17 March 2025

Marshalls

Full Year results for the 12 months ended 31 December 2024

Resilient performance in 2024 with strong foundations in place to drive medium-term outperformance

Marshalls plc, a leading manufacturer of sustainable solutions for the built environment, announces its results for the year ended 31 December 2024.

- Resilient Group performance reflecting decisive management actions and diversification strategy
- Focused improvement actions in Landscaping Products gaining traction, revenue growth expected in 2025
- Strong performance by Roofing Products that has continued into 2025
- Building Products returned to profit growth and is well positioned for 2025
- Balance sheet strengthened through further reduction in net debt
- 'Transform & Grow' strategy launched in November 2024 and being rolled out at pace

Financial summary

£'M	2024	2023	Change
Revenue	**619.2**	671.2	(8%)
Adjusted results (Notes 1 and 2 below)			
Adjusted EBITDA	**97.8**	103.6	(6%)
Adjusted operating profit	**66.7**	70.7	(6%)
Adjusted profit before tax	**52.2**	53.3	(2%)
Adjusted basic EPS – pence	**16.0**	16.7	(4%)
Adjusted annualised ROCE (%)	**8.2**	8.4	(0.2ppts)
Final dividend (proposed) – pence	**5.4**	5.7	(5%)
Total dividend (proposed) – pence	**8.0**	8.3	(4%)
Pre-IFRS 16 net debt	**133.9**	172.9	23%
Reported results			
Operating profit	**53.9**	41.0	31%
Profit before tax	**39.4**	22.2	77%
Basic EPS – pence	**12.3**	7.4	66%

Financial highlights

- Financial performance benefited from efficiency gains and cost reductions, together with strong performances from Roofing and Building Products
- Adjusted operating cashflow conversion was strong at 106 per cent (2023: 106 per cent), reflecting disciplined working capital management
- Robust balance sheet with a year-on-year pre-IFRS16 net debt reduction of £39 million
- Year end leverage substantially improved to 1.5 times adjusted EBITDA (2023: 1.9 times)

Outlook

- The Board expects a market recovery later this year, which should strengthen progressively
- This confidence is underpinned by the Government's ambition to reinvigorate new house building and to invest in the nation's infrastructure alongside further likely cuts to the base rate
- The Group is well-placed to leverage this recovery through its diverse portfolio of businesses, as evidenced by the encouraging performances in Roofing and Building Products, which currently deliver 80 per cent of profits, and the benefit of operational leverage
- This strength will be further bolstered by an improved performance in Landscaping Products, profitable growth through the execution of the 'Transform & Grow' strategy, and capitalising on a market recovery

- The Group is well positioned to respond swiftly to improving activity levels as key end markets recover and the Board remains confident about delivering a material increase in profitability and returns over the medium-term

Matt Pullen, Chief Executive, commented:

"I am pleased to report our results for what has been an important year for Marshalls, where the Group has shown resilience in challenging markets by restricting the reduction in profit before tax to two per cent despite an eight per cent contraction in revenue. During the year, we also launched our 'Transform & Grow' strategy which establishes a solid foundation for future market outperformance across our diverse and balanced business portfolio.

We are particularly pleased with the growth in Roofing Products in the year. Marley Roofing returned to growth in the second half of the year and Viridian Solar performed strongly driven by the increased adoption of in-roof solar solutions in new housing. Our Building Products segment, including Marshalls Bricks and Marshalls Water Management, has also strengthened, with revenues improving sequentially in the second half, good profit growth for the full year and an expanding order book.

The positive performances of our Roofing and Building Products, which contributed more than 80 per cent of our profit in 2024, highlight the strength of a diverse portfolio. The focused improvement plans in Landscaping that were implemented last year are gaining traction and will deliver a progressive and significant improvement in profitability. Additionally, our disciplined focus on working capital management has strengthened our balance sheet through a £39 million reduction in pre-IFRS16 net debt. I am proud of the Group's performance and deeply grateful to all my colleagues for their support, hard work and dedication throughout the year.

As we look ahead, we are encouraged by the Government's commitment to boosting new house building and investing in national infrastructure, which together with our 'Transform & Grow' strategy and the positive impact of operational leverage, will benefit all our businesses in the medium term. In the nearer term, we expect a market recovery later this year, which should strengthen progressively."

There will be a live presentation today at 10am at the offices of Peel Hunt for analysts and investors, which will also be webcast live. The presentation will be available for analysts and investors who are unable to view the webcast live and can be accessed on Marshalls' website at www.marshalls.co.uk. Users can register to access the webcast using the following link:

https://brrmedia.news/MSLH_PR24

Notes:

1. The results for the year ended December 2024 have been disclosed after adding back adjusting items. These are set out in Note 4.
2. This Preliminary Announcement includes alternative performance measures ('APMs'), which are not defined or specified under the requirements of International Financial Reporting Standards. The Board believes that these APMs provide stakeholders with important additional information on the Group. To support this, we have included an accounting policy note on APMs in the Notes to this Preliminary Announcement, a glossary setting out the APMs that we use, how we use them, an explanation of how they are calculated, and a reconciliation of the APMs to the statutory results, where relevant. See Notes 4 and 19 for further details.

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Chief Executive's statement

Overview

As I reflect on my first year as Chief Executive of Marshalls, I am proud of the Group's resilient financial performance in challenging market conditions and am deeply grateful to all my colleagues for their hard work and dedication. After completing a thorough strategy review, I am excited about the significant medium-term growth opportunities ahead and was pleased to launch the Group's 'Transform & Grow' strategy at the Capital Markets Event last November.

Two of the Group's primary end markets, new housing and housing RMI, which together account for around 70% of our revenues, continued to be challenging during the year, with external market estimates of contractions of approximately nine percent and three percent, respectively. Despite this, the Group delivered a resilient performance, with an eight percent reduction in revenue resulting in only a two percent decline in adjusted profit before taxation. The reduction in revenue was partly mitigated by decisive actions taken in 2023 to reduce capacity and costs by around £11 million, improved manufacturing efficiency, and lower net finance expenses. Pleasingly, we also reduced net debt through active working capital management, optimising capital expenditure plans, and selling surplus assets. While the overall Group performance was resilient, with notable success in our Roofing business and a return to profit growth in Building Products, Marshalls Landscaping has underperformed. We have taken steps to address this issue swiftly, as detailed in the operational review that follows, and are confident that its performance will improve.

In recent years, the Group has expanded its product offering, through both acquisitions and organically, establishing a strong brand presence in landscaping, roofing, water management and bricks. Our recently unveiled 'Transform & Grow' strategy will build on this at pace and further diversify our sector exposure across new build housing, housing RMI, infrastructure, commercial projects. Not only does sector diversification offer protection against market fluctuations, it also enables the Group to capitalise on opportunities arising from demand growth, investment and regulatory tailwinds. Moreover, it will ensure that we will not be reliant on any one operating segment.

We are excited about our growth prospects and the 'Transform & Grow' strategy has identified several opportunities for market outperformance over the medium-term underpinned by the Group's strong market positions, diverse portfolio, operational leverage, and significant growth potential.

Operational review

Landscaping Products

Landscaping Products derives 44 per cent of its revenues from commercial & infrastructure, 30 per cent from new housing and 26 per cent from housing RMI. Revenues generated from all end markets contracted during the year, with demand being particularly weak in new housing and housing RMI, and some loss in market share. Revenue contraction of 17 per cent arose from a combination of lower volumes, pricing pressure in the market and the disposal of the Group's former Belgian subsidiary.

This business has underperformed and we have taken steps to improve its commercial, operational and financial performance. The restructuring action taken in 2023 was primarily centred on cost-base reductions and resulted in a commercial organisational structure that was unable to deliver our national specification driven model in an effective way. Having identified the core issues, we implemented a comprehensive improvement plan in June 2024 focused on:

- Strengthening leadership and realigning the organisation
- Developing commercial and operational excellence capabilities
- Portfolio simplification and operational efficiency
- Building long-term strategic customer and supplier partnerships

These actions are gaining traction and have resulted in a slowing in the rate of revenue contraction in the second half of 2024. We are confident that this plan will deliver a return to revenue growth during 2025 and a progressive and significant improvement in profitability from 2026.

Building Products

Building Products generates 67 per cent of its revenues from new housing, 4 per cent from commercial & infrastructure, with the balance being derived from housing RMI. Revenue reduced by three per cent driven by continued weakness in new housing, with the second half performance being flat year-on-year. Water Management revenue was flat year-on-year, with growing volumes in commercial & infrastructure end markets

offsetting contraction in new housing. Revenue generated from our Bricks and Mortars business units contracted year-on-year, but returned to modest growth in the second half of the year, indicating some improvement in new housing activity levels. Adjusted operating profit increased by 16 per cent in the year to £14.1 million.

Roofing Products
Approximately 47 per cent of revenues in this segment are generated from new housing and around 42 per cent from housing RMI, with the balance generated from commercial & infrastructure end markets. Revenue in 2024 increased by four per cent for the year as a whole, with growth of 13 per cent in the second half of the year. The improved second half performance was driven principally by Viridian Solar, which delivered revenue growth of over 70 per cent during this period, alongside a return to revenue growth from Marley. Viridian Solar revenues grew as its market-leading products continued to be chosen by housebuilders as part of their response to changes in building regulations in England and Wales that require new housing to achieve higher levels of energy efficiency. Adjusted operating profit for 2024 was £49.4 million, which represents an increase of 10%

'Transform & Grow' - a refreshed strategy to deliver growth

The Group's businesses are exposed to long-term growth drivers associated with climate change including low carbon solutions, green urbanisation, and water management and drainage. In the near-term, markets with structural and regulatory tailwinds are expected to fuel revenue growth outperformance including new housing, water infrastructure, energy transition and increased public sector investment. The Group's businesses have enviable leadership positions in their markets, strong differentiated brand propositions and significant headroom for growth. The Group's customers value a unique set of capabilities that are consistent across its businesses including:

- Leading brands – market-leading brands and solutions that are consistently recognised for their quality, range and service.
- Best in class technical and design support – technical know-how and understanding building standards of today and tomorrow provides unrivalled expertise for our customers.
- Carbon leadership – a commitment to materials innovation and a nationwide operational network supports the Group as a lower carbon supplier of choice.

