

1 September 2026

Michelmersh Brick Holdings PLC

(“MBH”, the “Company”, or the “Group”)

Half year results for the six months ended 30 June 2026

Resilient performance given ongoing market conditions and trading within full year market expectations

Michelmersh Brick Holdings PLC (AIM: MBH), the specialist brick manufacturer and brick-fabricator, is pleased to report its half year results for the six months ended 30 June 2026.

Financial Highlights:

	30 June 2026	30 June 2025	Change
<i>Statutory results</i>			
Revenue	£32.4m	£35.8m	(9.5%)
Gross margin	37.0%	33.6%	3.4%
Operating profit	£3.1m	£3.0m	3.3%
Profit before tax	£2.8m	£2.9m	(3.4%)
Basic earnings per share	2.56p	2.47p	3.6%
Cash from operations	£1.6m	£3.2m	down £1.6m
Net (debt)/cash	(£5.0m)	£1.5m	down £6.5m
Dividend per share	1.60p	1.60p	-
<i>Adjusted results*</i>			
Adjusted EBITDA ¹	£6.0m	£5.9m	1.7%
Adjusted operating profit	£3.9m	£4.0m	(2.5%)
Adjusted profit before tax	£3.6m	£3.9m	(7.7%)
Adjusted earnings per share	3.33p	3.30p	0.9%

Financial, Strategic and Operational Highlights:

Financial performance

- Resilient first half, with revenue down 9.5% as expected, reflecting the impact of operational integration and a competitive brick pricing environment
- Improved margin performance with a 340 basis point uplift in gross margin to 37.0% and 200 basis point uplift in Adjusted EBITDA margin to 18.5% as a result of a focus on operational cadence and reorganisation activities
- Outperformance of UK market despatch volumes which were down c. 9% in the first half, with the Group down c. 2% over the same period, a result of the diversity of our end markets and the quality of our products
- UK market despatch volumes remain over 25% below 2022 peak on a rolling 12 month basis
- Order intake tracked ahead of manufacturing volumes albeit with inconsistent order book call off rates, highlighting customer uncertainty and ongoing impact of cautious consumer sentiment
- Competitive pricing environment with the Group focused on targeting stable average selling prices to support customers in their strategic decision making
- Fall in UK sector brick production volumes over the prior year of c. 10% supported stable market inventory volumes with production matching despatch volumes through the period
- Active management of input costs on a risk-based approach, with energy costs hedged through the remainder of FY26 at +90% to support ongoing margin improvement
- Cash from operations was lower than the prior period, mainly due to timing of receivables following a quieter Q1 and a stronger Q2 despatch profile

- Strong balance sheet despite challenging markets, with net debt of £5.0 million and available £20 million borrowing facility underpinning financial resilience and flexibility to continue to pursue balanced capital allocation policy

Operational capacity alignment and re-organisation

- 30% reduction in production volumes at our Freshfield Lane facility to address specific ongoing demand challenges in the London and South East markets; on hand inventory available to respond immediately to increased market demand
- Manufacturing operations restarted at our Romsey site in Hampshire in May, following a planned pause of brick making operations from the start of the year, with near-full production from the start of August expected to further enhance margin performance in H2
- Strategic review of Charnwood pre-fabricated facility led to the expansion and relocation of pre-fabricated production lines onto our freehold brick sites
- Charnwood closed all operations at the end of June and the freehold buildings on the site are currently under strategic review. The quarry land at Charnwood, which ceased operations over three years ago, is under a separate freehold and is held as investment land on the balance sheet

Continued delivery of capital allocation policy

- Following two years of significant capex investment activities, normalised £1.5 million invested in H1 targeting data optimisation and efficiency improvements across manufacturing facilities
- Declaration of interim dividend of 1.60 pence (1.60 pence HY25) underlines the Board's confidence in the outlook of the business and its focus on the importance of returns for shareholders

Outlook

- Resilient momentum in our order intake continuing to run ahead of manufacturing volumes, but predicting call-off rates from our forward order book remains challenging
- Commercial teams are watchful of the pricing environment but sector production volumes have been reduced to match despatch volumes which indicates potential for improved sector pricing discipline
- Focus on balance sheet strength, with operational cash flow generation in H2 expected to improve the net debt position, 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
- We continue to expect the Company to deliver performance within full-year expectations², but we remain watchful of the impact from political uncertainty in the UK and overseas from the ongoing conflict in the Middle East combining to further undermine consumer confidence.

Commenting on the results, Tony Morris, Chair of Michelmersh Brick Holdings PLC, said:

"We continue to trade in a highly fluctuating and inconsistent construction market both in the UK and northern Europe. This is highlighted by brick despatches in the UK being c. 9% down in the first half with the added context of still being over 25% down since our last industry high in 2022. The year started with limited momentum from 2025 and this was compounded by the conflict in the Middle East. The added uncertainty of the transitioning landscape of UK Government leadership and potential policy changes has all combined to impact consumers who understandably remain very cautious with their decisions on committing capital which is impacting our customers and markets.

