BREEDON

MAKING A MATERIAL DIFFERENCE

Introduction to Breedon Group plc

Autumn 2023

Forward looking statement

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Trading update November 2023

Trading update - November 2023

Outlook for full year ahead of expectations

Trading performance

- Strong performance year to date
  - Revenue increased 8% in the first ten months of 2023 or 5% on a like-for-like[1] basis
  - Revenue increased 4% in the four months to 31 October or 1% on a like-for-like[1] basis
- Robust pricing and operational excellence more than offset the effect of moderating volumes
- Continued to generate good free cash flow, on track to deliver a further reduction in covenant leverage

Outlook

- Expect to achieve full year underlying EBIT ahead of market consensus[2].
- The latest CPA Autumn report forecast continues to show a soft construction outlook driven by low levels of housing activity
- In the Republic of Ireland the large budget surplus and falling debt burden enabled further commitments to infrastructure and housebuilding
- Long-term structural growth drivers in infrastructure and housebuilding remain in place

Notes:
1. Like-for-like reflects reported values adjusted for the impact of acquisitions and disposals.
2. Company compiled consensus can be found on the Breedon IR website Analysts & consensus estimates - Breedon (breedongroup.com); FY23 consensus mean Underlying EBIT including associates and joint ventures of £147.6m.

Breedon introduction

Operating in line with our core principles

Maximising the return on every tonne of material we produce

Our Purpose

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

Our Vision

To be a leading vertically-integrated international construction materials group

Our Values

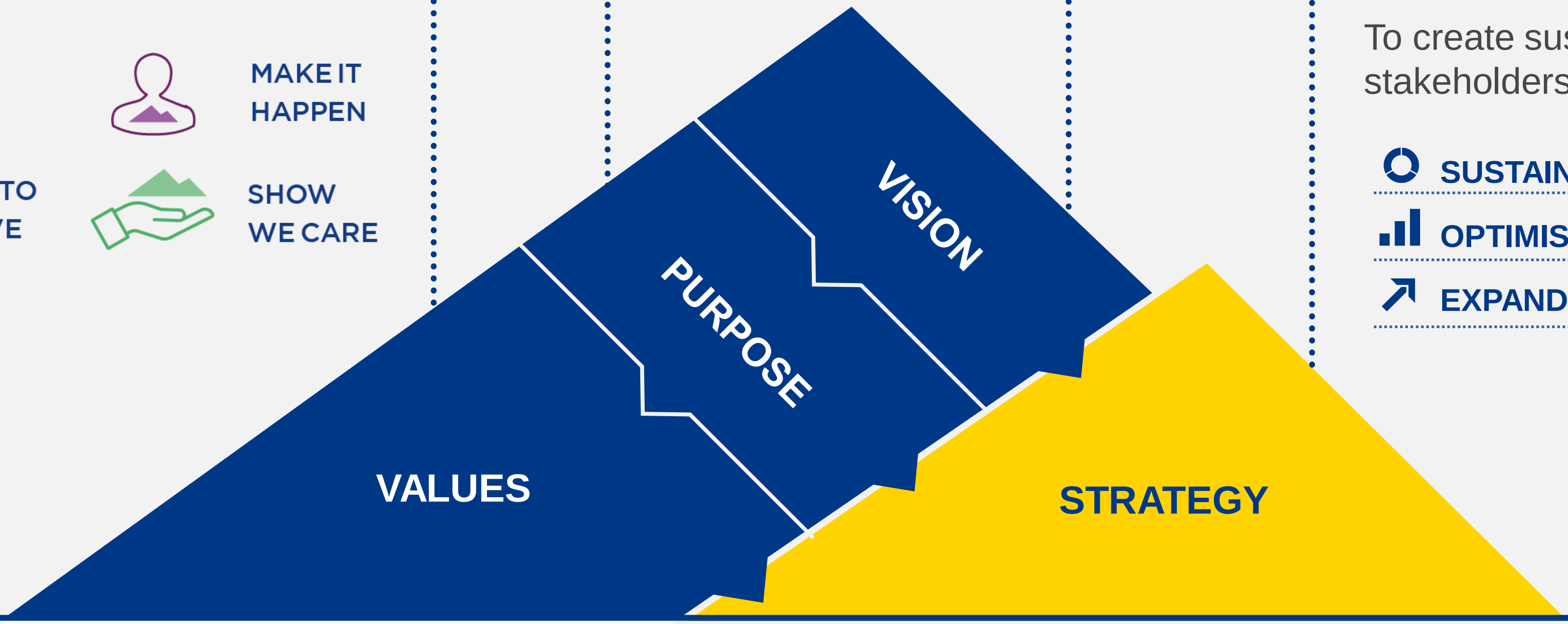
To adopt clear authentic behaviours to ensure long-term success