The Group will continue to prioritise these areas supported by investing in its people, business-wide enterprise excellence, and leadership in ESG standards and governance.

The Group's portfolio of businesses comprises of its brand powerhouses; Marshalls Landscaping and Marley Roofing, and its three growth engine businesses; Viridian Solar, Marshalls Water Management and Marshalls Bricks & Masonry. Under the 'Transform & Grow' strategy each business has identified a core strategic imperative designed to deliver revenue growth that outperforms the wider construction market and drives sustainable profitable growth. The Group also operates regional mortars & screeds and aggregates business units that are reported within our Building Products reporting segment. They are integral parts of the Group's portfolio of businesses and are expected to grow in-line with the wider construction markets.

Marshalls Landscaping – Drive greater value from the distinctive national specification pull model
This business has an enviable market leadership position with a balanced exposure to end markets and is supported by a well invested manufacturing operations network. Our strategy is focused on; reinforcing our strong leadership position in our commercial heartlands, driving share in higher margin commercial segments where there is headroom for growth, and strengthening our proposition and driving share in residential segments. This strategy will build on the near-term performance improvement plans that will reinforce our winning model; with a clear focus on securing specification, building long term customer partnerships, reinvigorating our market leading product portfolio and optimising the efficiency of our nationwide manufacturing network. The business is targeting revenue outperformance of the wider market by between one and three per cent a year over the medium term.

Marley Roofing - Strengthen roofing heartlands and drive share in adjacencies
Marley is the market leader in pitched roofing. It has a balanced end market exposure with a particular strength in social housing RMI and is supported by a nationwide operations network. Strategies are being deployed to optimise profit in its social housing heartland, drive market share in the larger private housing RMI sector and leverage its unique full roof offer to increase market share in private new housing. It will deliver this through building on its brand position, investing in specification selling and quality differentiation, supporting relationship building with roofing contractors, and leveraging the solar roof system to meet housebuilder and

public sector housing needs. The business is targeting revenue outperformance of the wider market by between one and two per cent a year.

Viridian Solar - Leverage energy transition tailwinds to accelerate growth
Viridian Solar is the market leader in integrated solar for pitched roofs and principally supplies its products into new housing. Its products are widely considered to be the best in class and customers value its market leading wrap around service and its leadership in ESG. It is exposed to a significant regulatory tailwind (part L of the Building Regulations) that is resulting in take-up of solar PV in new housing, which is expected to increase the penetration of solar in England and Wales from around 10 per cent to around 80 per cent. The business is targeting to hold significant market share, whilst the market size increases alongside increasing sales of its innovative product range. The business is targeting revenue outperformance of the wider market by between eight and twelve per cent a year.

Marshalls Water Management - Reposition to access growth and market headroom in water infrastructure
The business has a leading market position in residential wastewater and surface water drainage with a nationwide operations network. It has a significant opportunity to expand its customer base in the infrastructure market, whilst building market penetration potential in the water sector where investment under the AMP8 cycle is expected to increase by 50 per cent. The business will achieve market penetration in the wastewater infrastructure market and meet the needs of housebuilders for quality water management solutions. It will deliver this through building the Marshalls brand in the wastewater marketplace, investing in strategic marketing to specifiers as well as investing in capacity and product extension. The business is targeting revenue outperformance of the wider market by between four and six per cent a year.

Marshalls Bricks & Masonry - Accelerate concrete adoption as lower carbon alternative
This business is the market leader in lower carbon concrete bricks, has a wide product range and nationwide coverage. It principally supplies its products into new housing and has significant opportunity to increase its market share alongside a cyclical recovery in housebuilding. The business will target increased penetration of facing bricks into national housebuilders in new regions and further grow its share through a targeted approach to regional housebuilders. It will deliver this through brand investment, strategic marketing, new product development, increased sales resource and investment in the conversion of existing assets to manufacture concrete bricks. The business is targeting revenue outperformance of the wider market by between eight and twelve per cent a year.

ESG progress

The Group continues to make good progress on its carbon reduction journey, and we have exceeded our Scope 1 and 2 absolute target for 2024 for the Marshalls business. As we reported last year, the acquisition of Marley and the move of our logistics to Wincanton resulted in a recalculation of our carbon reduction targets. These revised targets have been validated by the Science Based Targets initiative and we now have an overall Group target to reach net-zero across all scopes by 2050. These targets include Scope 1, 2 and 3 emissions and we will report Group progress next year.

Our ‘Transform & Grow’ strategy is clear on the priorities for our business units in terms of demonstrating our carbon leadership. With a commitment to materials innovation and a nationwide network, we are well placed to offer our customers product solutions that contribute to a more sustainable infrastructure. This is further supported by our expanding range of Environmental Product Declarations (‘EPDs’) which give clear and transparent information on the environmental impact of our products.

Financial review

Group results

The Group's adjusted results are set out in the following table.

£'m	2024	2023	Change (%)
Revenue	**619.2**	671.2	(8%)
Adjusted net operating costs	**(552.5)**	(600.5)	8%
Adjusted operating profit	**66.7**	70.7	(6%)
Adjusted net finance expenses	**(14.5)**	(17.4)	17%
Adjusted profit before taxation	**52.2**	53.3	(2%)
Adjusted taxation	**(11.7)**	(11.2)	(4%)
Adjusted profit after taxation	**40.5**	42.1	(4%)
Adjusted EPS - pence	**16.0p**	16.7p	(4%)
Proposed full-year dividend - pence	**8.0p**	8.3p	(4%)

Group revenue was £619.2 million (2023: £671.2 million), which is eight per cent lower than 2023. The key driver of the reduction was Landscaping Products, which reported a 17 per cent reduction, with a slowing in the rate of contraction during the second half of the year. Roofing Products delivered four per cent growth, with a strong second-half performance and Building Products contracted year-on-year by three per cent and was flat in the second half. Group adjusted operating profit was £66.7 million, which is six per cent lower than 2023, reflecting the impact of lower volumes and weaker price over cost realisation. This was partially offset by the benefit of cost savings from restructuring activity implemented in 2023 and improved manufacturing efficiency. Group adjusted operating margin increased by 0.3 ppts to 10.8 per cent (2023: 10.5 per cent).

Net finance expenses were £14.5 million (2023: £18.8 million and £17.4 million after deducting adjusting items). These expenses comprised financing costs associated with the Group's bank borrowings of £12.5 million (2023: £14.7 million), IFRS 16 lease interest of £1.7 million (2023: £2.5 million) and a pension related charge of £0.3 million (2023: £1.6 million and £0.2 million after deducting adjusting items). The reduction in adjusted net finance expenses in 2024 reflects the impact of the lower drawn borrowings and the derecognition of HGV leases under the logistics outsourcing arrangements entered into in the first half of the year.

Adjusted profit before tax was £52.2 million (2023: £53.3 million). The adjusted effective tax rate was 22 per cent (2023: 21 per cent), reflecting the increase in the UK headline corporation tax rate partially offset by the benefit of a patent box arrangement. Adjusted earnings per share was 16.0 pence (2023: 16.7 pence), which is a four per cent reduction year-on-year reflecting the weaker profitability and higher effective tax rate.

A reconciliation of the Group's adjusted operating profit to profit before taxation is set out in the following table.

£'m	2024	2023	Change (%)
Adjusted operating profit	**66.7**	70.7	(6%)
Adjusting items	**(12.8)**	(29.7)	57%
Operating profit	**53.9**	41.0	31%
Net finance expenses	**(14.5)**	(18.8)	23%
Profit before taxation	**39.4**	22.2	77%
EPS - pence	**12.3p**	7.4p	66%

Reported profit before tax was £12.8 million lower than the adjusted result at £39.4 million (2023: £22.2 million), reflecting the impact of the adjusting items. On a reported basis, the effective tax rate is 21 per cent. Reported earnings per share was 12.3 pence (2023: 7.4 pence), which is lower than the adjusted number due to the adjusting items and their tax effect. The statutory operating profit is stated inclusive of adjusting items totalling £12.8 million as summarised in the following table, further details are set out at Note 4.

£'m	2024	2023
Amortisation of intangible assets arising on acquisitions	**10.4**	10.4
Transformation costs	**2.5**	-
Contingent consideration	**1.6**	1.6
Significant property sales	**(1.7)**	-
Impairment charges, restructuring costs and disposal of Marshalls NV	**-**	17.7
Adjusting items within operating profit	**12.8**	29.7
Adjusting items within net finance expenses	**-**	1.4
Adjusting items within profit before taxation	**12.8**	31.1

Adjusting items in 2024 principally comprise the non-cash amortisation of intangible assets arising on the acquisition of subsidiary undertakings of £10.4 million (2023: £10.4 million). Transformation costs represent costs incurred in respect of the 'Transform & Grow' strategy. The contingent consideration charge of £1.6 million reflects the Directors' expectation for the final contingent consideration payment in respect of Viridian Solar based on the strong performance of that business. This was partially offset by a profit of £1.7 million generated on the disposal of a former manufacturing site. Details of the adjusting items arising in 2023 are set out at Note 4.

Segmental performance

The adjusted operating profit is analysed between the Group's reporting segments as follows:

£'m	2024	2023	Change (%)
Landscaping Products	**10.7**	21.3	(50%)
Building Products	**14.1**	12.2	16%
Roofing Products	**49.4**	44.9	10%
Central costs	**(7.5)**	(7.7)	3%
Adjusted operating profit	**66.7**	70.7	(6%)

Landscaping Products

Landscaping Products comprises the Group's Commercial and Domestic landscaping business and Landscape Protection. The segment delivered revenue of £268.3 million (2023: £321.5 million) which represents a contraction of 17 per cent compared to 2023. Revenue in 2023 included a £5 million contribution from the Group's former Belgian subsidiary that was sold in April of that year.

