

Marshalls

Transform & Grow



Capital Markets Event

19 November 2024



Transform & Grow agenda

- 01 Marshalls is evolving
- 02 Our markets and growth drivers
- 03 Transform & Grow strategy
- 04 Business unit strategies
- 05 Investment case
- 06 Summary
- 07 Q&A

Marshalls



Today's team

Executive Directors



Matt Pullen
Chief Executive



Justin Lockwood
Chief Financial Officer



Simon Bourne
Chief Commercial Officer

Business Unit Directors



Nick Platt
Managing Director
Marshalls Landscaping
(starts Jan 1st)



Susan Barclay
Managing Director
Marley Roofing



Stuart Elmes
Chief Executive
Viridian Solar



Paul Curtis
Managing Director
Water Management



Dean Harris
Managing Director
Bricks & Masonry

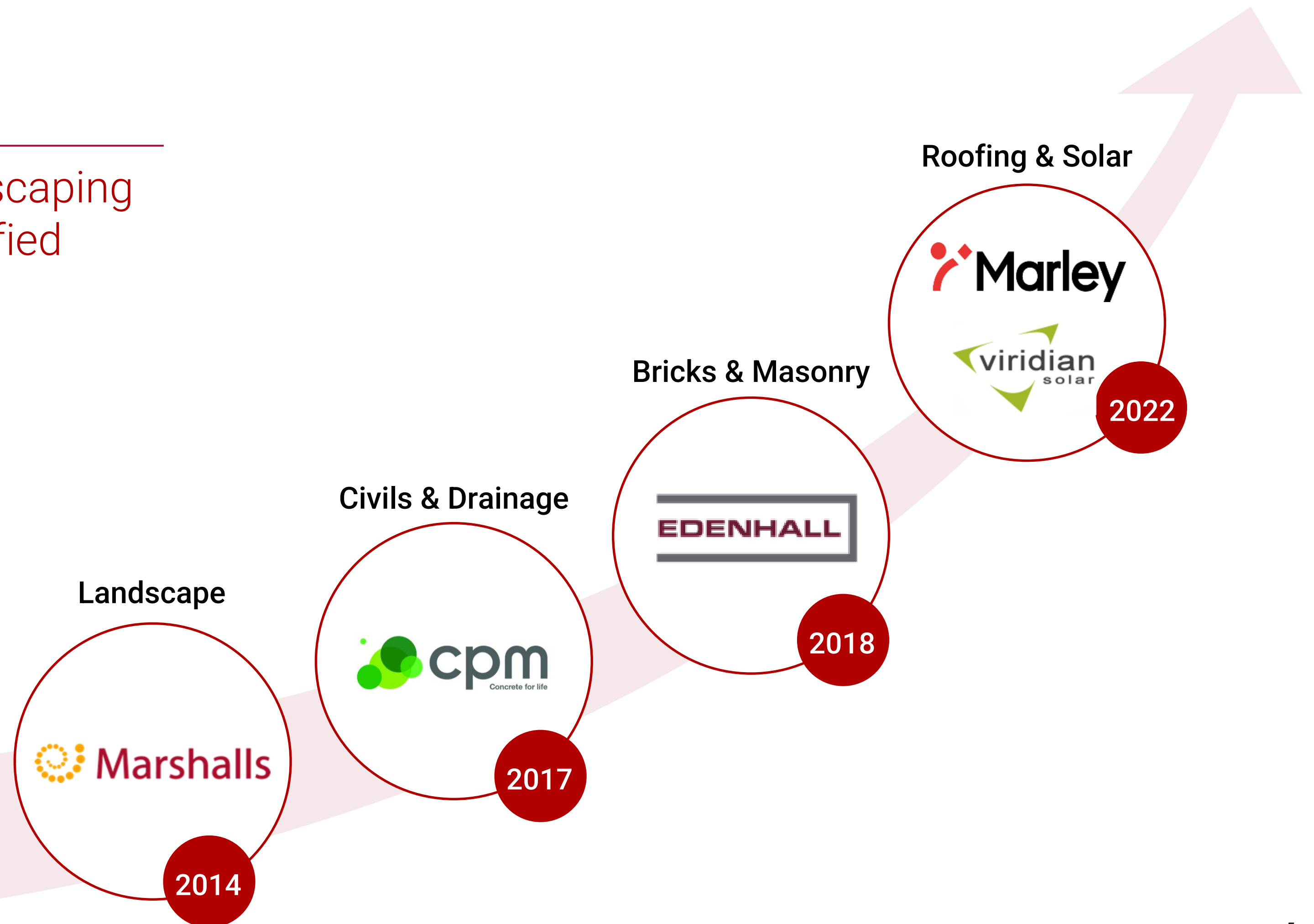
SECTION 01

Marshalls is evolving



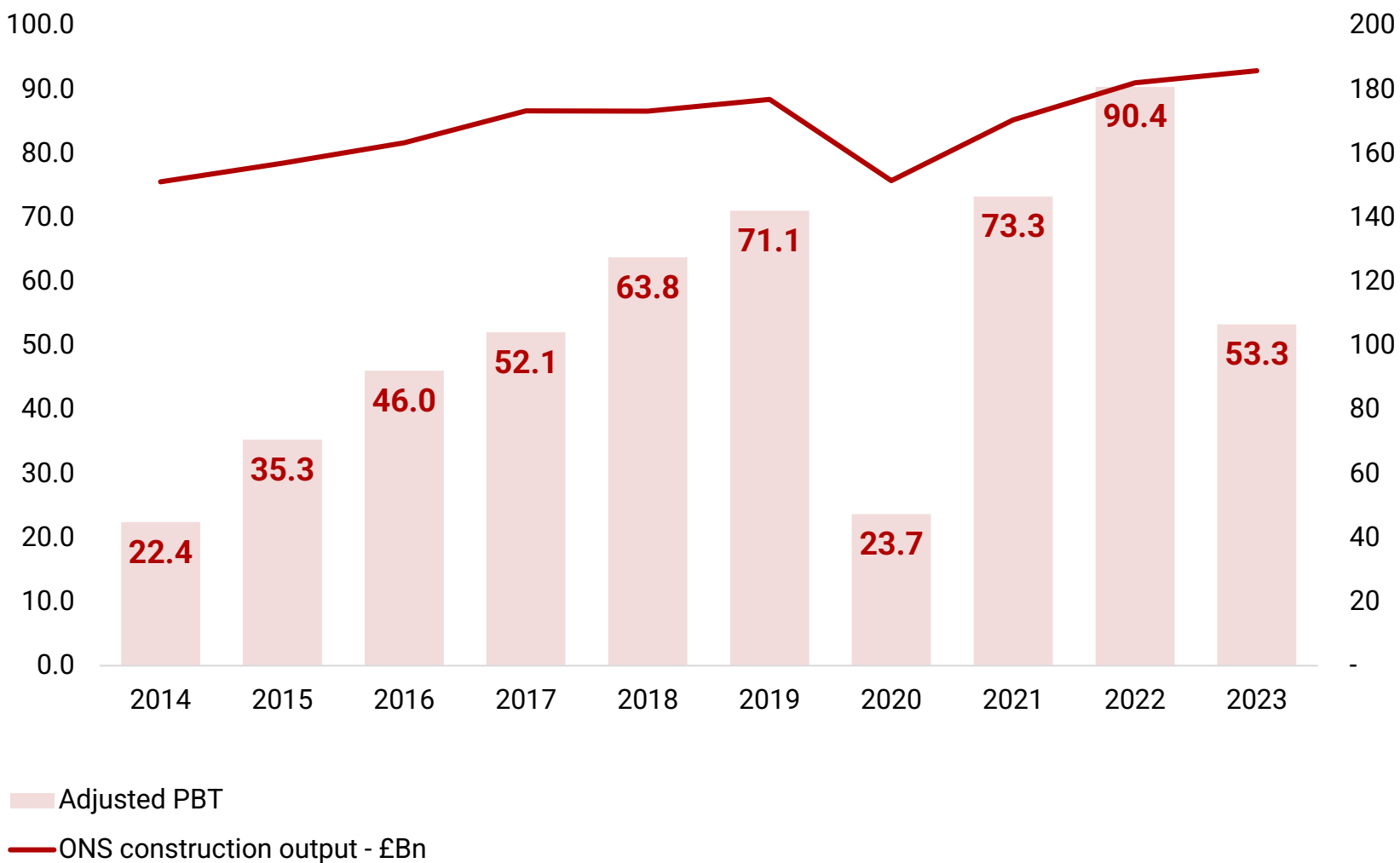
Marshalls is evolving

From its heritage in landscaping to an increasingly diversified group of businesses.

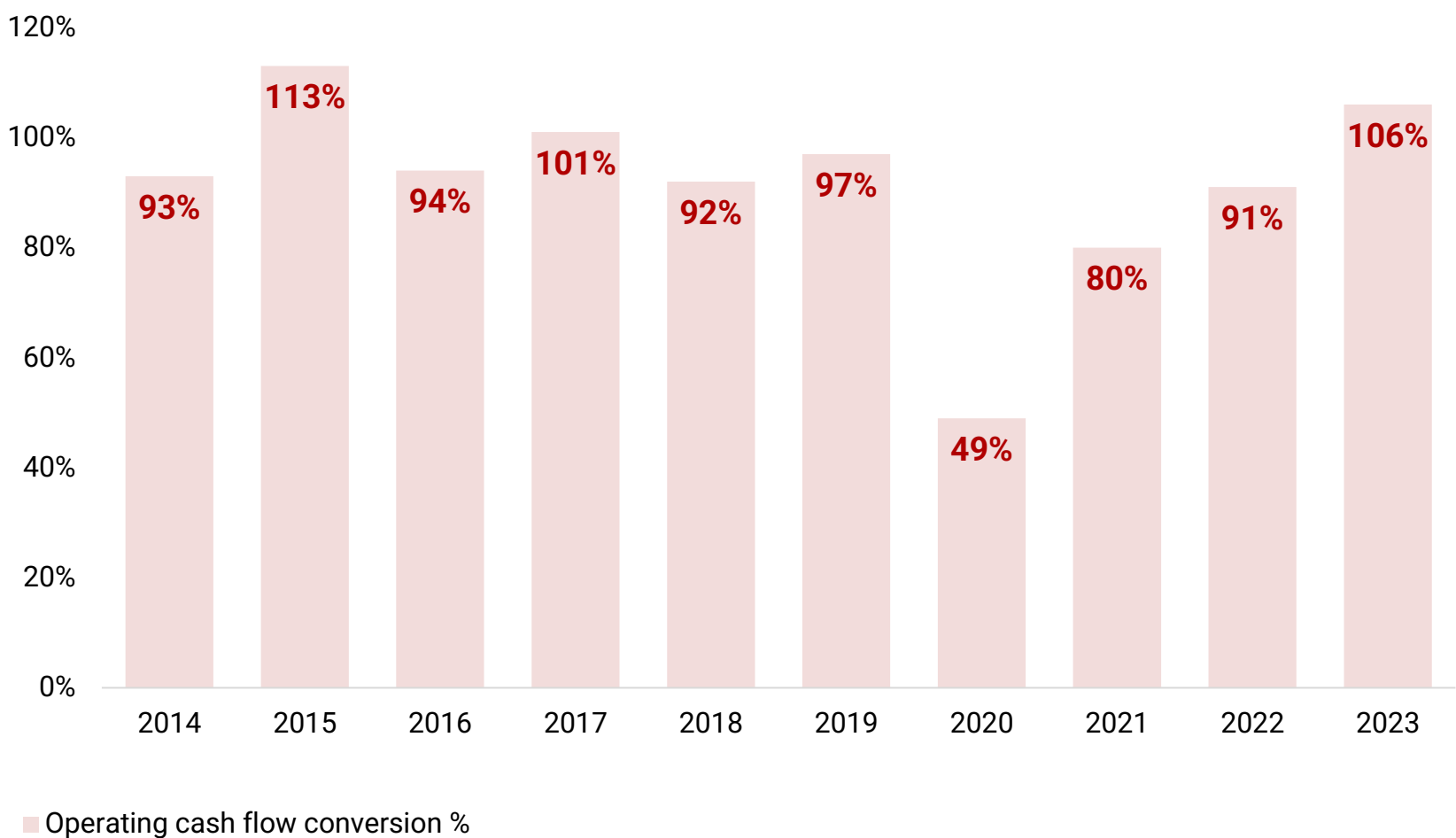


Marshalls has a proven track record of market outperformance and diversification has created a stronger, more adaptable and resilient business even through the cyclical downturn

