026.

CASH FLOW AND WORKING CAPITAL

	2026 **£m**	2025 £m
Adjusted EBITDA	**27.0**	29.9
Purchase and settlement of carbon credits	**1.2**	2.6
Other cash flow items	**(3.2)**	(1.4)
Changes in working capital		
– Inventories	**(3.6)**	5.5
– Trade and other receivables	**(15.8)**	(21.5)
– Trade and other payables	**2.9**	14.9
Adjusted operating cash flow	**8.5**	30.0
(Payments)/receipts in respect of adjusting and exceptional items	**(1.6)**	1.0
Operating cash flow after adjusting items	**6.9**	31.0
Interest paid	**(3.1)**	(4.8)
Tax paid	**(1.6)**	(0.6)
Capital expenditure		
– Maintenance	**(2.3)**	(2.3)
– Strategic	**(1.8)**	(5.0)
Proceeds from sale of property, plant and equipment	**1.1**	–
Purchase of shares by Employee Benefit Trust	**(1.4)**	–
Payments made to acquire own shares for cancellation	**(8.5)**	–
Repayment of lease liabilities	**(3.3)**	(2.9)
Other movements	**(0.3)**	0.1
Adjustment on initial application of Amendments to IFRS 9 and IFRS 7 on 1 January 2026	**(4.5)**	–
(Increase)/decrease in net debt before leases	**(18.8)**	15.5

Adjusted operating cash flow in the first half of the year was a cash inflow of £8.5m (2025: £30.0m). Total working capital increased by £16.5m in the period (2025: £1.1m) reflecting the weak trading environment. The Group typically sees a meaningful increase in working capital in the first half of the year, with the unusually modest increase in H1 2025 reflecting a strong trading performance and demand driven destocking.

Inventories increased by £3.6m in the period compared with the atypical reduction of £5.5m reported in H1 2025 when demand exceeded production of some products. At 30 June 2026, finished goods inventories totalled £66.3m, compared to £62.7m at the end of 2025, with reduced demand leading to additional inventory build which has been addressed through recent production reductions. In the second half we expect adjusted operating cash flow to benefit from the seasonal reduction in working capital.

Capital expenditure in the period totalled £4.1m. In addition, borrowing costs totalling £1.0m were capitalised in respect of the Wilnecote capital project (2025: £1.4m, comprising £1.0m in respect of the Wilnecote capital project and £0.4m in respect of the Accrington Slips capital project). With no major strategic capex committed beyond the completion of our investment at Wilnecote, the Group is able to flex its capital expenditure to market conditions. We currently expect full year capital spend to be in the region of £10m.

We have made good progress with the share buyback programme that was announced in March, repurchasing and cancelling 5.6m shares with a value of £8.5m at the half year. This has enabled the Group to take advantage of the low share price, with the £20m programme to be completed during H2.

From 1 January 2026, the Group adopted the published amendments to IFRS 9 and IFRS 7, made in relation to the timing of recognition for certain electronic cash receipts. As a result, cash receipts of £4.5m which were previously recognised at 31 December 2025 within cash and cash equivalents would, in applying these amendments, have been recognised within trade and other receivables. Further details can be found within note 2 to the Condensed Consolidated Financial Statements.

BORROWINGS AND FACILITIES

Closing net debt before leases was £74.5m (31 December 2025: £55.7m, 30 June 2025: £69.4m) with the £18.8m increase in borrowing relative to the year end, primarily driven by the modest inventory build, alongside seasonality and the impact of the change in policy for recognition of cash receipts coupled with the share buyback. Leverage, as calculated in line with our banking covenants, was 1.47 times EBITDA (31 December 2025: 1.05 times).

The Group’s credit facility comprises a committed revolving credit facility (RCF) of £170m which was successfully extended in July 2026 and now expires in July 2030. There is an option for a further one year extension subject to the necessary lender consent. At the period end a total of £81.0m was drawn on the facility (31 December 2025: £62.0m, 30 June 2025: £85.0m) leaving facility headroom of £89.0m.

The Group's covenants, being net debt/EBITDA (as measured before leases) of less than three times and interest cover of greater than four times, are measured twice annually with the Group trading comfortably within these covenants during the period and expecting to continue to do so. In addition, the Group also benefits from an uncommitted overdraft facility of £10m.

Finance expense for the period totalled £2.4m (2025: £3.4m). Capitalised borrowing costs relating to the capital project at Wilnecote of £1.0m (2025: £1.4m, comprising £1.0m in respect of the Wilnecote project and £0.4m in respect of the Accrington slips project) are excluded from this expense. Following the extension of the Group's committed credit facility the rate of interest is determined by a margin grid that commences at SONIA plus 1.55% whilst leverage is under 0.5 times EBITDA, increasing to a margin of 2.65% should leverage exceed 2.5 times.

Both net debt before leases and leverage at the end of 2026 are expected to remain consistent with current levels, with greater adjusted operating cash flow in H2 offset by the dividend outflows (both the 2025 final and 2026 interim dividends are paid in H2), completion of the share buyback, and capital expenditure.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board has reviewed the principal risks and uncertainties facing the Group for the remaining six months of the financial year. These remain consistent with those set out in detail on pages 62 to 68 of the 2025 Annual Report and Accounts, to which readers are referred for a full description of each risk, its potential impact and the mitigating actions in place.

The principal risks are:

1. Health, Safety and Wellbeing
2. Sustainability / Climate Change
3. Economic Conditions
4. Government Action and Policy
5. Residential Sector Activity Levels
6. Inventory Management
7. Customer Relationships and Reputation
8. Attracting, Retaining and Developing Employees
9. Innovation
10. IT Infrastructure and Systems
11. Business Continuity
12. Project Delivery

While the nature of these principal risks is unchanged, the Board recognises that the profile of certain risks has evolved during the period. In particular, the risk associated with Economic Conditions, Government Action and Policy, and Residential Sector Activity Levels has increased, driven by domestic political change and heightened macroeconomic and geopolitical uncertainty.

The Board will continue to monitor all principal risks closely over the second half of the year.

GOING CONCERN

The Group’s credit facility comprises a committed revolving credit facility (RCF) of £170m, which was extended in July 2026 through to July 2030. At the balance sheet date, the Group's cash balance stood at £6.6m, with £81.0m drawn against £170.0m of committed bank facilities, leaving undrawn facilities of £89.0m. As part of this facility the Group also benefits from an uncommitted overdraft facility of £10.0m.

The Group meets its working capital requirements through these cash reserves and borrowings, and closely manages working capital to ensure sufficient daily liquidity, preparing financial forecasts and stress tests to ensure sufficient liquidity over the medium-term.

The facility is subject to covenant restrictions of net debt/EBITDA (as measured before leases) of less than three times and interest cover of greater than four times. The covenants are subject to testing on a half yearly basis. The Group has comfortably traded within its covenants through both the current period and prior year.

The Group continues to update internal forecasts, reflecting current economic and trading conditions, incorporating management experience and future expectations. In doing this, management have modelled two financial scenarios for the 18 month period to 31 December 2027, comprising a base case and a plausible downside scenario, reflecting both macroeconomic and industry-specific projections. In addition to this, a reverse stress test has also been modelled.

Our assessment of the Group's going concern position benefits from the improvements in both net debt and leverage seen in 2025, alongside reduced levels of capital outflow in 2026 following the substantial completion of the Group's £140m capital investment programme.

