



MICHELMERSH
Brick Holdings PLC



2025 Full Year Results

Britain's Brick Specialist

Michelmersh Brick Holdings PLC
Company registration number: 03462378

The Old Boathouse, Maidenhead

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Presentation Team

Ryan Mahoney
Chief Executive Officer

Britain's Brick Specialist

Michelmersh strives to be a well-invested, long term, sustainable and environmentally responsible business dedicated to delivering quality products to its long-term customer base. The Group aims to provide training, security and career progression for all of its employees, whilst acting as a responsible corporate citizen and keeping stakeholder value at the forefront of every decision. The Group aims to lead the way in producing Britain's premium clay products, enhancing the built environment and adding value to the architectural landscape for generations to come.

2025 Multiple Industry Award Nominee



RIBA 





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2025 Overview

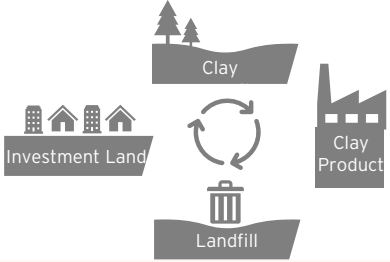
RESIDENTIAL

The Denton, Hertfordshire

Overview

Premium brick and building products manufacturer operating throughout the UK and Benelux regions

c.480 acres of freehold land assets



Lifetime revenue cycle

- Extensive mineral reserves
- Brick and pre-fabricated product manufacturing
- Landfill
- Investment land

Annual capacity

- 120m+ diverse premium brick products
- Prefabrication: Offsite construction for up to 3,000 houses

Well Invested manufacturing facilities

- 5 brick factories
- 4 prefabrication brick component factories

Premium Market Leading Brands

Blockleys	73/65mm Wirecut Bricks / Specials / Clay Pavers
Carlton	73/65mm Wirecut Bricks
FabSpeed	Brick slips and specials / prefabricated components
Floren.be	Multi sized Specification Wirecut Bricks
Freshfield Lane	Clamp-Fired Stock Bricks and specials
Michelmersh	Hampshire Stock Bricks and specials

BLOCKLEYS, TELFORD
Wirecut Bricks & Clay Pavers
Output: 23m bricks

FABSPEED, SKELMANTHORPE
Prefabrication

CARLTON & FABSPEED, BARNSELY
Wirecut Bricks & Prefabrication
Output: 36m bricks

FABSPEED, SHEPSHED
Prefabrication

FLOREN, BRECHT
Specification Wirecut Bricks
Output: 21m bricks

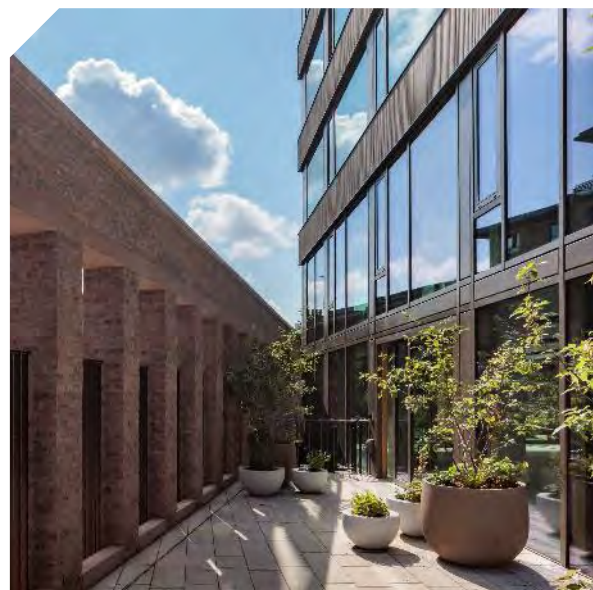
FABSPEED, HADDENHAM
Prefabrication

MICHELMERSH & FABSPEED, ROMSEY
Hampshire Stock Bricks
Output: 7m bricks

FRESHFIELD LANE, SUSSEX
Clamp-Fired Stock Bricks
Output: 34m bricks

Commercial strategy drives resilience

Significant strength in the premium end of the brick market in the UK and Belgium



Strong Core Markets

Broad product portfolio deliberately targeting a diverse range of end customers

Repair Maintenance and Improvement ("RMI"), Housing, Commercial, Urban Regeneration, Specification



Strong Industry Relationships

Collaborative distribution model underpinned by length and depth of relationships with loyal customer base

Targeted order intake through robust distribution model



Premium Product Portfolio

Focus on core competencies and delivering the highest quality brick, paver, prefabricated building components

180 products, diverse end markets

Strategy to deliver earnings progression and Shareholder returns

The Group leverages its premium market presence, resilient earnings, and diverse customer base to generate progressive earnings



PREMIUM PRODUCT A COMMITMENT TO QUALITY

The Group is a leading manufacturer of premium bricks, pavers, special-shaped bricks and prefabricated brick components. Renowned for technical expertise and customer service, Michelmersh continues to invest in innovation and sustainability while maintaining the highest manufacturing and compliance standards.



FUNDAMENTAL DEMAND SUPPORTIVE DEMAND DYNAMICS

The business operates within markets supported by long-term structural demand. A persistent shortage of housing, an ageing brick-built housing stock and government focus on increasing housebuilding activity underpin demand across both new build and RMI sectors.



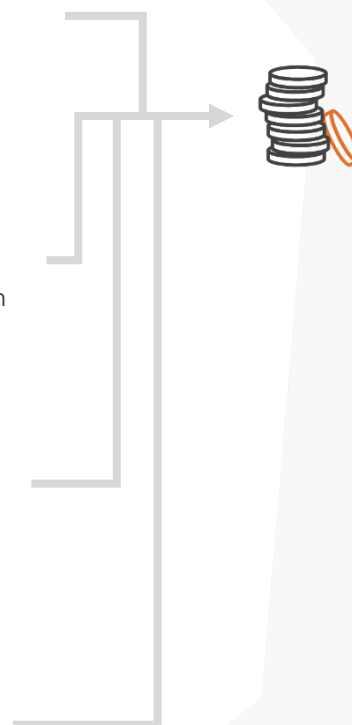
DIVERSIFIED END MARKETS THE FULL FAÇADE SOLUTION

Michelmersh offers a comprehensive façade solution through its broad portfolio of clay products and prefabricated systems. Leveraging the expertise of individual brands, the Group serves a wide customer base across RMI, housing, commercial, urban regeneration and specification-led projects.