£'m	2024	2023	Change (%)
Revenue	**268.3**	321.5	(17%)
Segment operating profit	**10.7**	21.3	(50%)
Segment operating margin %	***4.0%***	*6.6%*	*(2.6ppts)*

Segment operating profit reduced by £10.6 million to £10.7 million. This was driven by the combined effect of lower volumes on gross profit, weaker price over cost realisation, and a reduction in the operational efficiency of the manufacturing network due to lower production volumes. This was partially offset by the benefit of cost savings of around £5 million arising from the decisive action taken in 2023 to reduce capacity to align to market demand and simplify operating structures. The fall in volumes together with the impact of weaker trading margins resulted in segment operating margins reducing by 2.6 ppts to 4.0 ppts for the year.

Building Products

Building Products comprises the Group's Water Management, Bricks & Masonry, Mortars & Screeds and Aggregates businesses. Revenue in this reporting segment reduced by three per cent year on year to £164.6 million.

£'m	2024	2023	Change (%)
Revenue	**164.6**	170.1	(3%)
Segment operating profit	**14.1**	12.2	16%
Segment operating margin %	***8.6%***	*7.2%*	*1.4ppts*

Segment operating profit increased by £1.9 million to £14.1 million, with a much-improved result in the second half of the year. This profit growth was driven by improved operational efficiency in Bricks & Masonry and Mortars and Screeds, together with the benefit of actions taken in 2023 that reduced the cost base by around £1.7 million. This was partially offset by lower gross profit that resulted from weaker volumes in the first half of the year. Segment operating margin increased by 1.4 ppts to 8.6 per cent reflecting the impact of improved

manufacturing efficiency.

Roofing Products

Roofing Products comprises pitched roofing products and accessories and roof integrated solar. Revenue in this reporting segment increased by four per cent year on year to £186.3 million.

£'m	**2024**	2023	Change (%)
Revenue	**186.3**	179.6	4%
Segment operating profit	**49.4**	44.9	10%
Segment operating margin %	***26.5%***	*25.0%*	*1.5ppts*

Segment operating profit was £49.4 million, which was £4.5 million higher than 2023. This increase was driven by a strong performance from Viridian Solar, which delivered significant revenue growth in the second half of the year alongside a disciplined approach to price realisation. Marley profitability remained robust during the year benefitting from a return to volume growth in the second half of the year and strong cost management. Segment operating margin was very strong at 26.5 per cent, representing a year-on-year increase of 1.5 ppts.

Balance sheet, cash flow and funding

A summary of the Group's capital deployment and net assets is set out below.

£'m	**December 2024**	December 2023
Goodwill	**324.4**	324.4
Intangible assets	**217.8**	227.5
Property, plant & equipment and right-of-use assets	**267.2**	291.1
Net working capital	**86.9**	91.0
Net pension asset	**24.1**	11.0
Deferred tax	**(81.6)**	(84.1)
Other net balances	**(8.2)**	(2.0)
Total capital employed	**830.6**	858.9
Pre-IFRS 16 net debt	**(133.9)**	(172.9)
Leases	**(35.4)**	(44.7)
Net assets	**661.3**	641.3

Total capital employed at December 2024 was £830.6 million, which represents a year on year reduction of £28.3 million. This reduction was due to the impact of amortising intangible assets arising on acquisition, a reduction in property plant and equipment arising from reduced capital expenditure, and lower investment in net working capital balances. The reduction in net working capital of £4.1 million was driven by effective credit account management and an increase in trade creditors, partially offset by a decision to increase inventories ahead of the expected recovery in market demand.

The balance sheet value of the Group's defined benefit pension scheme ('the Scheme') was a surplus of £24.1 million (2023: £11.0 million). The amount has been determined by the Scheme's pension adviser using appropriate assumptions which are in line with current market expectations. The fair value of the scheme assets at 31 December 2024 was £228.3 million (2023: £250.4 million) and the present value of the scheme liabilities is £204.2 million (2023: £239.4 million). The total gain recorded in the Statement of Comprehensive Income net of deferred taxation was £10.0 million (2023: £7.4 million loss). The principal driver of the actuarial gain was an increase in AA corporate bond rate used to discount the scheme's liabilities at December 2024, which reduced the current value of the liabilities. The last formal actuarial valuation of the defined benefit pension scheme was undertaken on 5 April 2021 and resulted in a surplus of £24.3 million, on a technical provisions basis, which was a funding level of 107 per cent. A triennial valuation as at 5 April 2024 is currently underway and, based on information to date, the Company does not expect cash contributions to be payable following its finalisation.

Adjusted return on capital employed ('ROCE') was broadly in-line with 2023 at 8.2 per cent (2023: 8.4 per cent). We expect adjusted ROCE to increase in the medium term to around 15 per cent as volumes recover and we benefit from operational leverage.

Operating cash flow conversion in 2024 was 106 per cent of adjusted EBITDA (2023: 106 per cent) which demonstrates the consistently strong cash generative nature of the Group's businesses. The proactive management of working capital combined with the planned reduction in capital expenditure resulted in a

reduction in pre-IFRS16 net debt of £39.0 million in the period to £133.9 million (2023: £172.9 million). The strong cash generation during the year facilitated a £55 million reduction of the Group's term loan to £155 million during the year, ensuring efficient management of borrowings and net finance expenses. The Group's revolving credit facility of £160 million was undrawn at the year-end, which, together with the reduced term loan, provides the Group with significant liquidity to fund its strategic and operational plans. Following the £55 million reduction in the term loan, the syndicated debt facility totals £315 million with the majority of it maturing in April 2027. Net debt to EBITDA was 1.5 times at December 2024 on an adjusted pre-IFRS 16 basis (2023: 1.9 times), which is within the Group's target range of 0.5 times to 1.5 times. Headroom against the bank facility at December 2024 was £160 million and all covenants were comfortably met at this date.

Dividend

The Group maintains a dividend policy of distributions being covered twice by adjusted earnings. The Board has proposed a final dividend of 5.4 pence per share, which, taken together with the interim dividend of 2.6 pence per share, would result in a pay-out in respect of 2024 of 8.0 pence (2023: 8.3 pence). This is in-line with the Group policy and represents a year-on-year reduction of four per cent, driven by weaker profitability and a higher effective taxation rate. The dividend will be paid on 1 July 2025 to shareholders on the register at the close of business on 6 June 2025. The shares will be marked ex-dividend on 5 June 2025.

Outlook

The Board expects a market recovery later this year which should strengthen progressively. This confidence is underpinned by the Government's ambition to reinvigorate new house building and to invest in developing the nation's infrastructure alongside further likely cuts to interest rates. The Group is well-placed to leverage this recovery through its diverse portfolio of businesses, as evidenced by the encouraging performances in Roofing and Building Products which currently deliver 80 per cent of profits, and the benefit of operational leverage.

This strength will be further bolstered by an improved performance in Landscaping Products, profitable growth through the execution of the 'Transform & Grow' strategy, and capitalising on a market recovery. The Group is well positioned to respond swiftly to improving activity levels as key end markets recover and the Board remains confident about delivering a material increase in profitability and returns over the medium-term.

Matt Pullen
Chief Executive

Condensed consolidated income statement
For the year ended 31 December 2024

	Notes	**Audited Year ended December 2024 £'m**	Audited Year ended December 2023 £'m
Revenue	2	**619.2**	671.2
Net operating costs	3	**(565.3)**	(630.2)
Operating profit	2	**53.9**	41.0
Net finance expenses	5	**(14.5)**	(18.8)
Profit before tax		**39.4**	22.2
Income tax expense	6	**(8.4)**	(3.8)
Profit for the financial year		**31.0**	18.4
Profit for the year attributable to:			
Equity shareholders of the Parent		**31.0**	18.6
Non-controlling interests		**-**	(0.2)
Profit for the financial year		**31.0**	18.4
Earnings per share			
Basic	7	**12.3p**	7.4p
Diluted	7	**12.2p**	7.3p
Dividend			
Proposed full year dividend - pence per share	8	**8.0p**	8.3p

A reconciliation of the Group's statutory results to the adjusted results is set out below.

	Notes	**Audited Year ended December 2024 £'m**	Audited Year ended December 2023 £'m
Operating profit			
Operating profit		**53.9**	41.0
Adjusting items	4	**12.8**	29.7
Adjusted operating profit		**66.7**	70.7
Profit before tax			
Profit before tax		**39.4**	22.2
Adjusting items	4	**12.8**	31.1
Adjusted profit before tax		**52.2**	53.3
Profit after tax			
Profit for the financial period		**31.0**	18.4
Adjusting items (net of tax)	4	**9.5**	23.7
Adjusted profit after tax		**40.5**	42.1
Earnings per share after adding back adjusting items			
Basic	7	**16.0p**	16.7p
Diluted	7	**16.0p**	16.7p

Condensed consolidated statement of comprehensive income
For the year ended 31 December 2024

	Notes	**Audited Year ended December 2024 £'m**	Audited Year ended December 2023 £'m
Profit for the financial year		**31.0**	18.4
Other comprehensive income/(expense)			
Items that will not be reclassified to the Income Statement:			
Re-measurements of the net defined benefit surplus		**13.4**	(9.8)
Deferred tax arising		**(3.4)**	2.4
Total items that will not be reclassified to the Income Statement		**10.0**	(7.4)
Items that are or may in the future be reclassified to the Income Statement:			
Effective portion of changes in fair value of cash flow hedges		**1.6**	(0.6)
Fair value of cash flow hedges transferred to the Income Statement		**(2.4)**	(1.1)
Deferred tax arising		**0.2**	0.8
Reclassification on sale of subsidiary		**-**	(0.6)
Exchange difference on retranslation of foreign currency net investment		**0.2**	0.1
Exchange movements associated with borrowings designated as a hedge against net investment		**-**	(0.2)
Total items that are or may be reclassified to the Income Statement		**(0.4)**	(1.6)
Other comprehensive income/(expense) for the year, net of income tax		**9.6**	(9.0)
Total comprehensive income for the year		**40.6**	9.4
Attributable to:			
Equity shareholders of the Parent		**40.6**	10.2
Non-controlling interests		**-**	(0.8)
		40.6	9.4

