



## Half year results for the six months ended 30 June 2025

### 'Transform & Grow' strategy delivers a return to Group revenue growth in subdued markets

Marshalls plc, a leading manufacturer of sustainable solutions for the built environment, announces its results for the half year ended 30 June 2025.

£'M	H1 2025	H1 2024	Change
Revenue	319.5	306.7	4%
<b>Adjusted results (Notes 1 and 2 below)</b>			
Adjusted EBITDA	42.9	50.6	(15%)
Adjusted operating profit	28.4	34.0	(16%)
Adjusted profit before tax	22.0	26.6	(17%)
Adjusted basic EPS – pence	6.6	7.9	(16%)
Adjusted annualised ROCE (%)	7.3	7.6	(0.3ppts)
Interim dividend – pence	2.2	2.6	(15%)
Pre-IFRS 16 net debt	151.6	155.8	3%
<b>Reported results</b>			
Operating profit	18.1	28.9	(37%)
Profit before tax	11.7	21.5	(46%)
Basic EPS – pence	3.5	6.4	(45%)

### Strategic and operational highlights

- Group returned to revenue growth with tangible early progress in the execution of the 'Transform & Grow' strategy
- Landscaping Products improvement plan delivered higher volumes and market share gains. However, end markets remain challenging with subdued demand exerting pressure on prices, and a less profitable product mix adversely impacted profitability
- Acceleration of manufacturing footprint optimisation and overhead reduction in Landscaping Products expected to deliver annualised cost savings of £9 million by 2026
- Strong growth in Roofing Products was led by Viridian Solar and supported by a robust performance in Marley Roofing reinforcing its market-leading position
- Good performances in Water Management and Mortars drove profitable revenue growth in Building Products

### Financial highlights

- Group revenue increased by four per cent driven by growth in both Building and Roofing Products, partially offset by modest contraction in Landscaping Products
- Group adjusted operating profit of £28.4 million reflects improved profitability in Building and Roofing Products offset by reduced profitability in Landscaping Products, impacted by targeted investment in pricing, a less profitable product mix and manufacturing inefficiencies
- Adjusted operating cashflow conversion was strong at 94 per cent on an annualised basis reflecting continuing disciplined working capital management
- Robust balance sheet with a year-on-year net debt reduction of £4.2 million and period end leverage of 1.8 times adjusted annualised EBITDA (H1 2024: 1.8 times)
- Interim dividend of 2.2 pence per share in line with dividend policy

## Outlook

- The Board is taking decisive action to accelerate the optimisation of the national manufacturing network and reduce costs whilst continuing to deliver on all elements of the Landscaping Products performance improvement plan
- Mindful of continuing uncertainty in the macro-economic environment, the Board currently sees no improvement in market activity levels through the remainder of 2025, and expects the full-year outturn to be consistent with its revised guidance<sup>1</sup> issued on 25 July 2025
- Looking further ahead, the Board is encouraged by the Government's commitment to new housing and infrastructure investment and expects the 'Transform & Grow' strategy to position the Group well for sustainable growth across all our reporting segments in the medium term

<sup>1</sup> Company guidance is for adjusted profit before tax for 2025 to be in the range of £42 million and £46 million.

## Matt Pullen, Chief Executive, commented:

*"The Group returned to revenue growth of four per cent in the first half of the year despite a subdued market. This performance reflects the benefits of our diversified portfolio, with Building and Roofing Products delivering good revenue and operating profit growth, and Landscaping Products reporting solid volume growth during the period although at lower profitability.*

*The Landscaping Products improvement plan is firmly underway, and we have made solid, early progress with operational improvements. Whilst profit was below expectations, we have strengthened customer relationships and seen volume growth in the first half. We are accelerating action to reduce costs and optimise our national manufacturing network, which is expected to improve Landscaping Products profitability materially in 2026 and deliver the turnaround.*

*We are also delivering our growth strategies in Roofing and Building Products, building on our successful M&A strategy, by leveraging these growth engines to build a stronger and more diversified Group. In Roofing Products, Viridian Solar continues to benefit from its market-leading roof-integrated solar proposition and the regulatory tailwinds driving energy efficiency in new homes and Marley Roofing also continued to deliver revenue growth, reinforcing its leadership position. In Building Products, we have secured new work in Water Management and are developing operational capability as we reposition the business to capture growth opportunities in the infrastructure and wastewater market ahead of the AMP8 investment cycle. While revenue in Bricks and Masonry contracted, our disciplined approach to pricing has prioritised margins in a highly competitive environment.*

*Looking ahead, while the macroeconomic outlook remains uncertain and markets are likely to stay subdued in the near term, we are encouraged by the Government's commitment to new housing and infrastructure investment which, together with our 'Transform & Grow' strategy, positions us well for sustainable growth across all our businesses in the medium term."*

## Analyst presentation

There will be a live presentation today at 10:00am 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](http://www.marshalls.co.uk).

Users can register to access the webcast using the following link: [https://brrmedia.news/MSLH\\_HY25](https://brrmedia.news/MSLH_HY25)

## Notes:

1. The results for the period ended 30 June 2025 have been disclosed after adding back adjusting items. These are set out in Note 4.
2. This Half Year Financial Report 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 Half Year Financial Report, 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 reported results, where relevant. See Notes 4 and 19 for further details.

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**Note to the Editor:**About Marshalls plc:

Established in the late 1880s, Marshalls plc is a leading UK manufacturer of sustainable solutions for the built environment. It operates through three reporting segments: Landscaping Products; Building Products; and Roofing Products. At a Group, segmental and brand level, Marshalls' strategy centres around its customers who value its unique set of capabilities, namely leading brands, best in class technical and design support and carbon leadership. This is underpinned by business wide enterprise excellence, leadership in ESG governance and standards and its people, organisation, and culture.

The Group operates a national network of manufacturing and distribution sites. Marshalls is committed to quality in everything it does, including the achievement of high environmental and ethical standards and continual improvement in health and safety performance. Its strategic goal is to become the UK's leading manufacturer of sustainable solutions and products for the built environment.

## Chief Executive's Statement

### Overview

Against a backdrop of macro-economic uncertainty and continued subdued activity levels in our key end-markets, we have delivered a performance that highlights the strength of our broad product offering resulting from the Group's diversification strategy, and the opportunity of a successful turnaround in the performance of Landscaping Products. We are on a clear path to shaping a Group where our long-term profitable growth is driven by the collective strength of our diverse portfolio of market leading businesses and brands, ensuring our performance is not determined by any one business unit.

Our return to Group revenue growth reflects the early progress with our 'Transform & Grow' strategy, which is being implemented at pace across the organisation. This strategy is well-defined and at its centre are our market-leading brands, which we will leverage to deliver profitable volume growth and to outperform the market over the medium term. The strong results in our Building Products and Roofing Products segments partially mitigated the weakness in Landscaping Products where we are executing the comprehensive performance improvement plan we initiated last year that is focused on:

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

These actions have delivered a clear improvement in year-on-year revenue trends, and they will help reinvigorate the business for sustainable long-term success. We made progress in network optimisation in the first half of the year and are taking additional steps in the second half to accelerate this. These measures are expected to deliver a total annualised benefit of approximately £9 million, of which around £3 million is expected to be realised in 2025. We are confident that these actions will deliver a more dynamic and profitable business going forward.

Our strategic initiatives are underpinned by a continuing commitment to financial discipline. Strong cash generation delivered a further year-on-year reduction in net debt and provides a robust platform to support our growth ambitions. Guided by our purpose, 'Building Tomorrow's World', our strategy provides a clear foundation to leverage the strengths of our diverse portfolio and realise our significant potential for growth and value creation.

### Strategy update

#### Landscaping Products

*Marshalls Landscaping (Brand Powerhouse) – Driving greater value from the distinctive national specification pull model*

Landscaping end markets remain subdued, with overcapacity versus current market demand putting pressure on prices. In addition, cumulative inflation in building materials over several years has driven increased value engineering, shifting demand toward commodity products and away from value-add solutions. Despite this backdrop, we have made strong progress in executing our strategy and performance improvement plan in H1 2025.

Our new Landscaping leadership team has led a business-wide reset, reinforced our unique national specification model, and positioned the business to deliver improved margins. New strategic deals supported by targeted price investment with key distribution partners, have resulted in an increased share of our landscaping products across their branch networks. This has helped to deliver a return to volume growth of six per cent in the period in a subdued market. In response to the shift towards the less profitable product mix reported in the first half, we have refocused our sales teams on value-add product ranges, supported by changes to sales incentives. This has resulted in order intake growth of commercial value-add products in the second quarter of the year, which will benefit our future revenues. In addition, our portfolio simplification programme is on track to deliver a 28 per cent reduction in SKU count, which will reset our product architecture and build a platform for delivering a stronger mix of value-add products across all product ranges to enhance future profitability.