Notwithstanding this trading environment, we are pleased that the Group has grown its UK brick market share and therefore not seen the same degree of reduction in despatch volumes as the wider sector. Alongside, we have focused on margin improvements through production efficiency and delivering on our integration plans for our pre-fabricated portfolio. These integration activities, in conjunction with our pre-fabricated portfolio, being more new build focused, have impacted our headline revenue generation this half but we continue to believe right sizing the operational footprint of the Group and our production capacity is the right strategy to address our competitive end markets and the margin and earnings focus of the Group.

With the continuing strength of our balance sheet, we are positioned well to continue to trade through the ongoing challenging market conditions with the operational focus expected to deliver further margin improvements in H2. We continue to expect the Company to deliver performance within full-year expectations but we remain mindful of the impact from potential policy changes from the new government leadership team in

the UK and overseas from the ongoing conflict in the Middle East combining to further undermine consumer confidence.”

** The Directors believe that adjusted measures provide a more useful comparison of business trends and performance. Adjusted results exclude exceptional items 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. Adjusted performance results are reconciled with these reported results in the Chief Executive Officer's Statement below.*

¹ EBITDA is defined as earnings before interest, tax, depreciation and amortisation.

² Company compiled consensus for FY26 Adjusted EBITDA is a range of £12.9m to £14.3m.

An analyst briefing will be held virtually at 09:30am today. To attend, please email michelmersh@almastrategic.com.

The Company also notes that it will be hosting an online presentation to retail investors at 4:00pm today. Those wishing to join the presentation are requested to register via the following link: https://engageinvestor.news/MBH_IP_0926

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS STIPULATED UNDER THE MARKET ABUSE REGULATION (EU NO. 596/2014) AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018.

Michelmersh Brick Holdings PLC
Ryan Mahoney, Chief Executive Officer

Tel: +44 (0) 1825 430 412

Canaccord Genuity Limited (NOMAD and Broker)
Max Hartley
Bobbie Hilliam
Harry Pardoe

Tel: +44 (0) 20 7523 8000

Alma Strategic Communications
Andrew Jaques
Sam Modlin
Louisa El-Ahwal

Tel: +44 (0) 20 3405 0205
michelmersh@almastrategic.com

About Michelmersh Brick Holdings PLC:

Michelmersh Brick Holdings PLC is a business with six market leading brands: Blockleys, Carlton, FabSpeed, Freshfield Lane, Michelmersh and Floren.be. These divisions operate within a fully integrated business, combining the production of premium, precision-made bricks, pavers, special shaped bricks and prefabricated brick components. The Group also includes a landfill operator, New Acres Limited, and seeks to develop future landfill and development opportunities on ancillary land assets.

Established in 1997, the Company has grown through acquisition and organic growth into a profitable and asset rich business, producing over 120 million clay bricks and pavers per annum. Michelmersh currently owns most of the UK's premium manufacturing brick brands and is a leading specification brick and clay paving manufacturer.

Michelmersh strives to be a well invested, long term, sustainable, environmentally responsible business. Opportunity, training and security for all employees, whilst meeting the needs of stakeholders are at the forefront of everything we do. We aim to lead the way in producing some of Britain's premium clay products and enhancing our environment by adding value to the architectural landscape for generations to come.

We are Michelmersh Brick Holdings PLC: we are "Britain's Brick Specialist".

Please visit the Group's websites at: www.mbhplc.co.uk, www.bimbricks.com and www.sustainablebrick.com

Chief Executive Officer's Statement

I am pleased to report on a robust performance in the first half of our 2026 financial year and provide details on our progress against our strategic objectives. These half year results have again been delivered in challenging trading conditions across the construction industry, with over three years of significant macro-economic

turbulence. Whilst we have seen moments of positivity and momentum, these have been undermined by the range of challenges we have had to face.

Responding to challenging end markets

There are numerous material factors which are impacting our industry but ultimately it all centres on the very understandable cautious consumer sentiment whose decision making supports new build activity and investments in building repairs, maintenance and improvement activities which are two important end market channels for our portfolio. Of particular note for our business is the important London and South East market which principally drives demand for our higher priced premium soft mud products in the south, being Freshfield Lane and our Michelmersh site at Romsey. Whilst the delays in 2025 from the new Building Safety Act and the Gateway 2 and 3 regulations are not now as significant, unfortunately the affordability concerns of consumers and the increased tax and regulatory cost environment for our key developer customers has further undermined the confidence to commit to schemes which now have planning approval. Given the longevity of the unpredictable markets in which we trade, more than ever, the Board is hugely grateful for the work and dedication of all our people across the Group. Through the last six months, the team has overseen significant operational efficiency improvements and integration activities whilst continuing to focus on high quality product manufacturing and customer service.