DISTRIBUTION ENHANCED ROUTES TO MARKET

With more than a century of combined manufacturing heritage, the Group has established a collaborative and resilient distribution model. Long-standing relationships with customers and distributors underpin a targeted and disciplined approach to order intake, ensuring consistent market access.



FINANCIAL STRENGTH STRONG BALANCE SHEET

Maintaining a robust balance sheet is central to Michelmersh's strategy. Strong operational cash generation supports investment in innovation, sustainability and manufacturing efficiency, while underpinning disciplined shareholder returns.



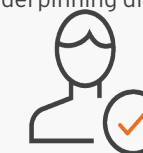
CAPITAL INVESTMENTS

A targeted annual organic capital expenditure programme to enhance efficiency, sustainability and capability.



EARNINGS PROGRESSION

Building financial and operational resilience through disciplined cost control, market diversification and operational excellence.



REGULAR RETURNS TO SHAREHOLDERS

A consistent and disciplined annual shareholder returns policy.

Capital Allocation Framework

A balanced capital allocation strategy for earnings progression and returning value to shareholders

Components:

Target:

1 Maintain a strong balance sheet

Priority to maintain a strong balance sheet to support business plans and cash returns to shareholders

- Target of generating free cash flow to support working capital cycle with disciplined use of other surplus cash.

1

- High cash conversion of adjusted EBITDA.
- Enhanced free cash flow.

2 Capital investments to deliver strategy

Focused annual capex programme

- Maintaining well invested and efficient manufacturing sites.
- Maintaining a premium product portfolio and delivery of best-in-class service.
- Proactive approach to delivery of sustainability initiatives.

2

- Proportional percentage of free cash flow invested annually into sites.
- Well invested Lifecycle.

3 Regular returns to shareholders

Disciplined annual shareholder return policy not exceeding annual free cash flow and surplus cash parameters

- Recognising the importance of ordinary dividends, linked to adjusted EPS.
- Share buy back programme funded through available surplus cash.

3

- Excess capital returned to shareholders.

2025 Highlights

Performance impacted by broad external market conditions; successful operational improvements and delivery of capital allocation policy

- Group revenue down 1.7%, reflecting a robust 2025 UK brick sales performance mitigating challenging markets in Europe and the impact from our continued strategic integration of FabSpeed
- Adjusted operating profit of £8.4 million, down 16.8%, and adjusted profit before tax of £8.1 million, down 18.2%, due to timing of capital improvement activities, interruption caused to production through the relocation and closure of Watlington site, and market challenges in the UK and in Europe
- Adjusted* EBITDA of £12.4m with EBITDA margin at 18.0% (FY24: £14.0m and 20.0%)
- Strong balance sheet maintained despite ongoing challenging markets, with net debt of £0.7 million and available £20 million borrowing facility
- Continued execution of our balanced capital allocation policy, and focus on returns to shareholders, with £2.0m of buybacks executed in the year, contributing to a c. 7% reduction in EPS dilution over the last 3 years through capital repurchasing activities.
- Final dividend per share proposed of 3.00p resulting in full year dividend of 4.60p (in line with 2024), underlining the Board's confidence in the strategic outlook of the business and its focus on the importance of returns for shareholders

** The Directors believe that adjusted measures provide a more useful comparison of business trends and performance. Adjusted results exclude exceptional items, costs associated with acquisitions and aborted corporate transactions, and the amortisation of acquired intangibles. The term adjusted is not defined under IFRS and may not be comparable with similarly titled measures used by other companies..*



2025 Operational Highlights

- Low single digit increase in UK brick despatch volumes in line with management expectations
- Order intake tracked ahead of normalised manufacturing volumes albeit with inconsistent call off rates, highlighting customer uncertainty
- Double digit increase in UK brick production volumes over the prior year a key factor in a highly competitive pricing environment with broader sector despatches increasing by mid-single digits
- Challenging market conditions in Belgium with housing activity approximately 40% below 2022, leading to a significant drop in revenue, despatches and profit in Floren
- Stable UK market share from FY24 demonstrating the quality and customer reach of our products
- Increase in overall UK sector brick production volumes over the prior year resulted in a highly competitive pricing environment
- Active management of input costs on a risk-based approach, with energy costs hedged through FY25 and beyond
- Operational re-organisation
 - Strategic review of pre-fabricated portfolio led to the integration of activities onto our freehold brick sites and relocation of pre-fabricated production lines
 - Exit of subscale specialist clay offering through wind down of Hathern Terra Cotta brand
- Proactive management of our capital improvement programme with £5.5 million invested in site enhancements and efficiency improvements across our manufacturing base



Clive Booth Sudent Village, Oxford

2025 Sustainability Highlights

Strengthening operational efficiency, governance and innovation to support long-term sustainable progress.

Innovation and Long-Term Value Creation

- Prefabrication production integrated into core brick operations
- Innovation Lab established to accelerate testing, research and decarbonisation product development

Compliance

- In advance of European Sustainability Reporting Standards (ESRS) regulation requirements:
 - Double Materiality Assessment (DMA) completed to validate the alignment between our sustainability strategy, business priorities and ESG key performance indicators
 - Inaugural Scope 3 emissions baseline established
- Awarded Code for Production Information (CCPI) assessment mark which is the new code following the review of buildings regulations and fire safety in the UK.