Adjusted profit before tax and ONS construction output



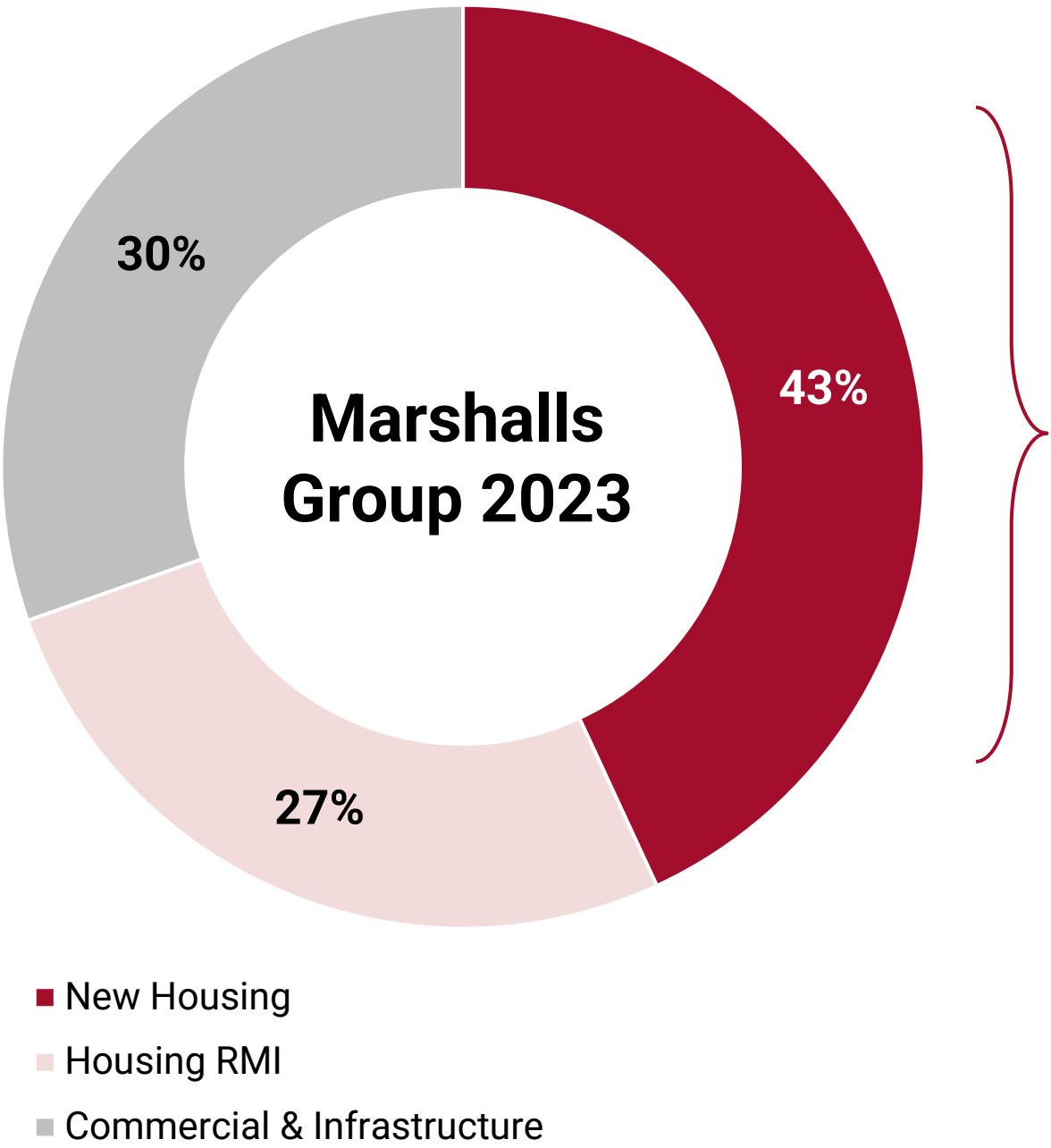
Operating cash flow conversion



Our strong cashflow conversion underlines the strength of this more diversified group and provides a platform to unlock future growth and value creation

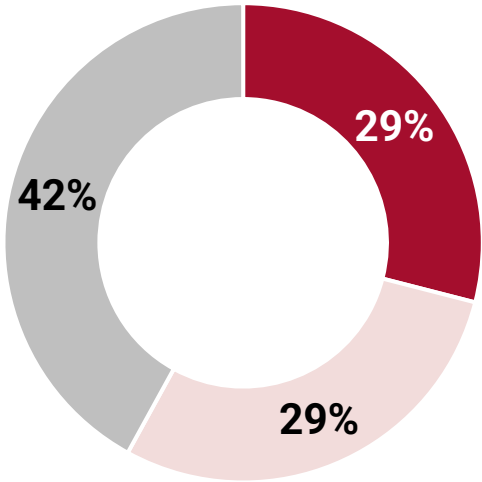
We have established a balanced and resilient exposure to our end markets

End market exposure

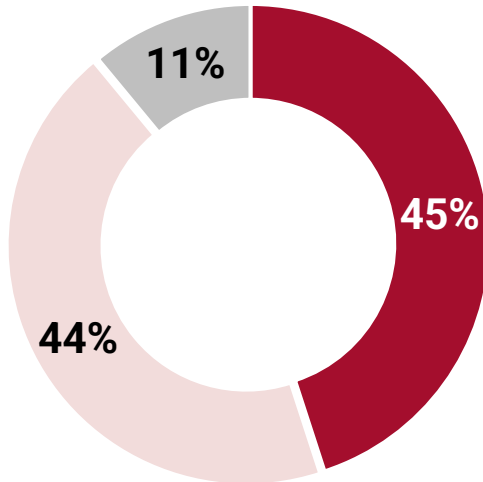


Reporting segments

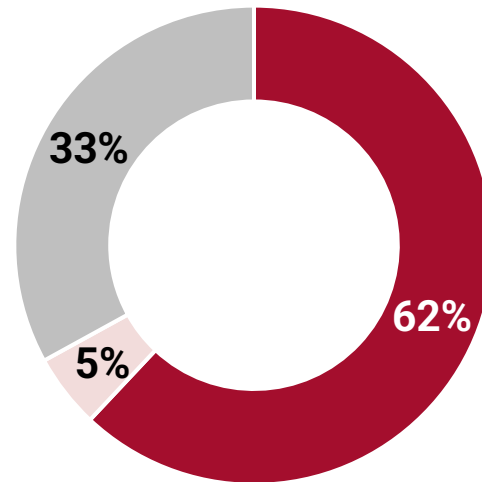
Landscaping Products



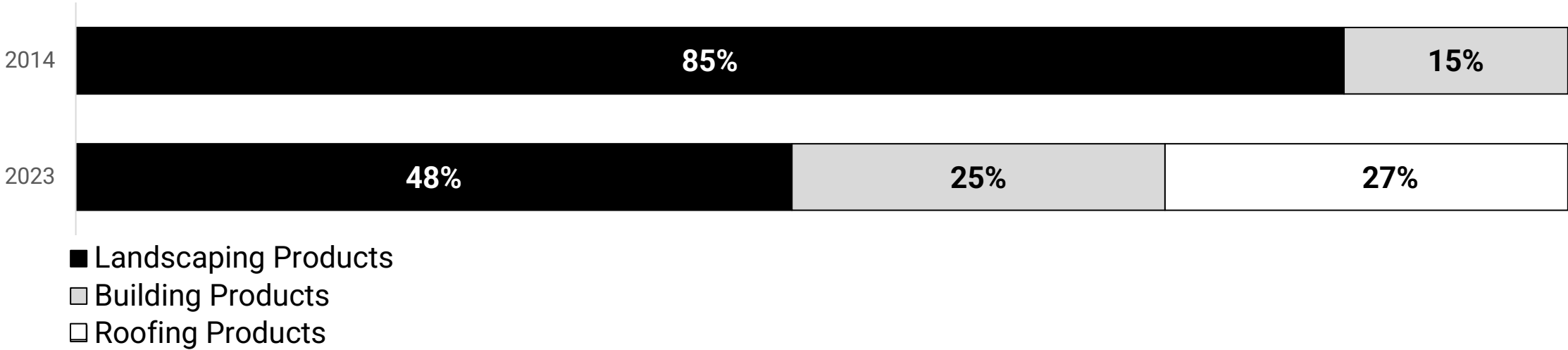
Roofing Products



Building Products



Portfolio



Over the last six months we have ‘lifted the bonnet’ on the business and rigorously considered the choices on how to realise the Group’s potential

March 2024

Shared my first impressions



Half year 2024

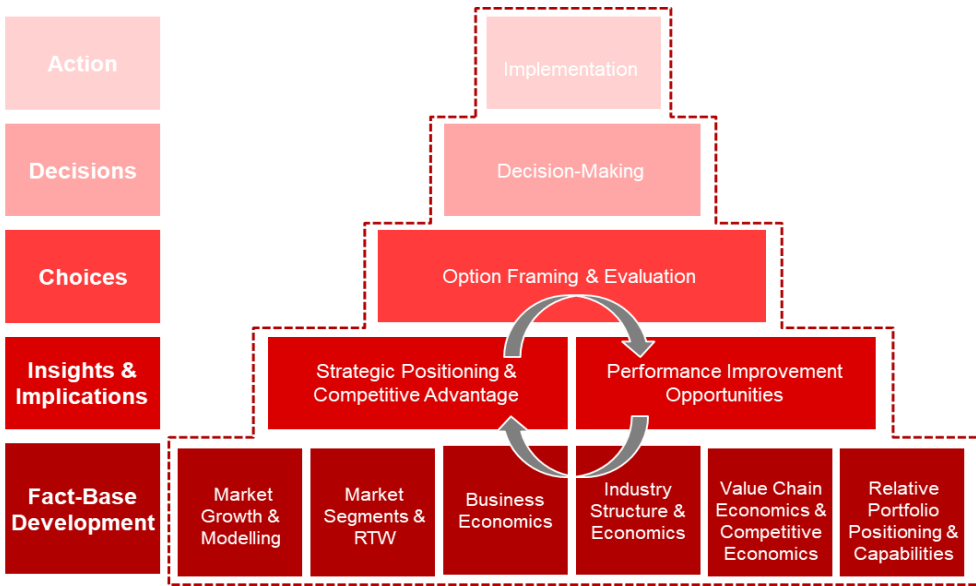
Recognition of underperformance in Landscaping heartland and immediate improvement actions



Half year	2024 £'m	Change %
Revenue	137.0	19%* ↓
Segment operating profit	8.3	46% ↓
Segment operating margin %	6.1%	2.7ppts ↓

May – October 2024

Strategy review undertaken to improve performance, drive growth and unlock greater value



Recognition of underperformance in landscaping heartland and immediate improvement actions



Improvement actions underway

- **Recruited experienced talent into senior roles in both sales and marketing including**
 - Nick Platt, MD Landscaping
 - Stacey Temprell, Marshalls brand Marketing Director
- **Re-organised our sales teams**
 - Focused on strengthening specification in key end markets
 - Added a fourth sales region
 - New commercial operations team focused on margin management disciplines
- **Re-invigorating our customer relationships at senior levels**
- **Portfolio and range simplification**
 - Completed review of portfolio and pricing architecture
 - Planning c.25% net reduction of SKUs
- **Optimising our manufacturing network to support this portfolio**

Like-for-like rate of contraction slowed in Q3 to 13% from the 19% reported at the half year

Providing clarity on the next stage of our growth and value creation

Key takeaways from today

Attractive diversified portfolio

of businesses, exposed to scale markets with long-term growth drivers and near-term structural market tailwinds

