

Delivering the next chapter of growth

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BREEDON GROUP PLC

Delivering the next chapter of growth

Breedon Group plc ("Breedon" or the "Group"), a leading vertically-integrated construction materials group in Great Britain and Ireland, will host a Capital Markets Event for analysts and institutional investors at the London Stock Exchange today from 3:30 to 5:30pm with registration open from 3:00pm.

Capital Markets Event

The event will include presentations addressing the Group's strategy for long-term sustainable growth.

- **Rob Wood**, Chief Executive Officer, will address the evolution of the Group's strategy to deliver sustainable value for all our stakeholders over the long-term
- **Donna Hunt**, Head of Sustainability, will set out our sustainability framework, our new targets for 2030 and the actions we will take to reach our goals
- **James Brotherton**, Chief Financial Officer, will present the financial framework that underpins our growth and new financial metrics that are aligned to our strategy

Committing to new sustainability targets and KPIs

At our first half results we committed to update stakeholders on our sustainability plans. Today we will show how we can make a material difference to the Planet, People and Places in the coming years and announce new targets and KPIs.

- **Planet:** 30% reduction in gross carbon intensity per tonne of cementitious product by 2030
- **People:** Positively impact more than 100,000 people by 2030
- **Places:** 50% of our concrete and asphalt sales revenue from products with enhanced sustainability attributes by 2030

New financial metrics aligned to our growth strategy

Our financial framework connects our strategy to capital allocation and governs how we balance growth with returns and profitability while maintaining a strong balance sheet. In order to align our financial metrics and our growth aspirations, we will focus on a broader range of targets to be delivered in the next three to five years.

- **Revenue growth to outperform our markets:** Strong track record of organic growth expected to continue, complemented by acquisitions
- **EBIT margin 12% - 15%:** Focused on optimising existing and acquired assets. Prepared to accept some dilution on acquisition provided there is a clear path to margin improvement
- **Free cash flow conversion¹ >50%:** Highly cash generative business, converting over half our EBITDA to cash after regular capital investment
- **Leverage² 1x to 2x:** Maintain financial discipline and a strong balance sheet
- **ROIC³ >10%:** Profitability enhancing actions and capital allocation driving returns on invested capital in excess of 10% and significantly ahead of cost of capital
- **Dividend payout ratio 40%:** Initiated a progressive dividend policy in 2021. Payout ratio of 40% targeted subject to trading conditions

Live webcast

The event and slides can be viewed via a live webcast which can be accessed through the following [link](#) and a recording will be available at the Group's Investor Relations website following the event.

Notes:

1. FCF conversion: Free cash flow relative to post-IFRS16 earnings before interest, tax, depreciation, and amortisation (EBITDA).
2. Leverage is covenant leverage as defined by the Group's banking facilities. This excludes the impact of IFRS 16 and includes the impact of M&A.
3. ROIC: Post-tax return on invested capital.

Enquiries

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About Breedon Group plc

Breedon Group plc, a leading vertically-integrated construction materials group in Great Britain and Ireland, delivers essential products to the construction sector. Breedon holds c.1bn tonnes of mineral reserves and resources with long reserve life, supplying value-added products and services, including specialty materials, surfacing and highway maintenance operations, to a broad range of customers through its extensive local network of quarries, ready-mixed concrete and asphalt plants.

The Group's two well-invested cement plants are actively engaged in a number of carbon reduction practices, which include utilising alternative raw materials and lower carbon fuels. Breedon's c.3,500 colleagues embody our commitment to 'Make a Material Difference' as the Group continues to execute its strategy to create sustainable value for all stakeholders, delivering growth through organic improvement and acquisition in the heavyside construction materials market.

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