



Breedon Group plc

Annual results 2024

5 March 2025



Agenda

Group highlights

Rob Wood, Chief Executive Officer

Financial review

James Brotherton, Chief Financial Officer

Operational review

Rob Wood

Acquisition of Lionmark

Rob Wood, James Brotherton

Summary and outlook

Rob Wood

Q&A

Group highlights

Rob Wood, Chief Executive Officer



2024 results ahead of expectations

Successful delivery of strategic objectives

Highlights

- **A further year of record results;** entry into US market, Ireland strong, pricing resilient
- **BMC integration completed;** encouraging initial contribution
- **Strategic flexibility retained;** covenant leverage reduced to 1.4x since the half year

Market beating performance delivered by resilient pricing and deliberate cost management

Breedon 3.0; significant strategic progress

Expand and Improve; living our values

Evolving our **strategy**

- **Expand**; scalable third platform established; acquisition of Lionmark
- **Improve**; focus on excellence, scaling capacity appropriately and accessing new markets
- **People** engaged. **Sustainability** upgraded. **Financial Framework** refreshed

Building a bigger and better Breedon

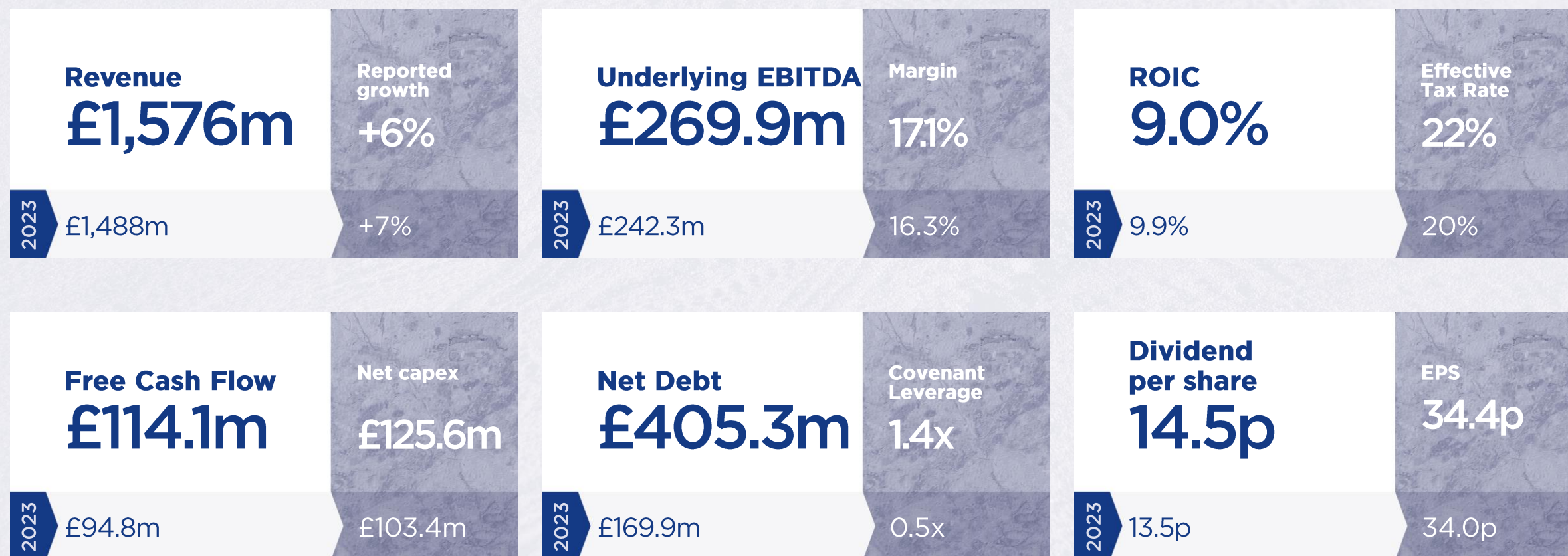
Financial review

James Brotherton, Chief Financial Officer



2024 financial highlights

Balanced financial performance

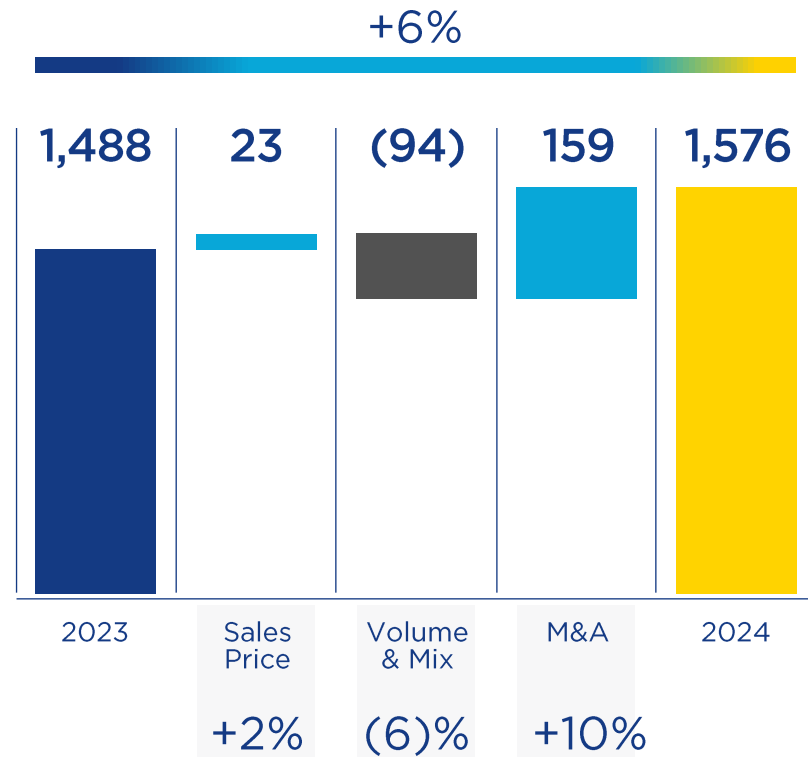


Notes: Underlying results are stated before acquisition-related expenses, property gains or losses, redundancy and reorganisation costs, amortisation of acquired intangibles, unamortised banking arrangement fee and related tax items. The prior year also included the costs associated with the Group's move from the AIM to Main Market. EBITDA; earnings before interest, tax, depreciation and amortisation, non-underlying items and before our share of profit from associate and joint ventures. ROIC; post-tax return on average invested capital. Covenant Leverage; defined by the Group's banking facilities and excludes the impact of IFRS 16 and includes the proforma impact of M&A. EPS is Adjusted Underlying Basic EPS, which is Underlying Basic EPS adjusted to exclude the impact of non-underlying items.