Enviably market positions

with No.1 or No.2 leading positions

Significant headroom for growth

in our addressable markets through innovation and 'bolt on' acquisitions

Investing to enhance capability

productivity and optimise the inherent strengths in our nationwide network and operational leverage

Material profit improvement

delivered from revenue outperformance and operational leverage

Highly cash generative business

and strategy execution delivers material increase in free cash flow and shareholder returns

SECTION 02

Our markets and
growth drivers



Our potential addressable market is of significant scale and presents material opportunity and headroom to drive profitable growth

Potential addressable market

Marshalls addressable market

Markets that the Marshalls Group currently services today

£3.5bn

Market segments aligned to Marshalls

Market segments that sit within Marshalls core categories that are exposed to growth tailwinds and aligned to our unique capabilities

£7bn

Core categories market

Core categories that Marshalls operate in more broadly – bricks, blocks, building envelope & concrete, cement & plaster, roofing and energy transition

£14bn

UK building products market

Total building products market in the UK – including both heavyside and lightside products

£60–70bn

Markets exposed to long-term growth drivers associated with climate change



Low carbon solutions

Green urbanisation



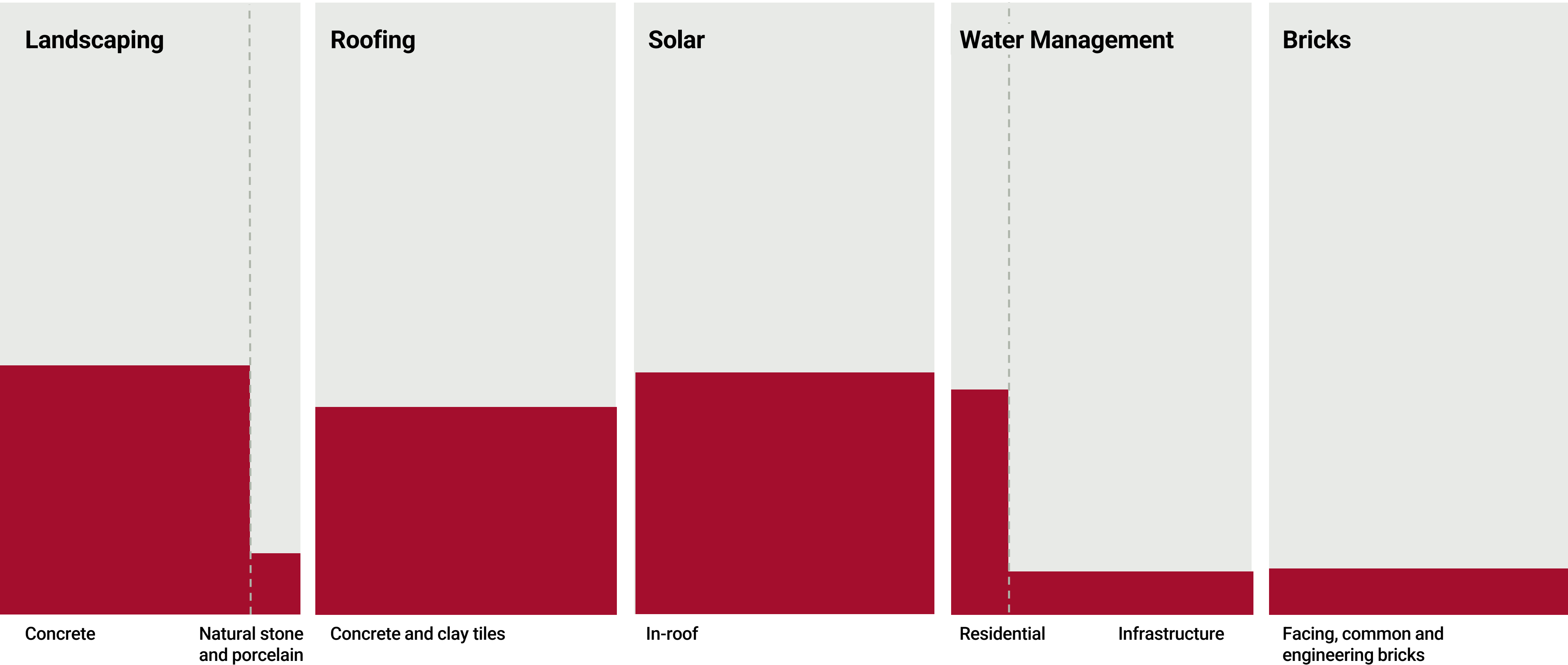
Water management & drainage

And in the nearer term, markets with structural and regulatory tailwinds will fuel revenue growth in our business units

Near-term growth tailwinds	Landscaping	Roofing	Solar	Water Management	Bricks
New housing <ul style="list-style-type: none"> – Ambition to build 1.5 million new homes in this parliament – Equals 8-9% p.a. increase in net new housing – New housing accounts for 43% of our market exposure 	✓	✓	✓	✓	✓
Water infrastructure <ul style="list-style-type: none"> – Investment in the AMP8 cycle is estimated to be 50% higher than AMP7 – 3x growth in water infrastructure investment, including surface water management and wastewater drainage 	✓			✓	
Energy transition <ul style="list-style-type: none"> – Part L is driving adoption of solar – Future Homes Standard accelerates transition to low carbon energy – Warm Homes Fund and Public Sector Decarbonisation Scheme – Investment in ageing housing stock 		✓	✓		✓
Commercial and infrastructure <ul style="list-style-type: none"> – Government's capital investment increased to £131 billion in 2025-26 – Rail and road transport networks – New towns linked to housebuilding – Clean energy focus 	✓	✓		✓	✓

Marshalls has enviable market share positions with strong differentiated brand propositions and significant headroom for growth

Marshalls
Other



Marshalls will transform and grow through the next cycle: unlocking our potential for growth and value creation

Increasingly diversified group of businesses beyond its heritage in Landscape with:

Where we are today

Portfolio of strong brands in its existing markets	Reputation for leading in ESG	Strength in operational excellence, national manufacturing scale and operational leverage	Good customer relationships	Knowledgeable and passionate people	Hybrid group operating model
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Group with strategic clarity and ambition, known for:

Where we are going

Leading brands delivering pioneering systems and solutions	ESG and carbon leadership	Realising the synergies and operational leverage of our national manufacturing and logistics network	Powerful customer partnerships	High performance culture that releases the potential of its people	Business Unit focused operating model
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Medium term targets

What we will deliver

2-4%

market outperformance

15%

operating margin

90%

cash conversion

0.5 -1.5x

pre-IFRS16 net debt to EBITDA leverage target range

2x

dividend cover

£20-30m

capital expenditure pa

15%

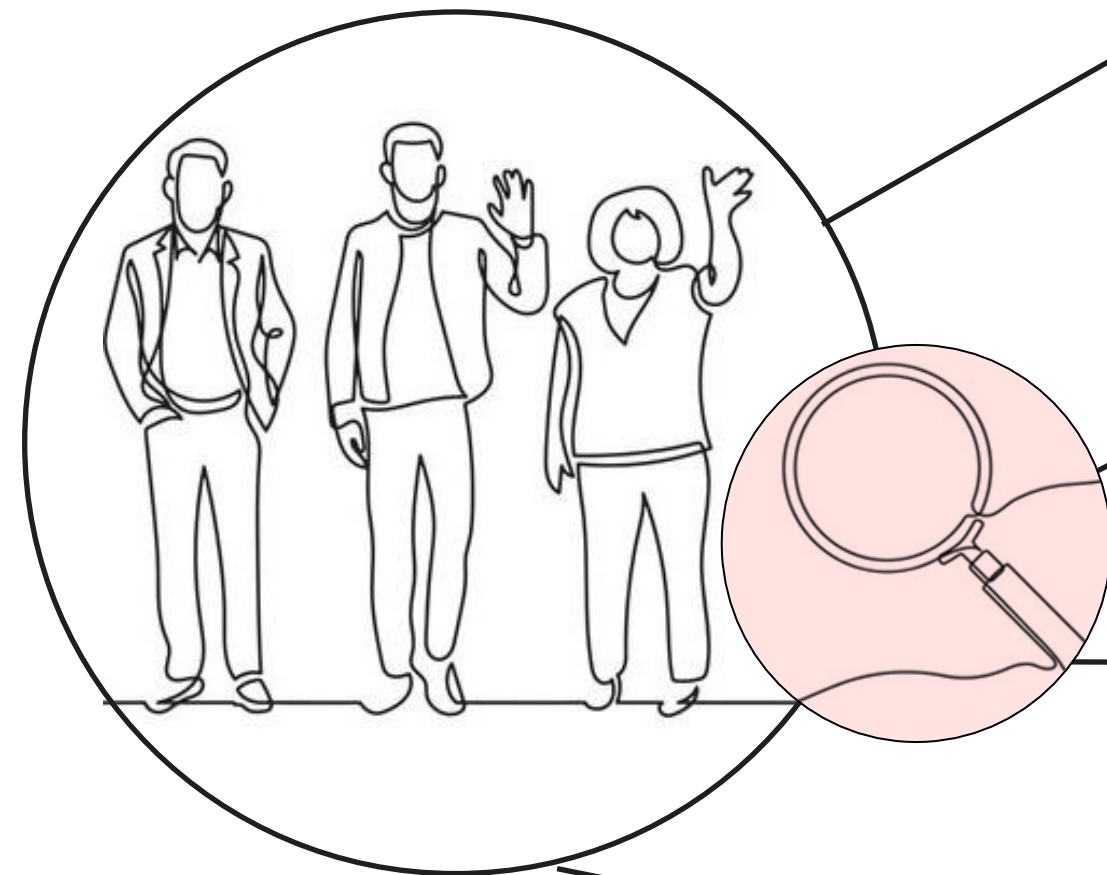
return on capital employed

SECTION 03

Transform & Grow
strategy



We have extensively researched end markets, customer needs and what they value about our business propositions



Marshalls are a premium product we will **pay more** than competitors **for** that **quality**
– Buyer, landscaping contractor

Regional providers don't have the **range** that Marshalls can **offer**
– Regional Trading Director, merchant

In terms of **support, you** really **can't question** Viridian
– Procurement, national housebuilder

Marley's **service** levels are very strong; they are **flexible** and willing to **help**
– Owner, roofing contractor

Marshalls are generally regarded well by architects because they engage early, provide post project support and **sustainability assurance**
– Supply chain, T1 contractor

Marshalls get 9 out of 10 due to their **quality of product and service** level. On a human level they are a pleasure to deal with
– Owner, civils groundworker

We considered another manufacturer, but it didn't work as they didn't have the **right certification**
– National housebuilder

We are **increasing our focus on sustainability**; Marshalls bricks perform much better in that area
– Director, national housebuilder

Our customers value a unique set of capabilities that are consistent across our businesses

Leading brands

Market-leading brands and solutions consistently recognised for their quality, range, and service



Best in class technical and design support

Technical know-how and understanding of the building standards of today and tomorrow provides an unrivalled expertise for customers