Measurable Decarbonisation Progress

- Tracking our ESG KPIs against 2016 baseline to 2030 targets which has been independently assured
- Energy generation and decarbonisation feasibility projects progressed to underpin progress towards 2030 targets



A Weak at the Knees, London



Financial Review



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2025 Financial Highlights

2024 Comparative

Revenue

£68.9m

£70.1m

Gross Margin

34.5%

35.8%

Adjusted Operating Profit

£8.4m

£10.1m

Adjusted EBITDA

£12.4m

£14.0m

Profit Before Tax

£4.3m

£9.9m

Cashflow From Operations

£10.9m

£10.2m

Basic EPS

4.02p

6.59p

Adjusted Basic EPS

7.50p

8.18p

NAV per share

102.6p

104.0.p

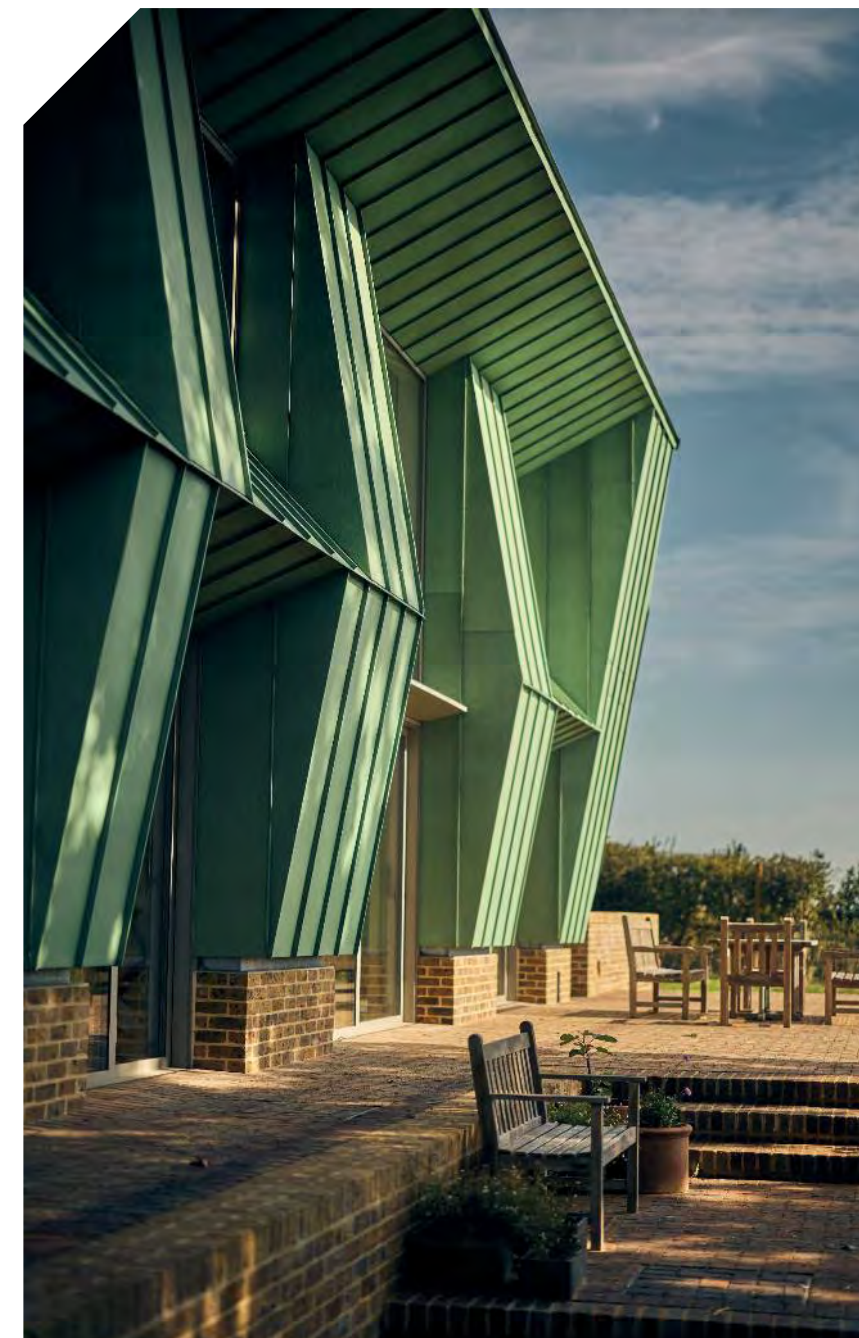


Income Statement

Performance impacted by broad external market conditions alongside successful operational improvements

	Year ended 31 Dec 2025 £M	Year ended 31 Dec 2024 £M	Change
Revenue	68.9	70.1	(1.7%)
Gross Profit	23.8	25.1	(5.5%)
Gross Margin	34.5%	35.8%	(1.3%)
Adjusted central costs	(15.4)	(15.0)	(2.7%)
Adjusted operating profit	8.4	10.1	(16.8%)
Adjusted EBITDA ¹	12.4	14.0	(11.4%)
Finance (expense)/income	(0.3)	(0.2)	(65.4%)
Adjusted profit before tax	8.1	9.9	(18.2%)
Adjusted basic earnings per share	7.50	8.18	(8.3%)

The Directors believe that adjusted measures provide a more useful comparison of business trends and performance. Adjusted results exclude exceptional items, costs associated with acquisitions and aborted corporate transactions, and the amortisation of acquired intangibles. The term adjusted is not defined under IFRS and may not be comparable with similarly titled measures used by other companies.
¹EBITDA is defined as earnings before interest, tax, depreciation and amortisation



Copper Bottom, Oxfordshire

Balance Sheet

Strong balance sheet position underpins financial resilience and capital allocation flexibility

	Year ended 31 Dec 2025 £M	Year ended 31 Dec 2024 £M
Intangible Fixed Assets	21.2	22.6
Tangible Fixed Assets*	71.4	69.4
Net Working Capital	19.6	16.5
Net (Debt)/Cash	(0.7)	6.0
Lease Liability	(2.5)	(2.3)
Deferred Tax	(16.0)	(16.3)
Net Assets	93.0	95.9
NAV Per Share	102.6p	104.0p