Whilst the ongoing challenges in our sector are set to stretch beyond four years, the fundamentals in our end markets in the UK and Belgium remain positive. There is a critical shortage of both new residential and social housing, a significant legacy housing inventory constructed with brick facades underpinning future Repairs, Maintenance and Improvement (“RMI”) demand, and requirements for specification and brick-cladding remedial solutions. The new UK Government leadership team has reaffirmed their commitment to increased housing formations with positive statements targeting a greater than 300,000 new homes run rate at the point of exit from this current parliament in 2029. In Belgium, the Government continues to target 70,000 new homes per year to reverse their critical housing shortages, which is set against a historic run rate of 65,000. Our strategic approach remains unchanged by focusing on targeting our broad product portfolio to address a balanced demand across each of these segments. In our view, this underpins future opportunities for our business as we focus on delivering returns for shareholders. The longevity and depth of our customer relationships also supports this approach, and we are focused on maintaining our partnerships by delivering an excellent product and service.

Long-term market dynamics remain positive

Our fundamental core competency remains our significant strength in the premium end of the brick market in the UK and Belgium. We view the long-term fundamentals of these markets as positive, with brick continuing to be the façade material of choice due to its longevity, sustainable and energy efficiency qualities, low-cost base and broad aesthetic appeal. Demand for bricks remains over c.25% below the most recent 2022 high point with the ongoing caution from consumers continuing the long trough in activity levels. UK brick production capacity has largely matched the despatch volumes over the last six months. As a result, inventory volumes for the sector have remained relatively well controlled oscillating around the 550 million level throughout the six month period. However, the nature of our market dynamics continue to make pricing highly competitive in the first half and we will continue to watch with caution to see if any imbalance in supply and demand returns given the fluctuating market conditions.

Strong operating cash generation enables continued delivery of capital allocation policy

The Group has always focused on the importance of generating operational cash and this underpins our confidence to deliver upon our capital allocation policy. This has enabled us to invest in the projects that address our strategic objectives to improve the sustainability and efficiency of our manufacturing operations and support ongoing improvements in production efficiency and integration activities. We remain committed to and focused on the importance of returns to shareholders through maintaining our attractive dividend ratio. The declaration of the interim dividend for the period underlines our confidence in the outlook for the business. Balancing the returns for our shareholders through dividends and buybacks, when we return to a net cash position, alongside ensuring we maintain well invested manufacturing sites are central to the Group’s capital allocation priorities. This strategy leaves us well-positioned to deliver further progress and shareholder value in the second half of 2026 and beyond.

Group Results

Financial Highlights

	Half year ended 30 June 2026	Half year ended 30 June 2025	Change
Revenue	£32.4m	£35.8m	(9.5%)
Gross margin	37.0%	33.6%	3.4%
Adjusted* EBITDA ¹	£6.0m	£5.9m	1.7%
Adjusted* operating profit	£3.9m	£4.0m	(2.5%)
Operating profit	£3.1m	£3.0m	3.3%
Adjusted* profit before tax	£3.6m	£3.9m	(7.7%)
Profit before tax	£2.8m	£2.9m	(3.4%)
Adjusted* basic earnings per share	3.33p	3.30p	0.9%
Basic earnings per share	2.56p	2.47p	3.6%
Dividend per share	1.60p	1.60p	-

**The Directors believe that adjusted measures provide a more useful comparison of business trends and performance. Adjusted results exclude exceptional items 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. Adjusted performance results are reconciled with these reported results in the Chief Executive Officer's Statement below.*

¹ EBITDA is defined as earnings before interest, tax, depreciation and amortisation.

The ongoing challenges in the broader construction market have focused the Group on continuing to be resilient, adaptable and flexible with our manufacturing operations as we target improving our margins, earnings growth and delivering against our capital allocation strategy with a clear understanding on the importance of returning value to shareholders.

Revenue for the six months decreased by 9.5% to £32.4 million over the equivalent period in 2025 (HY25: £35.8 million). Taking the brick despatches separately this performance over the first six months included a c.2% reduction in despatches from the start of the period which was a strong outperformance of the market given the broader 9% decline in our industry over the same period. At the same time, we continued to focus on appropriate portfolio pricing to maintain diversity in our forward order book which supported largely stable average selling prices with a c.2% decline period on period despite a very competitive pricing environment. The remaining impact on revenue performance was as a result of a combination of our own integration activities in our pre-fabricated portfolio and the continued slowdown in new build activity which our FabSpeed brand is more exposed to given the greater variety of end markets for our brick portfolio.