- KEEP IT SIMPLE
- MAKE IT HAPPEN
- STRIVE TO IMPROVE
- SHOW WE CARE

Our Strategy

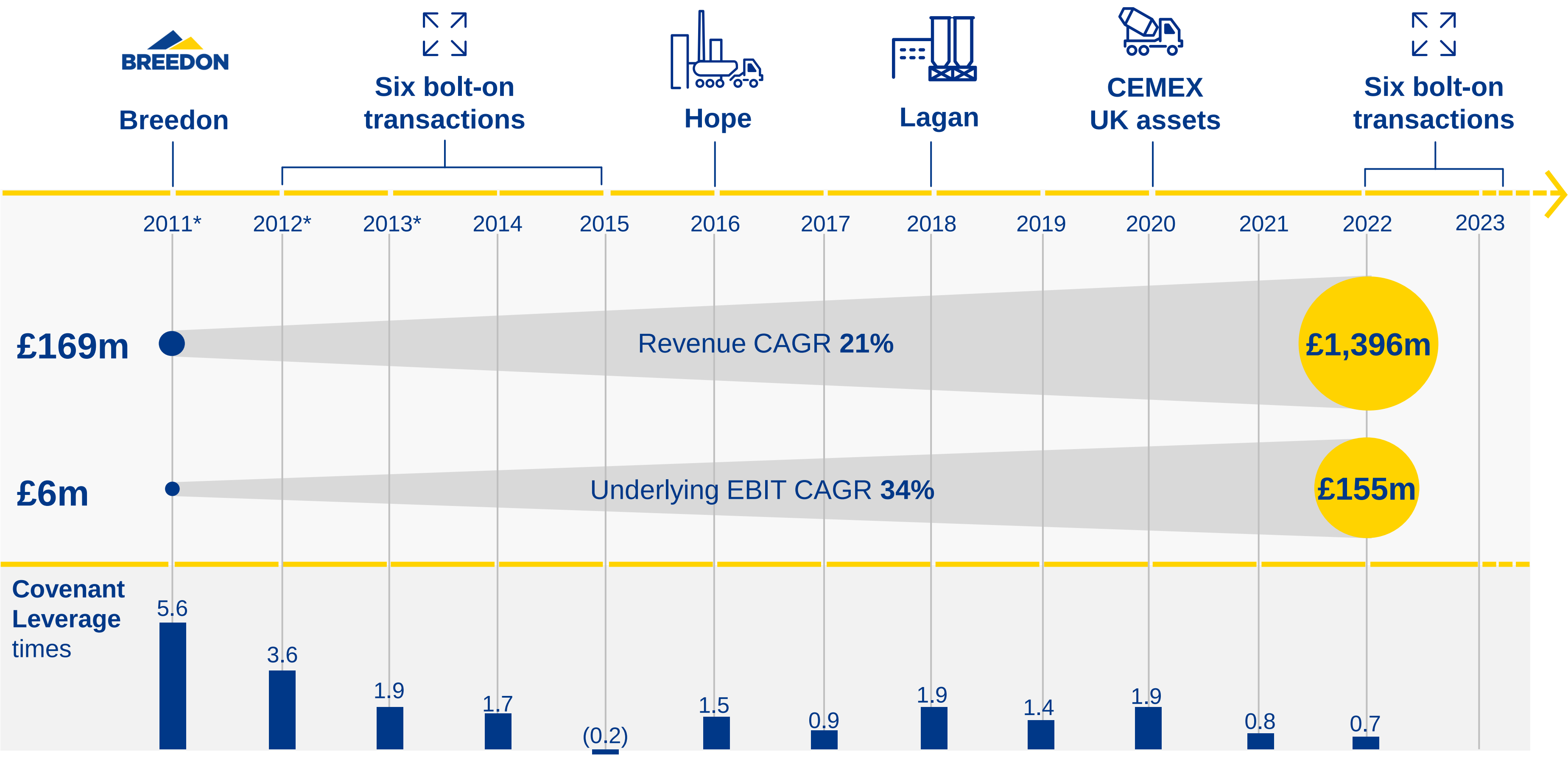
To create sustainable value for all stakeholders over the long-term