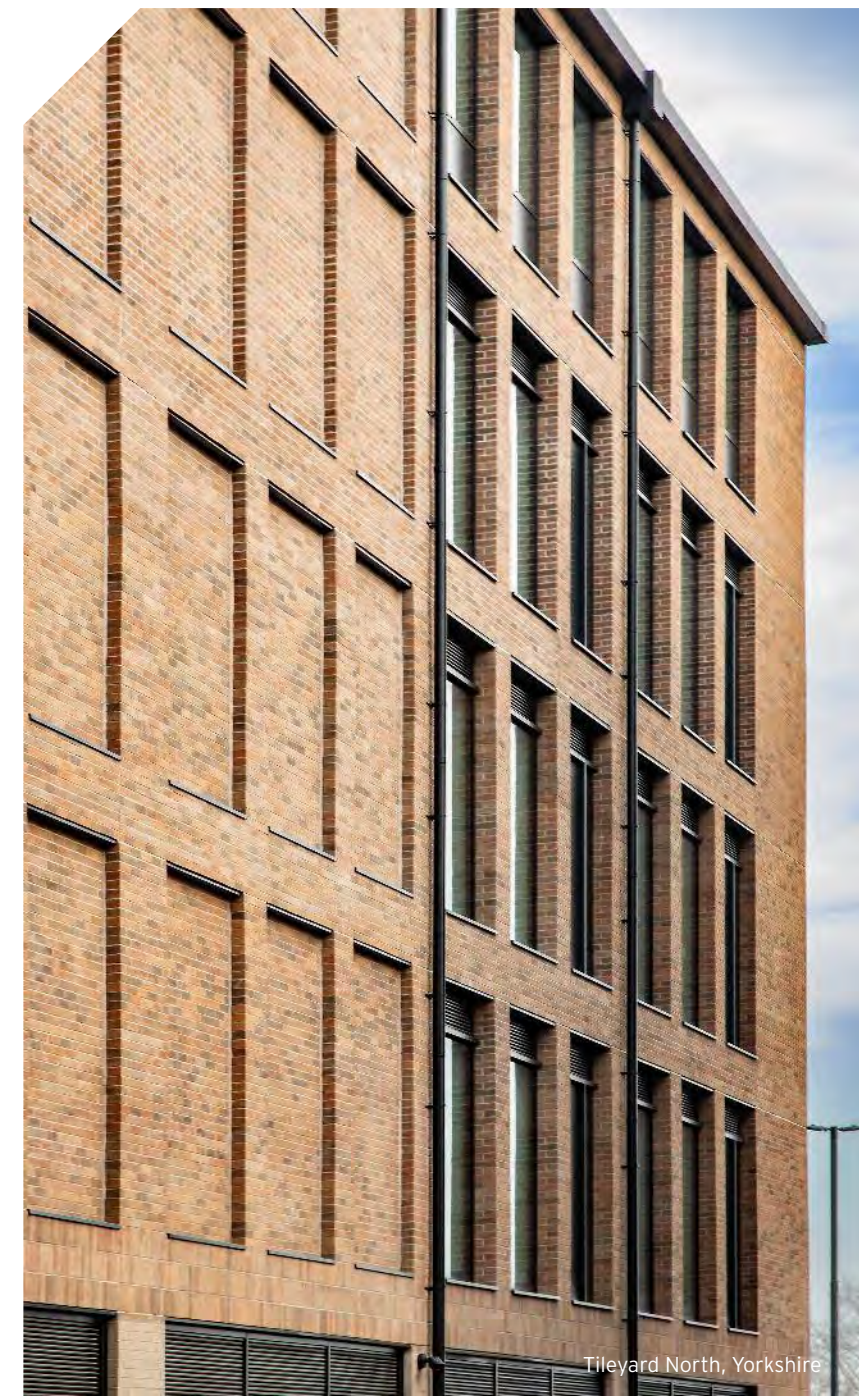
* Included within tangible fixed assets are land and buildings used in operations with a carrying value of £48.7m



Cash Flow

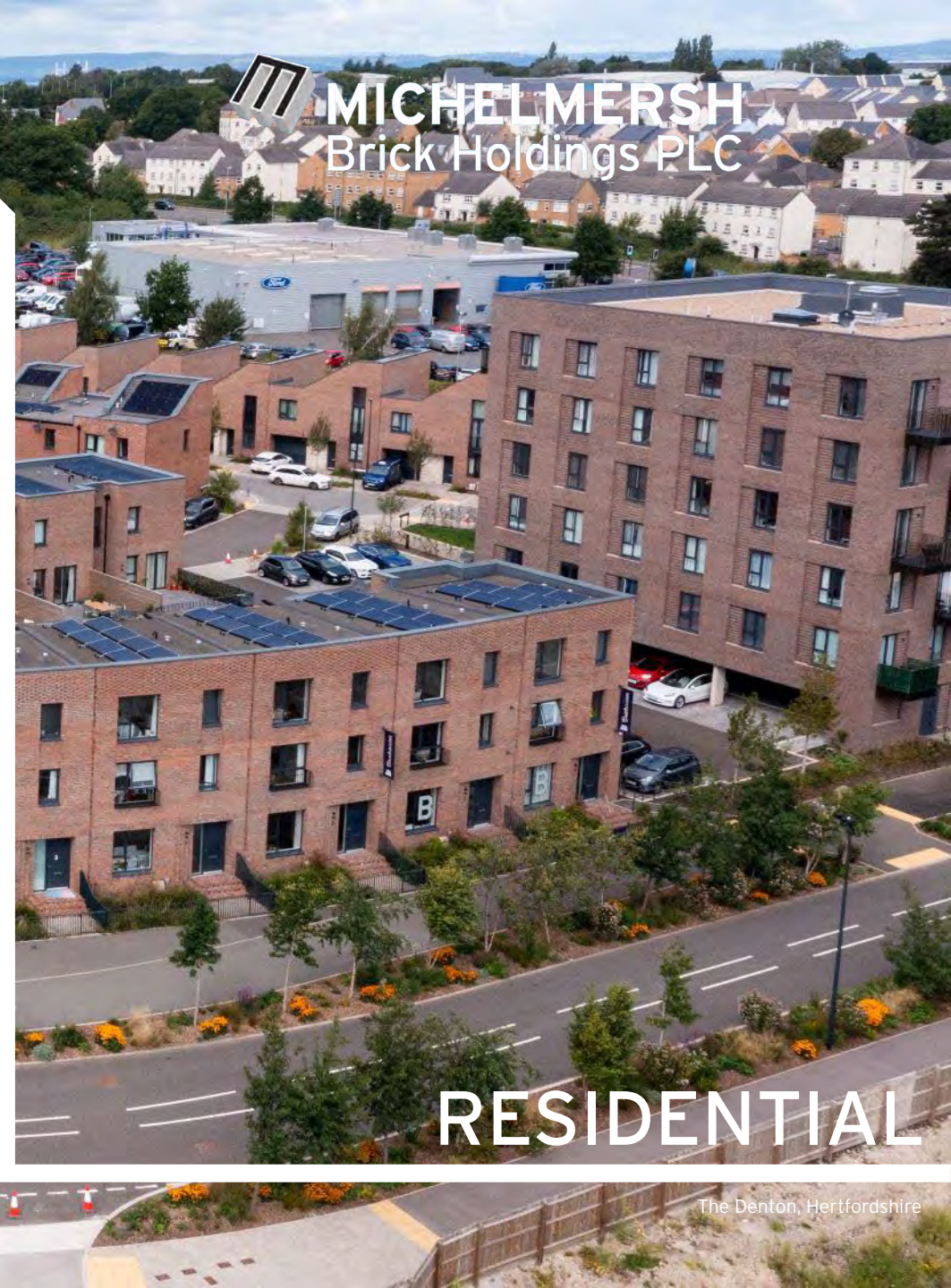
Delivering sustainable operational cash, underpinning our liquidity position