Within the plausible downside scenario, management have sensitised sales volumes and potential operational inefficiencies, reflecting key uncertainties faced by the Group within the current macro-economic landscape. Within this scenario, product line sales volumes for 2026 remain between 9% and 22% below levels experienced in 2025, and between 8% and 22% below 2025 levels in 2027. Under this scenario there remains significant headroom against our covenants and available liquidity across the period modelled.

Further to the above we have also modelled a breach scenario to assess the fall in adjusted EBITDA required to breach the covenants within the credit facility in the period to 31 December 2027. The reverse stress test indicated that should sales volumes fall by a further 13% from those modelled in the plausible downside, the Group would be at risk of breaching its covenants in 2026.

Taking the above into consideration, the reduction in adjusted EBITDA necessary to trigger a breach in the Group's banking covenants is such that, adjusted EBITDA would need to fall significantly below 2025 levels prior to mitigations. The probability of such a scenario is considered by the Group to be highly remote. Even if such a scenario was to occur, we have identified mitigations including reducing capital expenditure, dividend distributions alongside further cost savings which we would implement should they be required.

Taking account of all reasonably possible changes in trading performance and the current financial position of the Group, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the going concern period to 31 December 2027. The Group therefore adopts the going concern basis in preparing these Condensed Consolidated Financial Statements.

FORWARD-LOOKING STATEMENTS

Certain statements in this half-yearly report are forward-looking. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that these expectations will prove to be correct. Because these statements contain risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements.

We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE INTERIM REPORT

We confirm to the best of our knowledge:

- the Condensed Consolidated Financial Statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the UK;

- the interim management report includes a fair review of the information required by:
  a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the Condensed Consolidated Financial Statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  b) DTR 4.2.8R of the Disclosure and Transparency Rules, being material related party transactions that have taken place in the first six months of the current financial year and any material changes in the related party transactions described in the annual report.

On behalf of the Board

Neil Ash	**Ben Guyatt**
Chief Executive Officer	Chief Financial Officer

27 July 2026

INDEPENDENT REVIEW REPORT TO FORTERRA PLC

CONCLUSION

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2026 which comprises the Condensed Consolidated Statement of Total Comprehensive Income, Condensed Consolidated Statement of Financial Position, Condensed Consolidated Statement of Changes in Equity, Condensed Consolidated Statement of Changes in Cash Flows and related notes 1 to 18.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2026 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

BASIS FOR CONCLUSION

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom (ISRE (UK) 2410). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the Condensed Consolidated Financial Statements of the group are prepared in accordance with UK-adopted IAS 34 Interim Financial Reporting. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34, "Interim Financial Reporting".

CONCLUSION RELATING TO GOING CONCERN

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This Conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410; however future events or conditions may cause the entity to cease to continue as a going concern.

RESPONSIBILITIES OF THE DIRECTORS

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE REVIEW OF THE FINANCIAL INFORMATION

In reviewing the half-yearly financial report, we are responsible for expressing to the company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our Conclusion, including our Conclusion Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

USE OF OUR REPORT

This report is made solely to the company in accordance with ISRE (UK) 2410. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom

27 July 2026

CONDENSED CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE 2026 (UNAUDITED)

		Six months ended 30 June		Year ended 31 December
		2026	2025 [1]	2025
		Unaudited	Unaudited	Audited
	Note	**£m**	£m	£m
Revenue	6	**168.8**	195.1	386.0
Cost of sales		**(116.2)**	(135.3)	(264.5)
Gross profit		**52.6**	59.8	121.5
Distribution costs		**(24.7)**	(26.8)	(52.5)
Administrative expenses		**(14.3)**	(17.2)	(34.3)
Other operating income/(expense)		**0.3**	(4.0)	(5.4)
Operating profit		**13.9**	11.8	29.3
Finance expense	8	**(2.4)**	(3.4)	(6.0)
Profit before tax		**11.5**	8.4	23.3
Income tax expense	9	**(3.0)**	(2.2)	(6.3)
Profit for the financial period attributable to equity shareholders		**8.5**	6.2	17.0
Other comprehensive profit				
Effective portion of changes of cash flow hedges (net of tax impact)		**–**	0.2	0.2
Total comprehensive income for the period attributable to equity shareholders		**8.5**	6.4	17.2
Earnings per share:		**Pence**	Pence [1]	Pence
Basic (in pence)	10	**4.1**	2.9	8.1
Diluted (in pence)	10	**4.0**	2.9	8.0

		Six months ended 30 June		Year ended 31 December
		2026	2025 [1]	2025
		Unaudited	Unaudited	Audited
Adjusted profit measures:	Note	**£m**	£m	£m
Adjusted EBITDA		**27.0**	29.9	61.6
Exceptional items	7	**(3.0)**	(4.0)	(6.7)
Adjusting items[1]	4	**–**	(4.2)	(6.0)
EBITDA		**24.0**	21.7	48.9
Depreciation and amortisation		**(10.1)**	(9.9)	(19.6)
Operating profit		**13.9**	11.8	29.3
Adjusted profit before tax		**14.5**	16.6	36.0
Exceptional items	7	**(3.0)**	(4.0)	(6.7)
Adjusting items[1]	4	**–**	(4.2)	(6.0)
Profit before tax		**11.5**	8.4	23.3
Adjusted earnings per share:		**Pence**	Pence [1]	Pence
Basic (in pence)	10	**5.1**	5.8	12.6

[1]Statutory results for 2025 have been revised following a change to the Group's accounting policy for carbon credits, with the cost of compliance now weighted across the year in line with production. Further details can be found within note 2.

All results relate to continuing operations.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026 (UNAUDITED)

	Note	As at 30 June 2026 Unaudited £m	As at 30 June 2025 Unaudited £m	At 31 December 2025 Audited £m
Non-current assets				
Intangible assets[1]		**7.4**	8.1	7.7
Property, plant and equipment		**260.6**	263.5	262.8
Right-of-use assets		**15.9**	17.2	18.8
		283.9	288.8	289.3
Current assets				
Assets held for sale		**2.2**	–	3.0
Intangible assets[1]		**2.6**	0.4	3.8
Inventories		**82.3**	76.1	78.6
Trade and other receivables		**55.8**	60.5	35.4
Income tax asset[1]		**0.9**	2.4	0.2
Cash and cash equivalents		**6.6**	15.0	6.1
Derivative financial assets	15	**–**	3.0	0.7
		150.4	157.4	127.8
Total assets		**434.3**	446.2	417.1
Current liabilities				
Trade and other payables		**(81.5)**	(87.6)	(69.8)
Loans and borrowings	12	**(0.3)**	(0.2)	(0.2)
Lease liabilities		**(6.9)**	(5.9)	(6.7)
Provisions for other liabilities and charges[1]		**(7.2)**	(5.3)	(8.4)
		(95.9)	(99.0)	(85.1)
Non-current liabilities				
Loans and borrowings	12	**(80.8)**	(84.2)	(61.6)
Lease liabilities		**(10.2)**	(12.6)	(13.2)
Provisions for other liabilities and charges		**(8.3)**	(8.8)	(8.7)
Deferred tax liabilities		**(14.8)**	(13.4)	(14.0)
		(114.1)	(119.0)	(97.5)
Total liabilities		**(210.0)**	(218.0)	(182.6)
Net assets		**224.3**	228.2	234.5
Capital and reserves attributable to equity shareholders				
Ordinary shares		**2.1**	2.1	2.1
Capital redemption reserve		**0.2**	0.2	0.2
Retained earnings		**229.3**	231.1	238.2
Reserve for own shares		**(7.3)**	(5.2)	(6.0)
Total equity		**224.3**	228.2	234.5

[1]Statutory results for 2025 have been revised following a change to the Group's accounting policy for carbon credits, with the cost of compliance now weighted across the year in line with production, and with purchased carbon credits now presented as current intangible assets. Further details can be found within note 2. The policy change had no impact on the Group's net assets as at 1 January 2025.