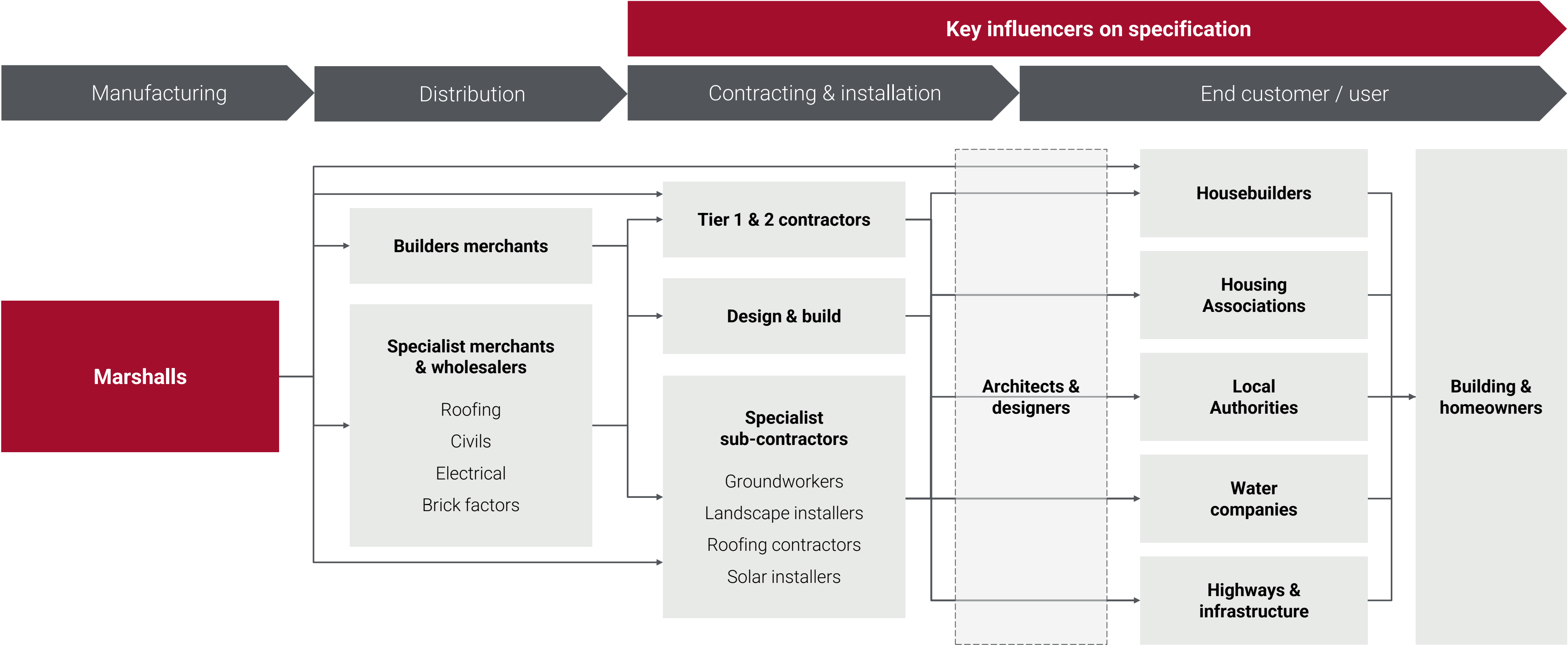
Carbon leadership

Commitment to materials innovation and a nationwide network supports lower carbon supplier of choice

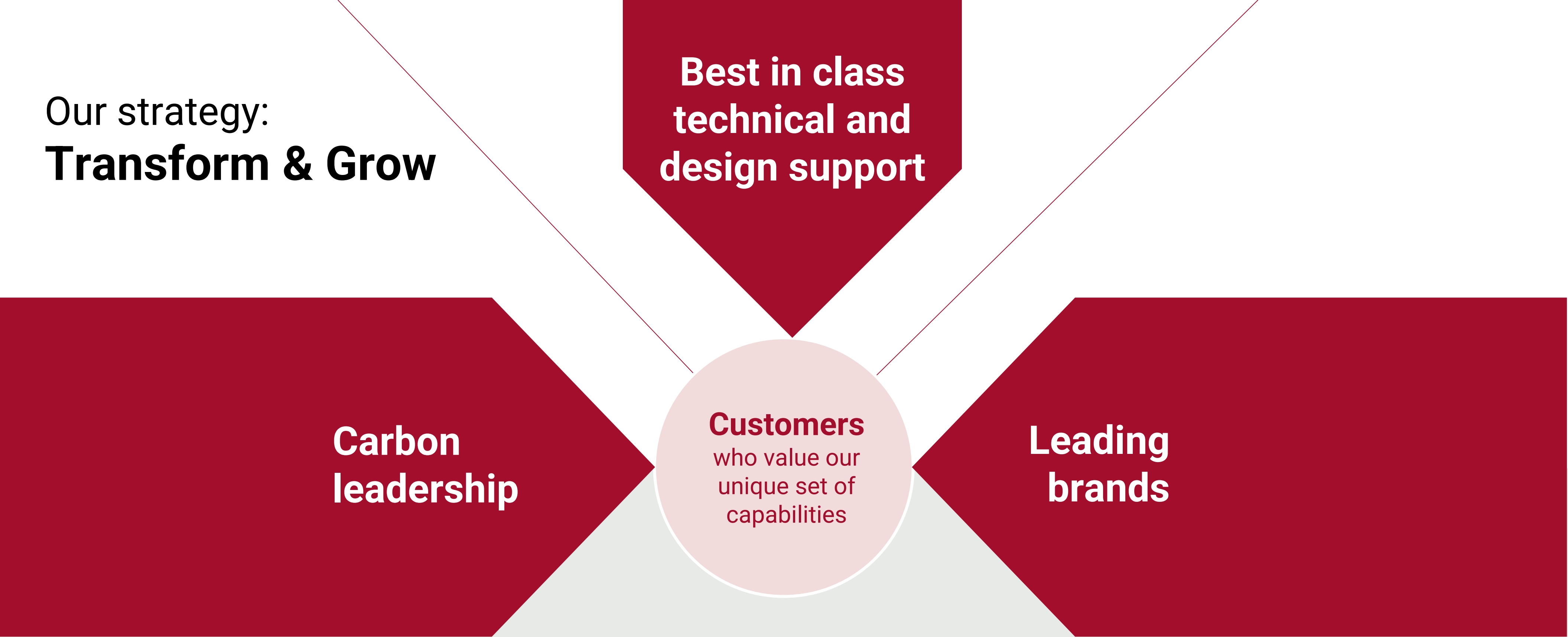


Focus on winning in markets with customers who value our unique set of capabilities

Our UK value chain



Our strategy:
Transform & Grow

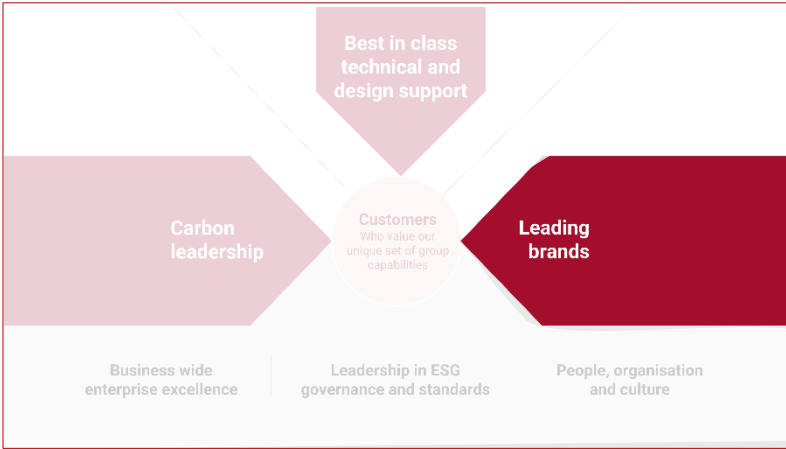


**Business wide
enterprise excellence**

**Leadership in ESG
governance and standards**

**People, organisation
and culture**

Leveraging the strength of our portfolio of leading brands

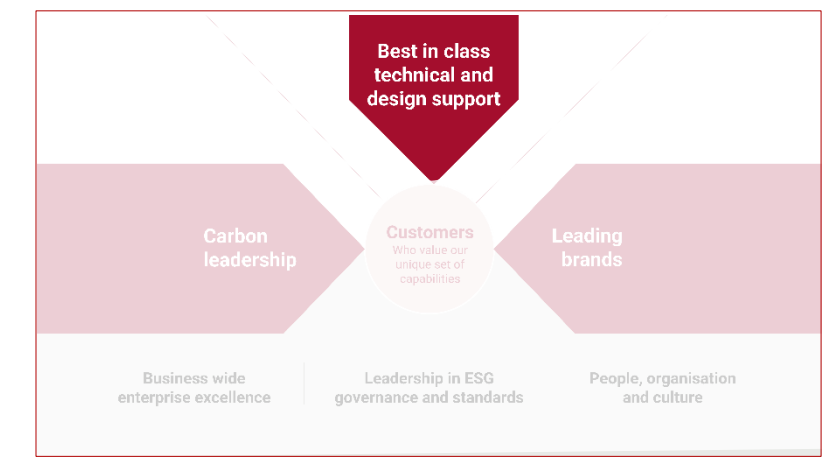


Leading brands



Our broad range of sustainable solutions for the built environment play a vital role in Building Tomorrow’s World

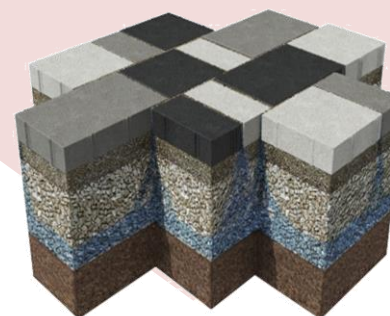
Creating value through our best in class technical and design support



Technical and design support

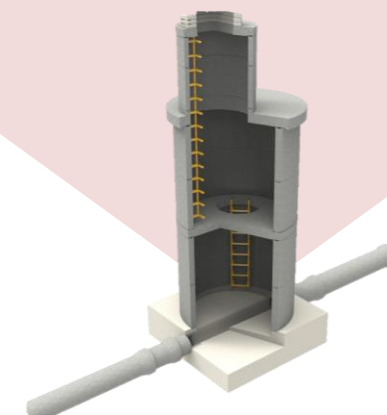
Pavement engineering

Matching the environmental benefits with cost and performance for sustainable landscaping and surface water drainage systems



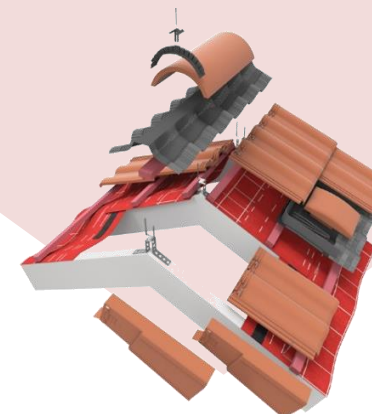
Water management and drainage

Custom design and build on wastewater treatment and sewer overflows to reduce overcapacity at treatment works



Roofing dry fix & ventilation

Systems reducing maintenance, providing ventilation to the roof void to meet regulations



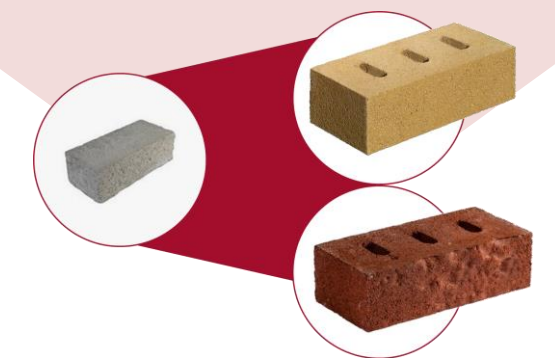
Integrated solar

Full wrap around design and technical support for housebuilder sites



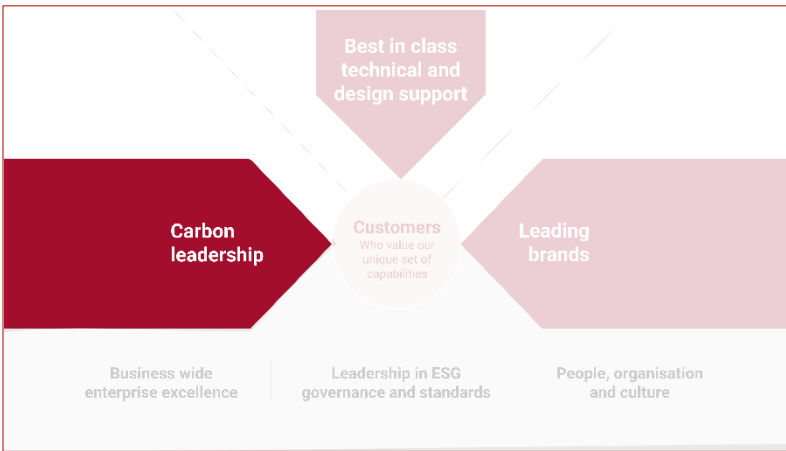
Lower carbon bricks

Harnessing expertise to deliver unrivalled aesthetics and durability in facing bricks