The overall construction environment remains very challenging, which we measure through the sector wide UK brick despatches, which given the period on period decline is now again over 25% below their last peak in 2022, and for context this first half of the year is the second lowest for despatch volumes since 2017. Importantly, we have not seen this level of decline across the Group and we are focused on maintaining our market share in this current environment. We see maintaining our market position in our key end channels as an important indicator reflecting the overall strength of our business model. Our order intake volume remains a very important business indicator for us as this points to the appetite customers have for our product lines, but as we have highlighted over the last 12 months, predicting the timing of call-offs against our order book remains difficult to predict. Fundamentally though, we believe the order book strength reflects the benefits of our product portfolio quality, broad customer reach and the element that is most pleasing is the strong customer loyalty and distributor relationships we have across our end markets. With order intake running ahead of manufacturing capacity across the first half, this visibility continues to support our decision making around production volumes in the UK and Belgium.

The last few years have seen considerable investment and effort by the Group in improving manufacturing operational efficiency, integration activities and ultimately to adapt the Group to appropriately meet the current

normalised level of brick consumption volumes in the UK and Europe, all to support improving our margins back towards more historic norms. Adjusted operating profit of £3.9 million was down 2.5% on the comparative 2025 period (HY25: £4.0 million) and adjusted profit before tax of £3.6 million was down 7.7% (HY25: £3.9 million). We started the year with a planned shutdown of brick making activities at our Romsey site in Hampshire with the plant not manufacturing bricks again until May at a reduced volume, before increasing in August. We also took the difficult decision, given the specific challenges in our London and South East markets, to reduce volumes at Freshfield Lane by c.30% in April with the very unfortunate loss of 30 staff alongside. These difficult decisions were in response to the market in the South of England remaining very challenging and they combined to reduce our manufacturing volumes by nearly five million units in the first half which was partially offset by normalised volumes at Carlton which added back 3 million units. Alongside the integration activities of our pre-fabricated into Romsey and the closure of Charnwood the reduced brick volumes have impacted our H1 profit metrics and we expect further margin improvements in the second half resulting from rightsizing of operations.

We continue to manage our input costs on a risk-based approach and as such, we have secured over 90% of our energy requirements for 2026. At or around this level is an appropriate hedged balance as this represents near full hedging given the potential vagaries of weather and to allow some flexibility to further adapt operational cadence. The Middle East conflict continues to drive material uncertainty and pricing volatility in our utility markets but importantly we also have energy contracts in place for over 60% of our expected requirements in 2027, at pre-conflict prices, with further meaningful contracts into 2028 and 2029. Despite the need to continue to adapt our operations to our fluctuating end market conditions the Group's strategy remains focused on managing our operational efficiency to maximise our financial returns, whilst importantly maintaining a close relationship with our loyal customers through our ability to deliver a greater degree of pricing visibility. The last few years of investing in our inventory will support the Group in ensuring our customers have continuity of product supply but will also give us time to read the market indicators as we look for the moment we believe will come where we have sustained improved momentum in our end market conditions.

Adjusted EBITDA of £6.0 million increased by 1.7% against 2025 (HY25: £5.9 million). This is at a higher margin of 18.5% compared to our HY25 margin of 16.5% largely reflecting the impact of our focus on efficiency and integration efforts that are highlighted above with the Group targeting margin improvement and ultimately the importance of the quality of earnings.

On a reported basis, the results include the impact of the amortisation of acquired intangibles and some exceptional items we incurred over the last six months. The adjustment of £0.7 million for the amortisation of intangibles is in line with 2025. In this six-month period we have incurred exceptional items of £0.1 million, being all related to Group restructuring costs, which was at a lower level than 2025 which was a year of significant change and reorganisation. As a result, operating profit of £3.1 million was 3.3% ahead of 2025 with profit before tax 3.4% down reflecting the more significant cost of interest in the period.

After a tax charge of £0.4 million (HY25: £0.7 million), the Group recorded a profit for the period after tax of £2.3 million (HY25: £2.3 million). The tax rate of 15.1% (HY25: 22.3%) reflects our expected effective Group tax rate for the full year, which is expected to be broadly in line with our effective rate of tax from the 2025 financial year due to the impact of prior year tax credits.

As a result of the above basic earnings per share increased by 3.6% to 2.56p (HY25: 2.47p).

The table below (Adjusted Performance Measures) provides a clear reconciliation of the adjusted performance to the reported numbers.

Adjusted performance measures:

	Half year ended 30 June 2026 £000	Half year ended 30 June 2025 £000	Change	Year ended 31 December 2025 £000
Operating profit	3,094	3,044	3.3%	4,689
Adjustments:				
Exceptional items	147	293		2,374
Amortisation of acquired intangibles	685	687		1,373
Adjusted operating profit	3,926	4,024	(2.5%)	8,436

Depreciation	2,059	1,859		3,969
Adjusted EBITDA	5,985	5,883	1.7%	12,405
Finance income/(expense)	(329)	(102)		(349)
Depreciation	(2,059)	(1,859)		(3,969)
Adjusted profit before taxation	3,597	3,922	(7.7%)	8,087

Basic earnings per share	2.56p	2.47p	3.6%	4.02p
Adjusted basic earnings per share ^a	3.33p	3.30p	0.9%	7.50p

^a The calculation of adjusted basic earnings per share is based on the adjusted profit before tax of £3,597,000, which excludes amortisation of acquired intangibles and exceptional items, then deducting taxation at the effective group rate of 15.1%, and the weighted average number of ordinary shares in issue, below in note 3.