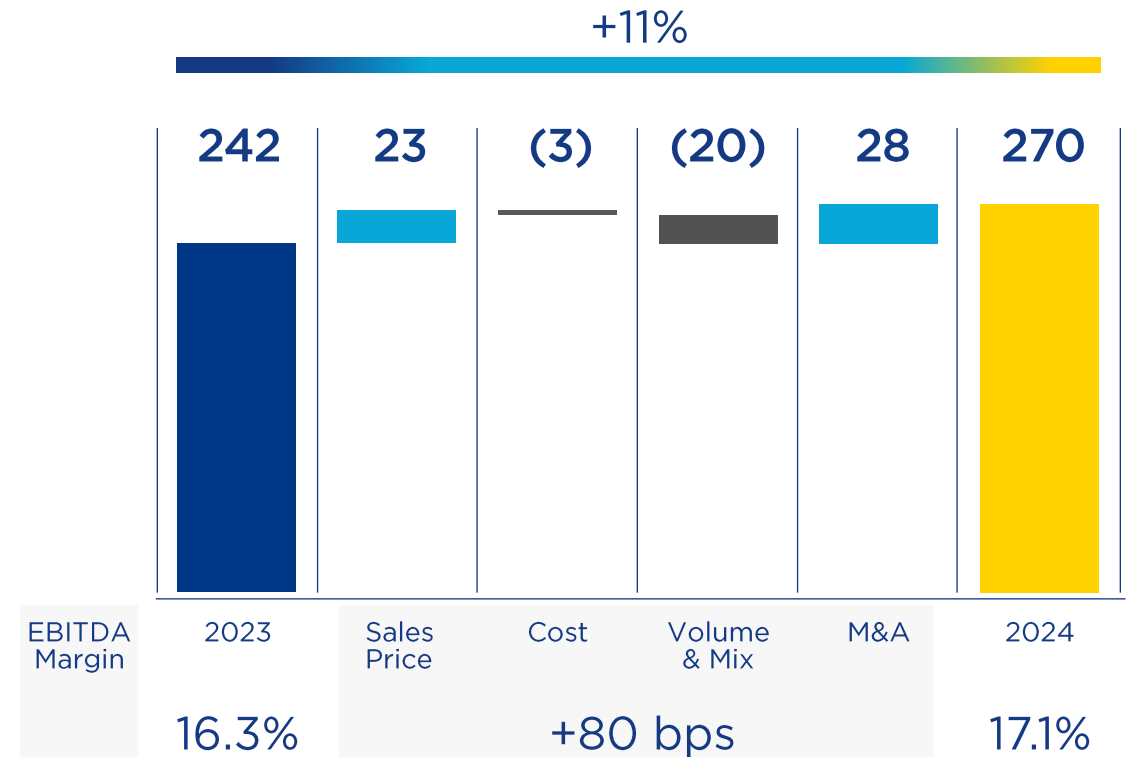
Revenue and EBITDA bridges

Sequential improvement in cement and ready-mixed concrete volumes

Revenue bridge £m



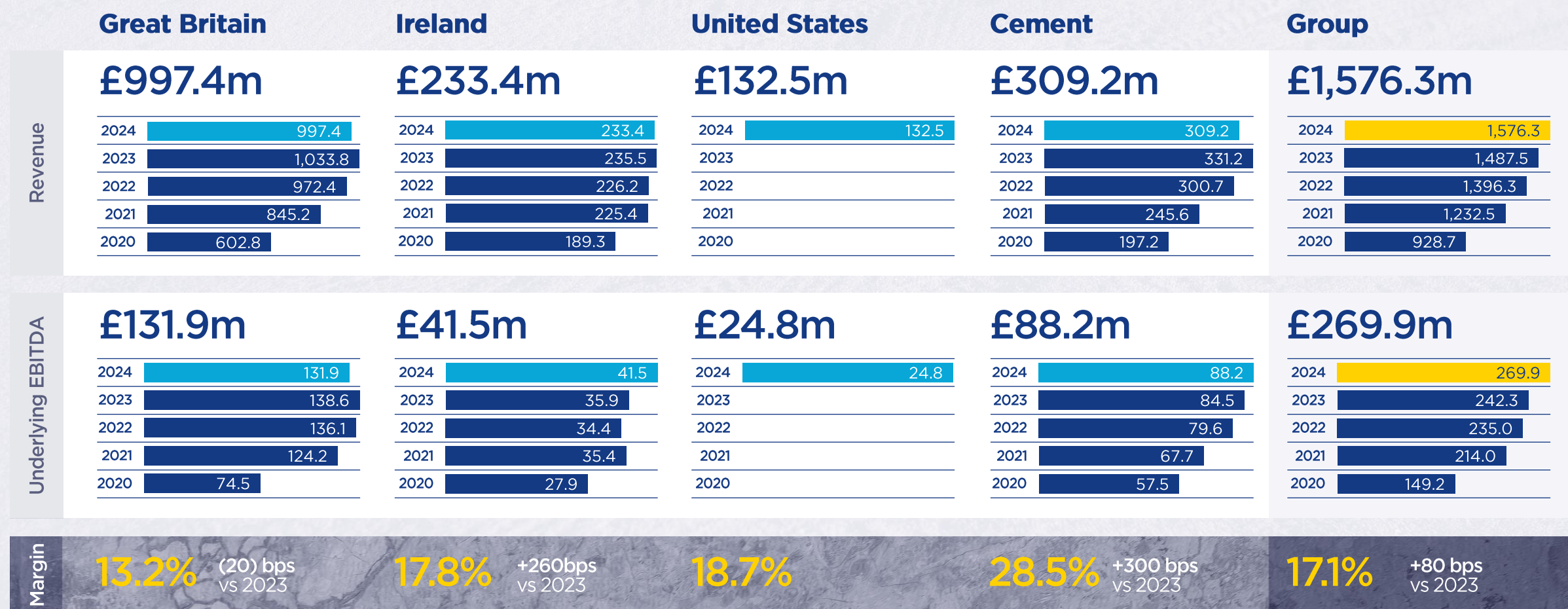
EBITDA bridge £m



Note: Percentage increase/decrease rates based on non-rounded data.

2024 divisional EBITDA contributions

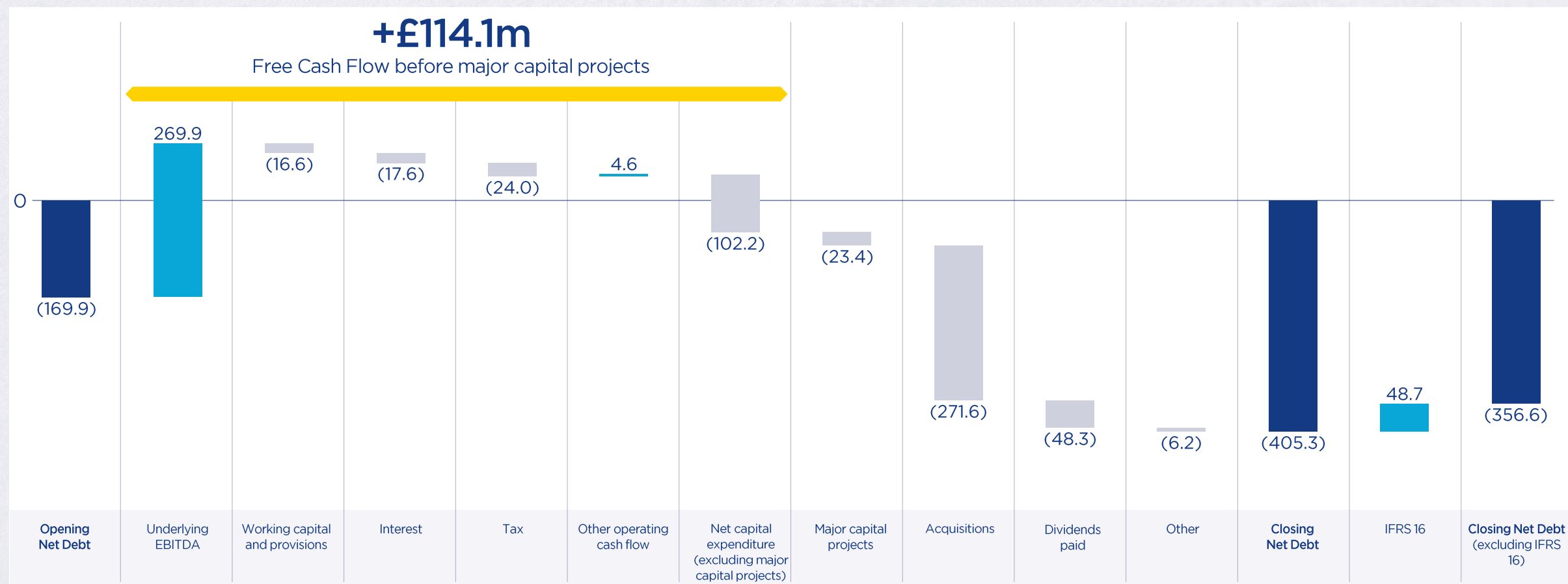
Expansion in Underlying EBITDA margin



Note: Divisional revenue and Underlying EBITDA excludes eliminations, head office costs and JV/Associate. Refer to page 30 for divisional EBIT contributions.

Net Debt and cash flow







Further year of cash generation



Note: Free Cash Flow excludes the impact of major capital projects undertaken in the year, including the ARM and primary crusher projects at Hope and the solar farm at Kinnegad.

Performance against our financial framework

Further balanced performance

Target	Outcome	Target	Outcome
Growth Outperform our markets	 Achieved	Financial discipline Covenant Leverage 1x - 2x	 Achieved
Profitability Underlying EBITDA margin 17.5% - 20.5% Underlying EBIT margin 12% - 15%	 Improving	Returns ROIC >10%	 Missed
Cash flow FCF conversion >45% <small>Note: FCF conversion before major projects.</small>	 Improving	Dividend Payout ratio 40%	 Achieved

Note: **FCF conversion**: Free Cash Flow before major capital projects relative to Underlying EBITDA. **Covenant Leverage** as defined by the Group's banking facilities - excludes the impact of IFRS 16 and includes the pro-forma impact of M&A. **ROIC**: Post-tax return on average invested capital, calculated as underlying earnings before interest, divided by average invested capital. **Payout ratio** calculated with reference to Adjusted Underlying Basic EPS.

Operational review



UK market modest recovery forecast

Challenging 2024 should represent a floor in construction activity

UK GDP growth modest

- UK GDP grew 0.8% in 2024

Construction output decreased

- Estimated (2.9%); impacted by slowdown in house building

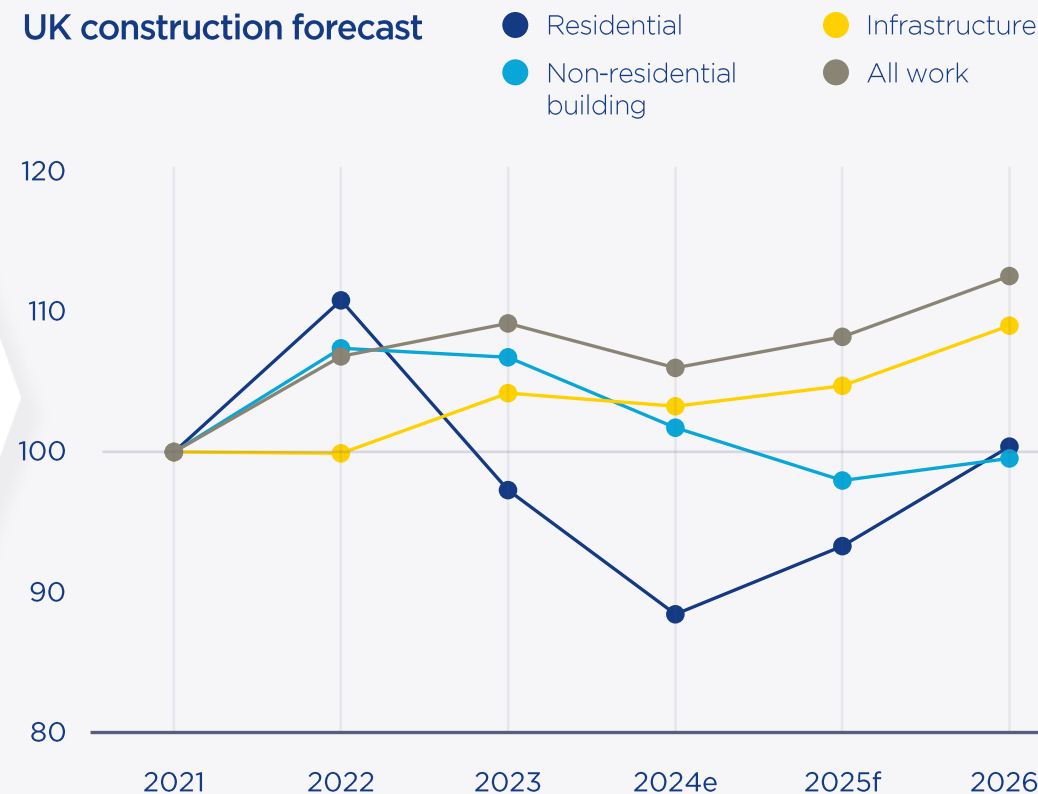
Core product volumes declined

- Lower volumes in all materials; aggregates (3)%, asphalt (3)%, ready-mixed concrete (11)%

Construction PMI reflects uncertainty

- December 2024 Construction PMI 53.3
- January 2025 Construction PMI 48.1; reflects delayed decision making and general economic uncertainty