The progress with our plans to improve margins is supported by the actions being taken to optimise our manufacturing footprint. In the first half of the year, we partially closed one site which unlocked annualised

savings of approximately £3 million, with around half of this benefitting 2025. Further actions are underway (subject to consultation) to reduce costs and drive operational efficiency, including moving production closer to the most profitable markets. Together these two programmes are expected to deliver annualised savings of approximately £9 million with around £3 million being realised in 2025. In addition, we currently have a small part of the product portfolio which is unprofitable, and we will either return this to profit or exit. These actions position the business for a material improvement in profitability in 2026.

### Roofing Products

#### *Marley Roofing (Brand Powerhouse) - Strengthening roofing heartlands and driving share in adjacencies*

Marley Roofing reinforced its market leadership position in the first half of the year growing its market share of clay tiles and timber battens. The business is investing in capital projects that will enhance both product quality and manufacturing efficiency at two concrete tile manufacturing sites. In addition, we are investing in bespoke software that will support our specification selling strategy by enhancing the customer experience and increasing product attachment rates. Progress continues on integrating the solar roof system into Marley's full roof offer, with a defined strategy and ongoing discussions with selected housebuilders ahead of wider rollout.

#### *Viridian Solar (Growth Engine) - Leveraging regulatory tailwinds to accelerate growth*

Viridian Solar's outlook improved further during the first half of 2025 following the Government's announcement on the Future Homes Standard, which will make solar panels mandatory on most new homes, significantly expanding the business's addressable market. Implementation timelines are expected this Autumn and will underpin further market growth after the current regulations are fully embedded in 2026. Through the first half of this year, Viridian Solar grew in-line with expectations, driven by the increasing penetration of new housing built to Part L (2021) regulations. The team continues to strengthen housebuilder relationships including a two-year extension to a solus deal with its largest customer for Clearline fusion roof integrated solar panels. ArcBox sales are growing strongly in the UK given increased fire safety focus, and three wholesale partners have been appointed in Spain to support European expansion.

### Building Products

#### *Marshalls Water Management (Growth Engine) - Reposition to access growth and market headroom in water infrastructure*

Water Management delivered a strong performance in the first half the year, with growth in both its core housing markets and wider infrastructure sector. The team has established framework agreements with several tier one contractors, building a strong foothold ahead of the AMP8 cycle, with revenue benefits expected from mid-2026. To support long-term value creation, we have invested in new design software and delivered an upskilling programme across engineering and commercial teams, which is enhancing engagement with specifiers. A detailed capacity and capability review is also underway to inform a targeted capex plan, which the Board will evaluate in the coming months to align future investment with high-return growth opportunities.

#### *Marshalls Bricks & Masonry (Growth Engine) - Accelerating concrete adoption as lower carbon alternative*

The first quarter of 2025 saw encouraging demand from housebuilders. However, increased sector capacity and softening activity levels in the second quarter intensified price competition. In response, we made a deliberate strategic decision to protect margins by focusing on the differentiated value of our lower-carbon brick offering, competing on quality, sustainability, and long-term performance rather than price, which resulted in lower than planned revenue in H1. In the second half of the year, we will launch a major advocacy campaign to reinforce our carbon leadership, positioning our lower carbon bricks as the sustainable choice for UK construction. This will support policy engagement, highlight our unique value proposition, and drive long-term, specification-led demand.

### **ESG progress**

The Group has committed to reaching net-zero across all scopes by 2050, validated by the Science Based Targets initiative. We are continuing on our carbon reduction journey, supported by the implementation of new carbon reporting software that will enable more granular, real-time analysis of our carbon emissions. With carbon leadership as a strategic pillar of the 'Transform & Grow' strategy, our business units are aligned on priorities to demonstrate how our product solutions contribute to more sustainable infrastructure. This is evidenced through our growing number of Environmental Product Declarations ('EPDs'), our materials innovation programme, and optimising our national manufacturing and logistics network, all of which reinforce our commitment to leading the transition to low-carbon construction.

## Financial and operational review

### Group results

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

£'m	H1 2025	H1 2024	Change (%)
Revenue	<b>319.5</b>	306.7	4%
Adjusted net operating costs	<b>(291.1)</b>	(272.7)	(7%)
Adjusted operating profit	<b>28.4</b>	34.0	(16%)
Net financial expenses	<b>(6.4)</b>	(7.4)	14%
Adjusted profit before taxation	<b>22.0</b>	26.6	(17%)
Adjusted taxation	<b>(5.3)</b>	(6.7)	21%
Adjusted profit after taxation	<b>16.7</b>	19.9	(16%)
Adjusted basic EPS - pence	<b>6.6</b>	7.9	(16%)
Adjusted diluted EPS - pence	<b>6.6</b>	7.8	(15%)
Interim dividend - pence	<b>2.2</b>	2.6	(15%)

Group revenue for the six months ended 30 June 2025 was £319.5 million (H1 2024: £306.7 million) which is four per cent higher than 2024. Revenue growth in Roofing Products and Building Products was eleven per cent and six per cent respectively, which was partially offset by a modest contraction of one per cent in Landscaping Products. Group adjusted operating profit contracted by £5.6 million to £28.4 million, which comprised growth in Roofing Products and Building Products that was offset by weaker profitability in Landscaping Products. Group adjusted operating margin reduced by 2.2 percentage points to 8.9 per cent (H1 2024: 11.1 per cent).

Net financial expenses were £6.4 million (H1 2024: £7.4 million). These expenses comprised financing costs associated with the Group's bank borrowings of £5.7 million (H1 2024: £6.4 million), IFRS 16 lease interest of £1.0 million (H1 2024: £0.8 million) and a pension related credit of £0.3 million (H1 2024: £0.2 million charge). The reduction in financial expenses on bank borrowings in H1 2025 reflects the impact of the lower drawn borrowings and lower base rates. Adjusted profit before taxation contracted by £4.6 million to £22.0 million reflecting the reduction in operating profit partially offset by lower financial expenses.

The adjusted effective tax rate was 24 per cent (H1 2024: 25 per cent), which is broadly in-line with the UK headline corporation tax rate for 2025 and includes the benefit of a patent box arrangement. Adjusted profit after taxation contracted by 16 per cent to £16.7 million and earnings per share also contracted at 16 per cent to 6.6 pence per share.

A reconciliation between the Group's adjusted results and reported results is set out in the following table, further details are set out at Note 4.

£'m	H1 2025	H1 2024	Change (%)
Adjusted operating profit	<b>28.4</b>	34.0	(16%)
Adjusting items	<b>(10.3)</b>	(5.1)	(102%)
Operating profit	<b>18.1</b>	28.9	(37%)
Net financial expenses	<b>(6.4)</b>	(7.4)	14%
Profit before taxation	<b>11.7</b>	21.5	(46%)
EPS - pence	<b>3.5</b>	6.4	(45%)

The reported operating profit is stated after adjusting items totalling £10.3 million as summarised in the following table, further details are set out at Note 4.

£'m	H1 2025	H1 2024
Amortisation of intangible assets arising on acquisitions	<b>(5.2)</b>	(5.2)
Restructuring and impairment charges	<b>(5.1)</b>	-
Contingent consideration	-	(1.6)
Significant property disposal gain	-	1.7
Adjusting items within profit before taxation	<b>(10.3)</b>	(5.1)

Adjusting items in 2025 comprise the amortisation of intangible assets arising on the acquisition of subsidiary undertakings of £5.2 million (H1 2024: £5.2 million) and restructuring and impairment charges of £5.1 million

(2024: £nil) arising from a partial site closure and other actions, of which approximately £2.0 million is a cash cost. Details of the adjusting items arising in 2024 are set out at Note 4.

Reported profit before tax was £10.3 million lower than the adjusted result at £11.7 million (H1 2024: £21.5 million), reflecting the impact of the adjusting items. On a reported basis, the effective tax rate is 24 per cent and reported earnings per share was 3.5 pence (H1 2024: 6.4 pence).

### Segmental performance

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

£'m	H1 2025	H1 2024	Change (%)
Landscaping Products	<b>0.3</b>	8.3	(96%)
Building Products	<b>6.9</b>	6.4	8%
Roofing Products	<b>24.8</b>	23.2	7%
Central costs	<b>(3.6)</b>	(3.9)	8%
Adjusted operating profit	<b>28.4</b>	34.0	(16%)

#### Landscaping Products

Landscaping Products derives around 42 per cent of its revenues from commercial & infrastructure, approximately 30 per cent from new build housing and 28 per cent from private housing RMI.