Group Cash and Working Capital

Cash generated from operations for the six months ended 30 June 2026 was £1.6 million, compared to £3.2 million for the same period in 2025. Operating cash conversion from adjusted EBITDA was 26.7%, behind our like for like comparison in 2025 of 54.2% and remaining below our typical first half rhythm of +80%. This was largely the result of the timing of collections for our receivables balances given our quieter Q1 and then a stronger profile of despatches in Q2 across the Group. The level of investment in our property, plant and equipment has reduced to more normalised levels and we expect a similar profile of spend in the second half.

Aside from these specific timing differences we remain very confident in the underlying fundamental cash-generating ability of the business and we expect operating cash conversion to be much stronger in the second half as we move back towards a net cash position which we expect in 2027 and this will continue to underpin the approach to our capital allocation priorities for the Group.

	Half year to 30 June 2026	Half year to 30 June 2025
Net cash generated from operations	£1.6m	£3.2m
Tax paid	(£0.6m)	(£0.9m)
Purchase of property, plant and equipment	(£1.5m)	(£3.8m)
Exceptional payments	(£0.1m)	(£0.3m)
Own shares acquired	-	(£0.3m)
Shareplan purchase	(£0.8m)	(£0.2m)
Lease payments	(£0.5m)	(£0.5m)
Proceeds from sale of land	£0.1m	-
Proceeds from loan drawdown	£4.0m	-
Interest paid	(£0.3m)	(£0.1m)
Dividend paid	(£1.8m)	(£1.5m)
Other	(£0.3m)	(£0.1m)
Net (decrease)/increase in cash and cash equivalents	(£0.2m)	(£4.5m)
Net (debt)/cash	(£5.0m)	£1.5m

At the half year the Group had net debt of £5.0 million (HY25: net cash £1.5 million).

Our operating cash generation, low net debt position and available £20 million Sterling and Euro denominated bank facility provides the Group with considerable financial resilience and flexibility to pursue our capital allocation policy. Our bank facility is committed until August 2028 with a further two 1-year extension options and with net debt on a rolling 12-month basis at 0.4x EBITDA we remain in a strong position given the long period of challenging trading.

Property, plant and equipment

Our capital expenditure in the first half of the current financial year highlights our continued focus on the importance of data and optimising the efficiency of our manufacturing facilities. The principal expenditure over the first half was focused at our Michelmersh site with investments in improving the dryers and brick production

line alongside significant integration activities to establish capacity for the manufacture of the full range of our pre-fabricated production lines, facilitating the closure of Charnwood. We also repurposed part of the space at the Michelmersh site to establish a new innovation lab as we accelerate our plans for raw material innovation to complement our plans for carbon reduction and delivering against our net zero plans.

The decision to reduce production at Freshfield Lane did facilitate the long-planned opportunity to invest in our data and optimisation programme at this key site. Freshfield Lane has been operating at full capacity for many years and we see this investment through the first half and continuing into the second half as providing real insight to support manufacturing efficiency at this unique site which produces bricks through a clamp fired process with a much longer production cycle process than the more common tunnel kiln process which is prevalent in the UK and northern Europe.

Sustainability

Sustainability remains one of the four core pillars of our business, guiding investment and operational improvements across the Group. During the first half, we made strong progress in translating our energy and carbon strategy into a programme of practical projects designed to improve operational efficiency, strengthen resilience and support our net zero 2050 ambitions.

We have invested in our data and optimisation programme, providing greater insight into manufacturing performance and enabling opportunities to reduce energy consumption, improve yields and drive further efficiencies across our operations. We have also secured planning permission for a further on-site solar energy project, supporting the continued expansion of our renewable generation capacity. Alongside these initiatives, we are progressing the development of a major decarbonisation project, representing an important step in the delivery of our longer-term energy and carbon reduction roadmap. Together, these projects demonstrate our continued commitment to targeted, scalable investment that delivers both operational and environmental benefits.

Dividend

The Board recommended a final dividend in respect of 2025 of 3.00 pence per ordinary share to shareholders. The dividend was approved by shareholders at the AGM on 21 May 2026 and as a result the liability for the dividend payment was accrued in the 30 June 2026 interim accounts with the £2.8 million payment made after the half year end on 8 July 2026.