	Year ended 31 Dec 2025 £M	Year ended 31 Dec 2024 £M
Net Cash Generated from Operations	10.9	10.2
Tax Paid	(1.9)	(2.3)
Interest Received / (Paid)	(0.3)	(0.2)
Purchase Of Property, Plant & Equipment	(5.5)	(5.6)
Aborted Corporate Transaction Costs	-	(1.0)
Exceptional Costs	(2.4)	-
Settlement For Exercised Share Options & Share plan purchase	-	(1.0)
Purchase Of Own Shares	(2.1)	-
Lease Payments	(0.9)	(0.8)
Proceeds of loan drawdown	2.0	-
Dividend Paid	(4.3)	(4.2)
Other	(0.2)	(0.1)
Net (Decrease)/ Increase In Cash & Cash Equivalents	(4.7)	(5.0)
Net (Debt)/Cash	(0.7)	6.0





Market Outlook



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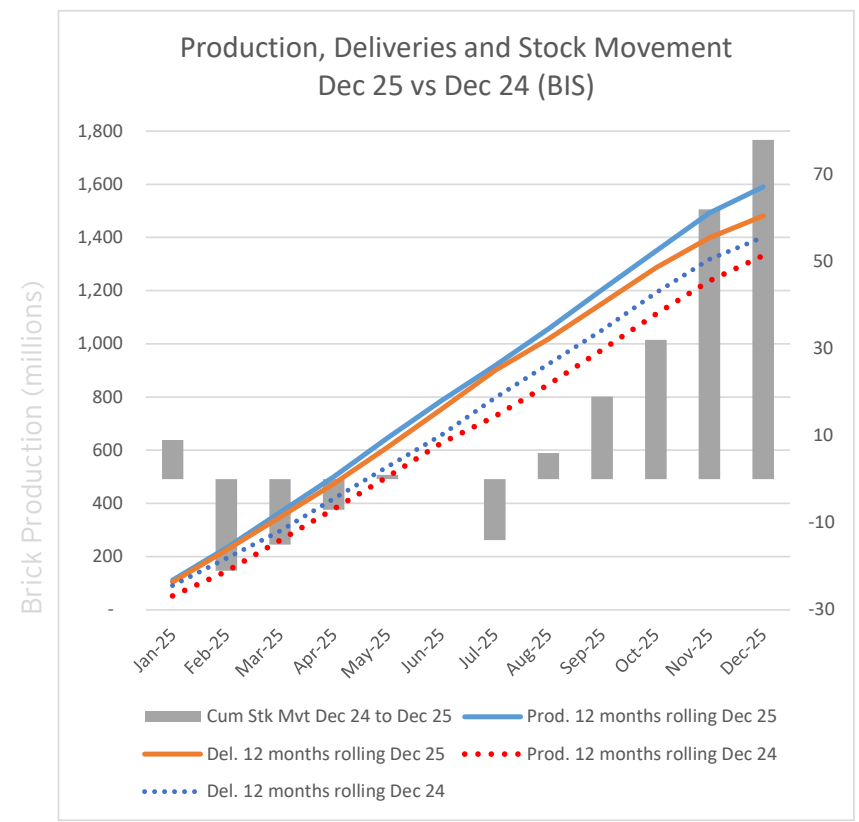
The Denton, Hertfordshire

UK Brick Manufacturing - Current Trends

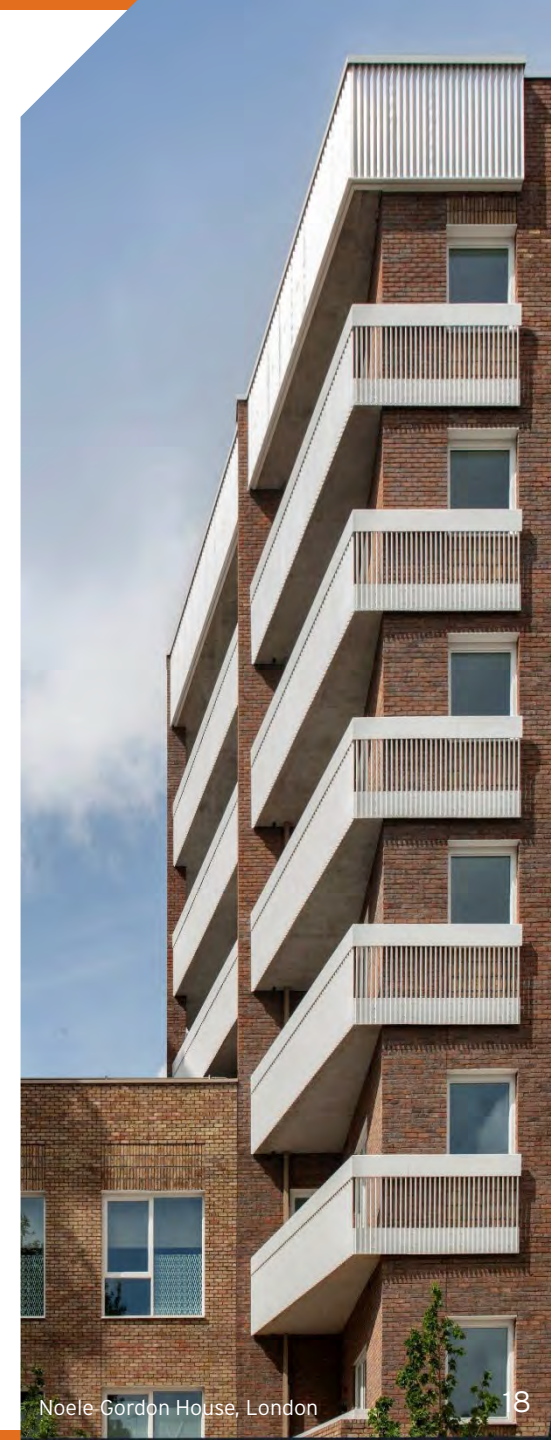
20% contraction in construction sector activity since 2022