Condensed consolidated balance sheet
As at 31 December 2024

	Notes	**Audited December 2024 £'m**	Audited December 2023 £'m
Assets			
Non-current assets			
Goodwill	9	**324.4**	324.4
Intangible assets	10	**217.8**	227.5
Property, plant and equipment	11	**234.8**	249.4
Right-of-use assets		**32.4**	41.7
Employee benefits	12	**24.1**	11.0
Deferred taxation assets		**2.1**	1.1
		835.6	855.1
Current assets			
Inventories		**138.2**	125.1
Trade and other receivables		**80.8**	93.4
Cash and cash equivalents		**18.9**	34.5
Assets classified as held for sale		**1.5**	2.4
Derivative financial instruments		**1.1**	1.9
Corporation tax		**-**	1.7
		240.5	259.0
Total assets		**1,076.1**	1,114.1
Liabilities			
Current liabilities			
Trade and other payables		**132.1**	127.5
Corporation tax		**4.2**	-
Lease liabilities	13	**5.7**	8.0
Provisions		**6.6**	3.0
		148.6	138.5
Non-current liabilities			
Lease liabilities	13	**29.7**	36.7
Interest-bearing loans and borrowings	14	**152.8**	207.4
Provisions		**-**	5.0
Deferred taxation liabilities		**83.7**	85.2
		266.2	334.3
Total liabilities		**414.8**	472.8
Net assets		**661.3**	641.3
Equity			
Capital and reserves			
Called-up share capital		**63.2**	63.2
Share premium & merger reserve		**341.6**	341.6
Capital redemption reserve & consolidation reserve		**(137.7)**	(137.7)
Other reserves		**0.5**	1.1
Retained earnings		**393.7**	373.1
Total equity		**661.3**	641.3

Condensed consolidated cash flow statement
For the year ended 31 December 2024

	Notes	**Audited Year ended December 2024 £'m**	Audited Year ended December 2023 £'m
Cash generated from operations	17	**97.3**	104.6
Finance expenses paid		**(11.7)**	(16.5)
Income tax paid		**(8.8)**	(10.4)
Net cash flow from operating activities	17	**76.8**	77.7
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		**4.4**	6.9
Financial income received		**-**	0.1
Acquisition of subsidiary undertaking		**(2.6)**	(3.0)
Acquisition of property, plant and equipment		**(9.2)**	(18.3)
Acquisition of intangible assets		**(2.4)**	(2.5)
Cash outflow from sale of subsidiary		**-**	(1.4)
Net cash flow from investing activities		**(9.8)**	(18.2)
Cash flows from financing activities			
Payments to acquire own shares		**(1.4)**	(0.3)
Repayment of borrowings		**(80.0)**	(84.4)
New loans		**25.0**	44.8
Cash payment for the principal portion of lease liabilities		**(5.3)**	(9.6)
Equity dividends paid		**(21.0)**	(31.6)
Net cash flow from financing activities		**(82.7)**	(81.1)
Net decrease) in cash and cash equivalents		**(15.7)**	(21.6)
Cash and cash equivalents at the beginning of the year		**34.5**	56.3
Effect of exchange rate fluctuations		**0.1**	(0.2)
Cash and cash equivalents at the end of the year		**18.9**	34.5

Condensed consolidated statement of changes in equity
for the year ended 31 December 2024

	Share capital £'m	Share premium & merger reserve £'m	Capital redemption & consolidation reserves £'m	Other reserves* £'m	Retained earnings £'m	Total £'m
At 1 January 2024	**63.2**	**341.6**	**(137.7)**	**1.1**	**373.1**	**641.3**
Total comprehensive income/(expense) for the period						
Profit for the financial period	-	-	-	-	31.0	31.0
Other comprehensive income/(expense)						
Foreign currency translation differences	-	-	-	0.2	-	0.2
Reclassification on sale of subsidiary	-	-	-	-	-	-
Effective portion of changes in fair value of cash flow hedges	-	-	-	1.6	-	1.6
Net change in fair value of cash flow hedges transferred to the Income Statement	-	-	-	(2.4)	-	(2.4)
Deferred tax arising	-	-	-	0.2	-	0.2
Defined benefit plan actuarial gain	-	-	-	-	13.4	13.4
Deferred tax arising	-	-	-	-	(3.4)	(3.4)
Total other comprehensive income/(expense)	-	-	-	(0.4)	10.0	9.6
Total comprehensive income/(expense) for the period	-	-	-	(0.4)	41.0	40.6
Transactions with owners						
Share-based payments	-	-	-	-	1.8	1.8
Deferred tax on share-based payments	-	-	-	-	-	-
Corporation tax on share-based payments	-	-	-	-	-	-
Dividends to equity shareholders	-	-	-	-	(21.0)	(21.0)
Purchase of own shares	-	-	-	(1.4)	-	(1.4)
Own shares issued under share scheme	-	-	-	1.2	(1.2)	-
Total contributions by and distributions to owners	-	-	-	(0.2)	(20.4)	(20.6)
At 31 December 2024	**63.2**	**341.6**	**(137.7)**	**0.5**	**393.7**	**661.3**

Note*: Other reserves include own shares, hedging reserve and foreign exchange reserve.

Condensed consolidated statement of changes in equity
for the year ended 31 December 2023

	Share capital £'m	Share premium & merger reserve £'m	Capital redemption & consolidation reserves £'m	Other reserves* £'m	Retained earnings £'m	Total £'m	Non-controlling interests £'m	Total equity £'m
At 1 January 2023	63.2	341.6	(137.7)	2.0	391.2	660.3	0.8	661.1
Total comprehensive income/(expense) for the period								
Profit for the financial period	-	-	-	-	18.6	18.6	(0.2)	18.4
Other comprehensive income/(expense)								
Foreign currency translation differences	-	-	-	(0.1)	-	(0.1)	-	(0.1)
Reclassification on sale of subsidiary	-	-	-	0.3	(0.3)	-	(0.6)	(0.6)
Effective portion of changes in fair value of cash flow hedges	-	-	-	(0.6)	-	(0.6)	-	(0.6)
Net change in fair value of cash flow hedges transferred to the Income Statement	-	-	-	(1.1)	-	(1.1)	-	(1.1)
Deferred tax arising	-	-	-	0.8	-	0.8	-	0.8
Defined benefit plan actuarial loss	-	-	-	-	(9.8)	(9.8)	-	(9.8)
Deferred tax arising	-	-	-	-	2.4	2.4	-	2.4
Total other comprehensive income/(expense)	-	-	-	(0.7)	(7.7)	(8.4)	(0.6)	(9.0)
Total comprehensive income/(expense) for the period	-	-	-	(0.7)	10.9	10.2	(0.8)	9.4
Transactions with owners								
Share-based payments	-	-	-	-	2.8	2.8	-	2.8
Deferred tax on share-based payments	-	-	-	-	(0.1)	(0.1)	-	(0.1)
Corporation tax on share-based payments	-	-	-	-	-	-	-	-
Dividends to equity shareholders	-	-	-	-	(31.6)	(31.6)	-	(31.6)
Purchase of own shares	-	-	-	(0.3)	-	(0.3)	-	(0.3)
Own shares issued under share scheme	-	-	-	0.1	(0.1)	-	-	-
Total contributions by and distributions to owners	-	-	-	(0.2)	(29.0)	(29.2)	-	(29.2)
At 31 December 2023	63.2	341.6	(137.7)	1.1	373.1	641.3	-	641.3

Note*: Other reserves include own shares, hedging reserve and foreign exchange reserve.

Notes to the condensed consolidated financial statements
For the year ended 31 December 2024

1. Basis of preparation

The condensed consolidated financial information, which comprises the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and related notes, is derived from the Company's Financial Statements for the year ended 31 December 2024, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. It does not constitute full Financial Statements with the meaning of section 434 of the Companies Act 2006.

Statutory Financial Statements for 2023 have been delivered to the Registrar of Companies and those for 2024 will be delivered following the Company's Annual General Meeting. The auditor, Deloitte LLP, has reported on those Financial Statements. The audit reports were unqualified, did not draw attention to any matters by way of emphasis without qualifying the reports and did not contain statements under Section 498(2) or (3) of the Companies Act 2006.

The accounting policies used in completing this financial information have been applied consistently in all periods shown and are set out in detail in the Annual Report for the year ended 31 December 2023 which can be found on the Group's website (www.marshalls.co.uk).

The Group operates a formal risk management process, the details of which are set out on page 52 of the Annual Report for the year ended 31 December 2023. The risks assessed in preparing Preliminary Announcement are consistent with those set out on pages 55 to 61 of the Annual Report and an update on those risks is set out at Note 20 of this report.

Going concern
In assessing the appropriateness of the adopting the going concern basis in the preparation of this Preliminary Announcement, the Board has considered the Group's financial forecasts and its principal risks for a period of at least twelve months from the date of this report. The forecasts included projected profit and loss, balance sheet, cash flows, headroom against debt facilities and covenant compliance. As noted above, the Group's principal risks are set out in the 2023 Annual Report and Accounts and an update is included in this report.