Reflecting our recognition of the importance of our dividend policy to shareholders, the Board has declared an interim dividend of 1.60 pence per ordinary share ("pps") (30 June 2025: 1.60pps). The dividend will be paid on 7 January 2027 to members on the register on 27 November 2026 and is not accrued in the 30 June 2026 interim accounts. The ex-dividend date will be 26 November 2026. With this interim dividend declaration, the Board is maintaining its policy of one third of the total annual dividend being paid at the interim stage and two thirds of the expected total annual dividend being paid at the full year.

Outlook

The lack of positive momentum in our construction markets in the UK and northern Europe continues to test our strategy and the resilience of our business model and people. In our principal regions, our key measure of the demand dynamics is the volume of brick despatches, and these are still over 25% below the most recent high of 2022 with the 9% reduction in the first half dragging back the modest progress made in 2025. This is a long trough in construction activity and our response, given the lengthy duration of the downturn, has been to be flexible and adaptable with our business operations. Adjusting and flexing our production output with the added focus on integrating our portfolio onto our freehold brick sites supports our core competencies of continuing to invest in well-maintained and efficient operations that manufacture the highest quality premium brick products for our customers. We believe that our business has remained resilient over the last three and a half years of difficult trading and this has largely been achieved through the quality of our people and our ability to address a broad range of end markets. Following the robust first half, maintaining a well-balanced forward order book through appropriate engagement to support our customers with their strategic decisions is essential as we look to deliver a stronger second half with a clear target of improved margins and earnings progression.

In the UK, current order intake is running ahead of our manufacturing capacity, but as we highlighted at the year end, assessing the timing of despatches against our order book remains very challenging given the compounding nature of regulatory costs and shallow consumer confidence for our customers. In Belgium the market is showing more positive signs and we have expanded our commercial team on the continent as we see more opportunity to grow our market share into Holland specifically as we see our portfolio as well suited for this brick centric

market. Consequently, we are very pleased for our people that Floren has not paused production this year and we expect to return to our historic pattern of planning one annual shutdown in December. The significant strength of our balance sheet continues to underpin our ability to invest in inventory and in turn flex our production planning whilst we continue to navigate the difficult and undulating market conditions. Our commercial teams are focused on continuing to diversify across RMI, housing, commercial, social and specification projects and this whole market strategy continues to underpin our resilient outlook and what we see as market outperformance.

Despite the lower consumer demand in our sector, we remain well placed at the premium end of the brick market in the UK and Benelux markets. The new UK Government leadership team has continued to emphasise its focus on improving the overall planning process to deliver its 300,000 annual new home target over the remainder of this parliament. These elements indicate that the long-term fundamentals of our markets are positive, with brick continuing to be the façade material of choice due to its longevity, sustainability and energy efficient qualities in use, low cost and broad aesthetic appeal. We believe we are well-positioned operationally to benefit from an improvement in wider market conditions which unfortunately in the near term remains difficult to predict.

The active risk management of our cost base has supported our ability to focus on consistent pricing for our customers and we will focus on our partnerships and collaboration with our customers as we move into the second half and prioritise forward demand.

We are in a net debt position for this half year but we expect our current £5.0m of net borrowing to be our low point and we expect positive cash flow generation in the second half to reduce this position with the anticipation that we will return to a cash position in 2027. Combining this strong position with our available £20 million borrowing facility provides the Group with both considerable financial resilience and flexibility to deliver upon our capital allocation policy as we focus on delivering further value for our shareholders.

There is significant market commentary on our sector but the difficult market conditions largely centre on a lack of confidence for consumers and their affordability concerns. Pointing to a moment where we expect activity levels in our sector to increase with sustained positive momentum is very challenging and in response we are set on our approach of adapting our manufacturing output and responding swiftly to changing market dynamics. We remain confident that the medium-term market drivers for our business are encouraging. We believe we have an attractive and competitive portfolio, evidenced by our order intake across the first half, and it is these indicative fundamentals that underpin our view that we remain resilient as a business, supported by the strength of our balance sheet.

Despite the prevailing trading conditions, while we currently expect the Company to deliver performance within full-year expectations, we are watchful of the continuing political instability within the UK and overseas and any resulting impact on inflation and the interest rate environment combining to further undermine consumer confidence

Ryan Mahoney
Chief Executive Officer

Consolidated Income Statement

	6 months ended 30 June 2026 £'000	6 months ended 30 June 2025 £'000	12 months ended 31 December 2025 £'000
	Unaudited	Unaudited	Audited
Revenue	32,421	35,769	68,895
Cost of sales	(20,428)	(23,752)	(45,144)
Gross profit	11,993	12,017	23,751
Administration expenses	(8,240)	(8,362)	(17,822)
Amortisation of acquired intangibles	(685)	(687)	(1,373)
	(8,925)	(9,049)	(19,195)
Other income	26	76	133
Operating profit	3,094	3,044	4,689
Finance expense	(329)	(102)	(349)
Profit before taxation	2,765	2,942	4,340
Taxation	(418)	(656)	(690)
Profit for the period	2,347	2,286	3,650
Basic earnings per share attributable to the equity holders of the company	2.56p	2.47p	4.02p
Diluted earnings per share attributable to the equity holders of the company	2.54p	2.41p	3.94p