UK construction forecast



Rol market reflects economic growth

Benefiting from budget surplus

Positive domestic demand

- Estimated MDD growth 2.5% in 2024

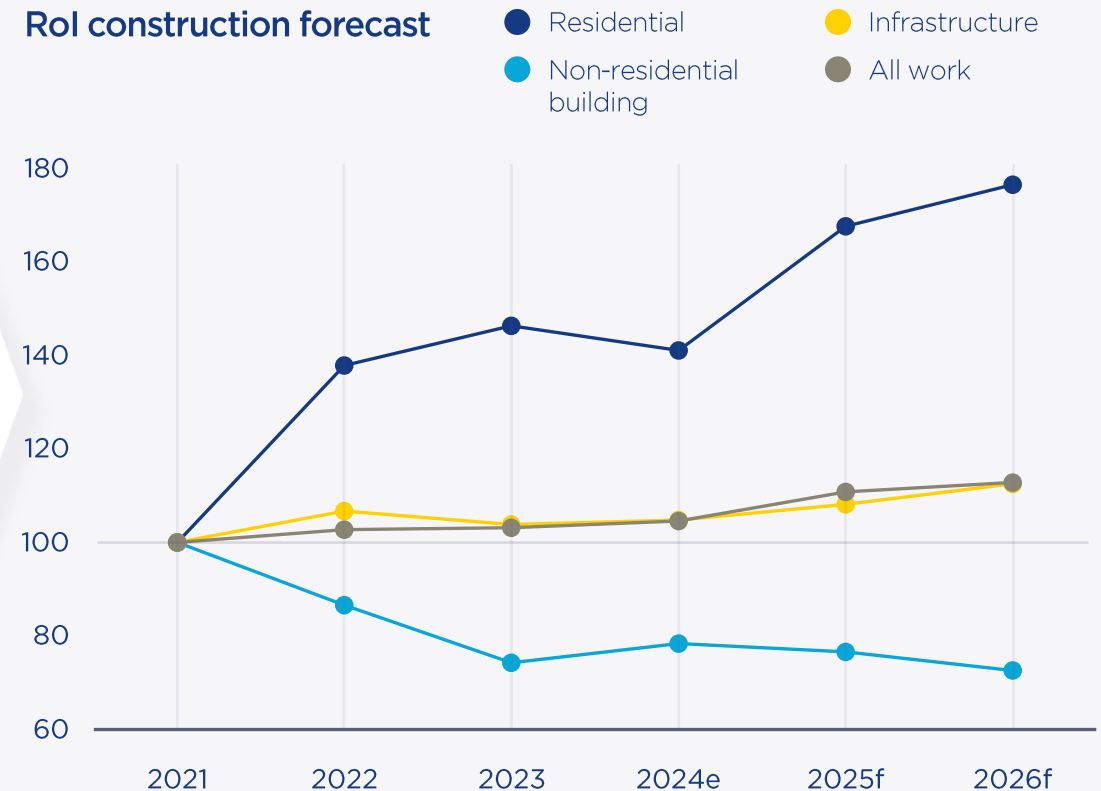
Construction output growing steadily

- Construction activity estimated to have grown 1.4% in 2024

Construction confidence; underlying optimism

- December Construction PMI 51.6; new orders expanding throughout 2024
- Job creation gathering pace in response to healthy new orders
- January Construction PMI 48.2; impacted by Storm Eowyn
- Positive hiring indicates underlying optimism

Rol construction forecast



United States steady growth

Strong stimulus tailwind

US GDP growing

- GDP increased 2.8% in 2024; modest fourth quarter deceleration - weather related
- Missouri Q3 GDP 3.8%; 16th fastest growing state

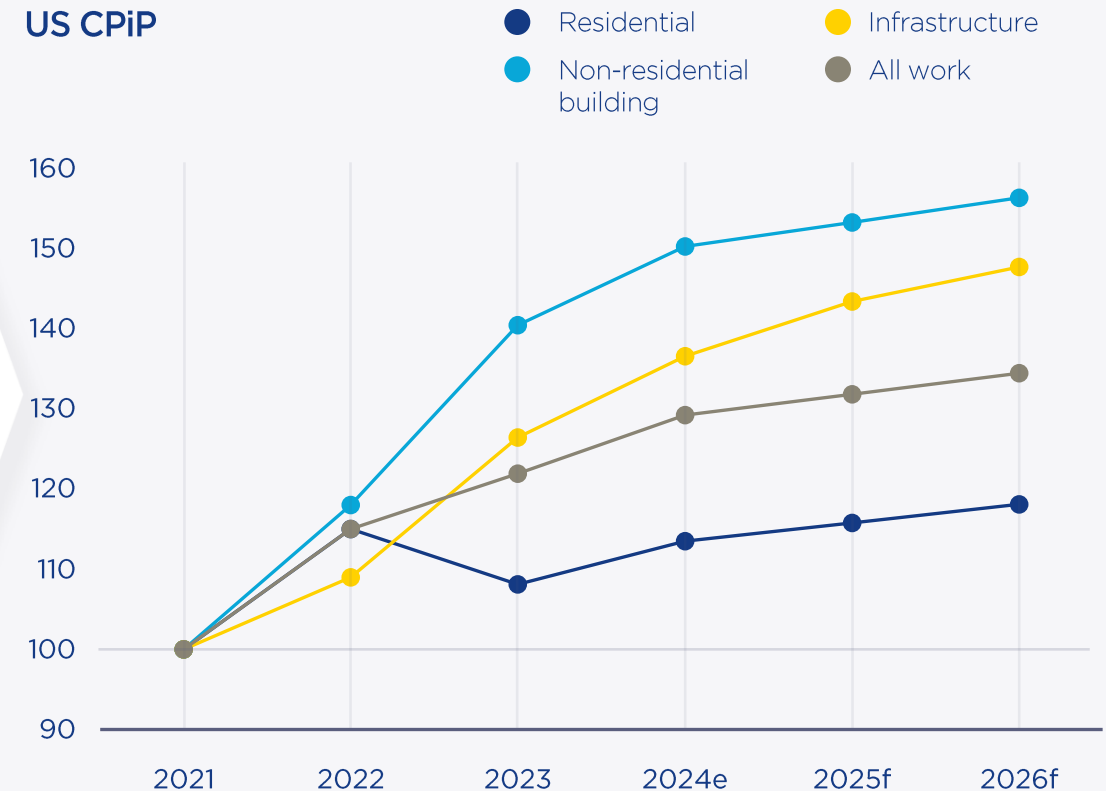
Construction Put in Place +6.5%; outpacing GDP

- US Residential CPiP +6%
- US Infrastructure CPiP +7%

Outlook; positive sentiment

- Stimulus funding tailwind at national and state level

US CPiP



Great Britain

Resilient performance

Challenging market conditions

- Robust infrastructure supported aggregate and asphalt volumes
- Soft housebuilding activity evident in concrete volumes

Volumes stabilised, pricing sustained

- H2 volumes comparable to H1

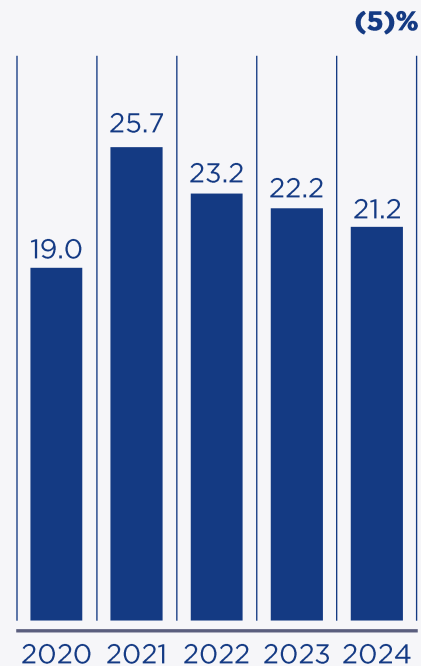
Focus on excellence

- Deliberate actions to scale capacity and manage costs

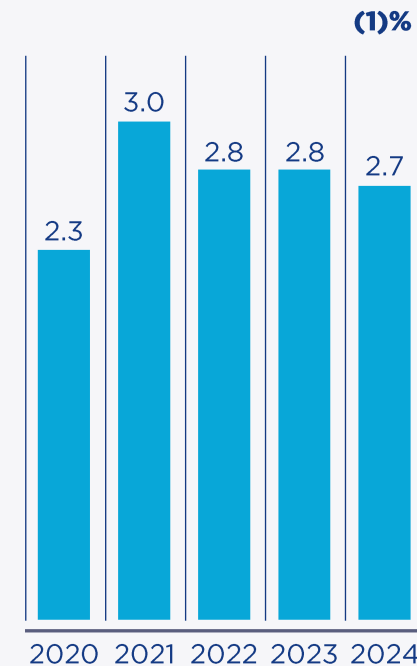
Expanded routes to market

- Two bolt-on transactions completed, airfield surfacing growing

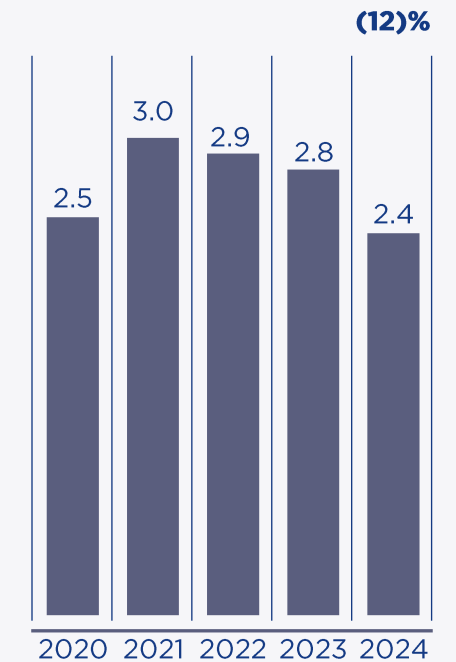
Aggregates
million tonnes



Asphalt
million tonnes



Concrete
million m³



Note: Percentage increase/decrease rates based on non-rounded volume data.