Fundamental market drivers remain encouraging

- December 2025 UK brick industry stocks increased year on year by ~80m to ~550m reflecting the increase in production moving ahead of demand, particularly in H2.
- Production ran ahead of despatches for FY25 ~7.5%
- Construction activity remains +20% below FY22 levels
- As expected, imported brick volumes continued with a broadly consistent share of the UK brick market at c. 19% (FY24: c. 18%) across the period to the end of December
 - Longer term, UK domestic market has capacity to meet the expected demand particularly for stock bricks
 - European brick imports remain an important element of the fabric of brick consumption in the UK



(Source: ONS)



Noele Gordon House, London

2025 Market Structure

+20% contraction in UK brick consumption since 2022, Michelmersh market share holding broadly stable

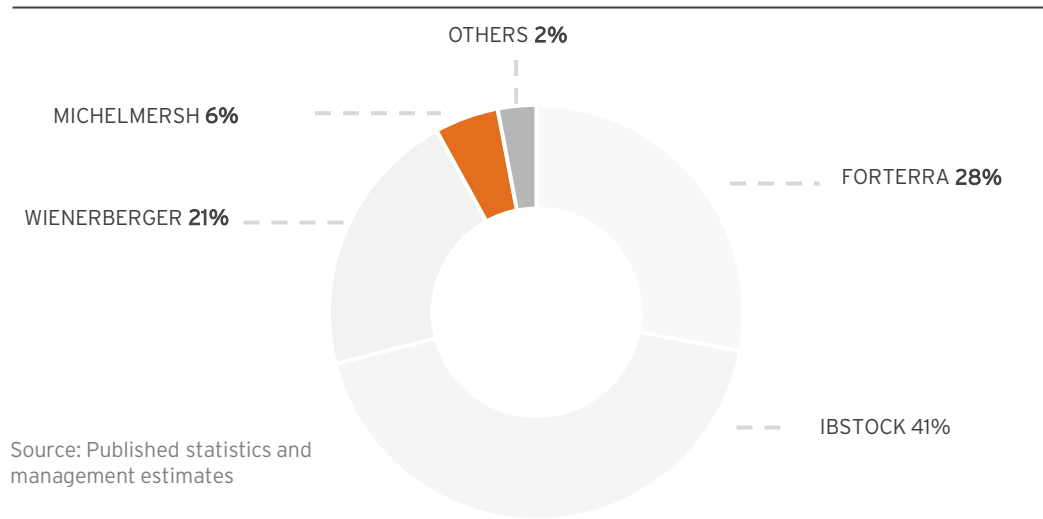
UK brick manufacturing highly concentrated

UK brick consumption

- In FY25 c. 1.8 Billion (FY22 2.5 Billion)
- FY25 UK despatched c. 1.5 Billion, balance of c. 0.3 Billion from imports

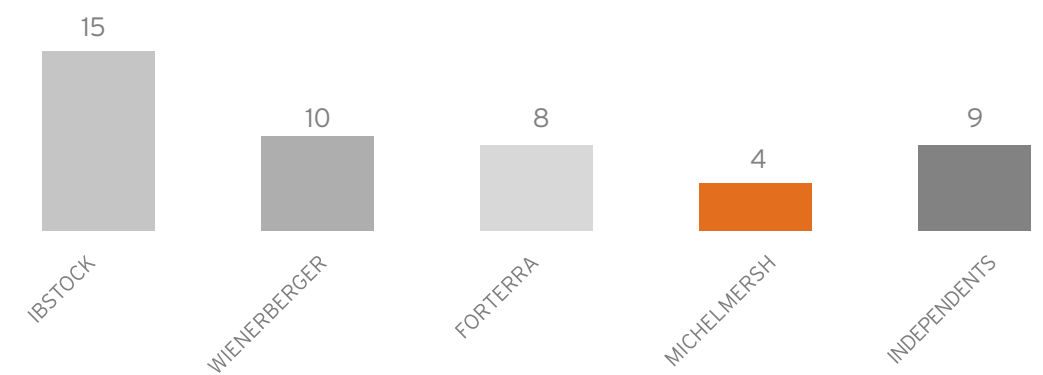
Michelmersh ASP at a premium to the market

UK Manufactured brick - 2025 Market Share



Source: Published statistics and management estimates

UK brick works (normalised)



Supportive UK Housing Dynamics

The Group benefits from an attractive market with supportive structural demand dynamics, UK government policy focused on increasing housebuilding above historic norms and bricks being the RMI market's material of choice