£'m	H1 2025	H1 2024	Change (%)
Revenue	<b>135.4</b>	137.0	(1%)
Segment operating profit	<b>0.3</b>	8.3	(96%)
<i>Segment operating margin %</i>	<b>0.2%</b>	6.1%	<i>(5.9 ppts)</i>

The reporting segment delivered revenue of £135.4 million (H1 2024: £137.0 million) which represents a reduction of one per cent compared to H1 2024, but an improvement on the contraction of eleven per cent reported in the second half of 2024. This was against a challenging market backdrop with sector-wide volumes remaining well below historical levels and reflects improved engagement with key customers, supported by strategic targeted investment in price. The modest contraction in revenue comprised year-on-year volume growth, offset by strategic price investment and changes in product mix.

Segment operating profit reduced by £8.0 million to £0.3 million. This was driven by the targeted investment in price and a less profitable product mix, which offset the benefit of higher volumes. In addition, the business was impacted by cost increases and weaker manufacturing efficiency, particularly in natural stone. These factors resulted in segment operating margins reducing by 5.9 ppts to 0.2 ppts for the half year.

We took action in the first half to improve the operational efficiency of the business through the partial closure of a site, which will improve utilisation of other assets in the network. This will deliver annualised cost savings of approximately £3 million and around half of this will benefit the second half of the year. Further actions are planned in the second half to improve profitability, aiming to increase the total annualised benefit to approximately £9 million. Alongside this, we remain focused on executing all key workstreams at pace, positioning us for a material improvement in performance in 2026.

The investment in the comprehensive performance improvement plan will reinvigorate the business for long-term success and we remain confident that this work will deliver a more dynamic, flexible and profitable business going forward.

#### Building Products

Building Products generates 66 per cent of its revenues from new housing, 30 per cent from commercial & infrastructure, with the balance being derived from housing RMI.

£'m	H1 2025	H1 2024	Change (%)
Revenue	<b>86.4</b>	81.8	6%
Segment operating profit	<b>6.9</b>	6.4	8%
<i>Segment operating margin %</i>	<b>8.0%</b>	7.8%	<i>0.2 ppts</i>

The segment delivered a good performance in the first half, with revenue increasing by six per cent to £86.4 million. The revenue growth reflects a continued strong performance in our Water Management and Mortars business units partially offset by a contraction in revenue in the Bricks and Aggregates. Our Water Management business performed strongly, delivering growth through successful commercial execution in both its core housing markets and the wider infrastructure sector, supported by improvements in stock availability

and service levels, which have enabled us to win new customers. In Mortars, we have benefited from a strong service proposition and relatively modest build rates on housing developments that favours our ready-to-use mortars. Brick revenues contracted in a competitive market as it maintained a disciplined pricing strategy, choosing to protect margin rather than chase volume at lower prices. The Aggregates business unit was impacted by softer demand and reported lower revenues year-on-year.

Segment operating profit increased by eight per cent to £6.9 million, with an improved operating margin of 8.0 per cent. Operating profit increased in Water Management due to higher volumes and an improved product mix, and through robust price discipline and increased activity levels in Mortars. Profitability declined in Bricks due to lower volumes and increased modestly in Aggregates due to improved efficiency.

#### Roofing Products

Approximately 51 per cent of revenues in this segment are generated from new housing and around 39 per cent from housing RMI, with the balance generated from commercial & infrastructure end markets.

£'m	H1 2025	H1 2024	Change (%)
Revenue	97.7	87.9	11%
Segment operating profit	24.8	23.2	7%
Segment operating margin %	25.4%	26.4%	(1.0 ppts)

The segment reported revenue growth of eleven per cent in the first half of the year, delivering £97.7 million (H1 2024: £87.9 million). This growth was delivered by the continued strong performance of Viridian Solar together with more modest growth from Marley Roofing. Viridian Solar reported revenue growth of around 50 per cent in the first half of the year driven by the continued adoption of its market-leading integrated solar systems by national housebuilders in response to the Part L (2021) building regulations that require higher levels of energy efficiency in new homes. Marley continued to build on its market-leading position, growing share in both clay plain tiles and timber battens and holding share in concrete tiles.

Segment operating profit increased to £24.8 million (H1 2024: £23.2 million), delivering a strong operating margin of 25.4 per cent (H1 2024: 26.4%). This reflected increased profitability from Viridian Solar driven by strong volume growth and robust pricing discipline. Profitability in Marley was slightly lower year-on-year due to weaker manufacturing efficiency and targeted investments aimed at strengthening our commercial capability and customer engagement. These investments alongside increased capital expenditure focused on improving manufacturing efficiency and quality have laid the groundwork for long term growth and continued margin delivery.

#### Balance sheet, cash flow and funding

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

£'m	June 2025	June 2024	December 2024
Goodwill	324.4	324.4	324.4
Intangible assets	212.2	222.7	217.8
Property, plant & equipment	228.6	240.5	234.8
Right-of-use assets	40.2	24.6	32.4
Net working capital	112.0	106.6	86.9
Net pension asset	26.0	17.3	24.1
Deferred tax	(79.7)	(84.7)	(81.6)
Other net balances	(1.3)	(6.7)	(8.2)
Total capital employed	862.4	844.7	830.6
Pre-IFRS 16 net debt	(151.6)	(155.8)	(133.9)
Leases	(40.3)	(27.2)	(35.4)
Net assets	670.5	661.7	661.3

Total capital employed at June 2025 was £862.4 million, which represents an increase of £31.8 million compared to December 2024 (June 2024: increase of £17.7 million). The increase in net working capital in the first six months of 2025 of £25.1 million reflects the seasonal working capital requirements of the Group together targeted increases in inventory in Building and Roofing Products to support volume growth. Net working capital balances are £5.4 million higher than June 2024 due to increased inventory holdings.

The balance sheet value of the Group's defined benefit pension scheme ('the Scheme') was a surplus of £26.0 million (June 2024: £17.3 million; December 2024: £24.1 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 30 June 2025 was £224.4 million (June 2024: £238.7 million; December 2024: £228.3 million) and the present value of the scheme liabilities is £198.4 million (June 2024: £221.4million; December 2024: £204.2 million). The total gain recorded in the Statement of Comprehensive Income net of deferred taxation was £1.2 million (June 2024; £4.8 million gain; December 2024: £10.0 million gain). The principal driver of the gain was a change in financial assumptions underpinning the defined benefit obligation valuation, primarily reductions in CPI/RPI expectations along with an increase in discount rate. The last formal actuarial valuation of the defined benefit pension scheme was undertaken on 5 April 2024 and resulted in a surplus of approximately £15 million, on a technical provisions basis, which was a funding level of 107 per cent. The Company has agreed with the Trustee that no cash contributions are payable under the current funding and recovery plan. The next actuarial valuation will be undertaken as at 5 April 2027.

Adjusted return on capital employed ('ROCE') was 7.3 per cent (June 2024: 7.6 per cent; December 2024: 8.2 per cent) on an annualised basis, with the year-on-year reduction due to weaker profitability. Adjusted ROCE is targeted to increase in the medium term to around 15 per cent as the Group benefits from operational leverage driven by the execution of its strategy and a recovery in market conditions.

Operating cash flow conversion on an annualised basis at June 2025 was 94 per cent of adjusted EBITDA (June 2024: 111 per cent, December 2024: 106 per cent) which demonstrates the consistently strong cash generative nature of the Group's businesses. The proactive management of working capital combined with tight control of capital expenditure resulted in a year-on-year reduction in pre-IFRS16 net debt of £4.2 million to £151.6 million (June 2024: £155.8 million; December 2024: £133.9 million). The Group's syndicated debt facility totals £315 million with the majority of it maturing in April 2027. At June 2025, £145 million of the Group's revolving credit facility of £160 million was undrawn, which together with the £155 million term loan, provides the Group with significant liquidity to fund its strategic and operational plans going forward. Net debt to EBITDA was 1.8 times at June 2025 on an annualised adjusted pre-IFRS16 basis (June 2024: 1.8 times; December 2024: 1.5 times). The Group's banking covenants were comfortably met at June 2025.

### **Dividend**

The Group maintains a dividend policy of distributions covered twice by adjusted earnings with one third being an interim payment and the balance paid as a final dividend. The Board has declared an interim dividend of 2.2 pence per share (2024: 2.6 pence), which is in-line with this policy and reflects the expectation of a reduction in adjusted earnings per share in 2025. The interim dividend will be paid on 1 December 2025 to shareholders on the register at the close of business on 24 October 2025. The shares will be marked ex-dividend on 23 October 2025.