Consolidated Statement of Comprehensive Income

	6 months ended 30 June 2026 £'000 Unaudited	6 months ended 30 June 2025 £'000 Unaudited	12 months ended 31 December 2025 £'000 Audited
Profit for the financial period	2,347	2,286	3,650
Other comprehensive income/(expense)			
<i>Items which may subsequently be reclassified to profit or loss</i>			
Currency movements	(283)	133	277
<i>Items which will not subsequently be reclassified to profit or loss</i>			
Revaluation deficit of property, plant and equipment	-	-	(1,755)
Revaluation surplus of property, plant & equipment	-	-	657
Tax credit on exercise of options	-	-	87
Deferred tax on revaluation movement	-	-	(274)
	(283)	133	(1,008)
Total comprehensive income for the financial period	2,064	2,419	2,642

Consolidated Balance Sheet

	As at 30 June 2026 £'000 Unaudited	As at 30 June 2025 £'000 Unaudited	As at 31 December 2025 £'000 Audited
Assets			
Non-current assets			
Intangible assets	20,548	21,905	21,238
Property, plant and equipment	71,164	72,565	71,374
	91,712	94,470	92,612
Current assets			
Inventories	20,621	18,921	20,170
Trade and other receivables	15,544	14,889	10,819
Cash and cash equivalents	1,037	1,514	1,292
Corporation tax receivable	230	-	127
Total current assets	37,432	35,324	32,408
Total assets	129,144	129,794	125,020
Current liabilities			
Trade and other payables	14,843	16,325	11,509
Lease liabilities	885	799	978
Interest bearing borrowings	6,000	-	2,000
Corporation tax payable	-	821	-
Total current liabilities	21,728	17,945	14,487
Non-current liabilities			
Lease liabilities	1,592	1,891	1,514
Deferred tax liabilities	15,982	16,269	15,982
	17,574	18,160	17,496
Total liabilities	39,302	36,105	31,983
Net assets	89,842	93,689	93,037
Equity attributable to equity holders			
Share capital	19,181	19,181	19,181
Share premium account	16,724	16,724	16,724
Other reserves	18,986	22,858	22,078
Retained earnings	34,951	34,926	35,054
Total equity	89,842	93,689	93,037

Consolidated Statement of Changes in Equity

	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total Equity
	£'000	£'000	£'000	£'000	£'000
As at 1 January 2025 (Audited)	19,181	16,724	22,764	37,262	95,931
Profit for the period	-	-	-	2,286	2,286
Currency difference	-	-	131	-	131
Total comprehensive income	-	-	131	2,286	2,417
Share based payment	-	-	114	-	114
Released on exercise of options	-	-	(151)	-	(151)
Purchase of own shares	-	-	-	(347)	(347)
Dividends paid	-	-	-	(1,502)	(1,502)
Dividends payable	-	-	-	(2,773)	(2,773)
As at 30 June 2025 (Unaudited)	19,181	16,724	22,858	34,926	93,689
Prior year profit/loss adjustment	-	-	33	(33)	-
Profit for the period	-	-	-	1,364	1,364
Currency difference	-	-	144	-	144
Revaluation deficit	-	-	(1,755)	-	(1,755)
Revaluation surplus	-	-	657	-	657
Tax credit on exercise of options	-	-	-	87	87
Deferred tax on revaluation	-	-	274	-	274
Total comprehensive income	-	-	(647)	1,418	771
Share based payment	-	-	367	-	367
Released on settlement of options	-	-	(71)	224	153
Purchase of own shares	-	-	-	(1,627)	(1,627)
Shareplan purchase	-	-	(152)	-	(152)
Sale of land	-	-	-	112	112
Deferred tax on share options	-	-	(277)	-	(277)
Dividend payable	-	-	-	2,773	2,773
Dividend paid	-	-	-	(2,772)	(2,772)
As at 31 December 2025 (Audited)	19,181	16,724	22,078	35,054	93,037
Profit for the period	-	-	-	2,347	2,347
Currency difference	-	-	(283)	-	(283)
Total comprehensive income	-	-	(283)	2,347	2,064
Share based payment	-	-	137	-	137
Released on exercise of options	-	-	(2,113)	2,113	-
Shareplan purchase	-	-	(833)	-	(833)
Sale of land	-	-	-	16	16
Dividends paid	-	-	-	(1,826)	(1,826)
Dividends payable	-	-	-	(2,753)	(2,753)
As at 30 June 2026 (Unaudited)	19,181	16,724	18,986	34,951	89,842

Other reserves consists of merger reserve, FX reserve, revaluation reserve and share based payment reserve.