Supportive Demand Dynamics

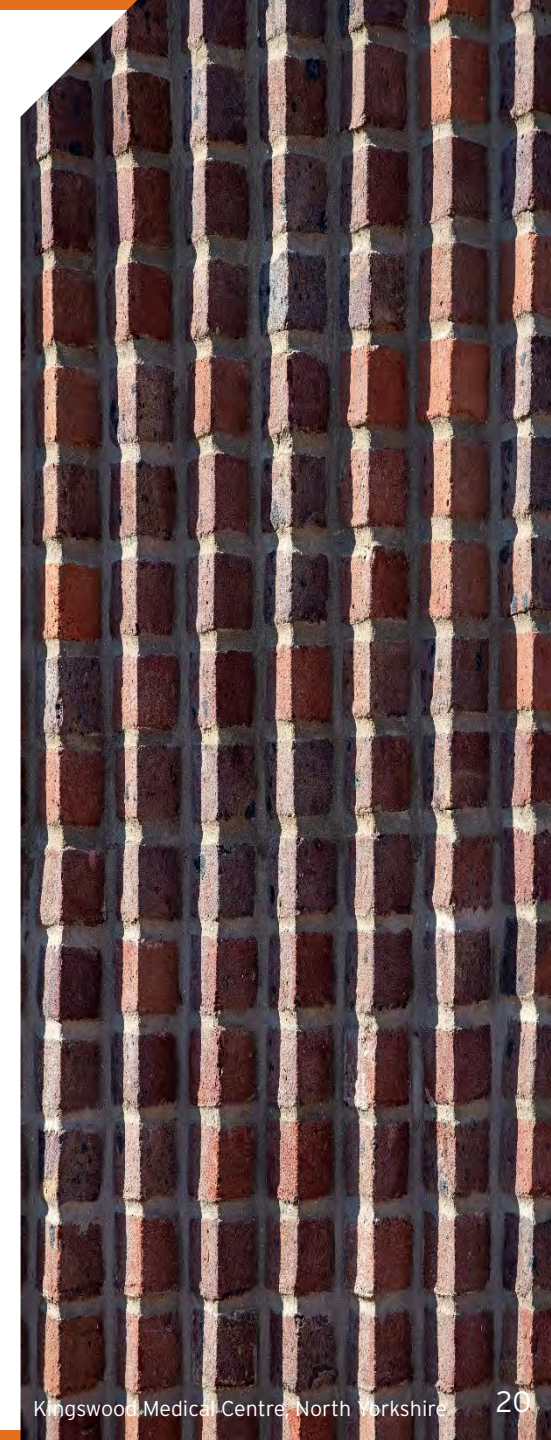
- Critical shortage of new residential and social housing from long-term underbuilding
- Balanced mortgage availability with interest rate outlook for steady rate reductions to help affordability
- Inflation remains ahead of BoE target but with medium term momentum
- UK Population expected to continue to grow over the medium term

Government Policy Priority

- UK Government committed to reversing the long decline in housing formations with target of 300k new homes per annum ahead of 2029
- Government is focused on improvements to the overall planning process and reducing the barriers and red tape to planning approvals
- Stated commitment to quality Social Housing schemes

Repair, Maintenance & Improvement

- Significant legacy and ageing housing inventory constructed with brick facades underpinning future RMI demand
- Brick is a favourable material of choice for high rise cladding remedial work and specification projects
- More stable demand for infrastructure and communal schemes



Outlook

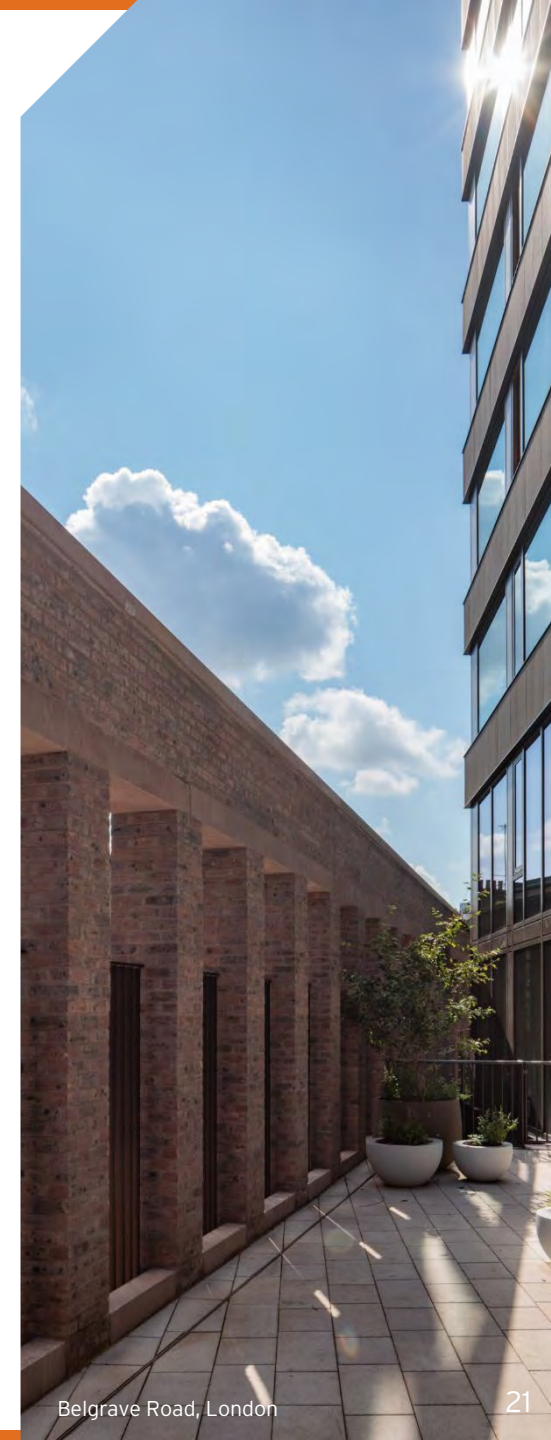
Well placed for Market recovery

Industry

- Critical shortage of UK residential and social housing with supportive Government.
- Brick continues to be the façade material of choice.
- Construction activity remains +20% below 2022 highs due to consumer sentiment and caution.
- UK Production capacity running ahead of demand dynamics
- Capital intensive and complex barriers to entry.