### **Board changes**

As previously announced, Paul Inman will join the Board as a Non-Executive Director on 15 September 2025. Paul will succeed Graham Prothero as Audit Committee Chair, when Graham retires from the Board at the end of our 2026 AGM. Diana Houghton, who joined the Board in 2023, will succeed Graham as Senior Independent Director when he retires. These appointments are part of our wider succession planning and ensure we have the skills and experience to support the execution of our strategy and maintain our commitment to responsible governance.

### **Outlook**

The Board is taking decisive action to accelerate the optimisation of the national manufacturing network and reduce costs whilst continuing to deliver on all elements of the Landscaping Products performance improvement plan. Mindful of continuing uncertainty in the macro-economic environment, the Board currently sees no improvement in market activity levels through the remainder of 2025, expects the full-year outturn to be consistent with the revised guidance issue on 25 July 2025.

Looking further ahead, the Board is encouraged by the Government's commitment to new housing and infrastructure investment and expects the 'Transform & Grow' strategy to position the Group well for sustainable growth across all reporting segments in the medium term.

**Matt Pullen**  
**Chief Executive**

**Condensed consolidated income statement**  
**For the six months ended 30 June 2025**

	Notes	Unaudited six months ended June 2025 £'m	Unaudited six months ended June 2024 £'m	Audited Year ended December 2024 £'m
<b>Revenue</b>	2	<b>319.5</b>	306.7	619.2
Net operating costs	3	(301.4)	(277.8)	(565.3)
<b>Operating profit</b>	2	<b>18.1</b>	28.9	53.9
Net financial expenses	5	(6.4)	(7.4)	(14.5)
<b>Profit before tax</b>		<b>11.7</b>	21.5	39.4
Income tax expense	6	(2.8)	(5.4)	(8.4)
<b>Profit for the financial period</b>		<b>8.9</b>	16.1	31.0
<b>Earnings per share</b>				
Basic	7	<b>3.5p</b>	6.4p	12.3p
Diluted	7	<b>3.5p</b>	6.3p	12.2p
<b>Dividend</b>				
Pence per share	8	<b>2.2p</b>	2.6p	8.0p

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

	Notes	Unaudited six months ended June 2025 £'m	Unaudited six months ended June 2024 £'m	Audited Year ended December 2024 £'m
<b>Operating profit</b>		<b>18.1</b>	28.9	53.9
Operating profit		<b>18.1</b>	28.9	53.9
Adjusting items	4	<b>10.3</b>	5.1	12.8
<b>Adjusted operating profit</b>		<b>28.4</b>	34.0	66.7
<b>Profit before tax</b>		<b>11.7</b>	21.5	39.4
Profit before tax		<b>11.7</b>	21.5	39.4
Adjusting items	4	<b>10.3</b>	5.1	12.8
<b>Adjusted profit before tax</b>		<b>22.0</b>	26.6	52.2
<b>Profit after tax</b>		<b>8.9</b>	16.1	31.0
Profit for the financial period		<b>8.9</b>	16.1	31.0
Adjusting items (net of tax)	4	<b>7.8</b>	3.8	9.5
<b>Adjusted profit after tax</b>		<b>16.7</b>	19.9	40.5
<b>Earnings per share after adding back adjusting items</b>				
Basic	7	<b>6.6p</b>	7.9p	16.0p
Diluted	7	<b>6.6p</b>	7.8p	16.0p

**Condensed consolidated statement of comprehensive income**  
**For the six months ended 30 June 2025**

	<b>Unaudited six months ended June 2025 £'m</b>	Unaudited six months ended June 2024 £'m	Audited Year ended December 2024 £'m
<b>Profit for the financial period</b>	<b>8.9</b>	16.1	31.0
<b>Other comprehensive income/(expense)</b>			
Items that will not be reclassified to the Income Statement:			
Re-measurements of the net defined benefit surplus	<b>1.6</b>	6.4	13.4
Deferred tax arising	<b>(0.4)</b>	(1.6)	(3.4)
<b>Total items that will not be reclassified to the Income Statement</b>	<b>1.2</b>	4.8	10.0
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	<b>(0.3)</b>	0.8	1.6
Fair value of cash flow hedges transferred to the Income Statement	<b>(0.9)</b>	(0.9)	(2.4)
Deferred tax arising	<b>0.2</b>	-	0.2
Exchange difference on retranslation of foreign currency net investment	<b>(0.1)</b>	(0.1)	0.2
<b>Total items that are or may be reclassified to the Income Statement</b>	<b>(1.1)</b>	(0.2)	(0.4)
<b>Other comprehensive income for the period, net of income tax</b>	<b>0.1</b>	4.6	9.6
<b>Total comprehensive income for the period</b>	<b>9.0</b>	20.7	40.6

**Condensed consolidated balance sheet**  
**As at 30 June 2025**

	Notes	Unaudited June 2025 £'m	Unaudited June 2024 £'m	Audited December 2024 £'m
<b>Assets</b>				
<b>Non-current assets</b>				
Goodwill	9	324.4	324.4	324.4
Intangible assets	10	212.2	222.7	217.8
Property, plant and equipment	11	228.6	240.5	234.8
Right-of-use assets		40.2	24.6	32.4
Employee benefits	12	26.0	17.3	24.1
Deferred taxation assets		2.3	1.2	2.1
		<b>833.7</b>	<b>830.7</b>	<b>835.6</b>
<b>Current assets</b>				
Inventories		140.2	129.5	138.2
Trade and other receivables		109.6	116.8	80.8
Cash and cash equivalents		16.7	36.6	18.9
Assets classified as held for sale		0.7	0.8	1.5
Derivative financial instruments		0.3	1.8	1.1
		<b>267.5</b>	<b>285.5</b>	<b>240.5</b>
<b>Total assets</b>		<b>1,101.2</b>	<b>1,116.2</b>	<b>1,076.1</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables		137.8	139.7	132.1
Corporation tax		2.0	2.7	4.2
Lease liabilities	13	5.6	4.7	5.7
Interest-bearing loans and borrowings	14	9.1	-	-
Derivative financial instruments		0.3	-	-
Provisions		-	6.6	6.6
		<b>154.8</b>	<b>153.7</b>	<b>148.6</b>
<b>Non-current liabilities</b>				
Lease liabilities	13	34.7	22.5	29.7
Interest-bearing loans and borrowings	14	159.2	192.4	152.8
Deferred taxation liabilities		82.0	85.9	83.7
		<b>275.9</b>	<b>300.8</b>	<b>266.2</b>
<b>Total liabilities</b>		<b>430.7</b>	<b>454.5</b>	<b>414.8</b>
<b>Net assets</b>		<b>670.5</b>	<b>661.7</b>	<b>661.3</b>
<b>Equity</b>				
Called-up share capital		63.2	63.2	63.2
Share premium & merger reserve		341.6	341.6	341.6
Capital redemption reserve & consolidation reserve		(137.7)	(137.7)	(137.7)
Other reserves		(0.4)	0.6	0.5
Retained earnings		403.8	394.0	393.7
<b>Total equity</b>		<b>670.5</b>	<b>661.7</b>	<b>661.3</b>

**Condensed consolidated cash flow statement**  
**For the six months ended 30 June 2025**

	Notes	Unaudited six months ended June 2025 £'m	Unaudited six months ended June 2024 £'m	Audited Year ended December 2024 £'m
<b>Cash generated from operations</b>	17	<b>9.3</b>	32.8	97.3
Financial expenses paid		(6.3)	(4.8)	(11.7)
Income tax paid		(6.7)	(2.3)	(8.8)
<b>Net cash flow from operating activities</b>		<b>(3.7)</b>	25.7	76.8
<b>Cash flows from investing activities</b>				
Proceeds from sale of property, plant and equipment		0.8	4.4	4.4
Financial income received		-	-	-
Acquisition of subsidiary undertaking		-	(2.6)	(2.6)
Acquisition of property through corporate structure		(2.9)	-	-
Acquisition of property, plant and equipment		(6.3)	(3.9)	(9.2)
Acquisition of intangible assets		(0.5)	(1.2)	(2.4)
Cash outflow from sale of subsidiary		-	-	-
<b>Net cash flow from investing activities</b>		<b>(8.9)</b>	(3.3)	(9.8)
<b>Cash flows from financing activities</b>				
Payments to acquire own shares		(0.8)	(1.4)	(1.4)
Repayment of borrowings		(10.0)	(40.0)	(80.0)
New loans		25.0	25.0	25.0
Cash payment for the principal portion of lease liabilities		(3.5)	(3.9)	(5.3)
Equity dividends paid		-	-	(21.0)
<b>Net cash flow from financing activities</b>		<b>10.7</b>	(20.3)	(82.7)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(1.9)</b>	2.1	(15.7)
Cash and cash equivalents at the beginning of the period		18.9	34.5	34.5
Effect of exchange rate fluctuations		(0.3)	-	0.1
<b>Cash and cash equivalents at the end of the period</b>		<b>16.7</b>	36.6	18.9