The notes on pages 23 to 39 are an integral part of these Condensed Consolidated Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2026 (UNAUDITED)

	Ordinary shares	**Capital redemption reserve**	**Reserve for own shares**	**Cash flow hedge reserve**	**Retained earnings**	**Total equity**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
Current half year:						
Balance at 1 January 2026	**2.1**	**0.2**	**(6.0)**	**–**	**238.2**	**234.5**
Profit for the period	**–**	**–**	**–**	**–**	**8.5**	**8.5**
Other comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**8.5**	**8.5**
Dividends payable	**–**	**–**	**–**	**–**	**(8.8)**	**(8.8)**
Purchase of shares by Employee Benefit Trust	**–**	**–**	**(1.4)**	**–**	**–**	**(1.4)**
Share buyback	**–**	**–**	**–**	**–**	**(8.7)**	**(8.7)**
Share-based payments charge	**–**	**–**	**–**	**–**	**0.4**	**0.4**
Share-based payments exercised	**–**	**–**	**0.1**	**–**	**(0.1)**	**–**
Tax on share-based payments	**–**	**–**	**–**	**–**	**(0.2)**	**(0.2)**
Balance at 30 June 2026	**2.1**	**0.2**	**(7.3)**	**–**	**229.3**	**224.3**

	Ordinary shares	Capital redemption reserve	Reserve for own shares	Cash flow hedge reserve	Retained earnings	Total equity
	£m	£m	£m	£m	£m	£m
Prior half year:						
Balance at 1 January 2025	2.1	0.2	(5.4)	(0.2)	228.2	224.9
Profit for the period[1]	–	–	–	–	6.2	6.2
Other comprehensive income	–	–	–	0.2	–	0.2
Total comprehensive income for the period	–	–	–	0.2	6.2	6.4
Dividends payable	–	–	–	–	(4.3)	(4.3)
Share-based payments charge	–	–	–	–	1.2	1.2
Share-based payments exercised	–	–	0.2	–	(0.2)	–
Balance at 30 June 2025	2.1	0.2	(5.2)	–	231.1	228.2

[1]Statutory results for 2025 have been revised following a change to the Group's accounting policy for carbon credits, with the cost of compliance now weighted across the year in line with production. Further details can be found within note 2.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2026 (UNAUDITED) (CONTINUED)

	Ordinary shares	Capital redemption reserve	Reserve for own shares	Cash flow hedge reserve	Retained earnings	Total equity
	£m	£m	£m	£m	£m	£m
Prior year:						
Balance at 1 January 2025	2.1	0.2	(5.4)	(0.2)	228.2	224.9
Profit for the year	–	–	–	–	17.0	17.0
Other comprehensive income	–	–	–	0.2	–	0.2
Total comprehensive income for the year	–	–	–	0.2	17.0	17.2
Dividends paid	–	–	–	–	(8.2)	(8.2)
Purchase of shares by Employee Benefit Trust	–	–	(0.7)	–	–	(0.7)
Share-based payments charge	–	–	–	–	1.4	1.4
Share-based payments exercised	–	–	0.1	–	(0.1)	–
Tax on share-based payments	–	–	–	–	(0.1)	(0.1)
Balance at 31 December 2025	2.1	0.2	(6.0)	–	238.2	234.5

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN CASH FLOWS FOR THE HALF YEAR ENDED 30 JUNE 2026 (UNAUDITED)

		Six months ended 30 June		Year ended 31 December
		2026	2025	2025
		Unaudited	Unaudited	Audited
	Note	**£m**	£m	£m
Cash generated from operations	13	**6.9**	31.0	68.1
Interest paid		**(3.1)**	(4.8)	(8.0)
Tax paid		**(1.6)**	(0.6)	(1.1)
Net cash inflow from operating activities		**2.2**	25.6	59.0
Cash flows from investing activities				
Purchase of property, plant and equipment		**(4.1)**	(7.3)	(14.5)
Proceeds from sale of property, plant and equipment		**1.1**	–	–
Net cash used in investing activities		**(3.0)**	(7.3)	(14.5)
Cash flows from financing activities				
Repayment of lease liabilities		**(3.3)**	(2.9)	(6.0)
Dividends paid		**–**	–	(8.2)
Drawdown of borrowings		**51.0**	22.0	47.0
Repayment of borrowings		**(32.0)**	(37.0)	(85.0)
Purchase of shares by Employee Benefit Trust		**(1.4)**	–	(0.7)
Payments made to acquire own shares		**(8.5)**	–	–
Financing fees		**–**	(0.6)	(0.7)
Net cash generated from/(used in) financing activities		**5.8**	(18.5)	(53.6)
Net increase/(decrease) in cash and cash equivalents		**5.0**	(0.2)	(9.1)
Cash and cash equivalents at the beginning of the financial year as previously stated before the implementation of Amendments to IFRS 9 and IFRS 7		**6.1**	15.2	15.2
Adjustment on initial application of Amendments to IFRS 9 and IFRS 7 on 1 January 2026		**(4.5)**	–	–
Cash and cash equivalents at the beginning of the period as stated post application of Amendments to IFRS 9 and IFRS 7		**1.6**	15.2	15.2
Cash and cash equivalents at the end of the period		**6.6**	15.0	6.1

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2026 (UNAUDITED)

1 GENERAL INFORMATION

Forterra plc (Forterra or the Company) and its subsidiaries (together referred to as the Group) are domiciled in the United Kingdom. The address of the registered office of the Company and its subsidiaries is 5 Grange Park Court, Roman Way, Northampton, NN4 5EA. The Company is the parent of Forterra Holdings Limited and Forterra Building Products Limited, which together comprise the Group. The principal activity of the Group is the manufacture and sale of bricks, dense and lightweight blocks, precast concrete and other complementary building products.

The Condensed Consolidated Financial Statements were approved by the Board on 27 July 2026.

The Condensed Consolidated Financial Statements for the six months ended 30 June 2026 and the comparative period for the six months ended 30 June 2025 have not been audited. The auditor has carried out a review of the financial information and their report is set out on pages 16 and 17.

These Condensed Consolidated Financial Statements are unaudited and do not constitute statutory accounts of the Group within the meaning of Section 435 of the Companies Act 2006. The auditors have carried out a review of the financial information in accordance with the guidance contained in ISRE 2410 (UK and Ireland) 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board. Financial Statements for the year ended 31 December 2025 were approved by the Board of Directors on 10 March 2026 and delivered to the Registrar of Companies. The Auditor's report was (i) unqualified, (ii) did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498 of the Companies Act 2006.

BASIS OF PREPARATION

The Condensed Consolidated Financial Statements for the half year ended 30 June 2026 have been prepared in accordance with the Disclosure and Transparency Rules of the UK Financial Conduct Authority (DTR), and the requirements of UK-adopted IAS 34 Interim Financial Reporting.

The Condensed Consolidated Financial Statements do not include all the information and disclosures required in annual financial statements and they should be read in conjunction with the Group's Consolidated Financial Statements for the year ended 31 December 2025 and any public announcements made by the Company during the interim period. The Condensed Consolidated Financial Statements are prepared on the historical cost basis.