Many of our value propositions are built on our expertise in technical design and support

Strengthening our carbon leadership



Carbon leadership

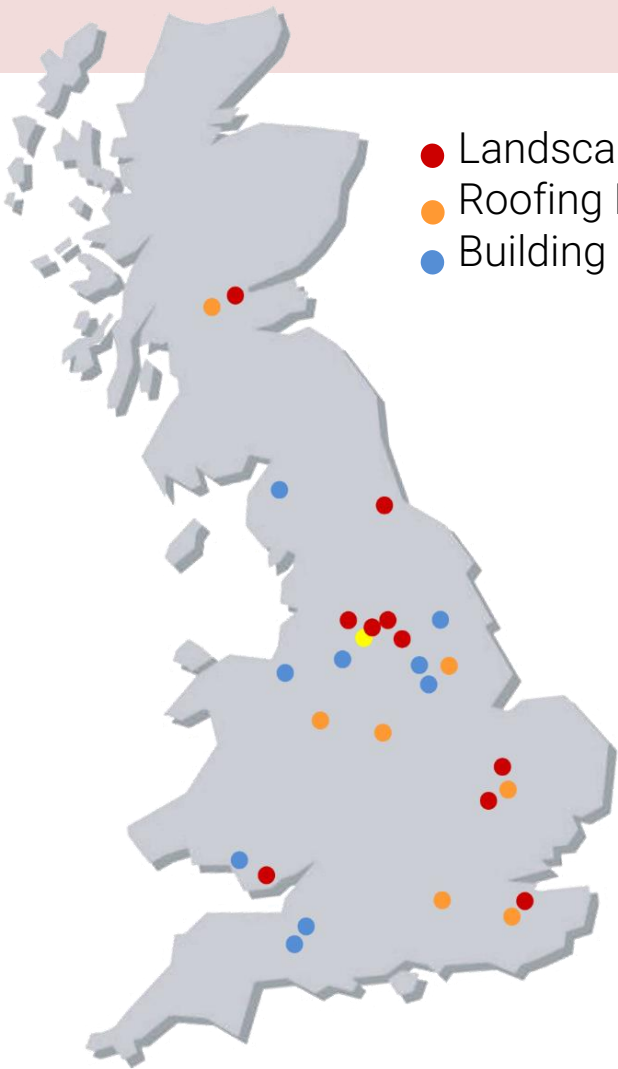
Materials innovation



Nationwide network

Carbon leadership

- **Innovative** Triblend mix design technology, c.60% less cement
- **Pioneering** carbon cure technology in bricks and cement free technology in our drainage products
- **Supplier partnerships** to reduce embodied carbon, develop carbon binder technologies and sequester waste carbon
- **Partnerships and collaborations** to enhance offering and capabilities



- Landscaping Products
- Roofing Products
- Building Products

Environmental Product Declaration

- **Marshalls Tegula:**
A1-A4 : 13.04 kg CO2e
- **Competitor Tegula:**
A1-A4 : 22.32 kg CO2e

=**41%**
advantage



Marshalls capability in material innovation and nationwide network provides a competitive low carbon advantage

Investing in business wide enterprise excellence

Investing in technology and systems

Embedding operational and commercial excellence

Data driven business intelligence

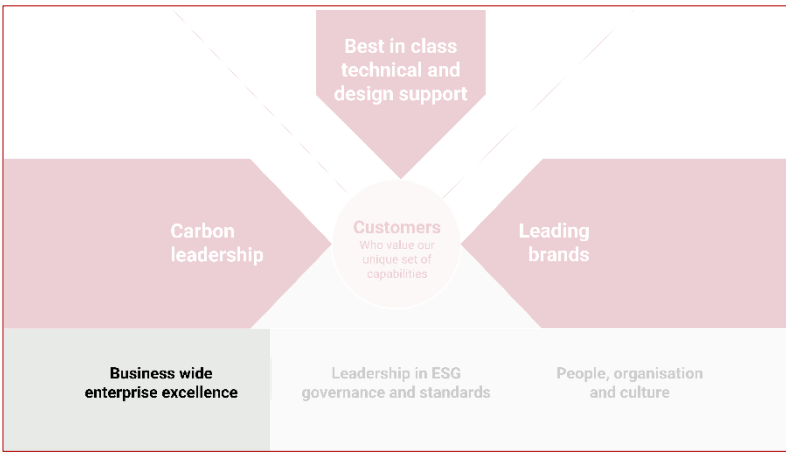
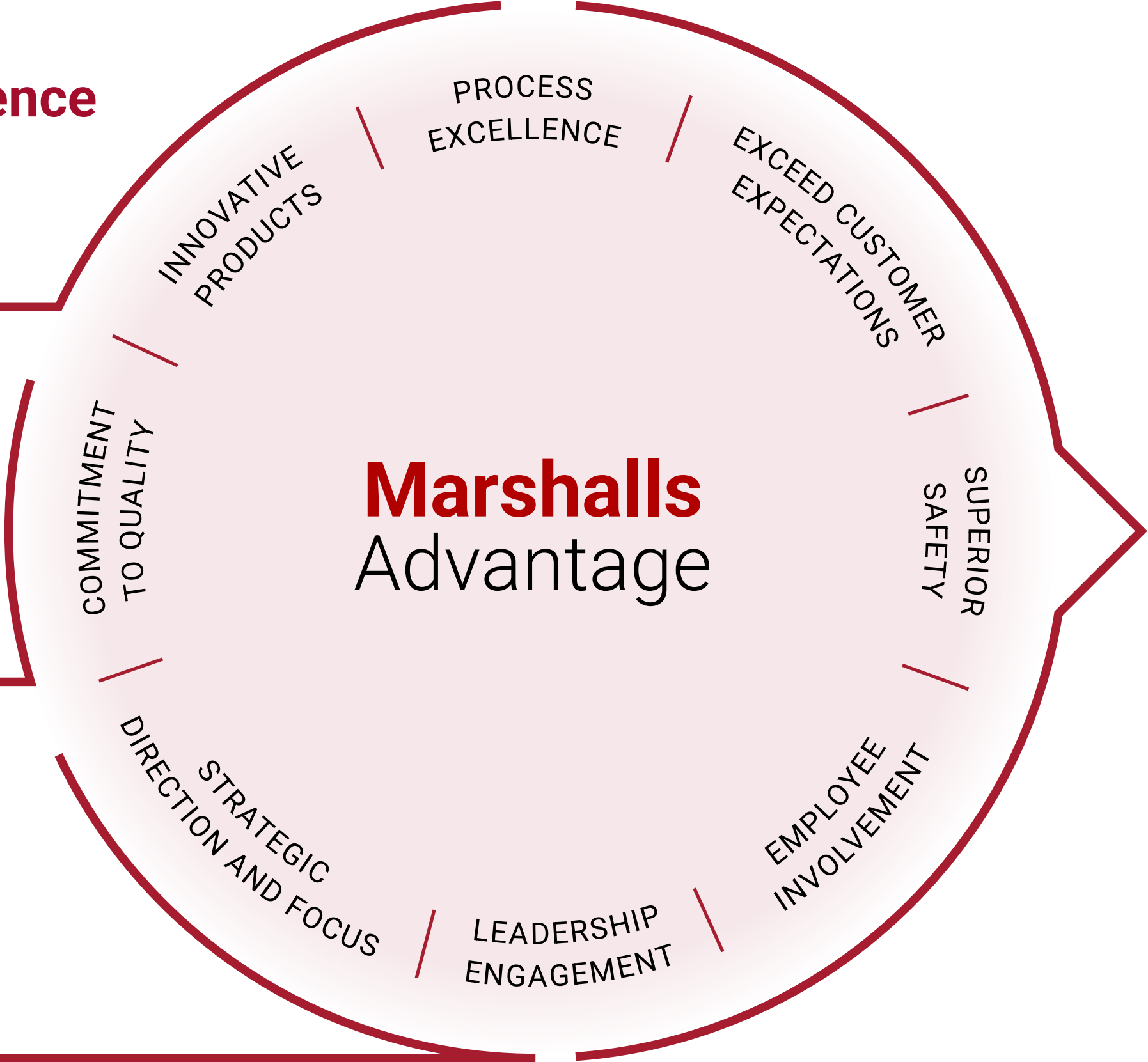
Investing in our data analysis insight and reporting

Winning with customers

Investing in best in class websites and CRM system

Simplifying our business

Investing in our ERP systems and more efficient business planning processes



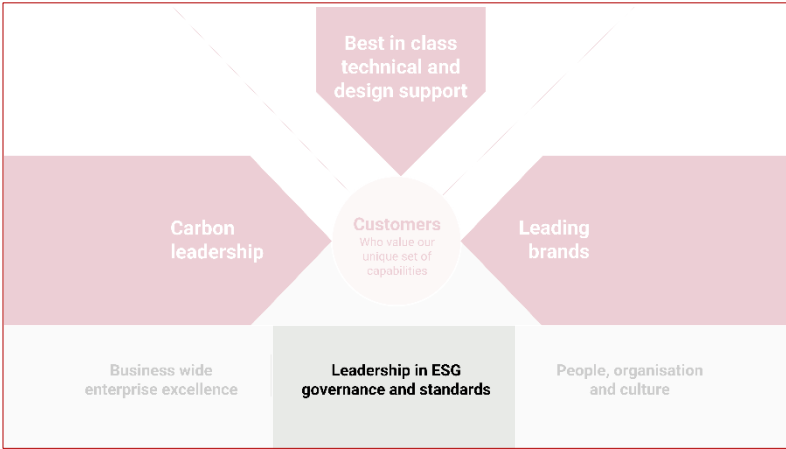
Business wide enterprise experience

Building powerful customer and supplier partnerships

Delivering sustainable cost and efficiency gains

Driving increased business wide engagement

Commitment to leading on ESG standards and governance



Leadership in ESG governance and standards

SBTi-approved net-zero target across all emission scopes by 2050

Recognised as one of Europe’s Climate Leaders

Between 2008 and 2023, our Scope 1&2 carbon footprint reduced by over 50%

Environmental Product Declarations covering the majority of our product range

Less than 1% of our waste goes to landfill

Celebrating 10 years of having the Fair Tax Mark and being a Living Wage employer

Comprehensive human rights due diligence programme, including mapping of our solar supply chain to tier 5



Committed to being a responsible business and guided by the United Nations Global Compact

Investing in our people and culture...