Michelmersh

- Order intake volumes running ahead of manufacturing capacity at the start of 2026 but confidence and predictability from our order intake levels has been diluted over the last 12 months
- Anticipate challenging pricing environment to continue with sector production volumes remaining ahead of despatch volumes
- Energy price hedging in place with over 75% of our expected requirements secured for 2026.
- Strength of balance sheet and operational cash flow generation enabling continued pursuit of a balanced capital allocation policy to drive returns to shareholders
- Medium-term fundamental market drivers remain encouraging with the business well positioned for a market recovery when sustained momentum returns to our end markets
- Whilst the challenging macro headwinds create a challenging trading environment, the Board are confident that the Company will deliver growth in 2026 relative to 2025





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Appendix

The Denton, Hertfordshire

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A Week At The Knees

Our markets

Broad and varied range



NEW BUILD HOUSING



REPAIR, MAINTENANCE & IMPROVEMENTS







COMMERCIAL & INFRASTRUCTURE



A Diversified Clay Offering

With bricks, paving and pre-fabricated products

110+ different types of bricks with a diverse portfolio of other products offered

<p>Clamp Fire Stock</p>	<ul style="list-style-type: none"> • Traditional brick-making method operated from Freshfield Lane • Structure is made by hand with dry bricks, with fuel at the base, enabling the bricks to ignite fully • First Quality Multi brick used for Kingston University Town House, winner of the 2021 Stirling Prize for Architecture 	
<p>Wirecut</p>	<ul style="list-style-type: none"> • Mixture is fed through a die and then cut into brick pieces using wires • Texture can be customised by interchanging dies during extrusion process 	
<p>Hampshire Stock</p>	<ul style="list-style-type: none"> • Michelmersh produce the only genuine Hampshire stock facing brick • Made from the special Reading bed clay seam, which produces colours from warm oranges to dark purples 	
<p>Bricology</p>	<ul style="list-style-type: none"> • Brick habitats designed to protect native British species • Can be installed on new builds and retrofitted to older projects 	

Pre-Fabricated Products

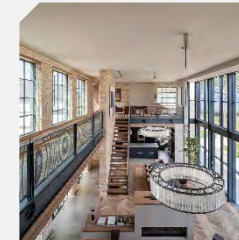
Prefab Chimneys



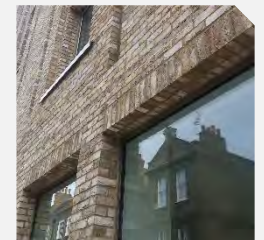
Prefab Arches



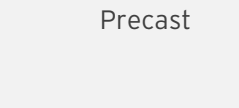
Prefab Arches



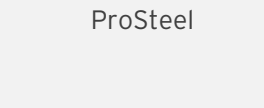
Brick Brick Cladding



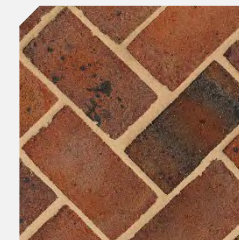
Precast



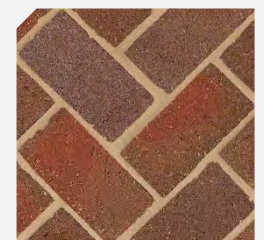
ProSteel



Paving Products



65mm Square Edge Pavers



65mm Hadley Brindle Chamfered Pavers

Sustainability

Shaping Genuine Sustainability

The Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including poverty, inequality, climate change, environmental degradation, peace and justice.

Michelmersh realises the importance of these goals and has set progressive targets against 13 relative aims for positive change to reshape our future.



GOOD HEALTH AND WELLBEING

Ensuring healthy lives and promoting the wellbeing for all of all ages is essential to sustainable development.



QUALITY EDUCATION

Obtaining a quality education is the foundation to improving people's lives and sustainable development.



GENDER EQUALITY

Gender equality is not only a fundamental human right, but a necessary foundation for a peaceful, prosperous and sustainable world.



CLEAN WATER AND SANITATION

Clean, accessible water for all is an essential part of the world we want to live in.



AFFORDABLE AND CLEAN ENERGY

Energy is central to nearly every major challenge and opportunity.



DECENT WORK AND ECONOMIC GROWTH

Sustainable economic growth will require societies to create the conditions that allow people to have quality jobs.



INDUSTRY, INNOVATION, AND INFRASTRUCTURE

Investments in infrastructure are crucial to achieving sustainable development.



REDUCED INEQUALITIES

To reduce inequalities, policies should be universal in principle, paying attention to the needs of disadvantaged and marginalised populations.



SUSTAINABLE CITIES AND COMMUNITIES

There needs to be a future in which cities provide opportunities for all, with access to basic services, energy, housing, transportation and more.



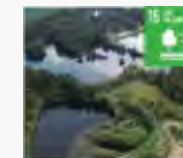
RESPONSIBLE CONSUMPTION AND PRODUCTION

Responsible Production and Consumption.



CLIMATE ACTION

Climate change is a global challenge that affects everyone, everywhere.



LIFE ON LAND

Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss.



PEACE, JUSTICE AND STRONG INSTITUTIONS

Access to justice for all, and building effective, accountable institutions of all levels.

Governance Framework

THE SHAREHOLDERS

THE BOARD

EXECUTIVE
DIRECTOR



RYAN
MAHONEY
CEO



TONY
MORRIS
CHAIR

INDEPENDENT NON-EXECUTIVE
DIRECTORS



PAULA
HAY-PLUMB
SENIOR INDEPENDENT
DIRECTOR



DARREN
WATERS
NON-EXECUTIVE
DIRECTOR

COMMITTEES

NOMINATION
COMMITTEE

RENUMERATION
COMMITTEE

AUDIT
COMMITTEE

EXECUTIVE COMMITTEE

SOUTHERN
COMMERCIAL
DIRECTOR

NORTHERN
COMMERCIAL
DIRECTOR

GROUP
OPERATIONS
DIRECTOR

INNOVATION &
SUSTAINABILITY
DIRECTOR

IT
DIRECTOR

TECHNICAL
DIRECTOR

HR
DIRECTOR

FINANCE
DIRECTOR

Why Use Brick?

Clay bricks are highly regarded in the construction industry for their durability, strength, fire resistance, thermal performance, and acoustic insulation. They offer design flexibility, with a range of colours and textures, and contribute to sustainable building practices. Clay bricks are valued for their longevity, structural integrity, and ability to regulate indoor temperatures to aid in the homeowner reducing energy consumption. Additionally, their local availability and recyclability make them an environmentally friendly choice. Overall, the construction industry appreciates clay bricks for their reliability, aesthetic appeal, and contribution to safe, energy-efficient, and sustainable construction projects.



Recycled Content



Recycled Content



Aesthetic Options



Overheating



Carbon Emissions



Longevity



Air Quality



Climate Resilience



Reusable



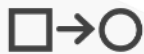
Durability



Low Cost & Strong Value



Thermal Performance



Adaptability



Non-combustible



Locally Sourced