GOING CONCERN BASIS

The Group's credit facility comprises a committed revolving credit facility (RCF) of £170m, which was extended in July 2026 through to July 2030. At the balance sheet date, the Group's cash balance stood at £6.6m, with £81.0m drawn against £170.0m of committed bank facilities, leaving undrawn facilities of £89.0m. As part of this facility the Group also benefits from an uncommitted overdraft facility of £10.0m

The Group meets its working capital requirements through these cash reserves and borrowings, and closely manages working capital to ensure sufficient daily liquidity, preparing financial forecasts and stress tests to ensure sufficient liquidity over the medium-term.

The facility is subject to covenant restrictions of net debt/EBITDA (as measured before leases) of less than three times and interest cover of greater than four times. The covenants are subject to testing on a half yearly basis. The Group has comfortably traded within its covenants through both the current period and prior year.

The Group continues to update internal forecasts, reflecting current economic and trading conditions, incorporating management experience and future expectations. In doing this, management have modelled two financial scenarios for the 18 month period to 31 December 2027, comprising a base case and a plausible downside scenario, reflecting both macroeconomic and industry-specific projections. In addition to this, a reverse stress test has also been modelled.

Our assessment of the Group's going concern position benefits from the improvements in both net debt and leverage seen in 2025, alongside reduced levels of capital outflow in 2026 following the substantial completion of the Group's £140m capital investment programme.

Within the plausible downside scenario, management have sensitised sales volumes and potential operational inefficiencies, reflecting key uncertainties faced by the Group within the current macro-economic landscape. Within this scenario, product line sales volumes for 2026 remain between 9% and 22% below levels experienced in 2025, and between 8% and 22% below 2025 levels in 2027. Under this scenario there remains significant headroom against our covenants and available liquidity across the period modelled.

Further to the above we have also modelled a breach scenario to assess the fall in adjusted EBITDA required to breach the covenants within the credit facility in the period to 31 December 2027. The reverse stress test indicated that should sales volumes fall by a further 13% from those modelled in the plausible downside, the Group would be at risk of breaching its covenants in 2026.

Taking the above into consideration, the reduction in adjusted EBITDA necessary to trigger a breach in the Group's banking covenants is such that, adjusted EBITDA would need to fall significantly below 2025 levels prior to mitigations. The probability of such a scenario is considered by the Group to be highly remote. Even if such a scenario was to occur, we have identified mitigations including reducing capital expenditure, dividend distributions alongside further cost savings which we would implement should they be required.

Taking account of all reasonably possible changes in trading performance and the current financial position of the Group, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the going concern period to 31 December 2027. The Group therefore adopts the going concern basis in preparing these Condensed Consolidated Financial Statements.

2 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these Condensed Consolidated Financial Statements are consistent with those followed in the preparation of the Group’s Consolidated Financial Statements for the year ended 31 December 2025, except for the adoption of amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments, which is effective for reporting periods beginning on or after 1 January 2026, the impact of which is outlined below.

Adoption of amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

The Group has historically derecognised certain trade and other receivables when notification was received that a customer's BACS payment had been processed and there was no practical ability to withdraw, stop or cancel the payment. Under the amended guidance, a financial asset continues to be recognised until the contractual rights to the cash flows expire or the asset is transferred in accordance with the derecognition requirements. Accordingly, trade and other receivables are now derecognised by the Group only when settlement has occurred and the right to the cash proceeds are obtained.

The amendment has been adopted from 1 January 2026, with the cumulative effect of initial application, being £4.5m, recognised within the Statement of Changes in Cash flows for the period ended 30 June 2026. Comparative periods have not been restated.

Other than these amendments, changes to accounting standards that became effective during the period have not had a material impact on the Group's accounting policies and have not required any retrospective adjustments.

Amendments to the Group's accounting policy for the recognition of carbon credits

The Condensed Consolidated Financial Statements include a revision of the comparative period ended 30 June 2025 arising from a change in the Group's accounting policy relating to the recognition of carbon costs under the UK Emissions Trading Scheme (ETS) scheme.

Under the UK ETS, the Group receives an annual allocation of free carbon credits, which are used to satisfy a portion of the Groups carbon emissions liability as incurred over the compliance period, which falls in line with the accounting period of the Group. These are recorded at nil value within the Consolidated Financial Statements. As this allocation is less than the total carbon compliance liability incurred by the Group over the compliance period, additional carbon credits are purchased to satisfy the shortfall.

The liability for the shortfall is measured, up to the level of credits purchased, at the cost of the purchased credits. Where the liability to surrender carbon credits exceeds the carbon allowances purchased, the shortfall is measured at the prevailing market price and remeasured at the reporting date.

Previously, the results presented as statutory considered carbon credits as being utilised on a first in, first out basis. Under this method, the Group's free allocation of carbon credits was utilised before recognising any liability to purchase further credits, which had the effect of weighting the cost of compliance into the second half of the year rather than spreading the cost more evenly across the full year.

In reality, the Group's free allocation of carbon credits is based on expected emissions over the full compliance period, which is in line with the Group’s financial year. As such, management has always believed that a more operationally aligned method for measurement recognises these free allowances over the full financial year using a weighted average basis, aligned proportionately with production which is the driver of carbon emissions. This is the basis adopted for internal management reporting. The differing treatment has historically been presented as an adjusting item within APMs at each half year reporting date.

In the current period, the Group updated its accounting policy to recognise carbon costs on this weighted average basis for statutory, reflecting the consumption of both purchased and freely allocated carbon credits. As a result of this change, the prior period results have been revised to remove the effect of recognising the actual shortfall of carbon credits in the period and to reflect carbon costs on a weighted average basis. There is no impact on the Group's full year results.

The effect of this revision is to increase cost of sales by £1.5m for the period ended 30 June 2025, with a corresponding increase in short-term liabilities. The associated tax impact is £0.5m, and earnings per share is reduced by 0.5 pence. Overall, the revision decreases both profit for the period and retained earnings by £1.0m. The impact on taxation is presented in note 9 and the impact on earnings per share is presented in note 10.

In addition to the above, the Group has updated the balance sheet presentation of purchased carbon credits in the current period. Purchased carbon credits are now presented as current intangible assets within current assets. Accordingly, as at 30 June 2026, £2.6m of purchased carbon credits are classified as current intangible assets. To allow comparability between periods, the same presentation has been adopted for the Consolidated Balance Sheets as at 30 June 2025 and 31 December 2025, resulting in the reclassification of £0.4m and £3.8m respectively, from non-current to current assets.

As a result of the change in accounting policy described above, the Group has removed the previous carbon accounting adjustment from its presented APMs for the periods ended 30 June 2026 and 30 June 2025.

3 JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with adopted IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

In preparing these Condensed Consolidated Financial Statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Consolidated Financial Statements of Forterra plc for the year ended 31 December 2025.

4 ALTERNATIVE PERFORMANCE MEASURES

In order to provide the most transparent understanding of the Group's performance, the Group uses alternative performance measures (APMs) which are not defined or specified under IFRS and may not be comparable with similarly titled measures used by other companies. The Group believes that its APMs provide additional helpful information on how the trading performance of the business is reported externally and assessed internally by management and the Board.

Adjusted results for the Group have been presented before: i) exceptional items and ii) adjusting items.

(I) Exceptional items

The Group presents as exceptional items on the face of the Consolidated Statement of Total Comprehensive Income, those material items of income and expense, which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to understand better elements of financial performance in the period.

In both the current and prior period, management has considered costs of £3.0m (2025: £4.0m), incurred through restructuring, to meet the definition of exceptional. These are further detailed in note 7.