- SUSTAIN
- OPTIMISE
- EXPAND

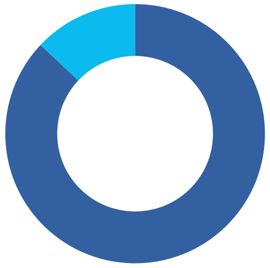


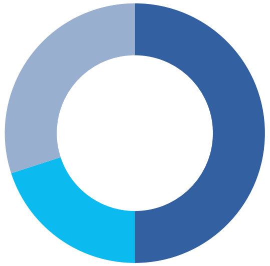
Track record of sustainable growth

Successfully converting profits to cash



*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.





Vertically-integrated model

Growing profitably. Maximising returns

Maximising value from quarry to customer

- Drawing material through the model enhances margins and returns

Supplying local markets driven by regional dynamics

- Local sales and distribution mirrors the local market
- Teams empowered to make timely entrepreneurial decisions

Buy and build platform

- Rigorous land management and extensive mineral planning pipeline
- Organic investment enabled by our healthy balance sheet
- Footprint enhanced through acquisition
- Trusted owner of assets with an active M&A pipeline

Sustainable growth strategy

Making a material difference

Sustain
Sustainability considerations guide all of our decisions

Optimise
Continuously improving efficiency

Expand
Through organic and inorganic growth

Financial framework
Supporting our strategy through investment and capital allocation

Investment as a differentiator

Thoughtful approach to capital allocation

Maximise value through capital deployment

Disciplined capital deployment

Investment opportunities

ORGANIC
- Reserves and resources
- Business investment

M&A
- Bolt-on
- 3rd platform exploration

Strategic objectives

- Profitable growth
- Margin improvement
- Strong balance sheet

Excess Capital

- Dividends
- Debt reduction

Interim results 2023

Strong first half

Full year expectations maintained

Highlights

Resilient end-markets

Structurally growing end-markets, long-term customer relationships, vertically-integrated model and deep local market knowledge

Robust operational performance

Dynamic pricing tailwind more than offset expected lower volumes, complemented by operational excellence and full cost recovery

Strategic execution

Three strategic bolt-on transactions, accompanied by organic investment while reducing leverage

Vertically-integrated, local operating model delivers robust performance

Strategic priorities gaining momentum

Significant milestones achieved

Highlights

Sustain
Progressed SBTi commitment, on track for a CDP rating, key partner in the Peak Cluster initiative, further increased Cement alternative fuel use

Optimise
Initiated operational excellence reviews, driving business improvement and standardising processes

Expand
Aggregates footprint extended in Ireland, further vertical integration in GB, investment in the mineral pipeline

Breedon moved to trade on the Main Market

2023 interim financial highlights

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Increased earnings underpinned by a strong balance sheet