Ireland

Strong performance in a supportive market

Positive market conditions

- RoI; healthy economic landscape and tendering levels
- NI; stable with sentiment improving

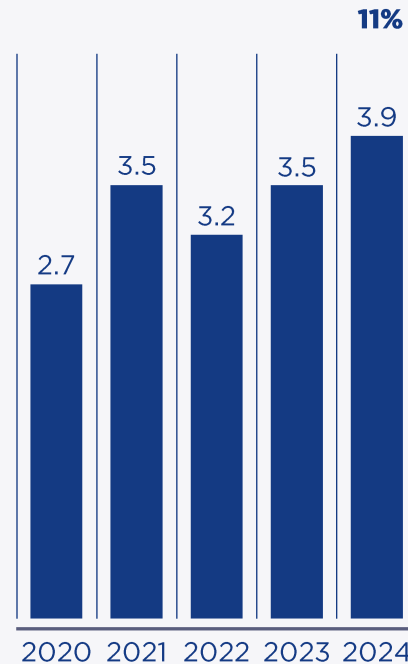
Excellence in action

- Restructuring and structured approach to tendering delivered margin expansion

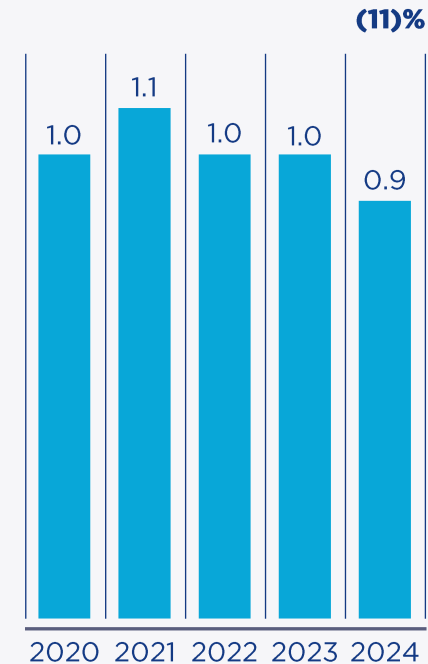
Benefiting from strategic actions

- Enhanced contribution from aggregates
- Well positioned to participate in major projects coming to market

Aggregates
million tonnes



Asphalt
million tonnes



Concrete
million m³



Note: Percentage increase/decrease rates based on non-rounded volume data.

Cement

Strong margin performance and delivery of major capital projects

Market headwinds, challenging weather conditions

- Resilient infrastructure demand offset by slowdown in GB housebuilding
- Volumes impacted by exposure to GB ready-mixed concrete partially offset by positive market in Ireland. Stabilised in second half

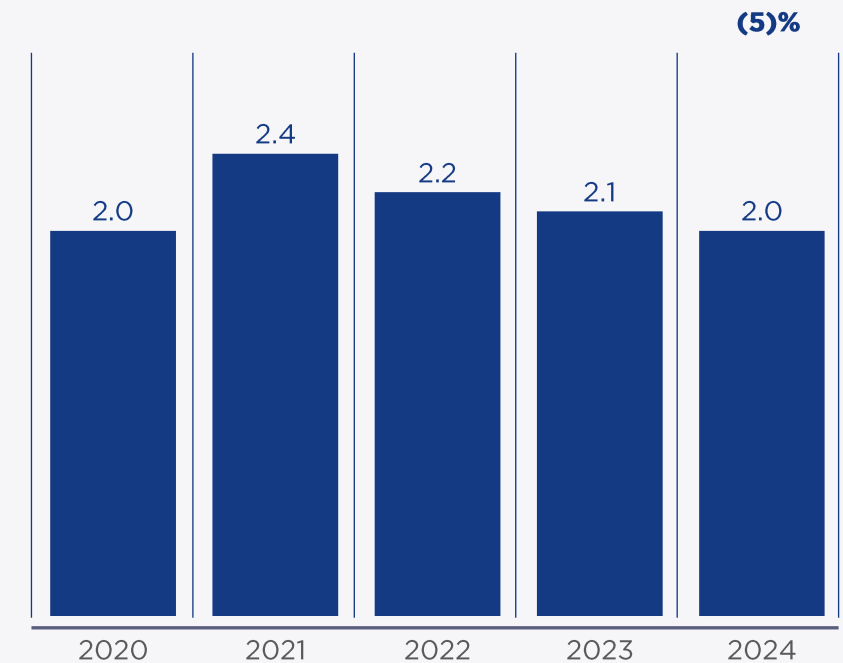
Strong margin performance

- High quality product and reliable customer service enabled underlying pricing to progress. Carbon surcharge removed
- Careful management of our cost base contributed to margin expansion

Investing in reliability and emission reduction

- High levels of operating reliability sustained; completed kiln maintenance shutdowns on schedule and within budget
- Progressing major capital investment projects to drive decarbonisation and sustain operational excellence

Cement
million tonnes



Note: Percentage increase/decrease rates based on non-rounded volume data.

United States

Encouraging initial contribution

Successful entry into the US

- Third geographic platform; established solid foundation for US growth
- US market construction materials market supported by federal and state funding programmes

Integration completed

- Close cultural alignment enabled smooth and successful integration

Health, safety and wellbeing prioritised

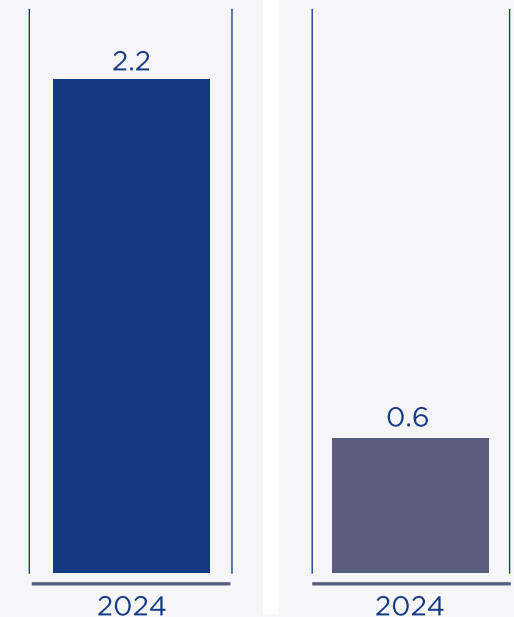
- Invested in equipment, personnel and training; immediate benefits, reducing lost time injuries by 80%

Active M&A pipeline

- Acquisition of Building Products; BMC's first bolt-on transaction under Breedon ownership
- Acquisition of Lionmark

Aggregates
million tonnes

Concrete
million m³



US\$238m acquisition of Lionmark

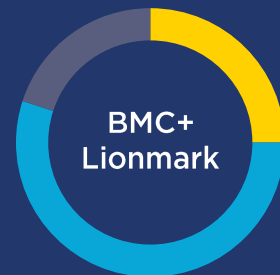
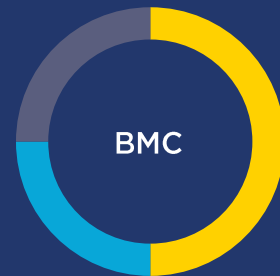


Lionmark Acquisition

Earnings enhancing transaction to scale and diversify our US business

- Leading regional construction materials and surfacing business
- Headquartered in St Louis, Missouri
- Strong track record of organic growth
- Ambitious and culturally aligned team who will join our US leadership team
- Vertically integrates our US business into asphalt and surfacing
- Increases our exposure to infrastructure
- Well-positioned to benefit from construction growth in the Mid-West

End-markets
Revenue %



- Residential
- Infrastructure
- Non-residential building



Lionmark at a glance

Significant operations in Missouri, Texas and Arkansas

Multi-state surfacing operations

Supported by

Reserves & Resources

c.100mT

Asphalt Plants

4

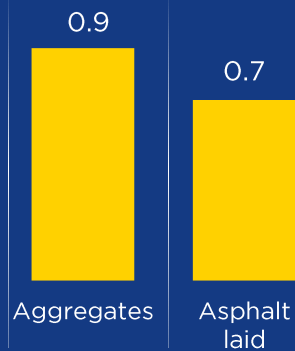
Quarries

8

Bitumen terminal

1

Sales volumes
m tonnes p.a.



Customers



● BMC
● Lionmark

Attractive infrastructure end markets

Structural tailwinds supporting investment

Missouri has 6th largest road network in the US

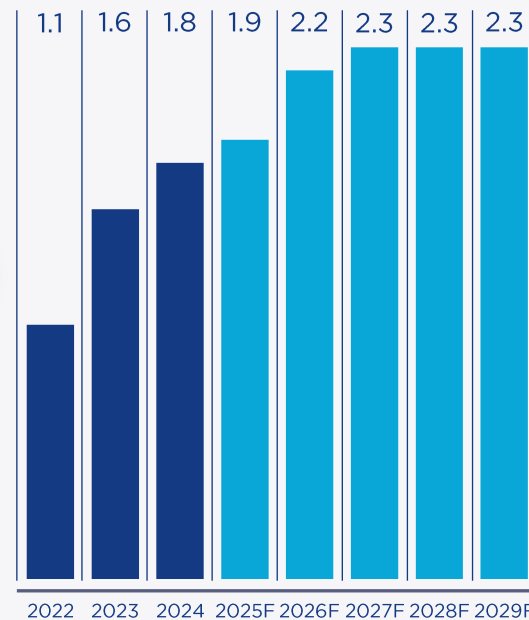
- 213,000 miles of highway of which 90% are asphalt
- Significant projects in pipeline (I-70 and I-44)
- Structural tailwinds supportive of demand -historic underinvestment
- Increased highways investment is well funded through fuel and vehicle tax
- Missouri has strong financial health, with AAA credit rating, placing it in the top third of US states