**Condensed consolidated statement of changes in equity  
for the six months ended 30 June 2025**

	Share capital £'m	Share premium & merger reserve £'m	Capital redemption & consolidation reserves £'m	Other reserves* £'m	Retained earnings £'m	Total equity £'m
<b>At 1 January 2025</b>	<b>63.2</b>	<b>341.6</b>	<b>(137.7)</b>	<b>0.5</b>	<b>393.7</b>	<b>661.3</b>
<b>Total comprehensive income/(expense) for the period</b>						
Profit for the financial period	-	-	-	-	8.9	8.9
<b>Other comprehensive income/(expense)</b>						
Foreign currency translation differences	-	-	-	(0.1)	-	(0.1)
Effective portion of changes in fair value of cash flow hedges	-	-	-	(0.3)	-	(0.3)
Net change in fair value of cash flow hedges transferred to the Income Statement	-	-	-	(0.9)	-	(0.9)
Deferred tax arising	-	-	-	0.2	-	0.2
Defined benefit plan actuarial gain	-	-	-	-	1.6	1.6
Deferred tax arising	-	-	-	-	(0.4)	(0.4)
<b>Total other comprehensive income/(expense)</b>	-	-	-	(1.1)	1.2	0.1
<b>Total comprehensive income/(expense) for the period</b>	-	-	-	(1.1)	10.1	9.0
<b>Transactions with owners</b>						
Share-based payments	-	-	-	-	1.0	1.0
Purchase of own shares	-	-	-	(0.8)	-	(0.8)
Own shares issued under share scheme	-	-	-	1.0	(1.0)	-
<b>Total contributions by and distributions to owners</b>	-	-	-	0.2	-	0.2
<b>At 30 June 2025</b>	<b>63.2</b>	<b>341.6</b>	<b>(137.7)</b>	<b>(0.4)</b>	<b>403.8</b>	<b>670.5</b>

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

**Condensed consolidated statement of changes in equity  
for the six months ended 30 June 2024**

	Share capital £'m	Share premium & merger reserve £'m	Capital redemption & consolidation reserves £'m	Other reserves* £'m	Retained earnings £'m	Total equity £'m
<b>At 1 January 2024</b>	63.2	341.6	(137.7)	1.1	373.1	641.3
<b>Total comprehensive income/(expense) for the period</b>						
Profit for the financial period	-	-	-	-	16.1	16.1
<b>Other comprehensive income/(expense)</b>						
Foreign currency translation differences	-	-	-	(0.1)	-	(0.1)
Effective portion of changes in fair value of cash flow hedges	-	-	-	0.8	-	0.8
Net change in fair value of cash flow hedges transferred to the Income Statement	-	-	-	(0.9)	-	(0.9)
Deferred tax arising	-	-	-	-	-	-
Defined benefit plan actuarial gain	-	-	-	-	6.4	6.4
Deferred tax arising	-	-	-	-	(1.6)	(1.6)
<b>Total other comprehensive income/(expense)</b>	-	-	-	(0.2)	4.8	4.6
<b>Total comprehensive income/(expense) for the period</b>	-	-	-	(0.2)	20.9	20.7
<b>Transactions with owners</b>						
Share-based payments	-	-	-	-	1.1	1.1
Purchase of own shares	-	-	-	(1.4)	-	(1.4)
Own shares issued under share scheme	-	-	-	1.1	(1.1)	-
<b>Total contributions by and distributions to owners</b>	-	-	-	(0.3)	-	(0.3)
<b>At 30 June 2024</b>	<b>63.2</b>	<b>341.6</b>	<b>(137.7)</b>	<b>0.6</b>	<b>394.0</b>	<b>661.7</b>

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 2024**

	Share capital £'m	Share premium & merger reserve £'m	Capital redemption & consolidation reserves £'m	Other reserves* £'m	Retained earnings £'m	Total equity £'m
<b>At 1 January 2024</b>	63.2	341.6	(137.7)	1.1	373.1	641.3
<b>Total comprehensive income/(expense) for the period</b>						
Profit for the financial period	-	-	-	-	31.0	31.0
<b>Other comprehensive income/(expense)</b>						
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 loss	-	-	-	-	13.4	13.4
Deferred tax arising	-	-	-	-	(3.4)	(3.4)
<b>Total other comprehensive income/(expense)</b>	-	-	-	(0.4)	10.0	9.6
<b>Total comprehensive income/(expense) for the period</b>	-	-	-	(0.4)	41.0	40.6
<b>Transactions with owners</b>						
Share-based payments	-	-	-	-	1.8	1.8
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)	-
<b>Total contributions by and distributions to owners</b>	-	-	-	(0.2)	(20.4)	(20.6)
<b>At 31 December 2024</b>	63.2	341.6	(137.7)	0.5	393.7	661.3

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



**Notes to the condensed consolidated financial statements**  
**For the six months ended 30 June 2025**

**1. Basis of preparation**

These unaudited condensed consolidated interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with the Disclosure and Transparency Rules ('DTR') of the Financial Conduct Authority and with IAS 34 'Interim Financial Reporting' as adopted by the United Kingdom. These condensed consolidated interim financial statements should be read in conjunction with the Annual Report and Accounts ('the Annual Report') for the year ended 31 December 2024, which have been prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB'). These condensed consolidated interim financial statements were approved for release on 11 August 2025.

These condensed consolidated interim financial statements do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. The Annual Report for the year ended 31 December 2024 were approved by the Board on 17 March 2025 and delivered to the Registrar of Companies. The Annual Report contained an unqualified audit report and did not include an emphasis of matter paragraph or any statement under Section 498 of the Companies Act 2006. The Annual Report is available on the Group's website ([www.marshalls.co.uk](http://www.marshalls.co.uk)).

The accounting policies applied to prepare these condensed consolidated interim financial statements are consistent with those applied in the most recent Annual Report for the year ended 31 December 2024.

The Group operates a formal risk management process, the details of which are set out on pages 54 to 56 of the Annual Report for the year ended 31 December 2024. The risks assessed in preparing these condensed consolidated interim financial statements are consistent with those set out on pages 57 to 64 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 adopting the going concern basis in the preparation of this Half Year Financial Report, the Board has considered the Group's financial forecasts and its principal risks for a period of at least 12 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 2024 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. At 30 June 2025, £145 million of the facility was undrawn (June 2024: £145 million undrawn), which is broadly in-line with December 2024 (£160 million undrawn) despite the Group's seasonal increase in working capital requirements and the final Viridian Solar contingent consideration payment of £6.6 million. 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 1.8 times (covenant maximum of three times) and interest cover of 5.9 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 and for this reason, the Board has adopted the going concern basis in preparing this Half Year Financial Report.

**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 reported 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 or more frequently if there is an indication of impairment, in accordance with IAS36. This review requires the use of cash flow projections based on a financial forecast that are discounted at an appropriate market-based discount rate. The assumption on the market-based discount rate is determined based on the advice of the Group's financial 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 Commercial and Domestic landscaping businesses 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

	Unaudited six months ended June 2025 £'m	Unaudited six months ended June 2024 £'m	Audited year ended December 2024 £'m
<b>Revenue</b>			
Landscaping Products	135.4	137.0	268.3
Building Products	86.4	81.8	164.6
Roofing Products	97.7	87.9	186.3
<b>Revenue</b>	<b>319.5</b>	<b>306.7</b>	<b>619.2</b>
<b>Operating profit</b>			
Landscaping Products	0.3	8.3	10.7
Building Products	6.9	6.4	14.1
Roofing Products	24.8	23.2	49.4
Central costs	(3.6)	(3.9)	(7.5)
<b>Segment adjusted operating profit</b>	<b>28.4</b>	<b>34.0</b>	<b>66.7</b>
Adjusting items (see Note 4)	(10.3)	(5.1)	(12.8)
<b>Reported operating profit*</b>	<b>18.1</b>	<b>28.9</b>	<b>53.9</b>

\*Operating profit as per Condensed Consolidated Income Statement

The Group has two customers which contributed more than 10 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 £319.0 million (six months ended June 2024: £305.9 million; year ended December 2024: £617.8 million) and Rest of the World £0.5 million (six months ended June 2024: £0.8 million; year ended December 2024: £1.4 million).