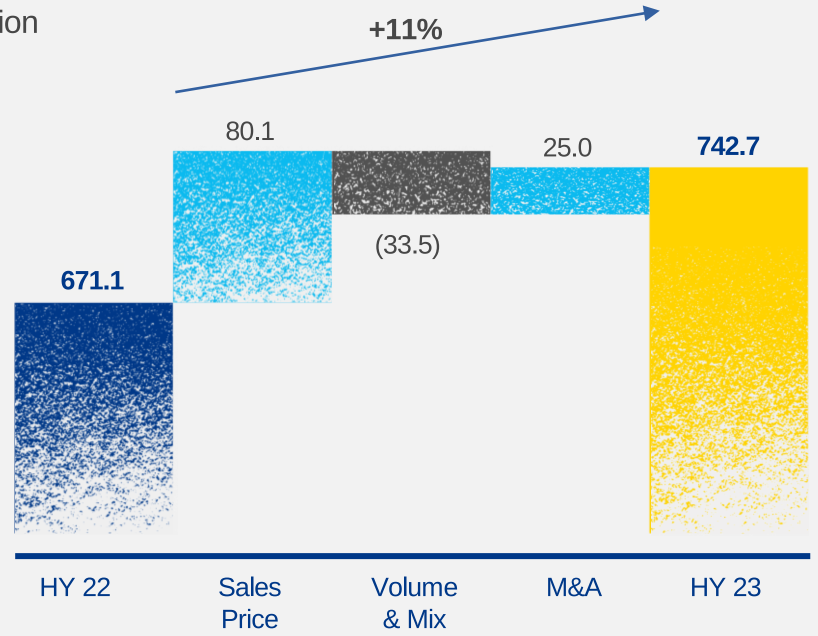
Revenue	£742.7m	HY 22: £671.1m	+11%	**Revenue growth**
Underlying EBIT	£70.5m	HY 22: £66.9m	9.5%	**Margin** HY 22: 10.0%
ROIC	10.0%	HY 22: 10.0%	Flat	
Free Cash Flow	£20.8m	HY 22: (£22.0)m	£31.9m	**Net capex** HY 22: £32.5m
Net Debt	£220.4m	HY 22: £256.7m	0.7x	**Covenant Leverage** HY 22: 1.0x
Interim Dividend per share	4.0p	HY 22: 3.5p	+14%	**Dividend growth**

Notes: **Underlying** results are stated before acquisition-related expenses, redundancy and reorganisation costs, property gains and losses, amortisation of acquisition intangibles, AIM to Main Market costs and related tax items. **ROIC** is post-tax return on average invested capital. **Covenant Leverage** is as defined by the Group's banking facilities. This excludes the impact of IFRS 16 and includes the proforma impact of M&A. **Payout ratio** calculated with reference to Underlying Adjusted Basic EPS. **Dividend per share** comparatives restated to reflect the impact of the five to one share consolidation undertaken in the period.

Revenue and EBIT bridges

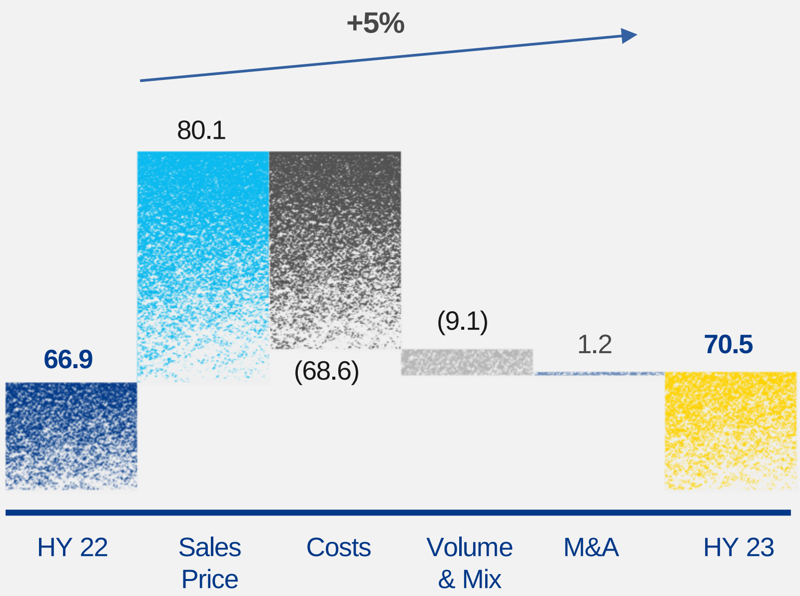
Pricing tailwinds offset lower volumes

REVENUE BRIDGE
£ million



+12% -5% +4%

EBIT BRIDGE
£ million



EBIT Margin 10.0% 9.5%

Well-positioned for the second half

Following robust first half performance

Outlook and Summary

Macro forecasts revised
Construction output forecasts for 2023 revised down to -6.8% UK, +2.1% RoI