Texas has the largest transportation funding program in the US

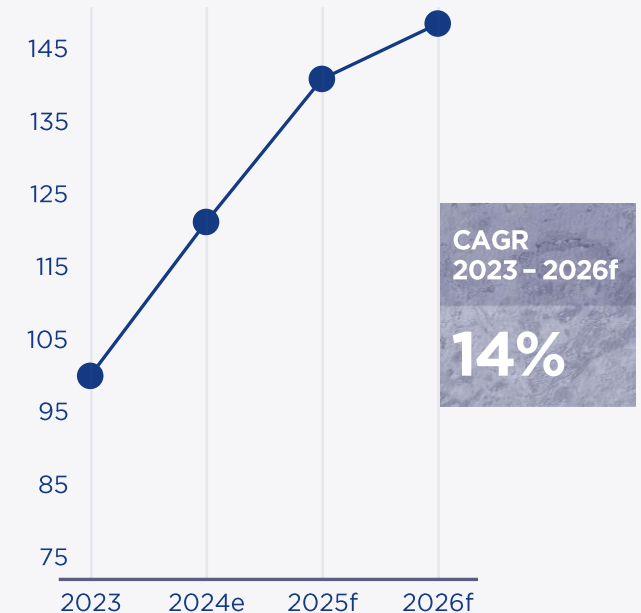
- High growth state with strong funding from oil and gas revenues
- US\$104bn transport infrastructure spend announced in 2024 over next ten years

Only c.34% of committed US\$376bn IIJA highway investment deployed to date

MoDOT construction project spend forecast (2022-29F) US\$bn



Midwest Infrastructure market growth



Lionmark financials

Growth opportunities at a compelling valuation

Highlights

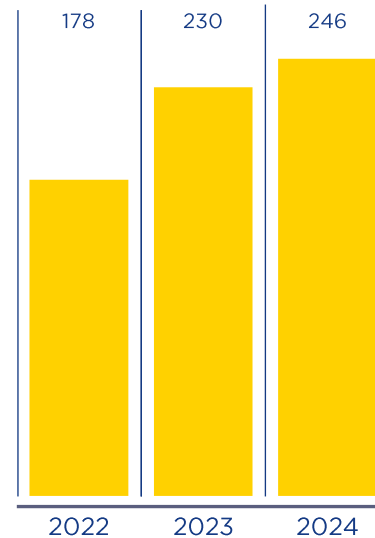
Enterprise Value
US\$238m **7.7x**
2024 EBITDA¹

Cash consideration
US\$226m

Share consideration
US\$12m
held for at least one year

Customary adjustments
and retentions

Revenue growth
US\$m



2024 financials¹

Revenue (US\$m)

246

EBITDA (US\$m)

31

EBITDA Margin

12.6%

Surfacing backlog (US\$m)

210+

Revenue by state

Nebraska

72%
Missouri

Oklahoma

8%
Arkansas

17%
Texas

¹ Lionmark 2024 financials are for the TTM to November 2024, are unaudited and have been prepared under US GAAP.

Transaction highlights

Retaining flexibility for future growth

Key metrics

- Immediately earnings enhancing
- ROIC forecast to cover WACC by end of 2027
- Pro-forma leverage of 1.9x in line with our financial framework
- Pre-tax synergies of US\$3m by year three

Funding

- Completion expected by 7 March
- Financed from balance sheet with drawn down on existing RCF
- £100m of committed liquidity available post-transaction

2025 technical guidance

Lionmark Guidance



Consolidated for 10 months of 2025

Transaction & integration costs (non-underlying)	c.US\$10m
Year one additional operating costs	US\$1m – US\$2m
US tax rate	25%
Shares issued	2.1m

Group Guidance



Income statement

Depreciation	c.£115m
Net interest expense	c.£35m
Group tax rate	c.23%
NIC and minimum/living wage	c.£5m

Cash flow

Capital expenditure	£125-135m
Working capital outflow	£20-30m
Cash interest payment	c.£35m
Dividend cash cost	c.£50m

Summary and outlook



Positioned for profitable growth

Confident 2024 should represent a floor in construction materials activity

From
2025

- **Structural long-term drivers**

Significant housing and infrastructure deficits in all three geographies

- **Political clarity in place**

2024 elections provide visibility into the medium-term

- **Macro forecasts stabilised**

Forecasts for modest construction output growth in 2025 and 2026

- **Strategic optionality**

Active M&A pipeline in all geographies coupled with investing for growth

- **Flexible balance sheet**

Highly cash generative model enabling rapid debt reduction

- **Healthy enquiry levels**

Operational and commercial excellence have positioned the Group for growth

Your questions

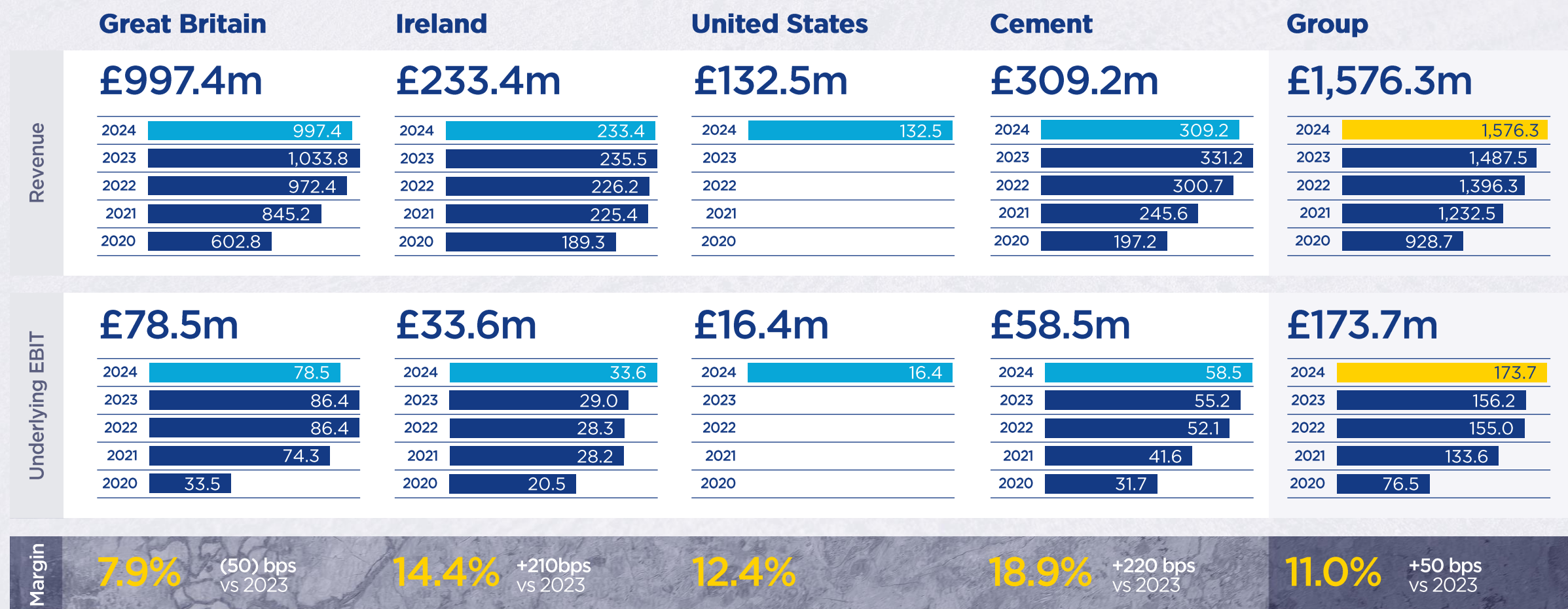


Appendix



2024 divisional EBIT contributions

Improving Underlying EBIT margins



Note: Divisional revenue and EBIT excludes eliminations, head office costs and JV/Associates.

Our track record

Financial KPIs

Revenue

£million

1,576.3

2024	1,576.3
2023	1,487.5
2022	1,396.3
2021	1,232.5
2020	928.7

Underlying EBITDA Margin

%

17.1

2024	17.1
2023	16.3
2022	16.8
2021	17.4
2020	16.1

Underlying EBIT Margin

%

11.0

2024	11.0
2023	10.5
2022	11.1
2021	10.8
2020	8.2

Adjusted Underlying Basic EPS

pence

34.4

2024	34.4
2023	34.0
2022	35.4
2021	29.9
2020	15.9

Dividend per share

pence

14.5

2024	14.5
2023	13.5
2022	10.5
2021	8.0
2020	

Covenant Leverage

times

1.4

2024	1.4
2023	0.5
2022	0.7
2021	0.8
2020	1.9

Return on Invested Capital

%

9.0

2024	9.0
2023	9.9
2022	10.8
2021	9.5
2020	5.5

Free Cash Flow conversion

%

42

2024	42
2023	39
2022	29
2021	59
2020	94

Our track record

Non-financial KPIs

Combined LTIFR per million hours worked

3.3



Note: 2020 has been corrected following a reporting error in 2023.

Combined TIFR per million hours worked

17.7



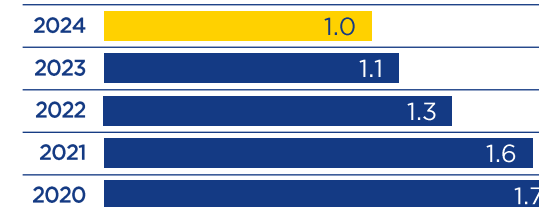
Reserves and resources billion tonnes

1.4



Emissions intensity – Revenue kgCO₂e per £ revenue

1.0



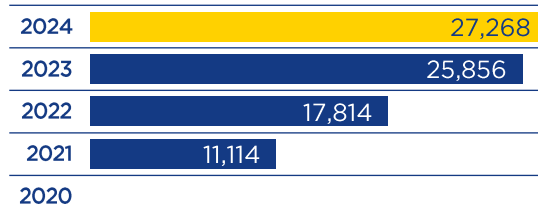
Emissions intensity cementitious % reduction per tonne, 2005 baseline

24



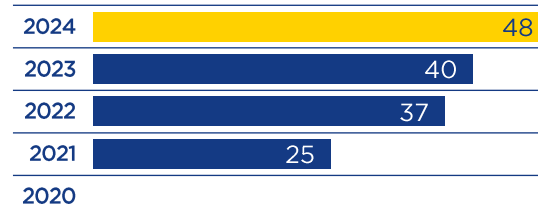
People positively impacted number of people per year

