11 November 2026

FORTERRA PLC

Trading update for the ten months ended 31 October 2026

Forterra plc (the 'Group'), a leading UK manufacturer of essential clay and concrete building products, provides an update on trading for the ten months ended 31 October 2026 ('the Period').

- **Challenging market conditions**: UK brick industry despatches for the nine months ended 30 September 2026 were 11% below the prior year, reflecting a further deterioration in demand from the 8% decline reported in H1. Demand in the repair, maintenance and improvement (RMI) market, particularly home extensions, has remained subdued and been broadly in line with that for new-build housing.

- **Resilient market position**: The Group has maintained brick market share, with underlying selling prices broadly in line with management expectations. Group revenue for the ten months ended 31 October 2026 was £282.7m, 11.9% below the prior year on a like-for-like basis, compared with a decline of 9.3% in H1.

- **Production and cost management:** The Group continues to actively manage production levels across all product categories to align output with market demand, minimising inventory build-up and exposure to unhedged gas costs (c.80% of FY27 gas requirements already secured), whilst maintaining tight control of costs and working capital. On target to deliver c.£1m of cost savings in H2 (£2m annualised) as announced earlier this year.

- **Cash generation and asset disposals**: The disposal of two surplus land assets is progressing, with aggregate proceeds of c.£12m expected by year end, subject to completion. The £20m share buyback programme is expected to be completed in December 2026, with 12,049,421 shares repurchased at a cost of £17.7m as at 31 October 2026.

Outlook: Lower sales volumes, together with reduced fixed-cost absorption following actions to align production with demand, have placed pressure on profitability. As a result, the Board now expects full-year adjusted EBITDA to be c.£50m, compared with company compiled consensus of £54.8m, and leverage to be c.1.9x.

The Group has announced inflationary price increases effective from January 2027. However, in the absence of meaningful improvement in volumes, profitability will remain constrained by the fixed cost base, with production levels being actively managed to align with demand until market conditions improve.

The Government's Your First Home scheme is a welcome development and should provide support to the housing market over time. However, with its delayed introduction in April 2027, alongside continued pressure on housing affordability and consumer confidence, the Group expects market conditions to remain challenging in the near-term.

The Board remains confident that the Group's medium-term prospects, with recent investments in additional production capacity, alongside its resilient balance sheet and committed facilities to 2030, leaves it well positioned to capitalise on the market's structural growth drivers and benefit from a sustained recovery in demand when it occurs.

ENQUIRIES

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