Near-term economic uncertainty
Limited visibility; more pronounced in residential housebuilding

Supportive long-term drivers
Structural growth drivers unchanged, supporting demand fundamentals

Breedon model is resilient
Deep market knowledge, solid operating performance, strong cash generation

Emphasising self-help
Each division initiated operational excellence reviews

Agile team
Ensuring we are in a strong position when growth returns

Confident in our ability to deliver the Board's unchanged expectations

Source: CPA Autumn 2023 & Euroconstruct Summer 2023

Appendix

Divisional contribution

All divisions growing revenue and earnings

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Revenue

	Great Britain	Ireland	Cement	Group
	£519.6m	**£109.1m**	**£176.8m**	**£742.7m**
HY 23	519.6	109.1	176.8	742.7
HY 22	473.1	98.4	150.1	671.1
HY 21	420.2	101.1	120.0	600.9
HY 20	209.0	69.2	81.5	335.3

Underlying EBIT

	Great Britain	Ireland	Cement	Group
	£42.8m	**£10.0m**	**£25.9m**	**£70.5m**
HY 23	42.8	10.0	25.9	70.5
HY 22	41.5	9.0	23.7	66.9
HY 21	36.8	8.9	18.3	56.4
HY 20	(1.3)	1.8	6.0	(0.6)
Margin	8.2% (60) bps vs HY22	9.2% +10 bps vs HY22	14.6% (120) bps vs HY22	9.5% (50) bps vs HY22

Note: Divisional revenue and EBIT excludes eliminations, head office costs and share of profit of associate and joint ventures.

Disciplined cost management

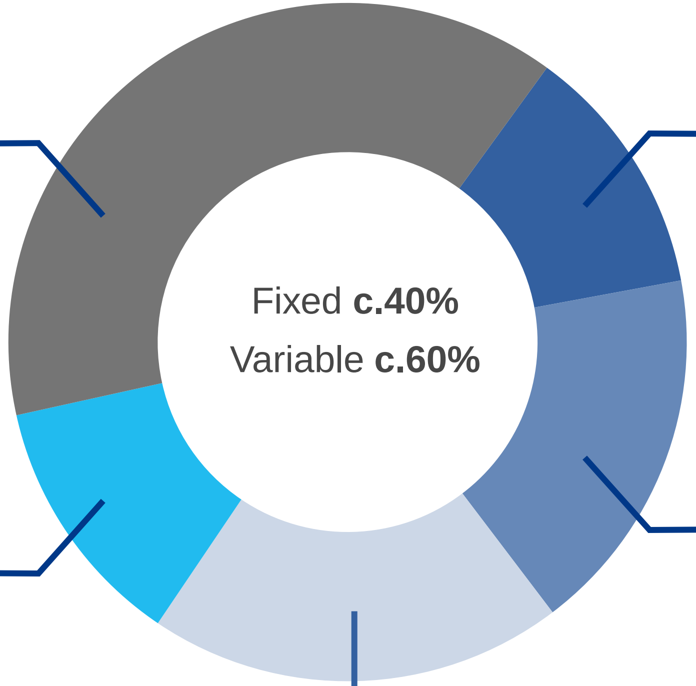
Flexible cost base supported by forward hedging programme

35% - materials & other direct costs

- Includes imported cement, bitumen, subcontractor and direct mineral costs
- Bitumen hedged where commercially appropriate – remainder of costs passed on through pricing

11% - energy, fuels and carbon

- Energy and carbon costs principally due to cement manufacture
- Energy and carbon substantially hedged for rest of 2023, with positions building for 2024 and 2025
- Hedges for the remainder of 2023 more closely aligned to market rates than in 2022
- Other fuels purchased at spot and passed on