27,268



Sustainable product sales % total concrete and asphalt revenue

48



For the year ended 31 December 2024

Consolidated income statement

£ million	2024	2023
Revenue	1,576.3	1,487.5
Underlying EBITDA	269.9	242.3
Depreciation and mineral depletion	(99.7)	(88.7)
Share of associate and joint ventures	3.5	2.6
Underlying EBIT	173.7	156.2
Net Interest	(22.9)	(11.3)
Non-underlying items	(25.4)	(10.5)
Profit before tax	125.4	134.4
Tax at effective rate	(29.1)	(28.8)
Profit for the period	96.3	105.6
Adjusted Underlying Basic EPS	34.4p	34.0p

For the year ended 31 December 2024

Balance Sheet

£ million	2024	2023
Property, plant and equipment	939.1	817.2
Right-of-use assets	46.5	45.1
Intangible assets	686.3	520.2
Investment in associate and joint ventures	15.0	14.5
Inventories	135.7	120.1
Trade and other receivables	261.0	228.8
Current tax receivable	1.5	–
Total assets (excluding cash)	2,085.1	1,745.9
Trade and other payables	(283.6)	(278.6)
Provisions	(121.4)	(94.6)
Current tax payable	–	(0.1)
Deferred tax liabilities	(104.2)	(92.0)
Total liabilities (excluding interest-bearing loans and borrowings)	(509.2)	(465.3)
Net Debt	(405.3)	(169.9)
Net assets	1,170.6	1,110.7
<i>Net Debt excluding IFRS 16</i>	<i>(356.6)</i>	<i>(121.9)</i>

For the year ended 31 December 2024

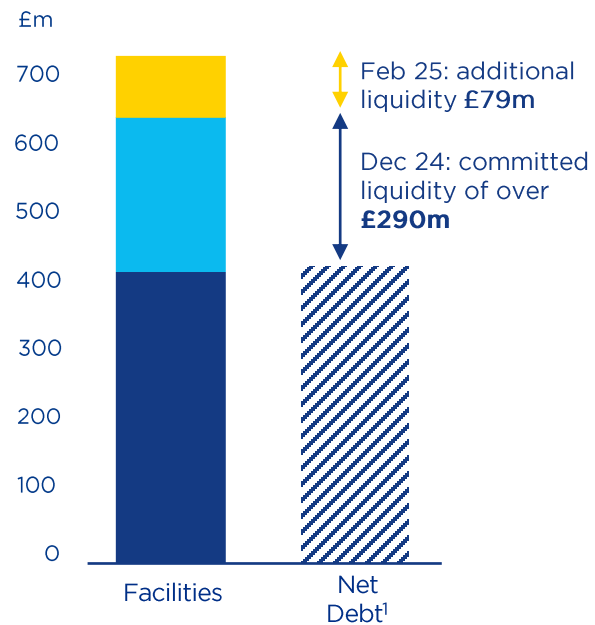
Free Cash Flow

£ million	2024	2023
Underlying EBITDA	269.9	242.3
Working capital and provisions	(16.6)	(8.5)
Net interest paid	(17.6)	(6.5)
Income taxes paid	(24.0)	(32.5)
Net capital expenditure (excluding major capital projects)	(102.2)	(103.4)
Other	4.6	3.4
Free Cash Flow	114.1	94.8
Acquisition of businesses	(271.6)	(19.9)
Dividends paid	(48.3)	(37.6)
Major capital projects	(23.4)	-
Other	(6.2)	(9.5)
(Increase)/Decrease in Net Debt	(235.4)	27.8

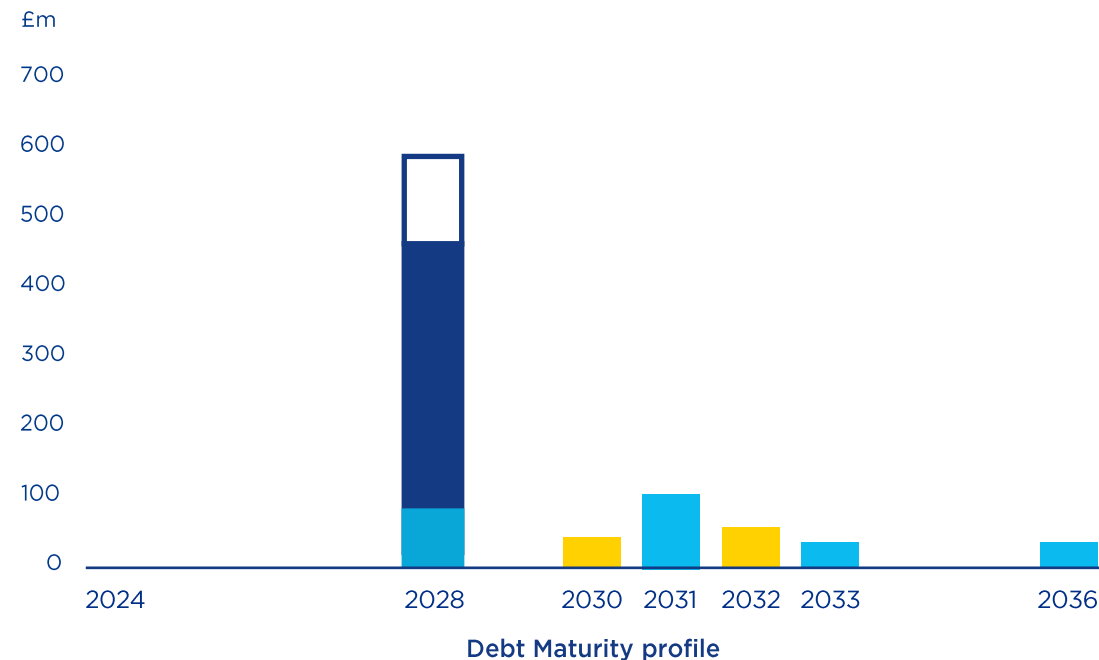
Long-term committed borrowing facilities

RCF upsized to £400m and maturity extended; additional USPP issued post year end

Debt finance positioned to support future growth



Long term debt funding with low cost USPPs at c.2% to c.4% interest providing benefits over several years



Category

- RCF
- 2021 USPP
- 2025 USPP
- Accordion

Facilities summary

- £400 million unsecured RCF
- £250 million USPP (2021), average rate c.2%
- £79 million USPP (2025), average rate c.4%

1. Net Debt as at 31 December 2024 includes IFRS 16 lease liabilities.

Three major capital projects

All substantially completed on schedule and within budget



Primary crusher installation at Hope



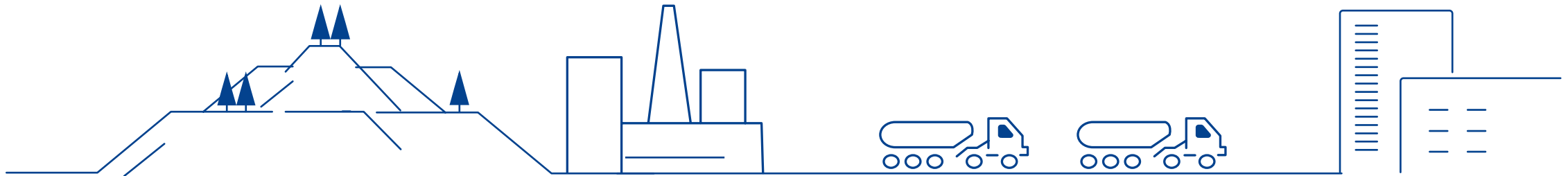
ARM installation at Hope



Solar farm at Kinnegad

Our capital allocation model

Investment as a differentiator



Maximise value through capital deployment

Thoughtful capital deployment

Proactive investment

Reserves and resources replenished

Productivity enhancing investment

Three major capital projects

Three bolt-on transactions

Transformational – BMC acquired

Meeting strategic objectives

Third platform launched

Returns on capital

Strong balance sheet

Excess capital

Dividends

42%

Payout ratio

7%

Increase YOY

Debt reduction since half year

1.4x

Covenant Leverage

Our evolving financial framework

Financial metrics aligned to our strategy

Growth	Revenue	▶ Outperforms our markets
Profitability	Underlying EBITDA margin	▶ 17.5% – 20.5%
	Underlying EBIT margin	▶ 12% – 15%
Cash flow^{1, 2}	FCF generation	▶ >45% FCF generation
Financial discipline	Leverage	▶ 1x – 2x
Returns¹	ROIC	▶ >10%
Dividend	Payout ratio	▶ 40%

Delivering Breedon 3.0

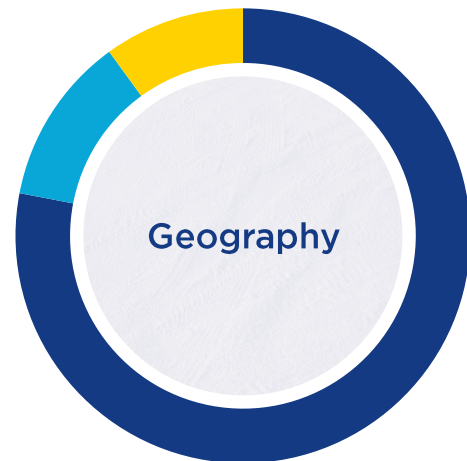
3-5 years

1. Post-tax measure.

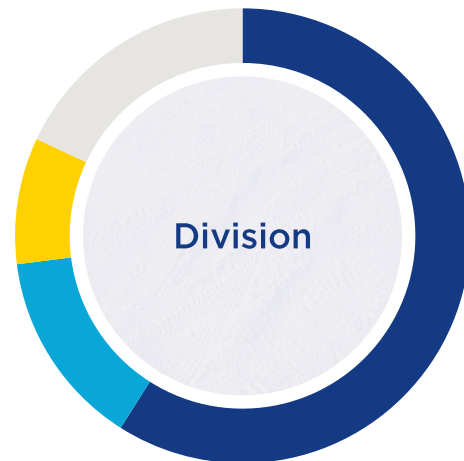
2. Free Cash Flow before major capital projects.