Consolidated Statement of Cash Flows

	6 months ended £'000 30 June 2026 Unaudited	6 months ended £'000 30 June 2025 Unaudited	12 months ended £'000 31 December 2025 Audited
Net cash generated by operations	1,615	3,175	10,898
Exceptional payments	(147)	(293)	(2,374)
Taxation paid	(564)	(896)	(1,858)
Net cash generated by operating activities	904	1,986	6,666
Cash flows from investing activities			
Purchase of property, plant and equipment	(1,517)	(3,787)	(5,546)
Proceeds from sale of land and buildings	109	33	145
Investment in intangible assets	-	(4)	(24)
Net cash used in investing activities	(1,408)	(3,758)	(5,425)
Cash flows from financing activities			
Proceeds of loan drawdown	4,000	-	2,000
Interest received/(paid)	(329)	(102)	(349)
Lease payments	(549)	(483)	(934)
Shareplan purchase	(833)	(152)	(152)
Purchase of own shares	-	(347)	(1,974)
Dividends paid	(1,826)	(1,502)	(4,274)
Net cash generated by /(used in) financing activities	463	(2,586)	(5,683)
Net decrease in cash and cash equivalents	(41)	(4,358)	(4,442)
Cash and cash equivalents at beginning of period	1,292	6,004	6,004
Foreign exchange differences	(214)	(132)	(270)
Cash and cash equivalents at end of period	1,037	1,514	1,292
Cash and cash equivalents comprise:			
Cash at bank and in hand	1,037	1,514	1,292

NOTES TO THE GROUP INTERIM REPORT

1. GENERAL INFORMATION

Michelmersh Brick Holdings PLC ("the Company") is a public limited company incorporated in the United Kingdom under the Companies Act 2006 (registration number 3462378). The Company is domiciled in the United Kingdom and its registered address is Freshfield Lane, Danehill, Haywards Heath, West Sussex, RH17 7HH. The Company's Ordinary Shares are traded on AIM, part of the London Stock Exchange plc. Copies of the Interim Report and Annual Report and Accounts may be obtained from the address above, or at www.mbhplc.co.uk.

2. ACCOUNTING POLICIES

Basis of preparation

The interim financial information in this report has been prepared using accounting policies consistent with IFRS as adopted by the United Kingdom. IFRS is subject to amendment and interpretation by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee and there is an ongoing process of review and endorsement by the United Kingdom. The financial information has been prepared on the basis of IFRS that the Directors expect to be adopted by the United Kingdom and applicable as at 31 December 2026. The group has chosen not to adopt IAS 34 "Interim Financial Statements" in preparing the interim financial information.

Statutory accounts

Financial information contained in this document does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006 ("the Act"). The statutory accounts for the year ended 31 December 2025 have been filed with the Registrar of Companies. The report of the auditors on those statutory accounts was unqualified and did not contain a statement under section 498(2) or (3) of the Act.

The financial information for the six months ended 30 June 2026 and 30 June 2025 is unaudited.

3. EARNINGS PER SHARE

The calculation of earnings per share is based on a profit of £2,347,000 (six months ended 30 June 2025 –£2,286,000; 12 months ended 31 December 2025–£3,650,000) and 91,760,886 (at 30 June 2025 92,448,069 and 31 December 2025, 90,659,952) being the weighted average number of ordinary shares in issue, excluding those held in the employee benefit trust.

Diluted

At 30 June 2026 there were 516,118 (June 2025: 2,288,179, and at 31 December 2025: 1,882,635) dilutive shares under option leading to 92,277,004 shares (30 June 2025: 94,736,248, and at 31 December 2025: 92,542,587) being the weighted average number of ordinary shares for the purposes of diluted earnings per share. A calculation is performed to determine the number of share options that are potentially dilutive based on the number of shares that could have been acquired at fair value, considering the monetary value of the subscription rights attached to outstanding share options.

Own shares held

At 30 June 2026 142,693 (30 June 2025 – 893,010; 31 December 2025 – 886,200) ordinary shares were held by Michelmersh Brick Holdings PLC Employee Benefit Trust (the "EBT") and are intended to be used to satisfy the exercise of share options by employees. The EBT is a discretionary trust for the benefit of the Company's employees, including the Directors of the Company. Dividends on these shares have been waived.

The market value of the shares held in the trust at 30 June 2026 was £0.1m (30 June 2025 £1.0m and 31 December 2025: £0.8m). An additional 357,427 shares were acquired by the trust in the period, from previously held treasury shares, to add to the 886,200 brought forward from 2025 in order to facilitate

1,100,934 of shares which were used in the period to satisfy awards following the vesting of shares relating to Company share incentive schemes.

As a result of the share buyback programme which operated through to the end of 2025, 4,000,000 shares are currently held in treasury and excluded from the weighted average share calculations and the dividends on these shares have been waived.