20% - other

- Depreciation
- Repairs & maintenance
- Administrative expenses

16% - workforce

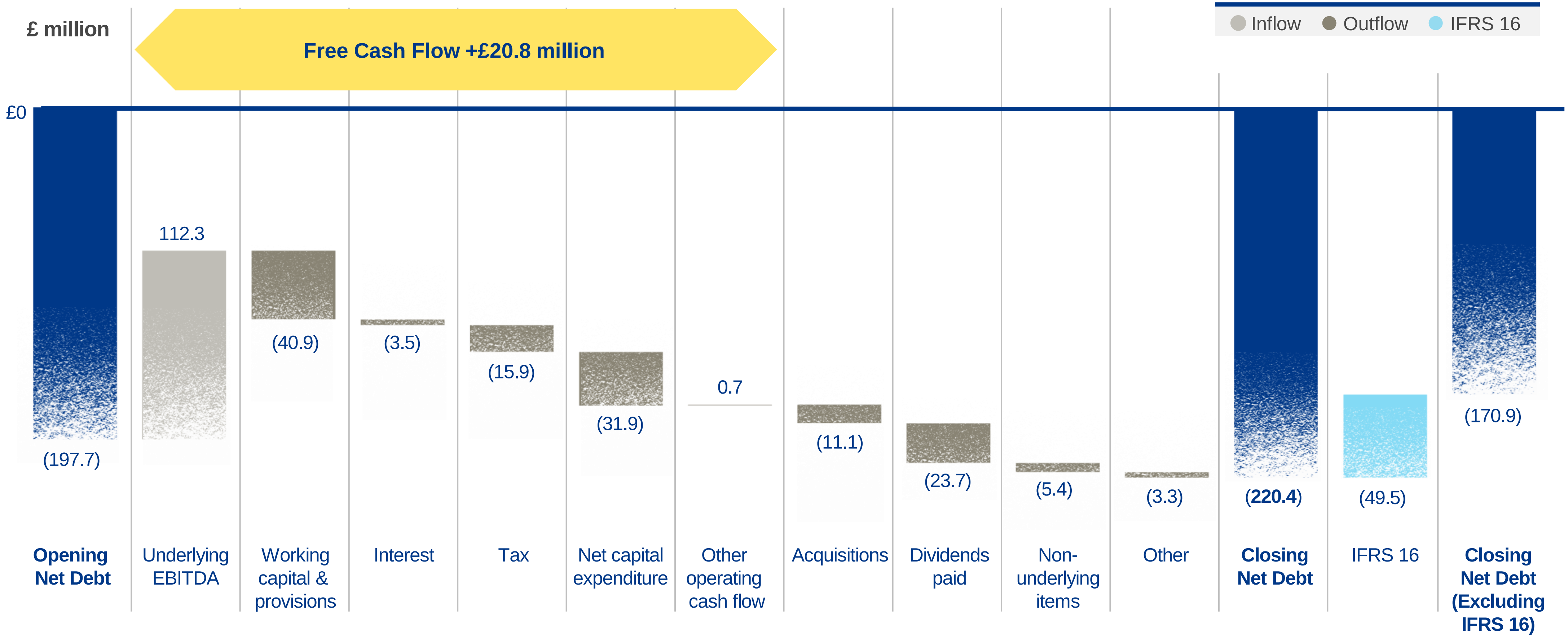
- Highly engaged workforce of 3,800 people
- Higher wage rises in 2023 than in prior years; supporting colleagues with cost of living pressures