(II) Adjusting items

Realised and unrealised movements in forward energy purchases

Adjusting items are disclosed separately in these Condensed Consolidated Financial Statements where management believes it is necessary to show an alternative measure of performance in presenting the financial results of the Group. The term adjusted is not defined under IFRS and may not be comparable with similarly titled measures used by other companies.

Management has not recognised any adjusting items in the current period. In the prior period to 30 June 2025, the below were presented:

- A realised gain of £0.6m, recognised within the Consolidated Statement of Total Comprehensive Income for the sale of excess energy volumes for the period ended 30 June 2025, where committed volume exceeded actual consumption by the Group;

and

- the movement in fair value of forward energy contracts held where committed future volume was expected by management to exceed the Group's total consumption. For these contracts, the Group could no longer apply the own use exemption under IFRS 9 and instead recognised them as derivatives held at fair value. For the purposes of internal reporting to management and the Board, the Group continued to measure these contracts as if the own use exemption could still be applied, recognising energy purchased at the forward contracted rate in the period of consumption. To allow users of the accounts to review this more operationally aligned method of reporting, the impact of these fair value movements on profit and loss for the period ended 30 June 2025, being a cost of £4.8m within the statutory results, was presented as an adjusting item.

Profit related APMs

Management and the Board use several profit related APMs in assessing group performance and profitability. Those being EBITDA, adjusted EBITDA, EBITDA margin, adjusted EBITDA margin, adjusted operating profit (EBIT), adjusted profit before tax, adjusted earnings per share and adjusted operating cash flow. EBITDA is calculated as operating profit before depreciation and amortisation.

Although both EBITDA and adjusted EBITDA are APMs, EBITDA presented as below under the statutory heading is calculated with reference to statutory results without adjustment.

For reporting purposes, 'adjusted results' are those presented before both adjusting and exceptional items. A full reconciliation from adjusted results through to statutory results is shown as follows.

		Six months ended 30 June		Year ended 31 December
		2026	2025	2025
	Note	**£m**	£m	
Restructuring costs	7	**(3.0)**	(4.0)	(6.7)
Total exceptional items		**(3.0)**	(4.0)	(6.7)
Realised gain on sale of surplus energy		**–**	0.6	1.2
Fair value movement on energy derivatives		**–**	(4.8)	(7.2)
Total adjusting items		**–**	(4.2)	(6.0)

Group: Revenue, EBITDA, EBITDA margin, operating profit, profit before tax

Six months ended 30 June 2026	**Adjusted results**	**Exceptional items**	**Adjusting items**	**Statutory results**
	£m	**£m**	**£m**	**£m**
Revenue	**168.8**	**–**	**–**	**168.8**
EBITDA	**27.0**	**(3.0)**	**–**	**24.0**
EBITDA margin	**16.0%**			**14.2%**
Operating profit (EBIT)	**16.9**	**(3.0)**	**–**	**13.9**
Profit before tax	**14.5**	**(3.0)**	**–**	**11.5**

Six months ended 30 June 2025	Adjusted results	Exceptional items	Adjusting items	Statutory results
	£m	£m	£m	£m
Revenue	195.1	–	–	195.1
EBITDA	29.9	(4.0)	(4.2)	21.7
EBITDA margin	15.3%			11.1%
Operating profit (EBIT)	20.0	(4.0)	(4.2)	11.8
Profit before tax	16.6	(4.0)	(4.2)	8.4

Twelve months ended 31 December 2025	Adjusted results	Exceptional items	Adjusting items	Statutory results
	£m	£m	£m	£m
Revenue	386.0	–	–	386.0
EBITDA	61.6	(6.7)	(6.0)	48.9
EBITDA margin	16.0%			12.7%
Operating profit (EBIT)	42.0	(6.7)	(6.0)	29.3
Profit before tax	36.0	(6.7)	(6.0)	23.3

Segmental: Revenue, EBITDA, EBITDA margin

Bricks & Blocks

Six months ended 30 June 2026	**Adjusted results**	**Exceptional items**	**Adjusting items**	**Statutory results**
	£m	**£m**	**£m**	**£m**
Revenue	**139.0**	**–**	**–**	**139.0**
EBITDA	**25.7**	**(2.8)**	**–**	**22.9**
EBITDA margin	**18.5%**			**16.5%**

Six months ended 30 June 2025	Adjusted results	Exceptional items	Adjusting items	Statutory results
	£m	£m	£m	£m
Revenue	154.2	–	–	154.2
EBITDA	27.5	(2.7)	(4.2)	20.6
EBITDA margin	17.8%			13.4%

Twelve months ended 31 December 2025	Adjusted results	Exceptional items	Adjusting items	Statutory results
	£m	£m	£m	£m
Revenue	307.7	–	–	307.7
EBITDA	56.9	(3.4)	(6.0)	47.5
EBITDA margin	18.5%			15.4%

Bespoke Products

Six months ended 30 June 2026	**Adjusted results**	**Exceptional items**	**Adjusting items**	**Statutory results**
	£m	**£m**	**£m**	**£m**
Revenue	**30.8**	**–**	**–**	**30.8**
EBITDA	**1.3**	**(0.2)**	**–**	**1.1**
EBITDA margin	**4.2%**			**3.6%**

Six months ended 30 June 2025	Adjusted results	Exceptional items	Adjusting items	Statutory results
	£m	£m	£m	£m
Revenue	42.2	–	–	42.2
EBITDA	2.4	(1.3)	–	1.1
EBITDA margin	5.7%			2.6%

Twelve months ended 31 December 2025	Adjusted results	Exceptional items	Adjusting items	Statutory results
	£m	£m	£m	£m
Revenue	81.0	–	–	81.0
EBITDA	4.7	(3.3)	–	1.4
EBITDA margin	5.8%			1.7%

Reconciliation of adjusted operating cash flow to statutory operating cash flow:

Six months ended 30 June 2026	**Adjusted**	**Adjusting and exceptional items**	**Statutory**
	£m	**£m**	**£m**
EBITDA	**27.0**	**(3.0)**	**24.0**
Purchase and settlement of carbon credits	**1.2**	**–**	**1.2**
Other cash flow items[1]	**(3.2)**	**1.4**	**(1.8)**
Changes in working capital:			
- Inventories	**(3.6)**	**–**	**(3.6)**
- Trade and other receivables	**(15.8)**	**–**	**(15.8)**
- Trade and other payables	**2.9**	**–**	**2.9**
Operating cash flow	**8.5**	**(1.6)**	**6.9**

[1]For reconciliation purposes, 'Other cash flow items' is reported as the sum of: profit on disposal of property, plant and equipment and leases, movement in provisions, share-based payments and other non-cash items.

Like-for-like revenue

In the current period, management has presented a like-for-like revenue measure to assess the underlying revenue performance of the Group's continuing businesses. This measure excludes revenue generated by Formpave and Bison Bespoke Precast, two non-core businesses that were closed during the second half of 2025. Management believes this measure provides a more meaningful comparison of revenue performance between the current and comparative periods by removing the impact of businesses that are no longer part of the Group's ongoing operations.

	Six months ended 30 June		Year ended 31 December
	2026	2025	2025
	£m	£m	£m
Revenue	**168.8**	195.1	386.0
Formpave	**–**	(2.8)	(4.6)
Bison Bespoke precast	**–**	(6.2)	(10.4)
Like-for-like revenue	**168.8**	186.1	371.0

Other APMs

Net debt before leases: Net debt before leases is presented as the total of cash and cash equivalents and borrowings, inclusive of capitalised financing costs and excluding lease liabilities reported at the balance sheet date.