## Segment assets

	Unaudited June 2025 £'m	Unaudited June 2024 £'m	Audited December 2024 £'m
<b>Segment assets</b>			
Landscaping Products	218.8	218.4	222.6
Building Products	143.0	140.2	142.2
Roofing Products	584.5	583.9	584.3
Unallocated assets	154.9	173.7	127.0
<b>Total</b>	<b>1,101.2</b>	<b>1,116.2</b>	<b>1,076.1</b>

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

	Unaudited six months ended June 2025 £'m	Unaudited six months ended June 2024 £'m	Audited year ended December 2024 £'m
<b>Capital additions</b>			
Landscaping Products	7.2	12.0	21.2
Building Products	2.2	0.6	8.2
Roofing Products	5.0	2.4	3.8
<b>Total</b>	<b>14.4</b>	<b>15.0</b>	<b>33.2</b>

Capital additions comprise property, plant and equipment (£6.5 million), right-of-use assets (£7.4 million) and intangible assets (£0.5 million).

### Depreciation and amortisation

	Unaudited six months ended June 2025 £'m	Unaudited six months ended June 2024 £'m	Audited year ended December 2024 £'m
<b>Depreciation and amortisation</b>			
Landscaping Products	7.8	10.1	17.8
Building Products	3.9	3.9	8.0
Roofing Products	2.8	2.6	5.3
Segment depreciation and amortisation	14.5	16.6	31.1
Adjusting items	5.2	5.2	10.4
<b>Depreciation and amortisation</b>	<b>19.7</b>	<b>21.8</b>	<b>41.5</b>

Depreciation and amortisation includes £5.2 million of amortisation of intangible assets arising from the purchase price allocation exercises (six months ended June 2024: £5.2 million; year ended December 2024: £10.4 million) comprising £0.1 million (six months ended June 2024: £0.1 million; year ended December 2024: £0.1 million) in Landscaping Products, £0.6 million in Building Products (six months ended June 2024: £0.6 million; year ended December 2024: £1.1 million) and £4.5 million in Roofing Products (six months ended June 2024: £4.5 million; year ended December 2024: £9.2 million). This amortisation has been treated as an adjusting item (Note 4).

### **3. Net operating costs**

	Unaudited six months ended June 2025 £'m	Unaudited six months ended June 2024 £'m	Audited year ended December 2024 £'m
Raw materials and consumables	119.4	113.0	237.5
Changes in inventories of finished goods and work in progress	(0.7)	(5.6)	(14.4)
Personnel costs	68.0	68.5	132.8
Depreciation of property, plant and equipment	10.1	11.7	22.1
Depreciation of right-of-use assets	3.5	4.1	7.3
Amortisation of intangible assets	6.1	6.0	12.1
Asset impairments	2.6	-	-
Own work capitalised	(0.2)	(0.6)	(1.3)
Other operating costs	90.8	84.8	174.0
Redundancy and other costs	2.5	-	-
Operating costs	302.1	281.9	570.1
Other operating income	(0.8)	(2.2)	(2.9)
Net loss/(gain) on asset and property disposals	0.1	(1.9)	(1.9)
<b>Net operating costs</b>	<b>301.4</b>	<b>277.8</b>	<b>565.3</b>
Adjusting items (Note 4)	(10.3)	(5.1)	(12.8)
<b>Adjusted net operating costs</b>	<b>291.1</b>	<b>272.7</b>	<b>552.5</b>

#### 4. Adjusting items

	<b>Unaudited six months ended June 2025 £'m</b>	Unaudited six months ended June 2024 £'m	Audited year ended December 2024 £'m
Amortisation of intangible assets arising on acquisitions	(5.2)	(5.2)	(10.4)
Restructuring and similar charges	(2.5)	-	-
Impairment of property, plant and equipment	(2.6)	-	-
Transformation costs	-	-	(2.5)
Contingent consideration	-	(1.6)	(1.6)
Significant property disposal gain	-	1.7	1.7
<b>Total adjusting items before taxation</b>	<b>(10.3)</b>	<b>(5.1)</b>	<b>(12.8)</b>
Current tax on adjusting items (Note 6)	<b>0.6</b>	-	0.7
Deferred tax on adjusting items (Note 6)	<b>1.9</b>	1.3	2.6
<b>Total adjusting items after taxation</b>	<b>(7.8)</b>	<b>(3.8)</b>	<b>(9.5)</b>

- Amortisation of intangible assets arising on acquisitions is principally in respect of values recognised for brands and customer relationships in Roofing Products.
- Restructuring and similar charges arose during major restructuring exercises to reduce manufacturing capacity and the cost base.
- The impairment of property, plant and equipment arose in connection with the major restructuring exercises.
- Transformation costs in 2024 represent costs incurred in respect of the 'Transform & Grow' strategy.
- The additional contingent consideration in 2024 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 final payment was made under that agreement in the first half of 2025 and there are no further profit and loss account charges.
- The significant property disposal gain arose on the disposal of the Group's former manufacturing site in Carluke.

#### 5. Financial expenses

	<b>Unaudited six months ended June 2025 £'m</b>	Unaudited six months ended June 2024 £'m	Audited year ended December 2024 £'m
Net interest expense on bank loans	<b>5.7</b>	6.4	12.5
Interest expense of lease liabilities	<b>1.0</b>	0.8	1.7
Net interest (credit)/expense on defined benefit pension scheme	<b>(0.3)</b>	0.2	0.3
<b>Financial expenses</b>	<b>6.4</b>	<b>7.4</b>	<b>14.5</b>

Net interest (credit)/expense on the defined benefit pension scheme is disclosed net of Company recharges for scheme administration.

## 6. Income tax expense

	Unaudited six months ended June 2025 £'m	Unaudited six months ended June 2024 £'m	Audited year ended December 2024 £'m
<b>Current tax expense</b>			
Current year	4.8	6.4	13.7
<b>Deferred taxation expense</b>			
Origination and reversal of temporary differences:			
Current year	(2.0)	(1.0)	(4.0)
Adjustments for prior years	-	-	(1.3)
<b>Total tax expense</b>	<b>2.8</b>	<b>5.4</b>	<b>8.4</b>
Current tax on adjusting items (Note 4)	0.6	-	0.7
Deferred tax on adjusting items (Note 4)	1.9	1.3	2.6
<b>Total tax expenses after adding back adjusting items</b>	<b>5.3</b>	<b>6.7</b>	<b>11.7</b>

## 7. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders for the financial period by the weighted average number of shares in issue during the period. Adjusted basic earnings per share is calculated by dividing the adjusted profit attributable to ordinary shareholders for the financial period by the weighted average number of shares in issue during the period. Diluted earnings per ordinary share is calculated by dividing the profit attributable to ordinary shareholders by the sum of the weighted average number of shares in issue and potentially dilutive shares. The calculation of adjusted profit attributable to ordinary shareholders is calculated as follows:

	Unaudited six months ended June 2025 £'m	Unaudited six months ended June 2024 £'m	Audited year ended December 2024 £'m
Profit attributable to ordinary shareholders	8.9	16.1	31.0
Adjusting items (net of tax)	7.8	3.8	9.5
<b>Adjusted profit attributable to ordinary shareholders</b>	<b>16.7</b>	<b>19.9</b>	<b>40.5</b>

The calculation of the weighted average number of shares and diluted weighted average number of shares is calculated as follows:

	Unaudited six months ended June 2025 Number	Unaudited six months ended June 2024 Number	Audited year ended December 2024 Number
Number of issued ordinary shares	252,968,728	252,968,728	252,968,728
Effect of shares transferred into Employee Benefit Trust	(126,677)	(201,653)	(160,895)
Weighted average number of ordinary shares	252,842,051	252,767,075	252,807,833
Effect of potentially dilutive ordinary shares	1,308,695	1,085,718	999,738
<b>Diluted weighted average number of ordinary shares</b>	<b>254,150,746</b>	<b>253,852,793</b>	<b>253,807,571</b>

## 8. Dividends

The Group maintains a dividend policy of distributions covered twice by adjusted earnings. The Board has declared an interim dividend for 2025 of 2.2 pence per qualifying Ordinary Share amounting to £5.6 million, to be paid on 1 December 2025 to shareholders registered at the close of business on 24 October 2025. The shares will be marked ex-dividend on 23 October 2025.

## 9. Goodwill

	<b>Unaudited June 2025 £'m</b>	Unaudited June 2024 £'m	Audited December 2024 £'m
Net book value at end of period	<b>324.4</b>	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 at each period end is as follows:

	<b>Unaudited June 2025 £'m</b>	Unaudited June 2024 £'m	Audited December 2024 £'m
Landscaping Products	<b>34.8</b>	34.8	34.8
Building Products	<b>43.7</b>	43.7	43.7
Roofing Products	<b>245.9</b>	245.9	245.9
Net book value at end of period	<b>324.4</b>	324.4	324.4

During the period, the performance of the Marshalls Landscaping CGU was impacted by subdued market conditions leading to profits being below expectation. This was considered an indicator of impairment, and a formal impairment review was conducted.

