



NEWS RELEASE

21 November 2018

BREEDON GROUP PLC (“Breedon” or “the Group”) Trading Update

Trading performance

Breedon delivered another solid performance in the 10 months to 31 October 2018, with increased revenues, improved underlying EBIT and continuing strong cash generation, despite the challenges of a flat construction market in Great Britain (“GB”) and rising input costs.

Group sales volumes of aggregates increased by 21 per cent and asphalt by 45 per cent compared with the prior year. In common with the rest of the market our concrete volumes declined, by 5 per cent. Our cement business performed in line with our expectations¹.

Group revenues grew by 32 per cent to approximately £739 million, including just over six months’ contribution from the former Lagan Group, which traded strongly. The integration of this business is progressing well and we remain confident of delivering the anticipated synergies.

Assuming normal weather conditions for the remainder of the financial year, the Group’s underlying EBIT for the full year is expected to be in line with current market expectations².

Outlook

Forecasters expect GB construction output to be flat in 2018 and to grow modestly next year before picking up pace in 2020. Output in Northern Ireland is forecast to increase steadily over the same period, while the Republic of Ireland is expected to deliver double-digit growth.

We continue to commit substantial investment across our business, which brings us ongoing benefits in terms of enhanced performance and improved productivity. Whilst we are mindful of the likelihood of continuing cost pressures next year, coupled with the unpredictability of the outcome of the Brexit negotiations, we have consistently demonstrated our ability to deliver value for our shareholders, irrespective of market conditions. Accordingly, sustained organic improvement, continuing strong cash generation and our broadening geographical exposure, together with the potential for further bolt-on acquisitions, give us confidence that we will make further progress in 2019.

We will announce our preliminary results for the year ending 31 December 2018 on 6 March 2019.

- ends -

¹ In accordance with the Cement Market Data Order 2016, cement volumes are not disclosed.

² The Group believes that current market expectations for underlying EBIT range from £100 million to £103 million.

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Note to editors

Breedon Group plc is a leading construction materials group in the UK and Ireland. It currently operates two cement plants, around 80 quarries, 40 asphalt plants, 170 ready-mixed concrete and mortar plants, nine concrete and clay products plants, four contract surfacing businesses, six import/export terminals and two slate production facilities.

The Group employs nearly 3,000 people and has nearly 900 million tonnes of mineral reserves and resources. The group's strategy is to continue growing organically and through the acquisition of businesses in the heavyside construction materials market.