People, organisation and culture



Leadership talent

- Momentum Team
- Leadership development programme
- Role model leaders
- Targeted recruitment



Learning & development

- Apprenticeships
- Accredited learning
- Marshalls Advantage



Colleague engagement

- Monthly leadership call
- Townhalls & briefings
- Employee Voice Group



High performing culture

- Performance management approach
- Diversity & inclusion
- Health and safety
- Reward and recognition



...is key to our Transform & Grow strategy

Our Transform & Grow strategy requires each part of our business to deliver against core strategic imperatives

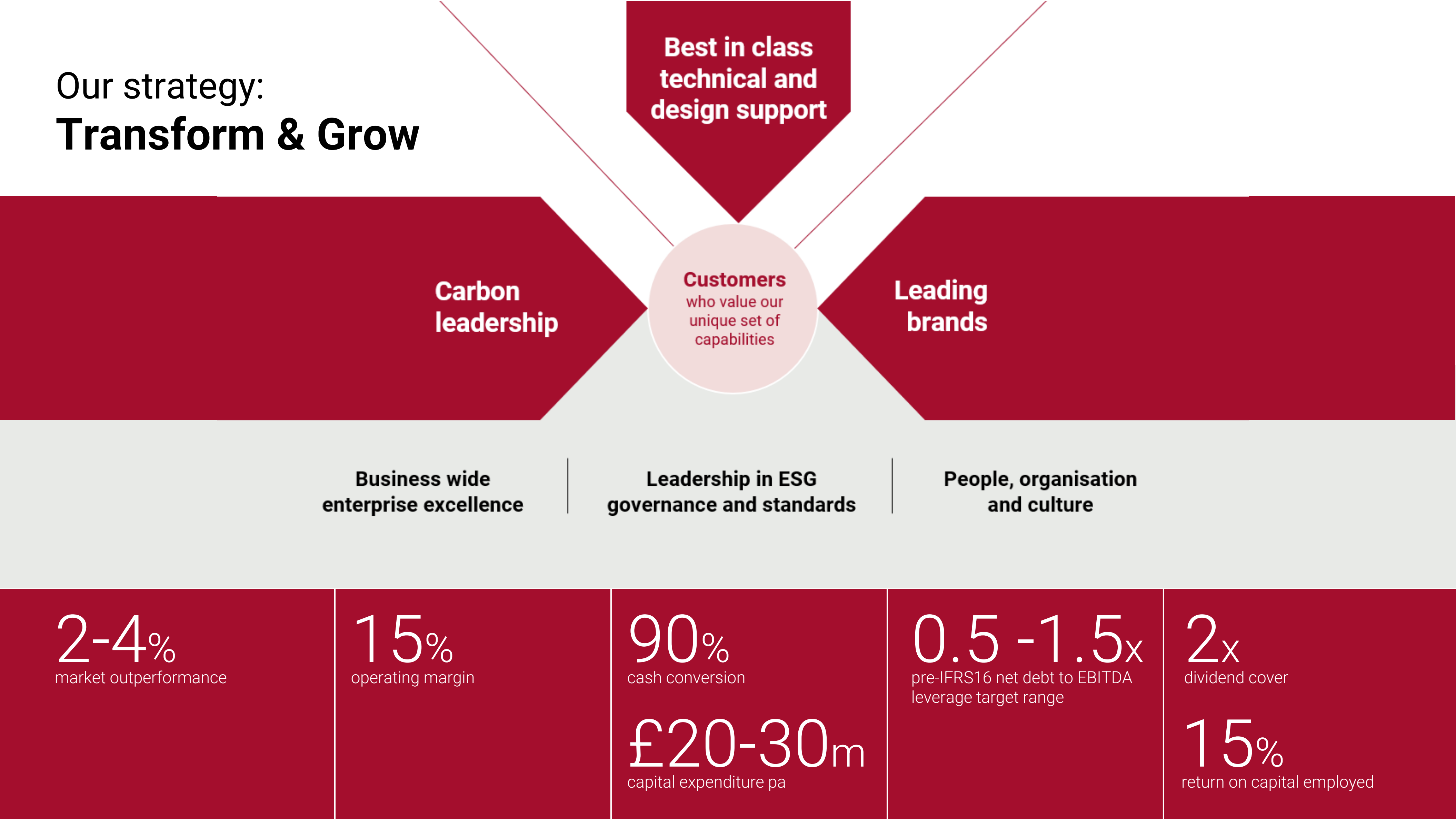
Portfolio role	Business units	Strategic imperative
Brand Powerhouses	Marshalls Landscaping	Drive greater value from distinctive national model
	Marley Roofing	Defend heartlands & drive share in adjacencies
Growth Engines	Viridian Solar	Leverage tailwinds to accelerate growth
	Marshalls Water Management	Reposition to access growth & headroom
	Marshalls Bricks & Masonry	Accelerate concrete adoption
Synergy Realisation	Group	Enabling strategy & empowering transformation

Our operating model will evolve to support our Transform & Grow strategy



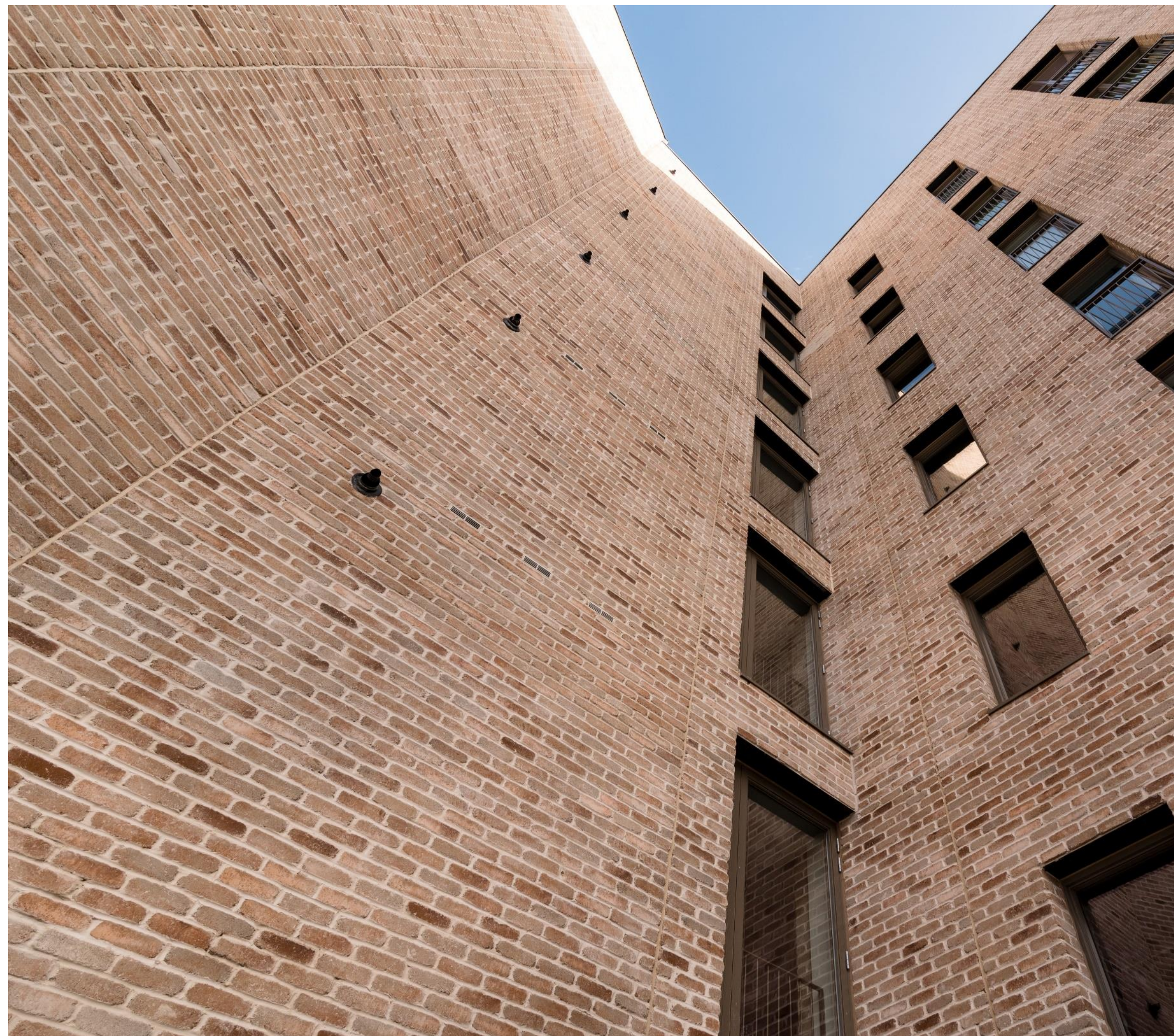
 **Brand powerhouses**
 **Growth engines**

Our strategy:
Transform & Grow



SECTION 04

Business unit
strategies



Focused and experienced business unit leadership teams

Portfolio role

- Brand Powerhouses
- Growth Engines

**Marshalls
Landscaping**



Nick Platt

Managing Director
Marshalls Landscaping
(starts Jan 1st)

**Marley
Roofing**



Susan Barclay

Managing Director
Marley Roofing

**Viridian
Solar**



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Chief Executive
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Water
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Paul Curtis