5 SEASONALITY OF OPERATIONS

The Group is typically subject to seasonality consistent with the general construction market, with stronger sales volumes witnessed across the spring and summer months when weather conditions are more favourable.

Following the change in accounting policy described in note 2, carbon credits are now accounted for on a weighted average basis, reflecting the consumption of both purchased and freely allocated carbon credits over the compliance period in line with production activity. As a result, carbon compliance costs are recognised more evenly throughout the year and the previous alternative performance measure to adjust for seasonal variations in carbon costs is no longer required.

6 SEGMENTAL REPORTING

Management has determined the operating segments based on the management reports reviewed by the Executive Committee (comprising the executive team responsible for the day-to-day running of the business) that are used to assess both performance and strategic decisions. Management has identified that the Executive Committee is the chief operating decision maker in accordance with the requirements of IFRS 8 ‘Operating segments’.

The Executive Committee considers the business to be split into three operating segments: Bricks, Blocks and Bespoke Products.

The principal activity of the operating segments are:

- Bricks – Manufacture and sale of bricks to the construction sector
- Blocks – Manufacture and sale of aircrete and aggregate blocks to the construction sector
- Bespoke Products – Manufacture and sale of precast concrete flooring to the construction sector

The Executive Committee considers that, for reporting purposes, the operating segments above can be aggregated into two reporting segments: Bricks and Blocks and Bespoke Products. The aggregation of Bricks and Blocks is due to these operating segments having similar long-term average margins, production processes, suppliers, customers and distribution methods.

The Bespoke Products range comprises precast concrete flooring products (marketed under the 'Bison Precast' brand), which are typically made-to-measure or customised to meet the customer’s specific needs. The precast concrete flooring products are complemented by the Group’s full design and nationwide installation services.

Costs which are incurred on behalf of both segments are held at the centre and these, together with general administrative expenses, are allocated to the segments for reporting purposes using a split of 80% Bricks and Blocks and 20% Bespoke Products. Management considers that this is an appropriate basis for the allocation.

The revenue recognised in the condensed consolidated income statement is all attributable to the principal activity of the manufacture and sale of bricks, both dense and lightweight blocks, precast concrete and other complimentary building products. Comparative period revenue also included Bison bespoke precast and concrete paving products, reflecting the Group's former non-core operations which we exited in late 2025.

Substantially all revenue recognised in the Condensed Consolidated Financial Statements arose from contracts with external customers within the UK.

SEGMENTAL REVENUE AND RESULTS:	Six months ended 30 June 2026		
	Bricks & Blocks	Bespoke Products	Total
	£m	£m	£m
Segment revenue	139.0	30.8	169.8
Inter-segment eliminations			(1.0)
Revenue			168.8
Adjusted EBITDA	25.7	1.3	27.0
Depreciation and amortisation	(9.5)	(0.6)	(10.1)
Adjusted operating profit	16.2	0.7	16.9
Allocated exceptional items	(2.8)	(0.2)	(3.0)
Operating profit			13.9
Finance expense			(2.4)
Profit before tax			11.5

SEGMENTAL ASSETS:	As at 30 June 2026		
	Bricks & Blocks	Bespoke Products	Total
	£m	£m	£m
Intangible assets	8.8	1.2	10.0
Property, plant and equipment	256.2	4.4	260.6
Assets held for sale	–	2.2	2.2
Right-of-use assets	15.3	0.6	15.9
Inventories	79.0	3.3	82.3
Segment assets	359.3	11.7	371.0
Unallocated assets			63.3
Total assets			434.3

Intangible assets, property, plant and equipment, assets held for sale, right-of-use assets and inventories are allocated to segments and considered when appraising segment performance. Trade and other receivables, income tax assets and cash and cash equivalents are centrally controlled and unallocated.

OTHER SEGMENTAL INFORMATION:	Six months ended 30 June 2026		
	Bricks & Blocks	Bespoke Products	Total
	£m	£m	£m
Intangible asset additions	2.1	–	2.1
Property, plant and equipment additions	4.5	0.2	4.7
Right-of-use asset additions	0.5	–	0.5

SEGMENTAL REVENUE AND RESULTS:	Six months ended 30 June 2025[1]		
	Bricks & Blocks	Bespoke Products	Total
	£m	£m	£m
Segment revenue	154.2	42.2	196.4
Inter-segment eliminations			(1.3)
Revenue			195.1
Adjusted EBITDA	27.5	2.4	29.9
Depreciation and amortisation	(9.1)	(0.8)	(9.9)
Adjusted operating profit	18.4	1.6	20.0
Allocated exceptional items	(2.7)	(1.3)	(4.0)
Allocated adjusting items	(4.2)	–	(4.2)
Operating profit			11.8
Finance expense			(3.4)
Profit before tax			8.4

[1]Statutory results for 2025 have been revised following a change to the Group's accounting policy for carbon credits, with the cost of compliance now weighted across the year in line with production. Further details can be found within note 2.

SEGMENTAL ASSETS:	As at 30 June 2025		
	Bricks & Blocks	Bespoke Products	Total
	£m	£m	£m
Intangible assets	6.8	1.7	8.5
Property, plant and equipment	256.5	7.0	263.5
Right-of-use assets	16.3	0.9	17.2
Inventories	73.4	2.7	76.1
Segment assets	353.0	12.3	365.3
Unallocated assets			80.9
Total assets			446.2

Intangible assets, property, plant and equipment, assets held for sale, right-of-use assets and inventories are allocated to segments and considered when appraising segment performance. Trade and other receivables, income tax assets, cash and cash equivalents and derivative assets are centrally controlled and unallocated.

OTHER SEGMENTAL INFORMATION:	Six months ended 30 June 2025		
	Bricks & Blocks	Bespoke Products	Total
	£m	£m	£m
Property, plant and equipment additions	7.9	0.2	8.1
Right-of-use asset additions	0.4	0.1	0.5

SEGMENTAL REVENUE AND RESULTS:	Year ended 31 December 2025		
	Bricks & Blocks	Bespoke Products	Total
	£m	£m	£m
Segment revenue	307.7	81.0	388.7
Inter-segment eliminations			(2.7)
Revenue			386.0
Adjusted EBITDA	56.9	4.7	61.6
Depreciation and amortisation	(18.1)	(1.5)	(19.6)
Adjusted operating profit	38.8	3.2	42.0
Allocated exceptional items	(3.4)	(3.3)	(6.7)
Allocated adjusting items	(6.0)	–	(6.0)
Operating profit			29.3
Finance expense			(6.0)
Profit before tax			23.3

SEGMENTAL ASSETS:	As at 31 December 2025		
	Bricks & Blocks	Bespoke Products	Total
	£m	£m	£m
Intangible assets	10.1	1.4	11.5
Property, plant and equipment	258.4	4.4	262.8
Right-of-use assets	17.9	0.9	18.8
Assets held for sale	0.5	2.5	3.0
Inventories	75.6	3.0	78.6
Segment assets	362.5	12.2	374.7
Unallocated assets			42.4
Total assets			417.1

Intangible assets, property, plant and equipment, assets held for sale, right-of-use assets and inventories are allocated to segments and considered when appraising segment performance. Trade and other receivables, income tax assets, cash and cash equivalents and derivative assets are centrally controlled and unallocated.