The review compared the carrying amount of the CGU to its recoverable amount, which was determined based on a value-in-use calculation. This assessment concluded that the recoverable amount exceeded the carrying amount and no impairment was required. The value-in-use calculation uses cash flow projections based on management's latest forecasts covering a five-year period and a post-tax discount rate of 10 per cent per annum (2024: 10.0 per cent per annum). Within the five-year forecast period, cashflows are dependent on the successful execution of the Landscaping Products improvement plan and the 'Transform & Grow' strategy which includes operational efficiency improvements, delivering price over cost increases, commercial improvements and growth in volumes aligned with industry consensus for the market. Cash flows beyond that five-year period have been extrapolated using a 2.4 per cent (2024: 2.4 per cent) per annum growth rate. This growth rate reflects the long-term structural growth in demand for the segment's products. The combination 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 they will not occur as the directors forecast. The Group has performed a sensitivity analysis on the reasonably possible changes in key assumptions in the impairment model for the Landscaping Products CGU. The results of the sensitivities performed show that a reduction in forecast cashflows of around 16 per cent would be required before the carrying amount of the CGU exceeded the value-in-use.

No other indicators of impairment across other CGUs were identified during H1 2025. A full impairment review will be conducted for all CGUs as part of the 2025 year-end process.

## 10. Intangible assets

	<b>Unaudited June 2025 £'m</b>	Unaudited June 2024 £'m	Audited December 2024 £'m
Net book value at start of period	<b>217.8</b>	227.5	227.5
Additions	<b>0.5</b>	1.2	2.4
Amortisation	<b>(6.1)</b>	(6.0)	(12.1)
Net book value at end of period	<b>212.2</b>	222.7	217.8

Amortisation includes £5.2 million (six months ended June 2024: £5.2 million, year ended December 2024: £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 £0.2 million (six months ended June 2024: £0.6 million; year ended December 2024: £1.0 million) of own work capitalised.

## 11. Property, plant and equipment

	<b>Unaudited June 2025 £'m</b>	Unaudited June 2024 £'m	Audited December 2024 £'m
Net book value at start of period	<b>234.8</b>	249.4	249.4
Additions	<b>6.5</b>	3.0	9.2
Depreciation	<b>(10.1)</b>	(11.7)	(22.1)
Impairment	<b>(2.6)</b>	-	-
Other movements	-	(0.2)	(1.7)
Net book value at end of period	<b>228.6</b>	240.5	234.8

Impairment in the six months end June 2025 represents the assets being written down to fair value less cost to sell of £2.6 million in relation to major restructuring exercises at certain facilities in the Group's operational network.

## 12. Retirement benefit asset

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

	<b>Unaudited June 2025 £'m</b>	Unaudited June 2024 £'m	Audited December 2024 £'m
Present value of Scheme liabilities	<b>(198.4)</b>	(221.4)	(204.2)
Fair value of Scheme assets	<b>224.4</b>	238.7	228.3
Net amount recognised (before deferred tax)	<b>26.0</b>	17.3	24.1

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. The next actuarial valuation is being carried out with an effective date of 5 April 2027. 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 2024 which resulted in a surplus of £15 million, on a technical provisions basis and therefore no payments are required to be made to the Scheme.



### 13. Lease liabilities

	Unaudited June 2025 £'m	Unaudited June 2024 £'m	Audited December 2024 £'m
Analysed as:			
Amounts due for settlement within twelve months	5.6	4.7	5.7
Amounts due for settlement after twelve months	34.7	22.5	29.7
Lease liabilities	40.3	27.2	35.4

Lease liabilities are calculated at the present value of the lease payments that are not paid at the commencement date. For the six months ended June 2025, the average effective borrowing rate was 5.0 per cent (six months ended June 2024: 4.1 per cent; year ended December 2024: 5.0 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 was £4.5 million (six months to June 2024: £4.8 million; year ended December 2024: £7.0 million). The total cash outflow in relation to short-term and low value leases was £2.9 million (six months ended June 2024: £1.7 million; year ended December 2024: £2.7 million).

### 14. Interest bearing loans and borrowings

	Unaudited June 2025 £'m	Unaudited June 2024 £'m	Audited December 2024 £'m
Analysed as:			
Current liabilities	9.1	-	-
Non-current liabilities	159.2	192.4	152.8
Interest bearing loans and borrowings	168.3	192.4	152.8

Interest bearing loans and borrowings are stated net of unamortised debt arrangement fees of £1.7 million (June 2024: £2.6 million; December 2024: £2.2 million). The total syndicated bank facility at June 2025 was £315 million (June 2023: £340 million; December 2024: £315 million), of which £145 million (June 2024: £145 million; December 2024: £160 million) remained unutilised. £7.8 million of the undrawn facility available at June 2025 expires in less than one years and £137.2 million matures between one and two 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 strategy to ensure that headroom against the available facility remains at appropriate levels and are structured to provide committed medium-term debt.

Marshall's 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, Marshall's 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

	Unaudited June 2025 £'m	Unaudited June 2024 £'m	Audited December 2024 £'m
Cash at bank and in hand	16.7	36.6	18.9
Debt due within 1 year	(9.1)	-	-
Debt due after 1 year	(159.2)	(192.4)	(152.8)
Lease liabilities	(40.3)	(27.2)	(35.4)
Net debt	(191.9)	(183.0)	(169.3)

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

	Unaudited six months ended June 2025 £'m	Unaudited six months ended June 2024 £'m	Audited year ended December 2024 £'m
Net (decrease)/increase in cash equivalents	(1.9)	2.1	(15.7)
Cash (inflow)/outflow from movement in bank borrowings	(15.0)	15.0	55.0
Cash outflow from lease repayments	3.5	3.9	5.3
New leases entered into	(8.4)	(10.8)	(20.4)
Lease liability de-recognised	-	24.4	24.4
Effect of prepaid arrangement fees and exchange rate fluctuations	(0.8)	-	(0.3)
<b>Movement in net debt in the period</b>	<b>(22.6)</b>	<b>34.6</b>	<b>48.3</b>
Net debt at beginning of the period	(169.3)	(217.6)	(217.6)
<b>Net debt at end of the period</b>	<b>(191.9)</b>	<b>(183.0)</b>	<b>(169.3)</b>

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

	Notes	Unaudited six months ended June 2025 £'m	Unaudited six months ended June 2024 £'m	Audited year ended December 2024 £'m
<b>Profit after taxation</b>		<b>8.9</b>	<b>16.1</b>	<b>31.0</b>
Income tax	6	2.8	5.4	8.4
<b>Profit before tax</b>		<b>11.7</b>	<b>21.5</b>	<b>39.4</b>
Adjustments for:				
Depreciation of property, plant and equipment	11	10.1	11.7	22.1
Asset impairments	4	2.6	-	-
Depreciation of right-of-use assets		3.5	4.1	7.3
Amortisation		6.1	6.0	12.1
Loss/(gain) on sale of property, plant and equipment		0.1	(1.9)	(1.9)
Equity settled share-based payments		1.0	1.1	1.1
Financial income and expenses (net)	5	6.4	7.4	14.5
<b>Operating cash flow before changes in working capital</b>		<b>41.5</b>	<b>49.9</b>	<b>94.6</b>
(Increase)/decrease in trade and other receivables		(23.7)	(23.3)	13.8
(Increase)/decrease in inventories		(2.0)	(4.4)	(13.1)
(Decrease)/increase in trade and other payables		(6.5)	10.6	2.0
<b>Cash generated from operations</b>		<b>9.3</b>	<b>32.8</b>	<b>97.3</b>

## 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 30 June 2025 is shown below:

	Book value			Fair value		
	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Audited
	six months	six months	year ended	six months	six months	year ended
	ended	ended	ended	ended	ended	ended
	June 2025	June 2024	December 2024	June 2025	June 2024	December 2024
	£'m	£'m	£'m	£'m	£'m	£'m
Trade and other receivables	106.0	110.9	76.1	106.0	110.9	76.1
Cash and cash equivalents	16.7	36.6	18.9	16.7	36.6	18.9
Bank loans	(168.3)	(192.4)	(152.8)	(157.1)	(192.1)	(146.1)
Trade payables, other payables and provisions	(123.1)	(123.5)	(122.8)	(123.1)	(123.5)	(122.8)
Derivatives	-	1.8	1.1	-	1.8	1.1
Contingent consideration	-	(6.6)	(6.6)	-	(6.6)	(6.6)
Financial instrument assets and liabilities – net	(168.7)	(173.2)	(186.1)			
Non-financial instrument assets and liabilities – net	839.2	834.9	847.4			
Net assets	670.5	661.7	661.3			

#### 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. This represents level three in the fair value hierarchy.

(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).