The financial forecasts have been stress tested in downside scenarios to assess the impact on future profitability, cash flows, funding requirements and covenant compliance. The scenarios comprise a more severe economic downturn (which represents the Group's most significant risk) than that included in the base case forecast, and a reverse stress test on our financial forecasts to assess the extent to which an economic downturn would need to impact on revenues in order to breach a covenant. This showed that revenue would need to deteriorate significantly from the financial forecast and the Directors have a reasonable expectation that it is unlikely to deteriorate to this extent.

Details of the Group's funding position are set out in Note 14. The Group has a syndicated bank facility of £315 million that principally matures in April 2027, having repaid £55 million of the original £370 facility during 2024. At December 2024, £160 million of the facility was undrawn (2023: £160 million undrawn). There are two financial covenants in the bank facility that are tested on a semi-annual basis and the Group maintains good cover against these with pre-IFRS 16 net debt to EBITDA of 1.5 times (covenant maximum of three times) and interest cover of 6.1 times (covenant minimum of three times).

Taking these factors into account, the Board has the reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future (a period of at least twelve months) and for this reason, the Board has adopted the going concern basis in preparing this Preliminary Announcement.

Alternative performance measures and adjusting items
The Group uses alternative performance measures ("APMs") which are not defined or specified under IFRS. The Group believes that these APMs, which are not considered to be a substitute for IFRS measures, provide additional helpful information. APMs are consistent with how business performance is planned, reported and assessed internally by management and the Board and provide additional comparative information. A glossary setting out the APMs that the Board use, how they are used, an explanation of how they are calculated, and a reconciliation of the APMs to the statutory results, where relevant is set out at Note 19.

Adjusting items are items that are unusual because of their size, nature or incidence and which the Directors consider should be disclosed separately to enable a full understanding of the Group's results and to

demonstrate the Group's capacity to deliver dividends to shareholders. The adjusted results should not be regarded as a complete picture of the Group's financial performance, which is presented in the total results. Details of the adjusting items are disclosed in Note 4 and Note 19.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of condensed consolidated financial statements requires the Group to make estimates and judgements that affect the application of policies and reported accounts. Critical judgements represent key decisions made by the Board in the application of the Group accounting policies. Where a significant risk of materially different outcomes exists due to the Board's assumptions or sources of estimation uncertainty, this will represent a critical accounting estimate. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and judgements which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Critical accounting judgements

The following critical accounting judgements has been made in the preparation of the condensed consolidated financial statements:

- As noted above, adjusting items have been highlighted separately due to their size, nature or incidence to provide a full understanding of the Group's results and to demonstrate the Group's capacity to deliver dividends to shareholders. The determination of whether items merit treatment as an adjusting item is a matter of judgement. Note 4 sets out details of the adjusting items.

Sources of estimation uncertainty

The Directors consider the following to be key sources of estimation uncertainty:

- In arriving at the accounting value of the Group's defined benefit pension scheme, key assumptions have to be made in respect of factors including discount rates and inflation rates. These are determined on the basis of advice received from a qualified actuary. These estimates may be different to the actual outcomes. See further information in Note 12.
- The carrying value of goodwill is reviewed on an annual basis in accordance with IAS 36. This review requires the use of cash flow projections based on a financial forecast that are discounted at an appropriate market-based discount rate, and a long-term growth rate. The assumption on the market-based discount rate is determined based on the advice of a third-party advisor. The actual cash flows generated by the business may be different to the estimates included in the forecasts. See further information in Note 9.

2. Segmental analysis

IFRS 8 "Operating Segments" requires operating segments to be identified on the basis of discrete financial information about components of the Group that are regularly reviewed by the Group's Chief Operating Decision Maker ('CODM') to allocate resources to the segments and to assess their performance. The CODM at Marshalls is the Board. The Group reports under three reporting segments, namely Landscaping Products, Building Products and Roofing Products. Landscaping Products comprises the Group's Public Sector and Commercial and Domestic landscaping business and Landscape Protection. Building Products comprises the Group's Water Management, Bricks and Masonry, Mortars and Screeds and Aggregate businesses. Roofing Products comprises Marley Roofing and Viridian Solar.

Segment revenues and operating profit

	Audited year ended December 2024 £'m	Audited year ended December 2023 £'m
Revenue		
Landscaping Products	**268.3**	321.5
Building Products	**164.6**	170.1
Roofing Products	**186.3**	179.6
Revenue	**619.2**	671.2
Operating profit		
Landscaping Products	**10.7**	21.3
Building Products	**14.1**	12.2
Roofing Products	**49.4**	44.9
Central costs	**(7.5)**	(7.7)
Segment operating profit	**66.7**	70.7
Adjusting items (see Note 4)	**(12.8)**	(29.7)
Reported operating profit	**53.9**	41.0

The Group has two customers which each contributed more than ten per cent of total revenue in the current and prior year. The accounting policies of the three operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned without allocation of certain central administration costs that are not capable of allocation. Centrally administered overhead costs that relate directly to the reportable segment are included within the segment's results.

The geographical destination of revenue is the United Kingdom £617.8 million (2023: £662.8 million) and Rest of the World £1.4 million (2023: £8.4 million).

Segment assets

	Audited December 2024 £'m	Audited December 2023 £'m
Segment assets		
Landscaping Products	**222.6**	240.8
Building Products	**142.2**	142.0
Roofing Products	**584.3**	587.7
Unallocated assets	**127.0**	143.6
Total	**1,076.1**	1,114.1

For the purpose of monitoring segment performance and allocating resources between segments, the Group's CODM monitors the property, plant and equipment, right-of-use assets, intangible assets and inventory. Assets used jointly by reportable segments are not allocated to individual reportable segments.

Capital additions

	Audited year ended December 2024 £'m	Audited year ended December 2023 £'m
Capital additions		
Landscaping Products	**21.2**	23.1
Building Products	**8.2**	4.9
Roofing Products	**3.8**	5.9
Total	**33.2**	33.9

Capital additions comprise property, plant and equipment of £9.2 million (2023: £16.5 million), right-of-use assets of £21.6 million (2023: £14.9 million) and intangible assets of £2.4 million (2023: £2.5 million).

Depreciation and amortisation

	Audited year ended December 2024 £'m	Audited year ended December 2023 £'m
Depreciation and amortisation		
Landscaping Products	**17.8**	19.5
Building Products	**8.0**	8.0
Roofing Products	**5.3**	5.4
Segment depreciation and amortisation	**31.1**	32.9
Adjusting items	**10.4**	10.4
Depreciation and amortisation	**41.5**	43.3

Depreciation and amortisation includes £10.4 million of amortisation of intangible assets arising from the purchase price allocation exercises (2023: £10.4 million). This comprises £0.1 million (2023: £0.1 million) in Landscaping Products, £1.1 million in Building Products (2023: £1.1 million) and £9.2 million in Roofing Products (2023: £9.2 million). The amortisation has been treated as an adjusting item (Note 4).

3. Net operating costs

	Audited year ended December 2024 £'m	Audited year ended December 2023 £'m
Raw materials and consumables	**237.5**	235.4
Changes in inventories of finished goods and work in progress	**(14.4)**	12.9
Personnel costs	**132.8**	151.6
Depreciation of property, plant and equipment	**22.1**	21.4
Depreciation of right-of-use assets	**7.3**	9.8
Amortisation of intangible assets	**12.1**	12.1
Asset impairments	**-**	7.3
Own work capitalised	**(1.3)**	(2.5)
Other operating costs	**174.0**	177.5
Redundancy and other costs	**-**	9.3
Operating costs	**570.1**	634.8
Other operating income	**(2.9)**	(2.6)
Net gain on asset and property disposals	**(1.9)**	(1.4)
Net gain on disposal of subsidiary	**-**	(0.6)
Net operating costs	**565.3**	630.2
Adjusting items (Note 4)	**(12.8)**	(29.7)
Adjusted net operating costs	**552.5**	600.5

4. Adjusting items

	Audited year ended December 2024 £'m	Audited year ended December 2023 £'m
Amortisation of intangible assets arising on acquisitions	**10.4**	10.4
Transformation costs	**2.5**	-
Contingent consideration	**1.6**	1.6
Significant property sale	**(1.7)**	-
Restructuring and similar costs	**-**	11.3
Impairment of property, plant and equipment	**-**	7.0
Disposal of the former Belgian subsidiary	**-**	(0.6)
Total adjusting items within operating profit	**12.8**	29.7
Adjusting item in interest expense	**-**	1.4
Total adjusting items before taxation	**12.8**	31.1
Current tax on adjusting items (Note 6)	**(0.7)**	(2.7)
Deferred tax on adjusting items (Note 6)	**(2.6)**	(4.7)
Total adjusting items after taxation	**9.5**	23.7

- Amortisation of intangible assets arising on acquisitions is principally in respect of values recognised for the Marley brand and its customer relationships.
- Transformation costs represent costs incurred in respect of the 'Transform & Grow' strategy.
- The additional contingent consideration relates to the reassessment of the amounts that will become payable to vendors arising in relation to Marley's acquisition of Viridian Solar Limited in 2021.
- The profit generated on the sale of a significant property was in respect of the Group's former manufacturing site in Carluke.
- Restructuring and similar costs arose during major restructuring exercises conducted when the Group took steps to reduce manufacturing capacity and the cost base in response to a reduction in market demand.
- The impairment of property, plant and equipment arose in connection with the major restructuring exercises noted above.
- On 14 April 2023, the Group's interest in the former Belgian subsidiary was sold for a nominal consideration. This consideration was higher than the net carrying value on this date which resulted in a non-recurring profit of £0.6 million.
- The 2023 adjusting item in interest expense of £1.4 million is a non-cash technical accounting charge arising from the resolution of certain historical benefit issues. An allowance of £6.5 million was included in the net pension scheme asset at December 2022 and following the resolution of the benefit issues, this has been reduced to £5.5 million. This net reduction of £1.0 million comprised a profit and loss account charge of £1.4 million arising from the decision by the Board to not reduce pensions to payment to certain pensioners who were receiving payments that are too high and £2.4 million credit to the condensed statement of comprehensive income relating to adjustments to estimates.