Breedon pro-forma 2024

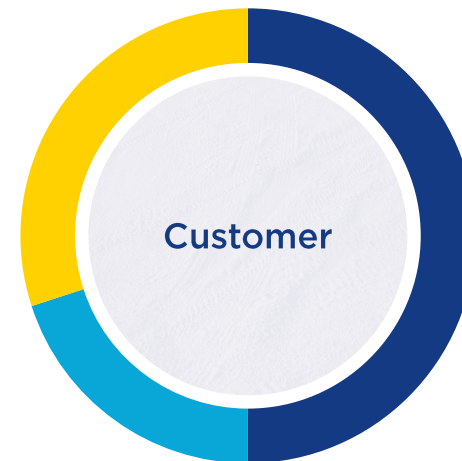
Sales mix



■ UK	78%
■ RoI	12%
■ US	10%



■ Great Britain	59%
■ Ireland	14%
■ US	9%
■ Cement	18%



■ Infrastructure	c.50%
■ Residential	c.20%
■ Industrial & commercial	c.30%



■ Aggregates	30%
■ Cement	20%
■ Ready-mixed concrete	30%
■ Asphalt	20%

Note: Pro-forma refers to reported numbers for 2024 restated to include the impact of the four transactions that took place in 2024 as though they had been completed on 1 January 2024.

1. Product data excludes surfacing, building products and other.

Disciplined cost management

Flexible cost base supported by forward hedging programme

35% Materials & other direct costs

- Includes imported cement, bitumen, subcontractor and direct mineral costs
- Significantly lower cost inflation

21% Other

- Depreciation
- Repairs & maintenance
- Administrative expenses

c.40% Fixed
c.60% Variable



10% Energy, fuels and carbon

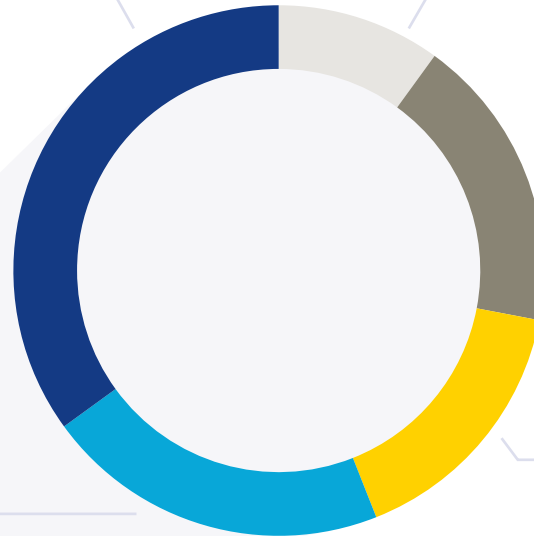
- Energy and carbon costs principally consumed in cement manufacture
- Hedging strategy provides cost certainty and manages risk
- Fuel cost aligned to market rates
- Other fuels purchased at spot and passed on

18% Workforce

- Highly engaged workforce of 4,500 people
- Engagement score 78% in 2024

16% Distribution

- Flexible mix of directly employed and outsourced hauliers
- Costs passed on at point of sale



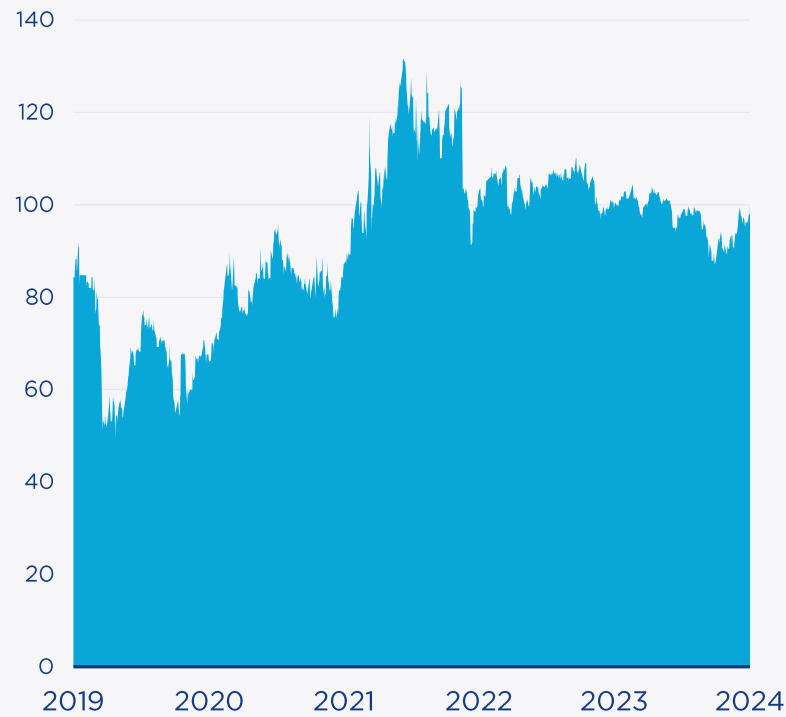
Moderating input cost inflation

Managed through layered hedging approach and dynamic pricing

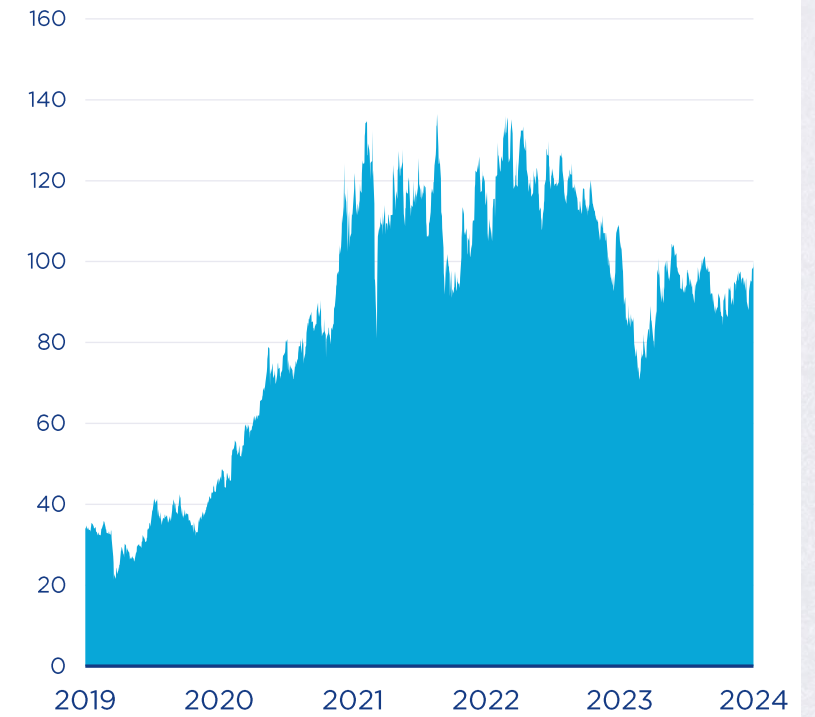
UK Electricity



Bitumen



Carbon

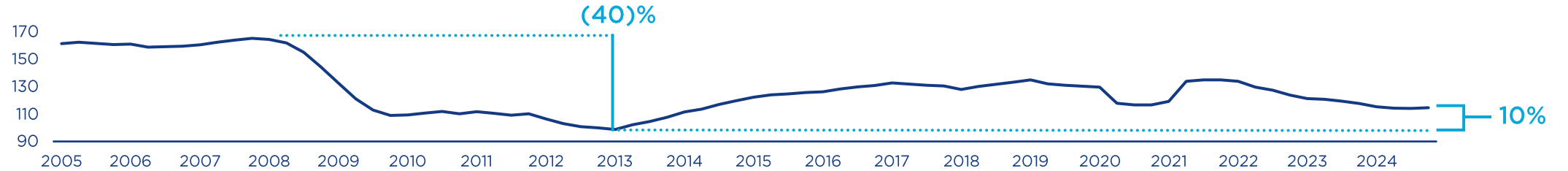


Source: Bloomberg.

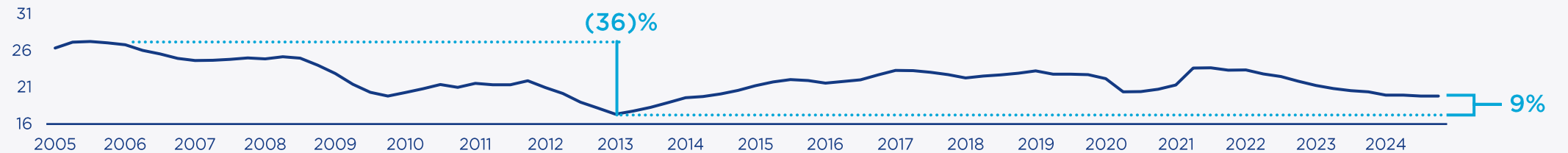
Note: Charts based on 3 month forward electricity price, spot bitumen price and current year EU ETS carbon price, all rebased to 100 at 31 December 2019.

MPA volumes

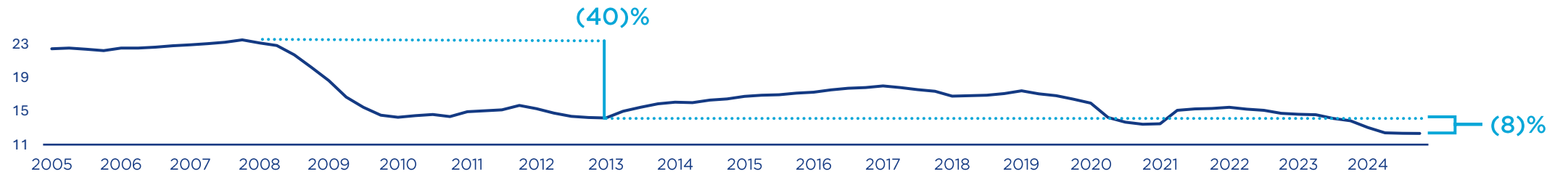
MPA
Aggregates
volumes
(million
tonnes)



MPA
Asphalt
volumes
(million
tonnes)



MPA Ready-
mixed
concrete
volumes
(million m³)



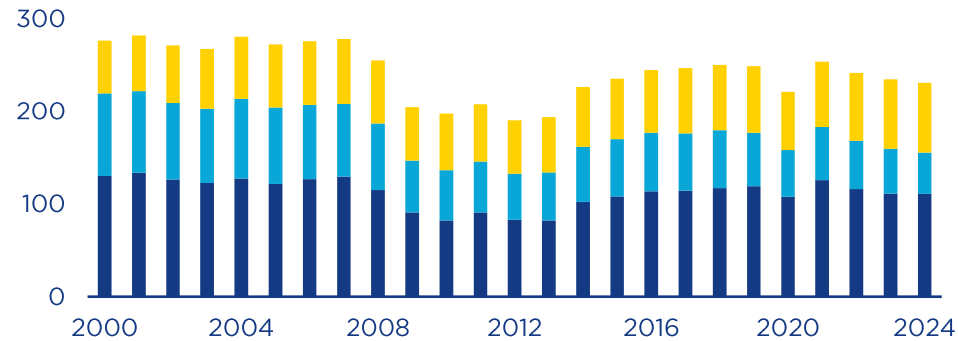
Note: Percentages show the % fall from peak to trough and the % recovery of the peak to trough fall to date. MPA data to Q4 2024.