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SECTION 4.1

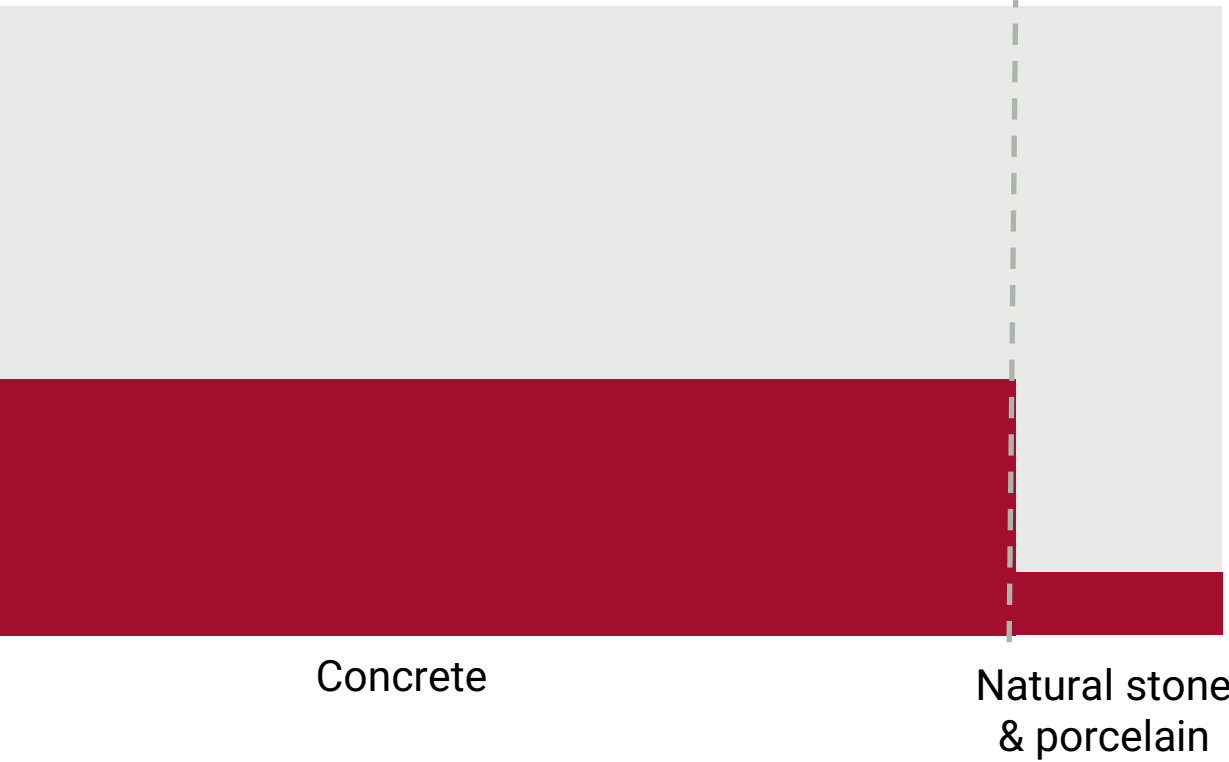
Marshalls
Landscaping





Marshalls Landscaping snapshot

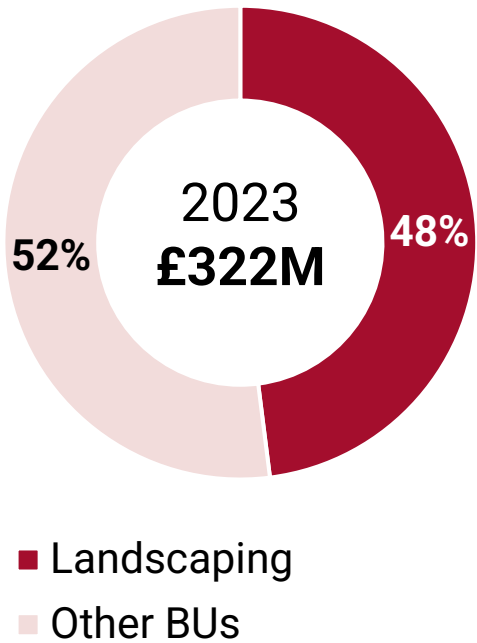
Landscaping share



Enviably No.1 market leadership position and brand powerhouse

Market headroom to drive share growth through cyclical recovery

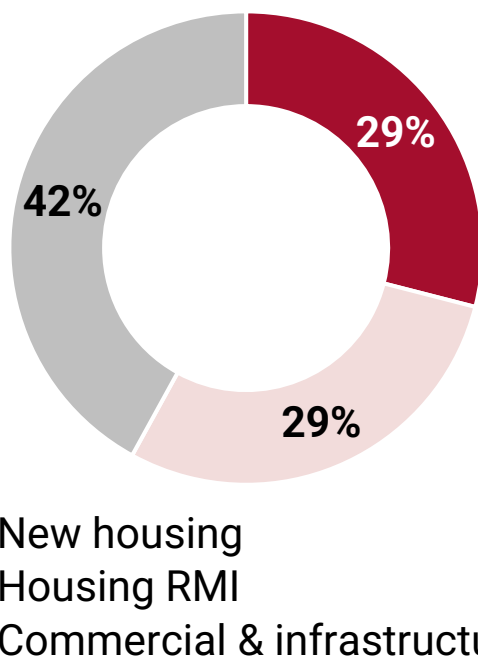
% Share of group revenue



Balanced end market exposure allows access to the most profitable segments

Markets exposed to both regulatory and structural tailwinds

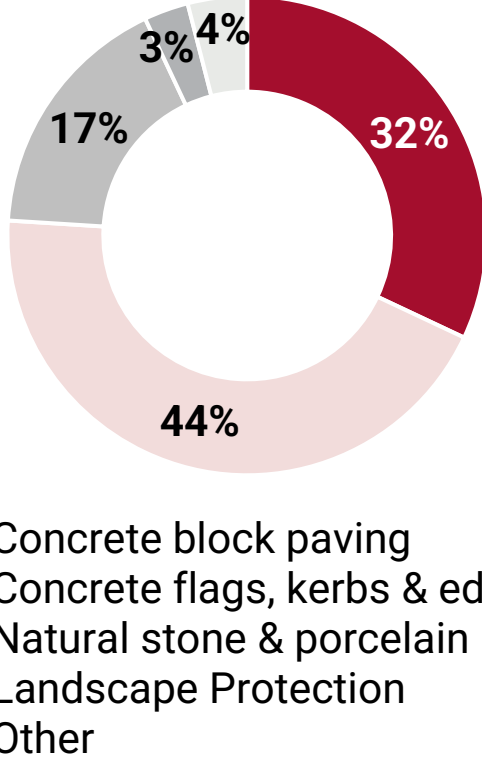
% Revenue by end market



Leading concrete landscaping value proposition is complemented by our natural stone & porcelain ranges

Supported by a well invested nationwide operations network

% Revenue split by product category

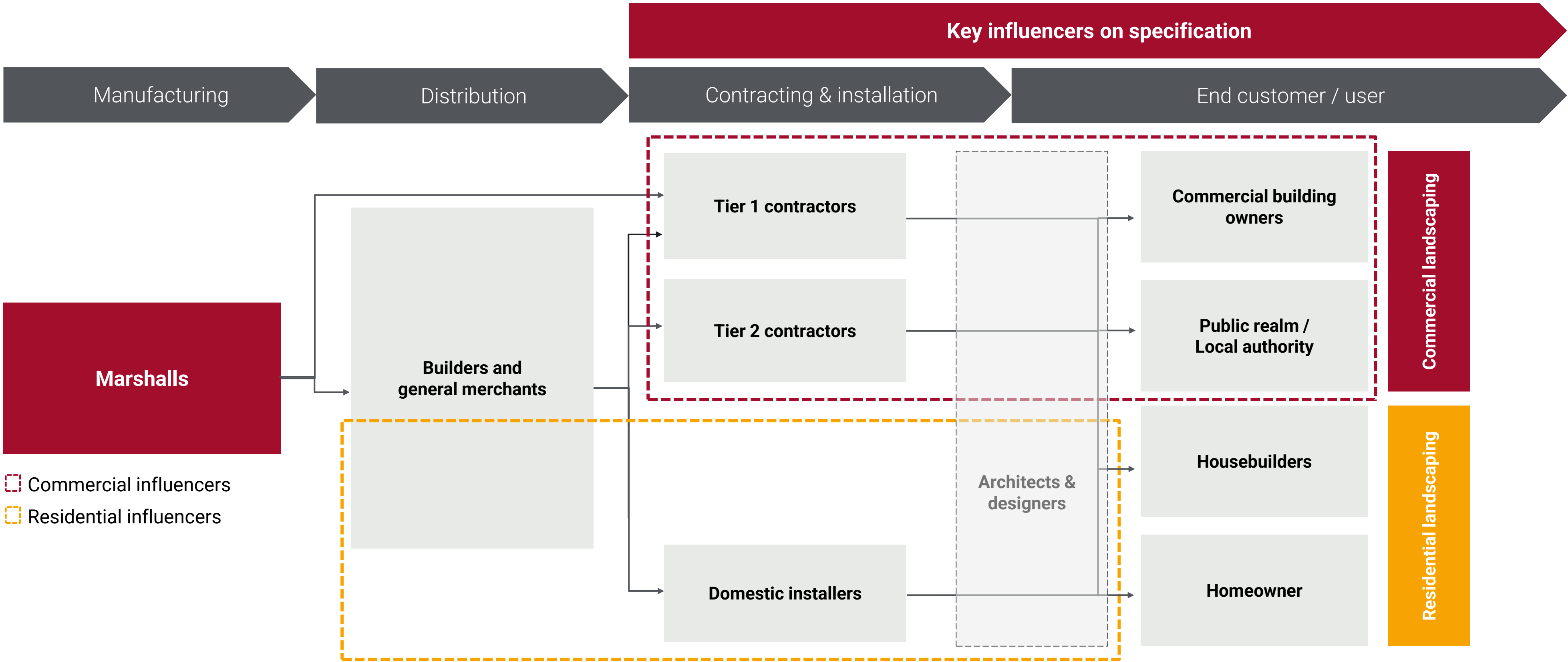
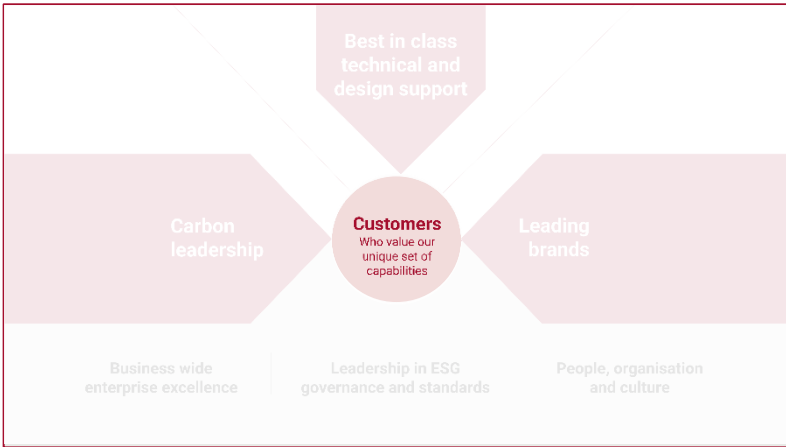


Landscaping will benefit from the near term structural and regulatory tailwinds

Near term growth tailwinds	Landscaping	Roofing	Solar	Water management	Bricks
New housing <ul style="list-style-type: none">– New housing accounts for 29% of our market exposure in Landscaping– Specification opportunity with housebuilders and landscape contractors	✓				
Water infrastructure <ul style="list-style-type: none">– Opportunities for our surface water drainage & paving solutions with water companies, tier 1 contractors and local authorities– Permeable paving and Sustainable Drainage systems offer clear competitive advantages in this space	✓				
Energy transition					
Commercial and infrastructure <ul style="list-style-type: none">– Most attractive segment for Landscaping exposure: 42% of revenue– Opportunity to specify our landscaping solutions in key sub-segments– Road and rail infrastructure– Education and healthcare– New towns and public spaces	✓				

We are clear on the customers who value our unique set of capabilities and influence specification in Landscaping

Landscaping value chain



Landscaping: our winning proposition



Leading brands

100+ years of expertise and innovative solutions

Distinctive national model and surety of supply

Best in class technical and design support

Unrivalled material R&D and innovation

Expert support through 'Design and Build'

Dedicated 'Design Spaces' for clients, architects and designers

Carbon leadership

Carbon leadership across Scope 1, 2 & 3 emissions

'Carbon-miles' advantage from nationwide operations network

EPDs transparency on lower embodied carbon performance

Our growth strategy will build on the near-term performance improvement actions already underway in Landscaping

Recognition of underperformance in landscaping heartland and immediate improvement actions



Improvement actions underway

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Like-for-like rate of contraction slowed in Q3 to 13% from the 19% reported at the half year

Marshalls Capital Markets Event 2024

9

Re-energising the core elements of our historical success and winning model

Clear specification focus

Great customer relationships

Market leading value-add product mix

Clear product proposition

Landscaping strategic imperative: drive greater value from distinctive national model



Commercial

Reinforce brand position
in commercial heartlands

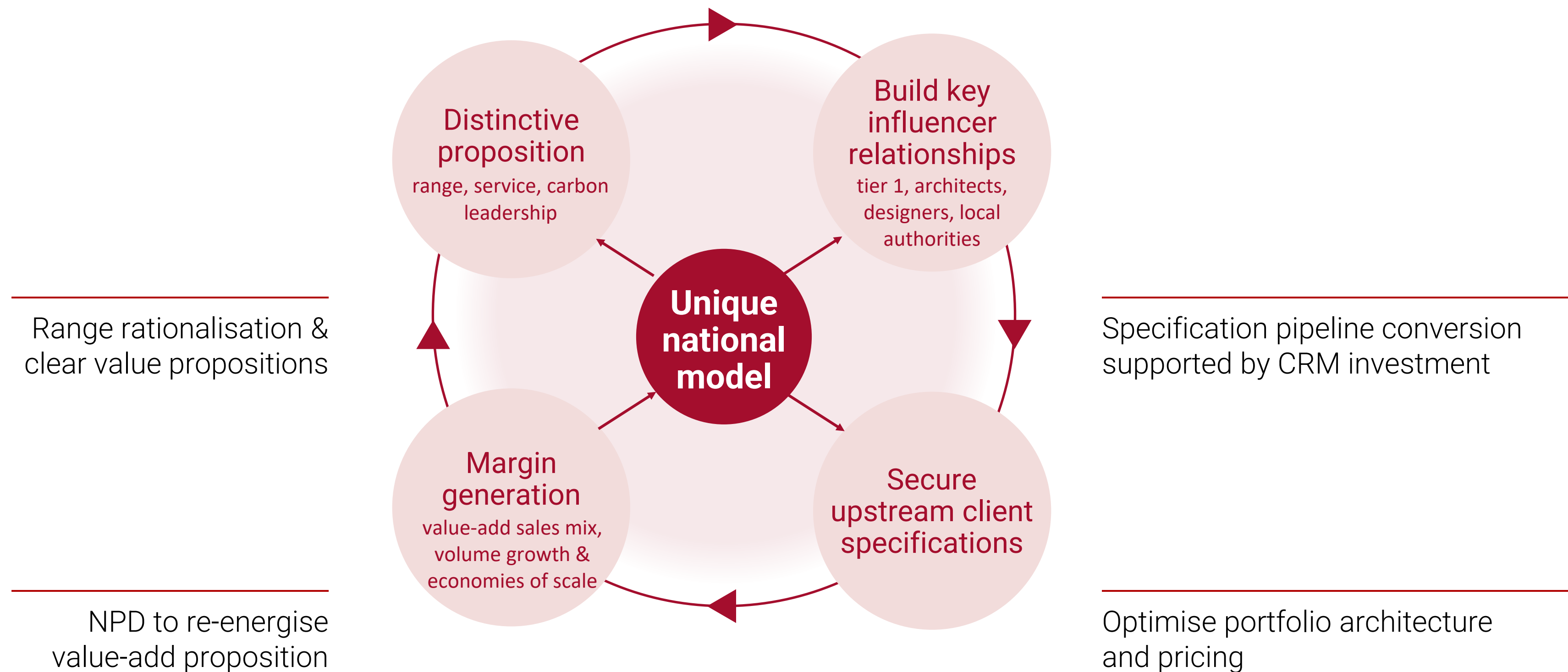
Drive share growth in higher margin
commercial segments with headroom