18% - distribution

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

2023 Net Debt and Cash Flow

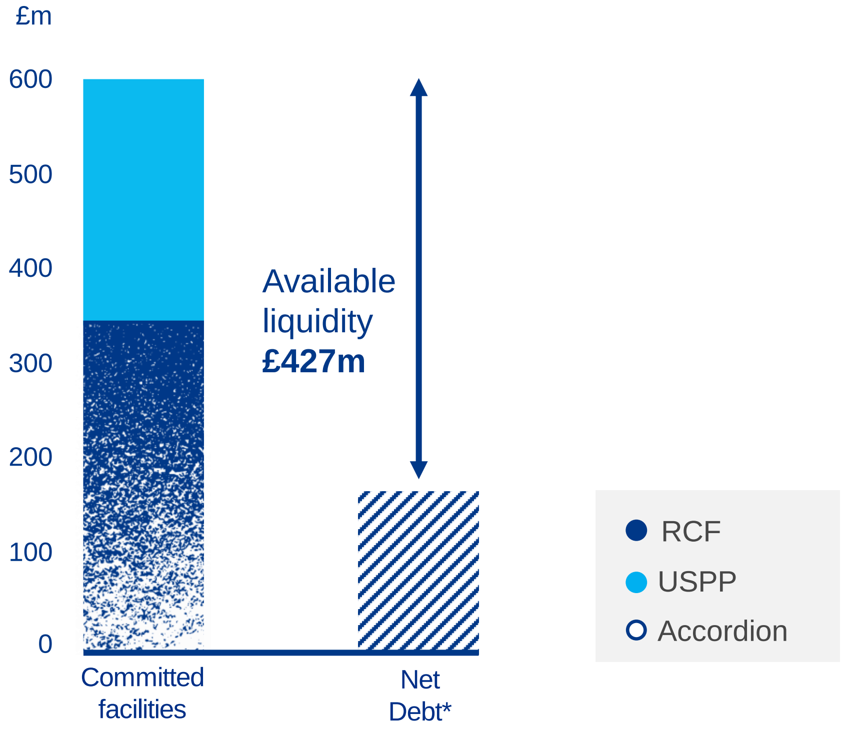
Reduced seasonal working capital outflows year on year