5. Net finance expenses

	Audited year ended December 2024 £'m	Audited year ended December 2023 £'m
Net interest expense on bank loans	**12.5**	14.7
Interest expense of lease liabilities	**1.7**	2.5
Net interest expense on defined benefit pension scheme	**0.3**	0.2
	14.5	17.4
Additional interest expense in defined benefit pension scheme	**-**	1.4
Net finance expenses	**14.5**	18.8

Net interest expense on the defined benefit pension scheme is disclosed net of Company recharges for scheme administration. The additional technical interest expense in 2023 in respect of the defined benefit pension scheme arose from the resolution of certain historical issues, was non-cash and non-recurring. The Board decided to augment the benefits of certain pensioners who would have otherwise suffered hardship due to a reduction in pension payments following a review to correct the historical benefit issues. This has augmentation charge was accounted for as an adjusting item (see Note 4).

6. Income tax expense

	Audited year ended December 2024 £'m	Audited year ended December 2023 £'m
Current tax expense		
Current year	**13.7**	8.8
Adjustments for prior years	**-**	(1.4)
	13.7	7.4
Deferred taxation expense		
Origination and reversal of temporary differences:		
Current year	**(4.0)**	(3.0)
Adjustments for prior years	**(1.3)**	(0.6)
Total tax expense	**8.4**	3.8
Current tax on adjusting items (Note 4)	**0.7**	2.7
Deferred tax on adjusting items (Note 4)	**2.6**	4.7
Total tax expenses after adding back adjusting items	**11.7**	11.2

7. Earnings per share

Basic earnings per share from total operations of 12.3 pence (2023: 7.4 pence) per share is calculated by dividing the profit attributable to Ordinary Shareholders for the financial year, after adjusting for non-controlling interests, of £31.0 million (2023: £18.6 million) by the weighted average number of shares in issue during the period of 252,807,833 (2023: 252,824,077).

Basic earnings per share after adding back adjusting items of 16.0 pence (2023: 16.7 pence) per share is calculated by dividing the adjusted profit attributable to Ordinary Shareholders for the financial year, after adjusting for non-controlling interests, of £40.5 million (2023: £42.3 million) by the weighted average number of shares in issue during the period of 252,807,833 (2023: 252,824,077).

Profit attributable to Ordinary Shareholders

	Audited year ended December 2024 £'m	Audited year ended December 2023 £'m
Adjusted profit after tax	**40.5**	42.1
Adjusting items	**(9.5)**	(23.7)
Profit for the financial year	**31.0**	18.4
Profit attributable to non-controlling interests	**-**	0.2
Profit attributable to Ordinary Shareholders	**31.0**	18.6

Weighted average number of Ordinary Shares

	Audited year ended December 2024 Number	Audited year ended December 2023 Number
Number of issued Ordinary Shares	**252,968,728**	252,968,728
Effect of shares issued during the period	**-**	-
Effect of shares transferred into Employee Benefit Trust	**(160,895)**	(144,651)
Weighted average number of Ordinary Shares at the end of the year	**252,807,833**	252,824,077

Diluted earnings per share before adjusting items of 12.2 pence (2023: 7.3 pence) per share is calculated by dividing the profit for the financial period, after adjusting for non-controlling interests of £31.0 million (2023: £18.6 million), by the weighted average number of shares in issue during the period of 252,807,833 (2023: 252,824,077), plus potentially dilutive shares of 999,738 (2023: 1,026,468), which totals 253,807,571 (2023: 253,850,545).

Diluted earnings per share after adding back adjusting items of 16.0 pence (year ended 31 December 2023: 16.7 pence) per share is calculated by dividing the profit for the financial period, after adjusting for non-controlling interests of £40.5 million (2023: £42.3 million), by the weighted average number of shares in issue during the period of 252,807,833 (2023: 252,824,077), plus potentially dilutive shares of 999,738 (2023: 1,026,468), which totals 253,807,571 (2023: 253,850,545).

Weighted average number of Ordinary Shares (diluted)

	Audited year ended December 2024 Number	Audited year ended December 2023 Number
Weighted average number of Ordinary Shares	**252,807,833**	252,824,077
Potentially dilutive shares	**999,738**	1,026,468
Weighted average number of Ordinary Shares (diluted)	**253,807,571**	253,850,545

8. Dividends

The Group maintains a dividend policy of distributions being covered twice by adjusted earnings. The Board has proposed a final dividend of 5.4 pence per share, which taken together with the interim dividend of 2.6 pence per share, would result in a pay-out in respect of 2024 of 8.0 pence. This is in-line with the Group policy and would represent a year-on-year reduction of four per cent driven by weaker profitability and a higher effective taxation rate. The dividend will be paid on 1 July 2025 to shareholders on the register at the close of business on 6 June 2025. The shares will be marked ex-dividend on 5 June 2025.

9. Goodwill

	Audited December 2024 £'m	Audited December 2023 £'m
Net book value at start of period	**324.4**	322.6
Adjustments to purchase price allocation	**-**	1.8
Net book value at end of period	**324.4**	324.4

All goodwill has arisen from business combinations. The carrying amount of goodwill is allocated across cash generating units ("CGUs") which represent the lowest level within the Group at which the associated goodwill is monitored for management purposes and is consistent with the operating segments set out in Note 2. The Group has three material CGUs, Landscaping Products, Building Products and Roofing Products. The carrying amount of goodwill has been allocated to CGUs as follows:

	Audited December 2024	Audited December 2023
	£'m	£'m
Landscaping Products	**34.8**	34.8
Building Products	**43.7**	43.7
Roofing Products	**245.9**	245.9
	324.4	324.4

Building Products and Landscaping Products

The recoverable amounts of the Building Products and Landscaping Products segments as cash-generating units are determined based on value in use calculations which use cash flow projections based on financial budgets approved by the directors covering a five-year period and a post-tax discount rate of 10.0 per cent per annum (2023: 10.4 per cent per annum). Cash flows beyond that five-year period have been extrapolated using a 2.4 per cent (2023: 2.4 per cent) per annum growth rate. This growth rate reflects expectations of the long-term structural growth in demand for the segments' products.

Roofing Products

The recoverable amount of the Roofing Products segment as a cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a five-year period and a post-tax discount rate of 10 per cent per annum (2023: 10.4 per cent per annum). Cash flows beyond that five-year period have been extrapolated using a 2.4 per cent (2023: 2.4 per cent) per annum growth rate. This growth rate reflects expectations of the long-term structural growth in demand for the segment's products.

The compound annual growth rate ('CAGR') assumed within the Roofing Products CGU five-year forecast is 9.1 per cent which reflects industry consensus with respect to the future recovery in the construction materials market together with management's expectations of future growth in residential solar PV as a consequence of amendments made to building regulations in England and Wales.

Sensitivity analysis

The group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for each of the group of CGUs to which goodwill is allocated. The directors believe that any reasonably possible change in the key assumptions on which the recoverable amounts of Building Products CGU are based would not cause the aggregate carrying amounts to exceed the aggregate recoverable amounts.

At the end of the financial year, the recoverable amount of the Roofing Products CGU exceeds the carrying amount by £77 million, which is lower than the other CGUs given the recency of the acquisition, and consequently the impairment review is more sensitive to changes in assumptions. The CAGR in the Roofing Products CGU is particularly sensitive to future political and regulatory decisions and the industry's interpretation of the most effective solution to building regulation requirements regarding the use of roof-integrated solar in new homes. These factors could affect growth rates within the residential solar PV market and may have a corresponding impact on profit margins. Changes in regulations regarding both the UK's

ambitions for the energy efficiency of residential properties and the specificity on how they should be achieved represent reasonably possible downside risks that could give rise to a future impairment charge. A CAGR of six per cent would reduce the headroom in the Roofing Products CGU to nil.

The impairment review is also sensitive to changes in discount rate with an increase of 100 basis points in the post-tax rate required to reduce headroom in the Roofing Products CGU to nil, giving a breakeven point for the post-tax rate of 11.0 per cent. A reduction in the long-term market growth rate to 0.9 per cent would eliminate the headroom of the Roofing Products CGU.

At the end of 2024, the recoverable amount in the Landscaping Products GCU was £145 million higher than the carrying amount. The Board expects a significant improvement in the performance of the Landscaping Products reporting segment as a result of the comprehensive performance improvement plan that was implemented from June 2024, the details of which are set out elsewhere in this report, and the market consensus growth forecasts for the sector. The combination of both of these assumptions is included within the value in use of the Landscaping Products CGU and given the subjective nature of these assumptions it is reasonably possible that both will not occur as the directors forecast. However, it would require a reduction of around one third of forecast cash flows before the value in use of the CGU exceeded the recoverable amount.

10. Intangible assets

	Audited December 2024 £'m	Audited December 2023 £'m
Net book value at start of period	**227.5**	237.1
Additions	**2.4**	2.5
Amortisation	**(12.1)**	(12.1)
Net book value at end of period	**217.8**	227.5

Amortisation includes £10.4 million (2023: £10.4 million) relating to intangible assets arising on acquisitions that is accounted for as an adjusting item (see Note 4). Included in software additions is £1.0 million (2023: £1.6 million) of own work capitalised.

11. Property, plant and equipment

	Audited December 2024 £'m	Audited December 2023 £'m
Net book value at start of period	**249.4**	266.5
Additions	**9.2**	16.5
Depreciation	**(22.1)**	(21.4)
Impairment	**-**	(7.3)
Other movements	**(1.7)**	(4.9)
Net book value at end of period	**234.8**	249.4

Impairment in 2023 represents the assets being written down to fair value less cost to sell of £7.3 million in relation to major restructuring exercises at certain facilities in the Group's network (see Note 4).