## 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 reported 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.

<b>APM</b>	<b>Definition and/or purpose</b>
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 financial 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:

<b>APM</b>	<b>Definition and purpose</b>
Pre-IFRS16 adjusted EBITDA	Pre-IFRS16 adjusted EBITDA is adjusted EBITDA excluding right-of-use asset depreciation and profit or losses on the sale of property, plant and equipment.
Pre-IFRS16 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-IFRS16 net debt leverage	This is calculated by dividing pre-IFRS16 net debt by adjusted pre-IFRS16 EBITDA (on an annualised basis) to provide a measure of leverage.

#### Other definitions

<b>APM</b>	<b>Definition and purpose</b>
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-IFRS16 adjusted EBITDA is set out below:

	Unaudited six months ended June 2025 £'m	Unaudited six months ended June 2024 £'m	Audited year ended December 2024 £'m
Operating profit	18.1	28.9	53.9
Adjusting items (Note 4)	10.3	5.1	12.8
Adjusted operating profit	28.4	34.0	66.7
Amortisation (excluding amortisation of intangible assets arising on acquisitions)	0.9	0.8	1.7
Adjusted EBITA	29.3	34.8	68.4
Depreciation	13.6	15.8	29.4
Adjusted EBITDA	42.9	50.6	97.8
Profit on sale of property, plant and equipment	(0.1)	(0.1)	(0.2)
Right-of-use asset payments	(4.5)	(3.9)	(5.3)
Pre-IFRS16 adjusted EBITDA	38.3	46.6	92.3

The Group presents its results on both a 'reported' and an 'adjusted' basis. 'Reported' results are the statutory figures required under IFRS, while 'adjusted' results exclude certain items to provide a more detailed understanding of the Group's underlying performance. Certain measures are reported on an annualised basis to show the preceding 12-month period where seasonality can impact on the measure.

#### Pre-IFRS 16 net debt and pre-IFRS16 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-IFRS16 net debt leverage is defined as pre-IFRS16 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:

	Unaudited six months ended June 2025 £'m	Unaudited six months ended December 2024 £'m	Unaudited 12 months ended June 2025 £'m	Audited year ended December 2024 £m
Net debt			191.9	169.3
IFRS 16 leases			(40.3)	(35.4)
Net debt on a pre-IFRS16 basis			151.6	133.9
Adjusted pre-IFRS16 EBITDA	38.3	45.7	84.0	92.3
Pre-IFRS16 net debt leverage			1.8	1.5

#### Return on capital employed ('ROCE')

ROCE is defined as adjusted EBITA divided by shareholders' funds plus net debt.

	Unaudited six months ended June 2025 £'m	Unaudited six months ended December 2024 £'m	Unaudited 12 months ended June 2025 £'m	Audited year ended December 2024 £m
Adjusted EBITA	29.3	33.6	62.9	68.4
Shareholders' funds			670.5	661.3
Net debt			191.9	169.3
Capital employed			862.4	830.6
ROCE			7.3%	8.2%

#### Adjusted operating cash flow conversion

Adjusted operating cash flow conversion is the ratio of adjusted operating cash flow to adjusted EBITDA (on an annualised basis) and is calculated as set out below:

	Unaudited six months ended June 2025 £'m	Unaudited six months ended December 2024 £'m	Unaudited 12 months ended June 2025 £'m	Audited year ended December 2024 £m
Net cash flow from operating activities	(3.7)	51.1	47.4	76.8
Adjusting items paid	7.6	3.0	10.6	6.4
Net financial expenses paid	6.3	6.9	13.2	11.7
Taxation paid	6.7	6.5	13.2	8.8
Adjusted operating cash flow	16.9	67.5	84.4	103.7
Adjusted EBITDA	42.9	47.2	90.1	97.8
Operating cash flow conversion			94%	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 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's performance is dependent on activity in its end markets, particularly UK residential construction and RMI, and is therefore susceptible to economic downturns, changes in government policy, and interest rates. Uncertainty persists regarding the pace of interest rate changes and the timing of new government-led investment and the Board sees no obvious catalyst for a recovery in volumes. The Group's primary mitigation has been the execution of its diversification strategy, with the strong performances in Roofing and Building Products providing resilience against the challenges in Landscaping Products. This has been supported by decisive cost control actions, including the optimisation of our manufacturing network, and disciplined working capital management to maintain flexibility and prepare for market recovery.
- **Cyber security** – A significant cyber security attack remains a principal risk, with the potential to cause operational disruption and financial loss. The external threat landscape has continued to evolve in the first half of 2025, with a notable increase in the sophistication of potential attacks. In response, our focus during the period has been on the continued alignment of cyber security controls across the entire Group, particularly within the Marley business. This is supported by our ongoing programme of enhanced employee training, regular third-party vulnerability testing, and the maintenance of a comprehensive cyber insurance policy.
- **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 the first half of 2025. In order to partially mitigate, the Group is focusing on controlling its cost base and reducing capacity (with a particular focus on Landscaping Products) whilst continuing to focus on 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** – The Group is exposed to the transition risks of climate change, alongside the increasing commercial and reputational risks associated with evolving stakeholder and regulatory ESG expectations. During the first half, the focus on ESG has continued to intensify, with UK government announcements on the Future Homes Standard and long-term social housing investment creating both significant opportunities and a sharper focus on the sustainability credentials of building materials. Our mitigation is to align our 'Transform & Grow' strategy directly with these trends. In H1, this was demonstrated by the strong growth of Viridian Solar and our focus on lower-carbon brick offerings. This is all underpinned by the governance of our ESG Board Committee.

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 2024 Annual Report and Accounts on pages 57 to 64. 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.

### **Responsibility Statement**

The following statement is given by each of the directors, namely Vanda Murray OBE, Chair; Simon Bourne, Chief Commercial Officer; Angela Bromfield, Non-executive Director; Matt Pullen, Chief Executive; Avis Darzins, Non-Executive Director; Diana Houghton, Non-executive Director; Justin Lockwood, Chief Financial Officer; and Graham Prothero, Senior Non-executive Director.

The Directors confirm to the best of their knowledge:

- The Condensed Consolidated Half Year Financial Statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as contained in UK adopted IFRS, give a true and fair view of the assets, liabilities, financial position and profit and loss account of the issuer as required by DTR 4.2.4R
- The Half Year Report includes a fair review of the information required under DTR 4.2.7R (indication of important events during the six months and description of the principal risks and uncertainties for the remaining six months of the year); and
- The Half Year Report includes a fair review of the information required by DTR 4.2.8 (disclosure related parties' transactions and changes therein).

### **Board members**

As at 30 June 2025, the Group's Board members were as follows:

Vanda Murray OBE	Chair
Simon Bourne	Chief Commercial Officer
Angela Bromfield	Non-Executive Director
Matt Pullen	Chief Executive
Avis Darzins	Non-Executive Director
Diana Houghton	Non-Executive Director
Justin Lockwood	Chief Financial Officer
Graham Prothero	Senior Non-Executive Director

The responsibilities of the Directors during their period of service were as set out on page 111 of the 2024 Annual Report.

By order of the Board

**Shiv Sibal**

**Group Company Secretary**

**11 August 2025**

## **INDEPENDENT REVIEW REPORT TO MARSHALLS PLC**

### **Conclusion**

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2025 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated balance sheet, the condensed consolidated statement of changes in equity, the condensed consolidated cash flow statement and related notes 1 to 20.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2025 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

### **Basis for Conclusion**

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom (ISRE (UK) 2410). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in Note 1, the annual financial statements of the group are prepared in accordance with United Kingdom adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34, "Interim Financial Reporting".

### **Conclusion Relating to Going Concern**

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This Conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410; however future events or conditions may cause the entity to cease to continue as a going concern.

### **Responsibilities of the directors**

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the review of the financial information**

In reviewing the half-yearly financial report, we are responsible for expressing to the company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our Conclusion, including our Conclusion Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

### **Use of our report**

This report is made solely to the company in accordance with ISRE (UK) 2410. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

**Deloitte LLP**  
**Statutory Auditor**  
**London, United Kingdom**  
**11 August 2025**



## Shareholder Information

### Financial calendar

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Interim dividend for the year ending December 2025	Payable 1 December 2025
Results for the year ending December 2025	Announcement March 2026
Report and accounts for the year ending December 2025	April 2026
Annual General Meeting	May 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](http://www.marshalls.co.uk).

### Cautionary Statement

This Half Year Financial Report 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.

### Directors' Liability

Neither the Company nor the Directors accept any liability to any person in relation to the contents of this Half Year Financial Report 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.