Source: MPA member volumes. Product volumes reflect total market volumes for primary aggregates and MPA member volumes for asphalt and ready-mixed concrete.

Aggregates pricing outpaces inflation

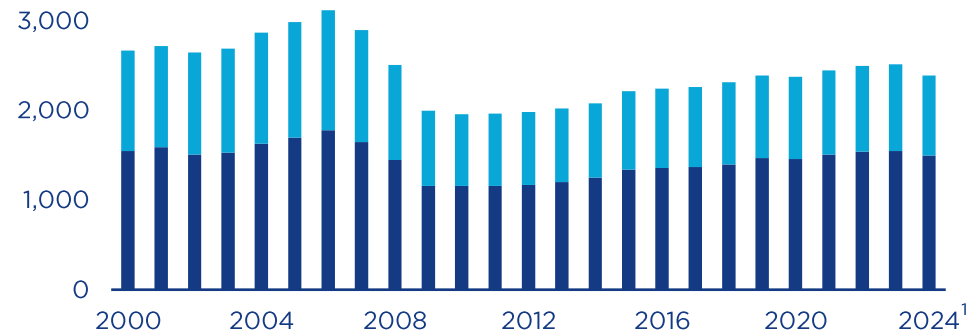
Asset base and local model provide a natural inflation hedge

Aggregates markets supply GB – million tonnes



Source: MPA

Aggregates markets supply US – million tonnes



Source: US Geological Survey

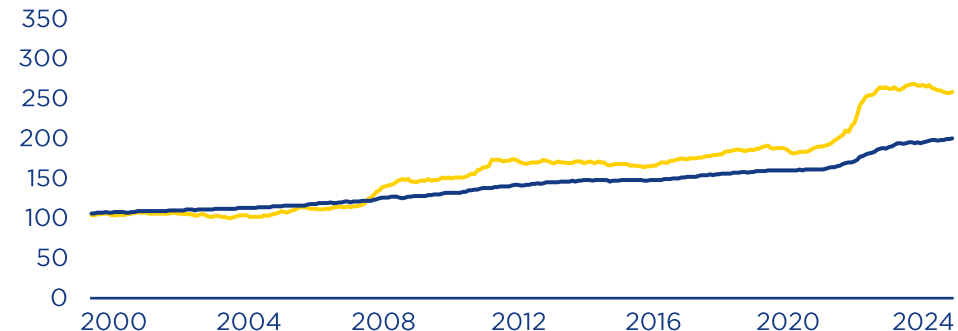
¹ 2024 data is an estimate.

Category

- Crushed rock
- Sand and gravel
- Recycled and secondary

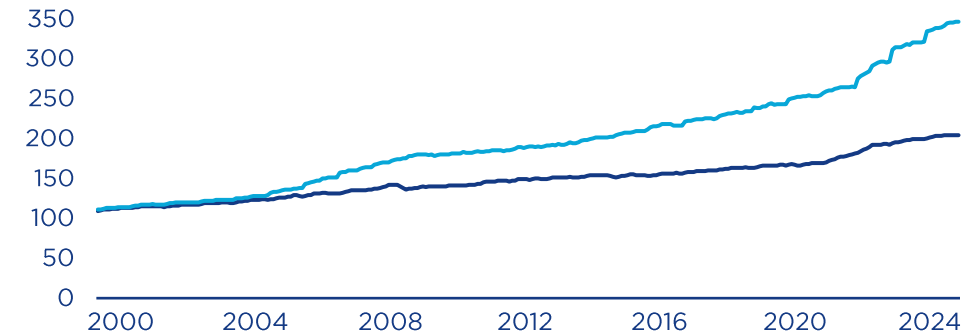
Source: MPA

Aggregates markets outpace inflation UK – indexed to 100 in 2000



Source: ONS

Aggregates markets outpace inflation US – indexed to 100 in 2000



Source: US Bureau of Labor Statistics

Category

- UK PPI: Other mining and quarrying products
- US PPI: Construction sand, gravel and crushed stone
- UK/US CPI Index

Market consensus

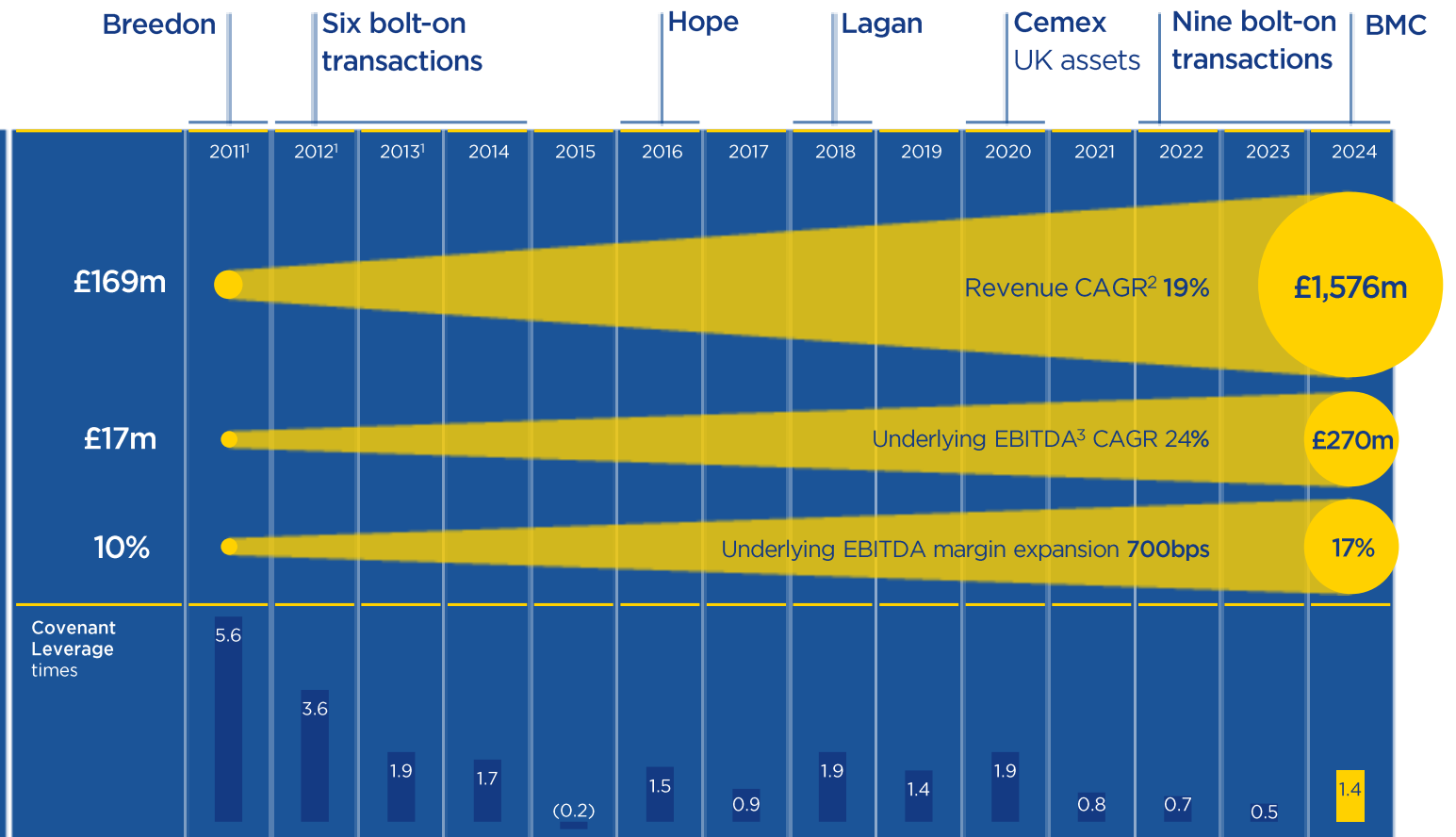
Company compiled as at 27 February 2025

	2024		2025	
	Value	Range	Value	Range
Revenue	£1,602m	£1,569m – £1,667m	£1,693m	£1,651m – £1,774m
Underlying EBITDA	£265m	£262m – £269m	£286m	£281m – £294m
Underlying EBIT	£170m	£167m – £173m	£187m	£178m – £192m
Underlying Basic EPS	33.2p	32.0p – 35.7p	36.6p	35.2p – 37.9p
Net Debt	£423m	£408m – £439m	£382m	£346m – £440m
Dividend per share	13.8p	12.1p – 15.0p	14.9p	14.0p – 15.6p

Investment case

An outstanding track record of sustainable growth

Since our first full year of trading as Breedon, we have undertaken 27 acquisitions while simultaneously pursuing organic growth. In this time, our growth has outpaced our markets, we have successfully converted profits to cash and rapidly reduced leverage following each transaction.



1. Covenant leverage has been calculated on a consistent basis for all periods, following the principles set out in the Group's current debt facility agreements.
 2. CAGR: Compound annual growth rate.
 3. Underlying EBITDA refers to earnings before interest, tax, depreciation and amortisation.

Making a material difference

To be a leading, vertically-integrated international construction materials group

Breedon's Vision

To be a leading, vertically-integrated, international construction materials group

Breedon's Purpose

To make a material difference to the lives of our colleagues, customers and communities

Breedon's Values

To adopt clear authentic behaviours to ensure long-term success



Forward looking statement

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