12. Retirement benefit asset

The amounts recognised in the balance sheet in respect of the defined benefit asset are as follows:

	Audited December 2024 £'m	Audited December 2023 £'m
Present value of Scheme liabilities	**(204.2)**	(239.4)
Fair value of Scheme assets	**228.3**	250.4
Net amount recognised (before deferred tax)	**24.1**	11.0

The Company sponsors a funded defined benefit pension scheme in the UK (the “Scheme”). The Scheme is administered within a trust which is legally separate from the Company. The Trustee Board is appointed by both the Company and the Scheme’s membership and acts in the interest of the Scheme and all relevant stakeholders, including the members and the Company. The Trustee is also responsible for the investment of the Scheme’s assets.

The Scheme provides pension and lump sums to members on retirement and to dependants on death. The defined benefit section closed to future accrual of benefits on 30 June 2006 with the active members becoming entitled to a deferred pension. Members no longer pay contributions to the defined benefit section. Company contributions to the defined benefit section after this date are used to fund any deficit in the Scheme and the expenses associated with administering the Scheme, as determined by regular actuarial valuations.

The Scheme poses a number of risks to the Company, for example longevity risk, investment risk, interest rate risk, inflation risk and salary risk. The Trustee is aware of these risks and uses various techniques to control them. The Trustee has a number of internal control policies, including a Risk Register, which are in place to manage and monitor the various risks it faces. The Trustee’s investment strategy incorporates the use of liability-driven investments (“LDIs”) to minimise sensitivity of the actuarial funding position to movements in interest rates and inflation rates.

The defined benefit section of the Scheme is subject to regular actuarial valuations, which are usually carried out every three years. An actuarial valuation is being carried out with an effective date of 5 April 2024 and is expected to be concluded shortly. These actuarial valuations are carried out in accordance with the requirements of the Pensions Act 2004 and so include deliberate margins for prudence. This contrasts with these accounting disclosures which are determined using best estimate assumptions. The last formal actuarial valuation was carried out as at 5 April 2021 which resulted in a surplus of £24.3 million, on a technical provisions basis. A triennial valuation as at 5 April 2024 is currently underway and, based on information to date, the Company does not expect cash contributions to be payable following its finalisation.

The charge recognised in the income statement in respect of the Scheme is included in net finance expenses and totalled £0.3 million in the year ended December 2024 (2023: £1.6 million). Net interest expense on the defined benefit pension scheme is disclosed net of Company recharges for scheme administration. In the year ended December 2023, this expense included a one-off, non-cash, technical accounting charge of £1.4 million relating to the resolution of a review into historical benefit issues. This charge was accounted for as an adjusting item, see Notes 4 and 5 for further details.

13. Lease liabilities

	Audited December 2024 £’m	Audited December 2023 £’m
Analysed as:		
Amounts due for settlement within twelve months	**5.7**	8.0
Amounts due for settlement after twelve months	**29.7**	36.7
	35.4	44.7

The interest expense on lease liabilities amounted to £1.7 million (2023: £2.5 million). Lease liabilities are calculated at the present value of the lease payments that are not paid at the commencement date. For the year ended December 2024, the average effective borrowing rate was 5.0 per cent (2023: 4.2 per cent). Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The total cash outflow in relation to leases amounts to £7.0 million (2023: £11.6 million). The total cash outflow in relation to short-term and low value leases was £2.7 million (2023: £7.1 million).

14. Interest bearing loans and borrowings

	Audited December 2024 £’m	Audited December 2023 £’m
Analysed as:		

Non-current liabilities	**152.8**	207.4

Interest bearing loans and borrowings are stated net of unamortised debt arrangement fees of £2.2 million (2023: £2.6 million).

The total syndicated bank facility at December 2024 was £315.0 million (2023: £370.0 million), of which £160 million (2023: £160 million) remained unutilised. The Group repaid £55 million of the term loan during 2024, which reduced the total facility to £315 million. This provides significant liquidity for the Group to fund its strategic and operational plans going forward. The undrawn facility available at December 2024 expires between two and five years.

The Group's committed bank facilities are charged at variable rates based on SONIA plus a margin. The Group's bank facility continues to be aligned with the current strategy to ensure that headroom against the available facility remains at appropriate levels and are structured to provide committed medium-term debt.

Marshalls has a receivables purchase agreement with a UK bank and is party to a reverse factoring finance arrangement between a UK bank and one of the Group's key customers (the principal relationship is between the customer and its partner bank). Under these agreements, Marshalls has the option of transferring the ownership of certain customer receivables to the bank or to receive advance payment of approved invoices from the key customer, respectively. Utilising either agreement results in the derecognition of receivables from the Group's balance sheet. The Group utilises these facilities periodically in order to help manage its short-term funding requirements and pays a finance charge upon utilisation.

15. Analysis of net debt

	Audited December 2024 £'m	Audited December 2023 £'m
Cash at bank and in hand	**18.9**	34.5
Debt due after 1 year	**(152.8)**	(207.4)
Lease liabilities	**(35.4)**	(44.7)
Net debt	**(169.3)**	(217.6)

16. Reconciliation of net cash flow to movement in net debt

	Audited December 2024 £'m	Audited December 2023 £'m
Net decrease in cash equivalents	**(15.7)**	(20.3)
Cash outflow from movement in bank borrowings	**55.0**	39.8
On disposal of subsidiary undertakings	**-**	(1.4)
Cash outflow from lease repayments	**5.3**	9.6
New leases entered into	**(20.4)**	(13.7)
Lease liability de-recognised	**24.4**	5.3
Effect of exchange rate fluctuations	**(0.3)**	(0.3)
Movement in net debt in the year	**48.3**	19.0
Net debt at beginning of the year	**(217.6)**	(236.6)
Net debt at end of the year	**(169.3)**	(217.6)

The lease liability derecognition was in respect of vehicle leases that were novated as part of a logistics outsourcing project.

17. Reconciliation of profit after taxation to cash generated from operating activities

	Notes	**Audited year ended December 2024 £'m**	Audited year ended December 2023 £'m
Profit after taxation		**31.0**	18.4
Income tax expense on continuing operations	6	**8.4**	3.8
Profit before tax		**39.4**	22.2
Adjustments for:			
Depreciation of property, plant and equipment	11	**22.1**	21.4
Asset impairments		**-**	7.3
Depreciation of right-of-use assets		**7.3**	9.8
Amortisation	10	**12.1**	12.1
Gain on disposal of subsidiary		**-**	(0.6)
Gain on sale of property, plant and equipment		**(1.9)**	(1.4)
Equity settled share-based payments		**1.1**	2.8
Net finance expenses	5	**14.5**	18.8
Operating cash flow before changes in working capital		**94.6**	92.4
Decrease in trade and other receivables		**13.8**	25.8
(Increase) / decrease in inventories		**(13.1)**	10.1
Increase / (decrease) in trade and other payables		**2.0**	(23.7)
Cash generated from operations		**97.3**	104.6

18. Fair values of financial assets and financial liabilities

A comparison by category of the book values and fair values of the financial assets and liabilities of the Group at 31 December 2024 is shown below:

	Book value		Fair value	
	Audited December 2024 £'m	Audited December 2023 £'m	**Audited December 2024 £'m**	Audited December 2023 £'m
Trade and other receivables	**76.1**	87.5	**76.1**	87.5
Cash and cash equivalents	**18.9**	34.5	**18.9**	34.5
Bank loans	**(152.8)**	(207.4)	**(146.1)**	(202.2)
Trade payables, other payables and provisions	**(122.8)**	(116.8)	**(122.8)**	(116.8)
Derivatives	**1.1**	1.9	**1.1**	1.9
Contingent consideration	**(6.6)**	(8.0)	**(6.6)**	(8.0)
Financial instrument assets and liabilities – net	**(186.1)**	(208.3)		
Non-financial instrument assets and liabilities – net	**847.4**	849.6		
Net assets	**661.3**	641.3		

Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table. Other than contingent consideration, which uses a level three basis, all use level two valuation techniques.

(a) Derivatives

Derivative contracts are either marked to market using listed market prices or by discounting the contractual forward price at the relevant rate and deducting the current spot rate. For interest rate swaps, broker quotes are used.

(b) Interest-bearing loans and borrowings
Fair value is calculated based on the expected future principal and interest cash flows discounted at the market rate of interest at the balance sheet date.

(c) Trade and other receivables/payables
For receivables/payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value. All other receivables/payables are discounted to determine the fair value.

(d) Contingent consideration
The contingent consideration has been calculated based on the Group's expectation of what it will pay in relation to the post-acquisition performance of the acquired entities.

(e) Fair value hierarchy
The table below analyses financial instruments, measured at fair value, into a fair value hierarchy based on the valuation techniques used to determine fair value.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 £'m	Level 2 £'m	Level 3 £'m	Total £'m
December 2024				
Derivative financial assets	**-**	**1.1**	-	**1.1**
Contingent consideration	**-**	**-**	**(6.6)**	**(6.6)**
	-	**1.1**	**(6.6)**	**(5.5)**
December 2023				
Derivative financial assets	-	1.9	-	1.9
Contingent consideration	-	-	(8.0)	(8.0)
	-	1.9	(8.0)	(6.1)

19. Alternative performance measures

The APMs set out by the group are made-up of earnings-based measures and ratio measures with a selection of these measures being stated after adjusting items.

Measures stated after excluding adjusting items
These performance measures are calculated using either the associated statutory measure or alternative performance measure after adding back the adjusting items detailed in Note 4. The Group's accounting policy on adjusting items is set out in Note 1, basis of preparation.

APM	**Definition and/or purpose**
Adjusted operating profit, adjusted profit before tax, adjusted profit after tax, adjusted earnings per share, adjusted EBITA, adjusted EBITDA and adjusted operating cash flow	The Directors assess the performance of the Group using these measures including when considering dividend payments.
Adjusted return on capital employed	Adjusted return on capital employed is calculated as adjusted EBITA (on annualised basis) divided by shareholders' funds plus net debt at the period end. It is designed to give further information about the returns being generated by the Group as a proportion of capital employed.
Adjusted operating cash flow conversion	Operating cash flow conversion is calculated by dividing adjusted operating cash flow by adjusted EBITDA (both on an annualised basis). Adjusted operating cash flow is calculated by adding back adjusting items paid, net

	finance expenses paid, and taxation paid. It illustrates the rate of conversion of profitability into cash flow.