OTHER SEGMENTAL INFORMATION:	Year ended 31 December 2025		
	Bricks & Blocks	Bespoke Products	Total
	£m	£m	£m
Property, plant and equipment additions	16.1	0.4	16.5
Intangible asset additions	3.6	–	3.6
Right-of-use asset additions	4.9	0.2	5.1

7 EXCEPTIONAL ITEMS

	Six months ended 30 June		Year ended 31 December
	2026	2025	2025
	£m	£m	£m
Restructuring costs	**(3.0)**	(4.0)	(6.7)

Exceptional items 2026

During the period to 30 June 2026, the Group incurred a net exceptional expense of £3.0m. This principally related to actions taken to right-size the Group's cost base through restructuring activities, including redundancies at certain operating sites and within central administrative functions.

The redundancy-related charges include both finalised settlements and provisions for costs yet to be settled. Provisions have been recognised based on management's best estimate of the remaining obligations at the reporting date. These charges will be finalised in the second half of 2026 as the restructuring programmes are completed and final payments are made.

Exceptional items 2025

During the period to 30 June 2025, the Group recognised exceptional expenses of £4.0m following the strategic decision to close the non-core Formpave and Bison Bespoke precast businesses. The charge comprised £3.1m of asset impairments (£2.3m relating to plant and machinery and £0.8m relating to a right-of-use asset), a £0.4m inventory impairment, and a £0.5m restructuring provision.

8 FINANCE EXPENSE

	Six months ended 30 June		Year ended 31 December
	2026	2025	2025
	£m	£m	£m
Interest payable on loans and borrowings	**1.8**	2.5	4.2
Interest payable on lease liabilities	**0.5**	0.5	0.9
Other finance expense	**–**	–	0.1
Amortisation of capitalised financing costs	**0.1**	0.4	0.8
	2.4	3.4	6.0

Interest payable on loans and borrowings is presented net of borrowings costs which have been capitalised against qualifying assets. In the period to 30 June 2026 £1.0m (2025: £1.4m) of interest was capitalised against qualifying assets, at an average capitalisation rate of 5.0% (2025: 6.0%).

9 TAXATION

The Group recorded a tax charge of £3.0m (2025: charge of £2.2m) on a pre-tax profit of £11.5m for the six months ended 30 June 2026 (2025: £8.4m). This results in a statutory effective tax rate (ETR) of 26.4% (2025: 26.5%).

	Six months ended 30 June		Year ended 31 December
	2026	2025[1]	2025
	£m	£m	£m
Profit before taxation	**11.5**	8.4	23.3
Expected tax charge	**2.9**	2.1	5.8
Expenses not deductible for tax purposes	**0.1**	0.1	0.4
Effect of prior period adjustments	**–**	–	0.1
Income tax expense	**3.0**	2.2	6.3

[1]Statutory results for 2025 have been revised following a change to the Group's accounting policy for carbon credits, with the cost of compliance now weighted across the year in line with production. Further details can be found within note 2.

The comparative period ended 30 June 2025 has been revised for the change in accounting policy relating to carbon credits, as described in note 2. Prior to the revision, the Group reported a profit before taxation (PBT) of £9.9m and a tax charge of £2.7m for the period. Following the revision, PBT decreased by £1.5m and the tax charge decreased by £0.5m, resulting in revised PBT of £8.4m and a tax charge of £2.2m. The statutory effective tax rate for the period ended 30 June 2025 was adjusted as a result of this change, from 26.7% to 26.5%.

The UK main rate of corporation tax is 25.0%. Deferred tax is calculated at 25.0%, being the rate at which the provision is expected to reverse.

10 EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the profit for the period attributable to shareholders of the parent entity by the weighted average number of Ordinary shares outstanding during the period.

For diluted earnings per share, the weighted average number of Ordinary shares in issue is adjusted to assume conversion of all dilutive potential Ordinary shares. The Group has four types of dilutive potential Ordinary shares: those share options granted to employees under the Sharesave scheme; unvested shares granted under the Deferred Annual Bonus Plan; unvested shares granted under the Share Incentive Plan; and unvested shares within the Group's Long-term Incentive Plan for Performance Share Plan that have met the relevant performance and service conditions at the end of the reporting period. If, for any of the above schemes, the average share price for the year is lower than the option price, these shares become anti-dilutive and are excluded from the calculation.

	Six months ended 30 June		Year ended 31 December
	2026	2025[1]	2025
	£m	£m	£m
Operating profit for the period	**13.9**	11.8	29.3
Finance expense	**(2.4)**	(3.4)	(6.0)
Profit before taxation	**11.5**	8.4	23.3
Income tax expense	**(3.0)**	(2.2)	(6.3)
Profit for the period	**8.5**	6.2	17.0
Weighted average number of shares (millions)	**209.7**	211.0	211.0
Effect of share incentive awards and options (millions)	**0.6**	1.2	1.3
Diluted weighted average number of shares (millions)	**210.3**	212.2	212.3
Earnings per share:	**Pence**	Pence	Pence
Basic (in pence)	**4.1**	2.9	8.1
Diluted (in pence)	**4.0**	2.9	8.0
Adjusted basic earnings per share (in pence)	**5.1**	5.8	12.6

[1]Statutory results for 2025 have been revised following a change to the Group's accounting policy for carbon credits, with the cost of compliance now weighted across the year in line with production. Further details can be found within note 2.

Adjusted earnings per share (EPS) is presented as an alternative performance measure and is calculated by using adjusted profit after tax, excluding exceptional items, which represented a cost of £3.0m (30 June 2025: £4.0m cost, 31 December 2025: £6.7m cost) (note 7) and adjusting items of £nil (30 June 2025: £4.2m cost, 31 December 2025: £6.0m cost) (note 4). A reconciliation of adjusted to statutory results is provided in note 4 to these Condensed Consolidated Financial Statements.

The comparative period ended 30 June 2025 has been revised to reflect a change in accounting policy relating to carbon credits, as described in note 2. Before the revision, the Group reported statutory profit for the period of £7.2m. The revision reduced profit for the period by £1.0m and decreased both basic and diluted earnings per share by 0.5 pence.

11 DIVIDENDS

A dividend of 4.3 pence per share that relates to the period ending 31 December 2025 was paid on 6 July 2026, making a total distribution of 6.2 pence per share for 2025.

An interim dividend of 1.7 pence per share (30 June 2025: 1.9 pence per share) has been declared by the Board and will be paid on 9 October 2026 to shareholders on the register as at 18 September 2026. This interim dividend has not been recognised as a liability as at 30 June 2026. It will be recognised in shareholders equity in the Consolidated Financial Statements for the year ended 31 December 2026.

12 LOANS AND BORROWINGS

	As at 30 June		As at 31 December
	2026	2025	2025
	£m	£m	£m
Current loans and borrowings:			
Interest	**0.3**	0.2	0.2
Non-current loans and borrowings:			
Capitalised financing costs	**(0.2)**	(0.8)	(0.4)
Revolving credit facility	**81.0**	85.0	62.0
	81.1	84.4	61.8

At the balance sheet date the Group held a revolving credit facility of £170m which was in place until June 2028. As well as this, the Group also benefited from an uncommitted overdraft facility of £10m.

The interest rate under this facility was calculated using SONIA plus a margin, with the margin grid ranging from 1.65% at a leverage of less than 0.5 times, to 2.75% where leverage exceeded 2.5 times. The facility was subject to covenant restrictions of net debt/EBITDA (as measured before leases) of less than three times and interest cover of greater than four times. It was also secured by fixed charges over the shares of Forterra Building Products Limited and Forterra Holdings Limited.

On 21 July 2026, the Group successfully amended and extended its revolving credit facility. The facility remains at £170m until July 2030 and includes an option, subject to lender approval, to extend the maturity date to July 2031. The interest rate continues to be calculated using SONIA plus a margin, with the revised margin grid ranging from 1.55% where leverage is less than 0.5 times to 2.65% where leverage exceeds 2.5 times. As part of the extension, the facility became unsecured and the fixed charges over the shares of Forterra Building Products Limited and Forterra Holdings Limited were released. The Group continues to benefit from an uncommitted overdraft facility of £10m.