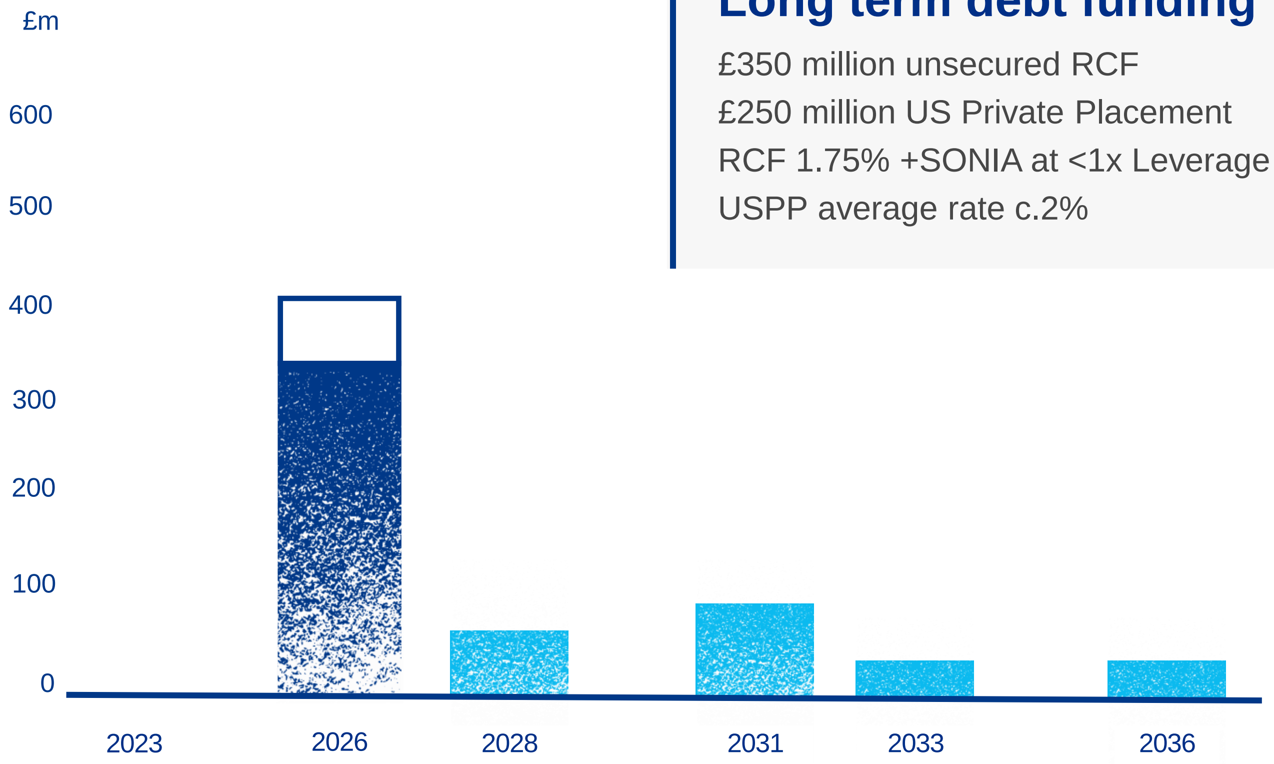
Financing Breedon's Future

Diversified long-term sources of finance

Debt finance positioned to support future growth



Debt Maturity profile



Long term debt funding

£350 million unsecured RCF

£250 million US Private Placement

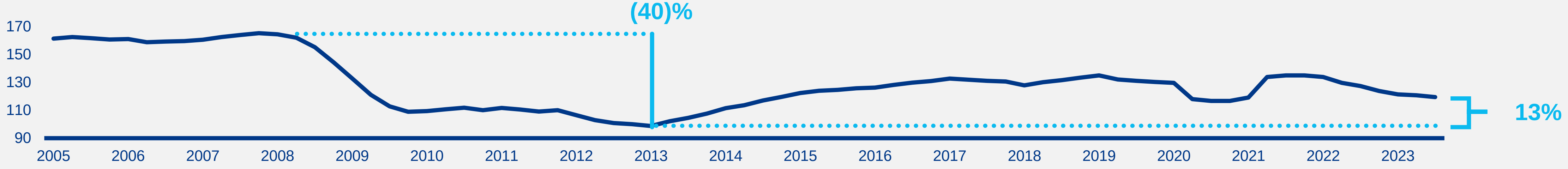
RCF 1.75% +SONIA at <1x Leverage

USPP average rate c.2%

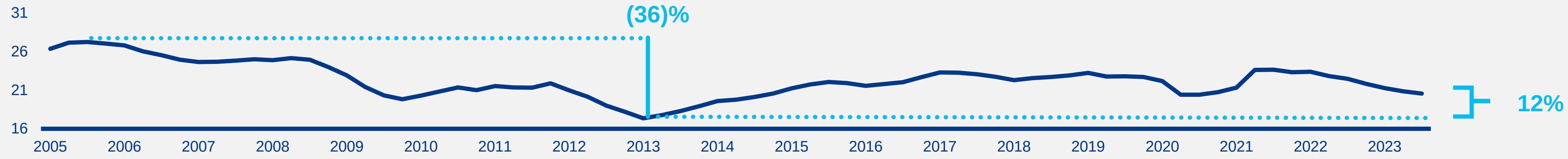
* Net debt as at 30 June 2023. Excludes IFRS 16 lease liabilities.

MPA volumes

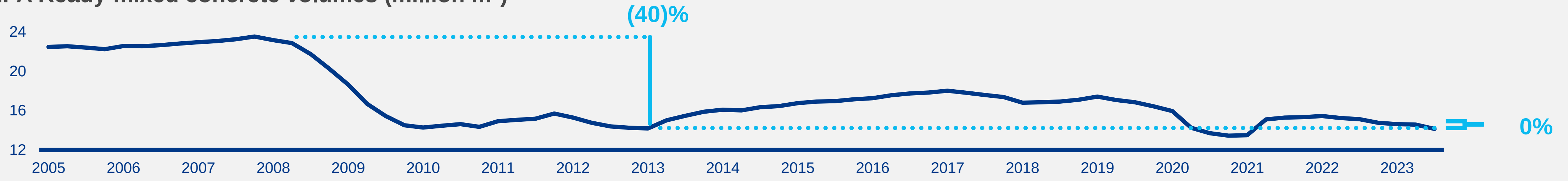
MPA Aggregates volumes (million tonnes)



MPA Asphalt volumes (million tonnes)



MPA Ready-mixed concrete volumes (million m^3)



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

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

Market consensus

Company compiled as at November 2023

	2023		2024	
	Average	Range	Average	Range
Revenue	£1,464m	£1,433m - £1,495m	£1,507m	£1,460m - £1,555m
Underlying EBIT	£148m	£138m - £159m	£156m	£144m - £168m
Underlying basic earnings per share	31.0p	28.7p - 33.3p	32.4p	29.3p - 35.3p
Net debt	£164m	£127m - £190m	£103m	£48m - £142m
Dividend per share	11.4p	10.5p - 12.5p	12.1p	11.0p - 13.3p