Pre-IFRS 16 measures

The Group's banking covenants are assessed on a pre-IFRS 16 basis. In order to provide transparency and clarity regarding how the Group's compliance with banking covenants, the following performance measures and their calculations have been presented:

APM	**Definition and purpose**
Pre-IFRS 16 adjusted EBITDA	Pre-IFRS 16 adjusted EBITDA is adjusted EBITDA excluding right-of-use asset depreciation and profit or losses on the sale of property, plant and equipment.
Pre-IFRS 16 net debt	Pre-IFRS 16 net debt comprises cash at bank and in hand and bank loans but excludes lease liabilities. It shows the overall net indebtedness of the Group on a pre-IFRS 16 basis.
Pre-IFRS 16 net debt leverage	This is calculated by dividing pre-IFRS 16 net debt by adjusted pre-IFRS 16 EBITDA (on an annualised basis) to provide a measure of leverage.

Other definitions

APM	**Definition and purpose**
EBITDA	EBITDA is earnings before interest, taxation, depreciation, and amortisation and provides users with further information about the profitability of the business before financing costs, taxation, and non-cash charges.
EBITA	EBITA is earnings before interest, taxation and amortisation and provides users with further information about the profitability of the business before financing costs, taxation, and amortisation.

Reconciliations of IFRS reported income statement measures to income statement APMs is set out in the following three tables. A reconciliation of operating profit to pre-IFRS 16 adjusted EBITDA is set out below:

	Audited year ended December 2024 £'m	Audited year ended December 2023 £'m
Operating profit	**53.9**	41.0
Adjusting items (Note 4)	**12.8**	29.7
Adjusted operating profit	**66.7**	70.7
Amortisation (excluding amortisation of intangible assets arising on acquisitions)	**1.7**	1.7
Adjusted EBITA	**68.4**	72.4
Depreciation	**29.4**	31.2
Adjusted EBITDA	**97.8**	103.6
Profit on sale of property, plant and equipment	**(0.2)**	(1.4)
Right-of-use asset principal payments	**(5.3)**	(9.6)
Pre-IFRS 16 adjusted EBITDA	**92.3**	92.6

Disclosures required under IFRS are referred to as on a reported basis. Disclosures referred after adding back adjusting items basis are restated and are used to provide additional information and a more detailed understanding of the Group's results.

Pre-IFRS 16 net debt and pre-IFRS 16 net debt leverage
Net debt comprises cash at bank and in hand, bank loans and leasing liabilities. An analysis of net debt is provided in Note 15. Net debt on a pre-IFRS 16 basis has been disclosed to provide additional information and to align with reporting required for the Group's banking covenants. Pre-IFRS 16 net debt leverage is defined as pre-IFRS 16 net debt divided by adjusted pre-IFRS16 EBITDA. Net debt as reported in Note 15 is reconciled to pre-IFRS 16 net debt and pre-IFRS 16 net debt leverage below:

	Audited December 2024 £'m	Audited December 2023 £'m
Net debt	**169.3**	217.6
IFRS 16 leases	**(35.4)**	(44.7)
Net debt on a pre-IFRS 16 basis	**133.9**	172.9
Adjusted pre-IFRS 16 EBITDA	**92.3**	92.6
Pre-IFRS 16 net debt leverage	**1.5**	1.9

Return on capital employed ('ROCE')
ROCE is defined as adjusted EBITA divided by shareholders' funds plus net debt.

	Audited December 2024 £'m	Audited December 2023 £'m
Adjusted EBITA	**68.4**	72.4
Shareholders' funds	**661.3**	641.3
Net debt	**169.3**	217.6
Capital employed	**830.6**	858.9
ROCE	**8.2%**	8.4%

Adjusted operating cash flow conversion
Adjusted operating cash flow conversion is the ratio of adjusted operating cash flow to adjusted EBITDA and is calculated as set out below:

	Audited year ended December 2024 £'m	Audited year ended December 2023 £m
Net cash flow from operating activities	**76.8**	77.7
Adjusting items paid	**6.4**	5.5
Net finance expenses paid	**11.7**	16.5
Taxation paid	**8.8**	10.4
Adjusted operating cash flow	**103.7**	110.1
Adjusted EBITDA	**97.8**	103.6
Adjusted operating cash flow conversion	**106%**	106%

20. Principal risks and uncertainties

Risk management is the responsibility of the Marshalls plc Board and is a key factor in the delivery of the Group's strategic objectives. The Board establishes the culture of effective risk management and is responsible for maintaining appropriate systems and controls. The Board sets the risk appetite and determines the policies and procedures that are put in place to mitigate exposure to risks. The Board plays a central role in the Group's Risk Review process, which covers emerging risks and incorporates scenario planning and detailed stress testing.

There continue to be external risks and significant volatility in UK and world markets with high and persistent levels of cost inflation and an uncertain outlook. In an addition to the macro-economic environment, the key risks for the Group are cyber security, competitor activity and an increased focus in climate change and other ESG related issues. In all these cases, specific assessments continue to be reviewed, certain new operating procedures have been implemented and mitigating controls continue to be reviewed as appropriate. A summary of these risks is set out below.

- Macro-economic uncertainty – The Group is dependent on the level of activity in its end markets. Accordingly, it is susceptible to economic downturn, the impact of Government policy, changes in interest rates, the increasing impact of wider geo-political factors (including ongoing conflicts and changes to trade tariffs arrangements) and volatility in world markets. The Group closely monitors trends and lead indicators, invests in market research and is an active member of the Construction Products Association. The Group's response to macro-economic uncertainty has been a major focus during the period including continuing to control costs, working capital tightly whilst maintaining flexibility to increase production when markets start to recover, and maintain a vigilant approach to credit management.
- Cyber security – the risk of a cyber security attack continues to increase with more incidents being reported in UK businesses. In response, the Group has a risk-based approach to the continued development of our cyber security controls, including immutable back-ups, alongside procuring cyber insurance.
- Competitor activity – It has been challenging to recover input cost inflation through higher selling prices due to weaker demand levels resulting in heightened competition for volumes in the marketplace and not all input costs were covered by price increases in 2024. In order to protect profitability, the Group is focusing on controlling its cost base and the attributes that are important to our customers, including best in class technical and design support, carbon leadership and our leading brands.
- Climate change and other ESG issues – to ensure the effective management of all relevant risks and opportunities. The Group remains committed to full transparency for all stakeholders and the Group's sustainability objectives remain core to the Group's business model and strategy. The Group employs experienced, dedicated staff to support our ESG agenda.

The other principal risks and uncertainties that could impact the business for the remainder of the current financial year are those set out in the 2023 Annual Report and Accounts on pages 55 to 61. These cover the strategic, financial and operational risks and have not changed significantly during the period. Strategic risks include those relating to the ongoing Government policy, general economic conditions, the actions of customers, suppliers and competitors, and weather conditions. The Group also continues to be subject to various financial risks in relation to the pension scheme, principally the volatility of the discount (AA corporate bond) rate, any downturn in the performance of equities and increases in the longevity of members. The other main financial risks arising from the Group's financial instruments are liquidity risk, interest rate risk, credit risk and foreign currency risk. External operational risks include the cyber security and information technology, the effect of legislation or other regulatory actions and new business strategies.

The Group continues to monitor all these risks and pursue policies that take account of, and mitigate, the risks where possible.

21. Annual General Meeting

The Annual General Meeting will be held at the offices of Walker Morris, 33 Wellington Street, Leeds, West Yorkshire, LS1 4DL at 11.00 am on 14 May 2025.

Board members

The Directors serving during the year ended 31 December 2024 and up to the date of this report were as follows:

Vanda Murray OBE	Chair
Simon Bourne	Chief Operating Officer
Angela Bromfield	Non-Executive Director
Martyn Coffey	Former Chief Executive (resigned 29 February 2024)
Avis Darzins	Non-Executive Director
Diana Houghton	Non-Executive Director
Justin Lockwood	Chief Financial Officer
Graham Prothero	Senior Non-Executive Director
Matt Pullen	Chief Executive (appointed 8 January 2024)

By order of the Board

Shiv Sibal
Group Company Secretary
17 March 2025

Cautionary Statement
This Preliminary Results announcement contains certain forward-looking statements with respect to the financial condition, results, operations and business of Marshalls plc. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. Nothing in this Preliminary Results announcement should be construed as a profit forecast.

Directors' Liability
Neither the Company nor the Directors accept any liability to any person in relation to the contents of this Preliminary Results announcement except to the extent that such liability arises under English law. Accordingly, any liability to a person who has demonstrated reliance on any untrue or misleading statement or omission shall be determined in accordance with section 90A of the Financial Services and Market Act 2020.

Shareholder Information

Financial calendar

Report and accounts for the year ended December 2024	3 April 2025
Annual General Meeting	14 May 2025
Final dividend for the year ended December 2024 (subject to shareholder approval)	1 July 2025
Results for the half year ending June 2025	Early August 2025
Results for the year ending December 2025	Early March 2026

Registrars

All administrative enquiries relating to shareholdings should, in the first instance, be directed to Computershare Investor Services PLC, PO Box 82, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ (telephone: 0870 707 1134) and should clearly state the registered shareholder's name and address.

Dividend mandate

Any shareholder wishing dividends to be paid directly into a bank or building society should contact the Registrars for a dividend mandate form. Dividends paid in this way will be paid through the Bankers' Automated Clearing System ("BACS").

Website

The Group has a website that gives information on the Group and its products and provides details of significant Group announcements. The address is www.marshalls.co.uk.