13 NOTES TO THE STATEMENT OF CASH FLOW

	As at 30 June		Year ended 31 December
	2026	2025	2025
	£m	£m	£m
Cash flows from operating activities			
Profit before tax[1]	**11.5**	8.4	23.3
Finance expense	**2.4**	3.4	6.0
Adjusting items[1]	**–**	4.2	6.0
Exceptional items	**3.0**	4.0	6.7
Operating profit before adjusted items	**16.9**	20.0	42.0
Adjustments for:			
Depreciation and amortisation	**10.1**	9.9	19.6
Profit on disposal of property, plant and equipment and leases	**(0.4)**	–	–
Movement in provisions	**(1.4)**	(1.4)	0.2
Purchase of carbon credits	**(2.1)**	–	(3.6)
Settlement of carbon credits	**3.3**	2.6	2.7
Share-based payments	**0.4**	1.1	1.4
Other non-cash items	**(1.8)**	(1.1)	(1.4)
Changes in working capital:			
Inventories	**(3.6)**	5.5	2.5
Trade and other receivables	**(15.8)**	(21.5)	3.5
Trade and other payables	**2.9**	14.9	1.8
Adjusted cash generated from operations	**8.5**	30.0	68.7
Cash flows relating to operating adjusting and exceptional items	**(1.6)**	1.0	(0.6)
Cash generated from operations	**6.9**	31.0	68.1

[1]Statutory results for 2025 have been revised following a change to the Group's accounting policy for carbon credits, with the cost of compliance now weighted across the year in line with production. Further details can be found within note 2.

14 NET DEBT

	As at 30 June		As at 31 December
	2026	2025	2025
	£m	£m	£m
Cash and cash equivalents	**6.6**	15.0	6.1
Loans and borrowings	**(81.1)**	(84.4)	(61.8)
Lease liabilities	**(17.1)**	(18.5)	(19.9)
Net debt	**(91.6)**	(87.9)	(75.6)

RECONCILIATION OF NET DEBT

	As at 30 June		Year ended 31 December
	2026	2025	2025
	£m	£m	£m
Adjusted operating cash flow	**8.5**	30.0	68.7
Payments (made)/received in respect of adjusting and exceptional items	**(1.6)**	1.0	(0.6)
Operating cash flow	**6.9**	31.0	68.1
Interest paid	**(3.1)**	(4.8)	(8.0)
Tax paid	**(1.6)**	(0.6)	(1.1)
Net cash outflow from investing activities	**(3.0)**	(7.3)	(14.5)
Dividends paid	**–**	–	(8.2)
Purchase of shares by Employee Benefit Trust	**(1.4)**	–	(0.7)
Payments made to acquire own shares for cancellation	**(8.5)**	–	–
New lease liabilities	**(0.5)**	(0.5)	(5.1)
Other movements	**(0.3)**	0.1	(0.3)
(Increase)/decrease in net debt	**(11.5)**	17.9	30.2
Net debt at the start of the period as previously stated before the implementation of the amendments to IFRS 9 and IFRS 7	**(75.6)**	(105.8)	(105.8)
Adjustment on initial application of amendments to IFRS 9 and IFRS 7 on 1 January 2026	**(4.5)**	–	–
Net debt at the start of the period	**(80.1)**	(105.8)	(105.8)
Net debt at the end of the period	**(91.6)**	(87.9)	(75.6)

Capital expenditure commitments for which no provision has been made were £4.9m as at 30 June 2026 (30 June 2025: £6.2m).

15 FINANCIAL INSTRUMENTS

Forward purchased energy contracts

The substantial energy requirements of the Group are closely managed to ensure that the impact of fluctuating energy costs can be removed as far as possible; allowing management to have some certainty over likely energy costs and providing a reasonable basis on which to budget. Contracts with energy suppliers are entered into allowing prices to be fixed, by month, for volumes the Group expects to use. Under normal circumstances, the Group takes delivery of and consumes, all of the gas and electricity under each contract, and in doing so satisfies the requirements under IFRS 9 to follow the own use exemption in accounting for these. As such, the costs associated with the purchase of gas and electricity are accounted for in the Consolidated Statement of Total Comprehensive Income at the point of consumption, and contracts are not held at fair value.

The decline in market conditions during 2023, and subsequent reductions made to production across the Group, resulted in a number of open forward contracts where the committed volume of gas exceeded expected future consumption. In these instances, quantities that were ‘over purchased’ were sold back to the market, crystallising a realised gain or loss at the point of sale. In addition, any open contracts for future periods where management expected to sell surplus gas back to the market failed the own use exemption, and in accordance with IFRS 9, were accounted for as derivatives. As at 30 June 2026, the Group no longer holds any assets or liabilities in relation to these contracts (30 June 2025: current asset of £3.0m and non-current asset of £nil).

Where values were historically recognised, these reflected not only the portion of such contracts expected to be sold, but also the fair value of the remaining quantity expected to be consumed by the Group in the normal course of business. Fair value was based on future energy price forecasts obtained from third-party experts and modelled against contracted volumes. These instruments were measured using Level 2 valuation techniques subsequent to initial recognition.

For the purposes of internal reporting to management and the Board, the Group continued to measure these contracts as if the own use exemption could still be applied, recognising energy costs at the contracted rate in the period of consumption. To enable users of the accounts to review this operationally aligned reporting, the fair value treatment of energy derivatives was reflected as an adjusting item in the financial statements for the Group. As at 30 June 2026, the Group no longer holds energy contracts which are expected to fail the own use exemption, and no adjusting item has been recognised in respect of movements in energy derivatives for the period ended 30 June 2026 (30 June 2025: £4.8m cost).

The Group has not historically, and has no future plans to intentionally purchase gas or electricity to sell. All excess energy contracts have now been discharged and future energy purchase commitments are below expected consumption levels. Accordingly, the Group expects to apply the own use exemption under IFRS 9 to its energy purchase contract going forward and does not anticipate further adjustments in respect of energy accounting.

16 SHARE-BASED PAYMENTS

On 11 June 2026, 864,993 share awards were granted under the Long-Term Incentive Plan (LTIP) to members of the Executive Committee and designated senior management in accordance with the Group's new hybrid award policy. The awards comprise 288,331 Restricted Share Awards and 576,662 Performance Share Awards, each with a three-year vesting period and an exercise price of 1 pence per share.

The vesting of Restricted Share Awards is subject to the satisfaction of service conditions. The vesting of Performance Share Awards is subject to both service conditions and the achievement of performance conditions over the three-year performance period. Performance is measured against TSR and EPS targets, each weighted at 45%, with the remaining 10% based on sustainability targets relating to decarbonisation.

In addition, on 19 March 2026 an award of 223,230 was granted to the Executive Directors under the Group Deferred Annual Bonus Plan. These awards represent deferral into ordinary shares of part of the Executive Directors' 2025 bonus entitlements under the rules of the Scheme and, under normal service conditions, vest after three years.

17 RELATED PARTY TRANSACTIONS

The Group has had no transactions with related parties in the periods ended 30 June 2026, 31 December 2025 or 30 June 2025.

18 POST BALANCE SHEET EVENTS

On 21 July 2026, subsequent to the balance sheet date, the Group successfully extended its £170m revolving credit facility to 2030, with a further one-year extension option in place subject to lender consent.