Residential

Strengthen brand position and drive
share in residential segments

Commercial landscaping growth strategy

How we will win and our value creation levers



We will grow share and profitability by investing in the attractive commercial, specification-led segments

Westminster City Council – low carbon footway

Pioneering trial developed jointly with contractors

Marshalls re-engineered paving & sub-base requirements

- 79% carbon saving in operational delivery against a typical Westminster Council project
- 46% carbon saving per m² of materials used



Battersea Power Station – commercial landscaping

Mixed use development at Battersea Power Station

Carbon leadership & design expertise; bespoke, value engineered pavement designs that achieved carbon savings of 18%

Led to direct engagement of our Pavement Engineers on all future phases of the Battersea project



Residential landscaping growth strategy

How we will win and our value creation levers



Strengthening our position in residential markets by leveraging our distinctive national model and winning design-led specification

Packington Hall – new housing landscaping

Traditional mews & modern coach houses built in the grounds of Grade II listed Hall

Distinctive offer that blended concrete & porcelain paving to meet the conservation requirements

Front and back of house solutions

Our national network reduced site deliveries for carbon-mileage advantage



Garden & driveway design – domestic landscaping

We support accredited Marshalls' landscaping installers to transform large outdoor spaces into multi-level garden retreats

Our products help landscaping designers to transform domestic spaces for their clients who want both functional and aesthetically striking driveways



Pioneering new technologies and innovation to fuel growth

Pioneering concrete technology

Innovative concrete designs and finishes from the Dual block plant

Lower carbon footprint than imported stone products

Unique Lunar technology in UK



Natural stone & granite aesthetics

Energy transition

Bringing energy transition and concrete technology to patented Landscaping solutions

8 million homes have no driveway or garage

+300k public charge points needed by 2030

£200m Government funding for on-street charging infrastructure for 2025/26



Kerbside charging

Sustainable Drainage systems

Innovation driven by biodiversity net gain and planning legislation

Partnering with universities to research planting, water flow & filtration rates

Working with tier 1 contractors, utility companies and local authorities



Edenkerb™ Raingarden system

Landscaping summary

Drive greater value from distinctive national model

Near term improvement actions starting to gain traction

Tailwinds will underpin growth

Strengthen relationships with key influencers and secure upstream, design-led specification

Simplify our product portfolio and invest in distinctive value add propositions

Optimise pricing architecture and attractiveness

Leveraging the benefits of our nationwide operations network

Medium-term revenue growth target

+1-3%
market outperformance

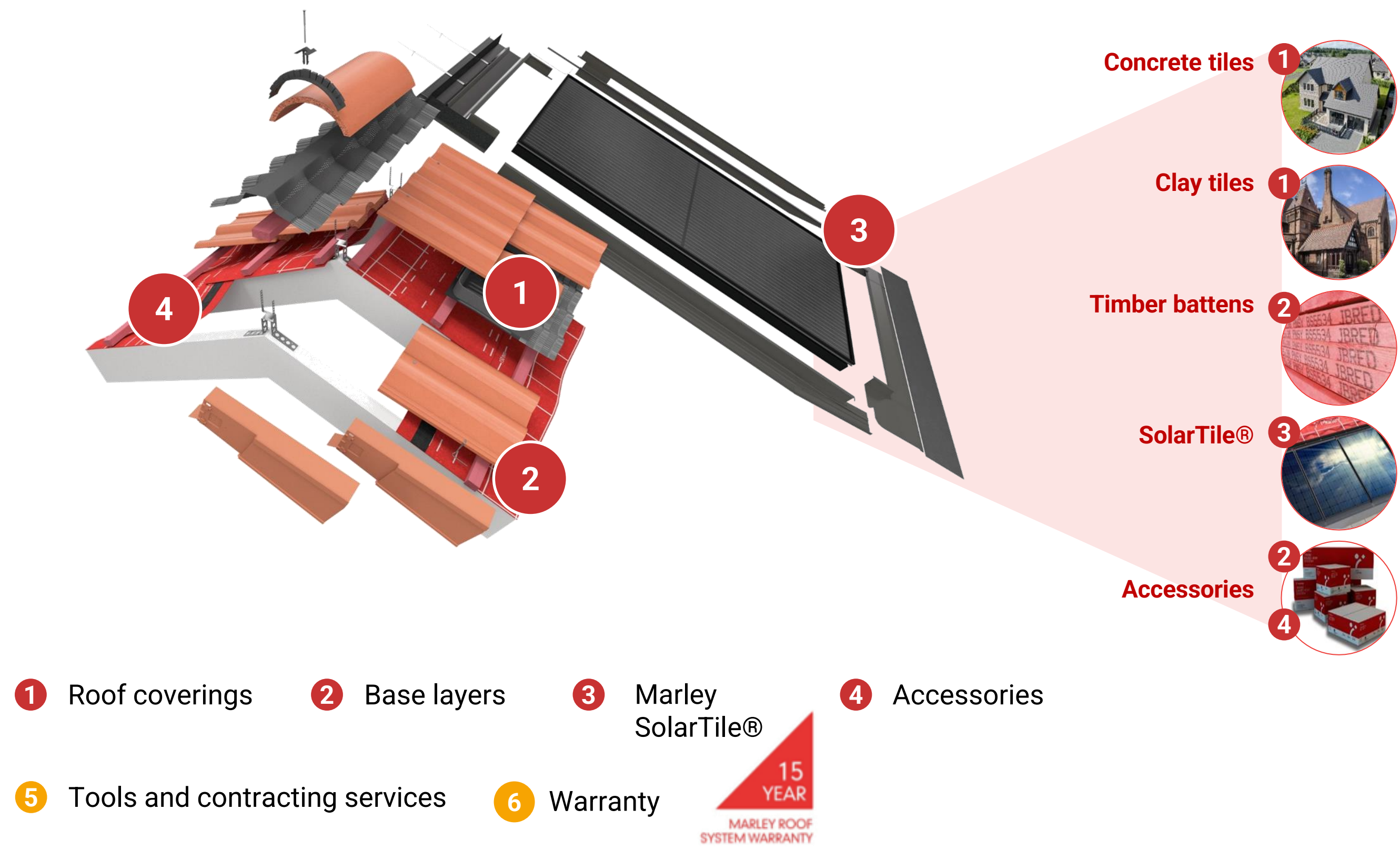
SECTION 4.2

Marley Roofing





Most comprehensive roofing system on the market



The only manufacturer to offer everything above the rafters, which is served by a distinct roofing channel – merchant & installer

Marley Roofing snapshot

Roofing share

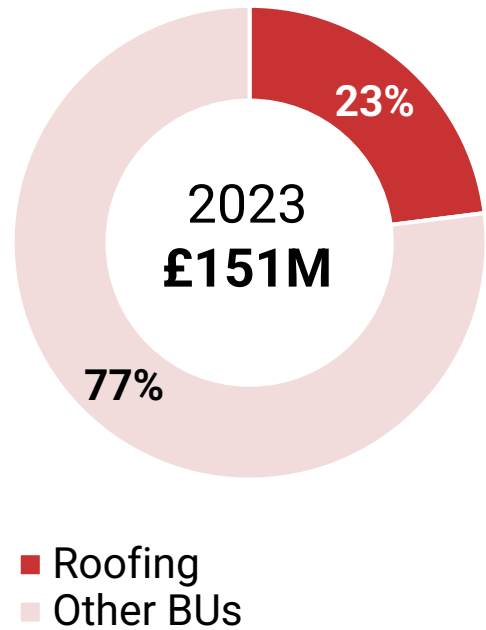


Concrete and clay tiles

Enviably No.1 market leadership position and brand powerhouse

Market headroom to drive share growth through cyclical recovery

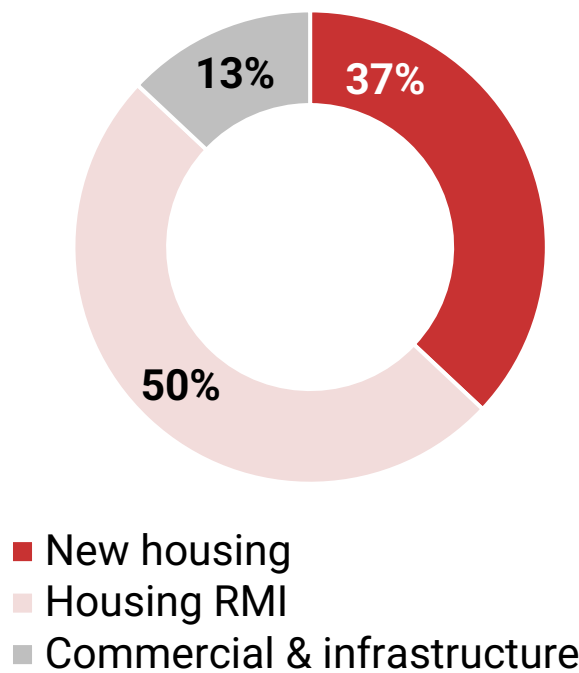
% Share of group revenue



Balanced end market exposure allows access to the most profitable segments

Important exposure to social housing RMI - demand underpinned by ageing UK housing stock

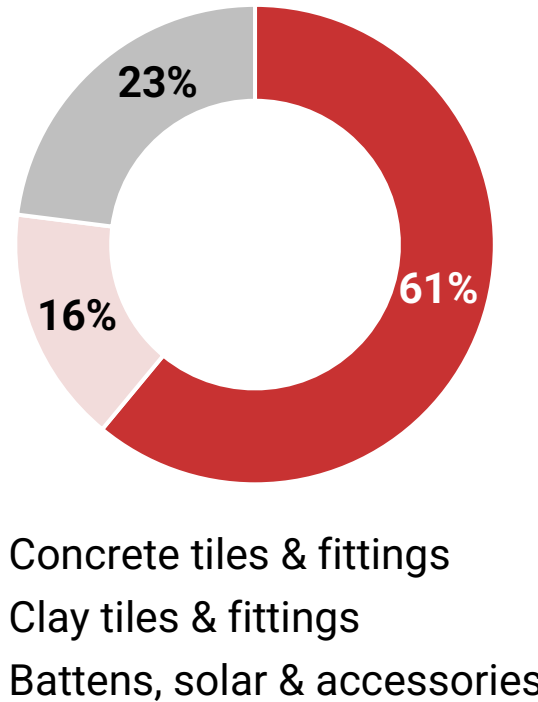
% Revenue by end market



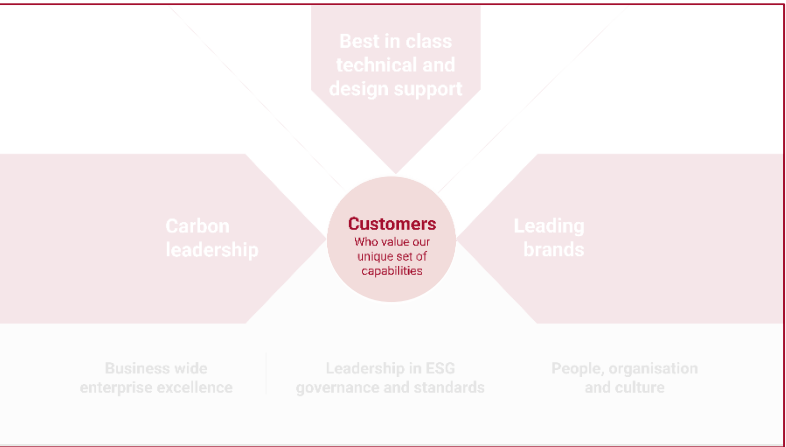
Market leadership in core products; concrete, clay plain, timber battens & roof-integrated solar

Supported by a nationwide operations network

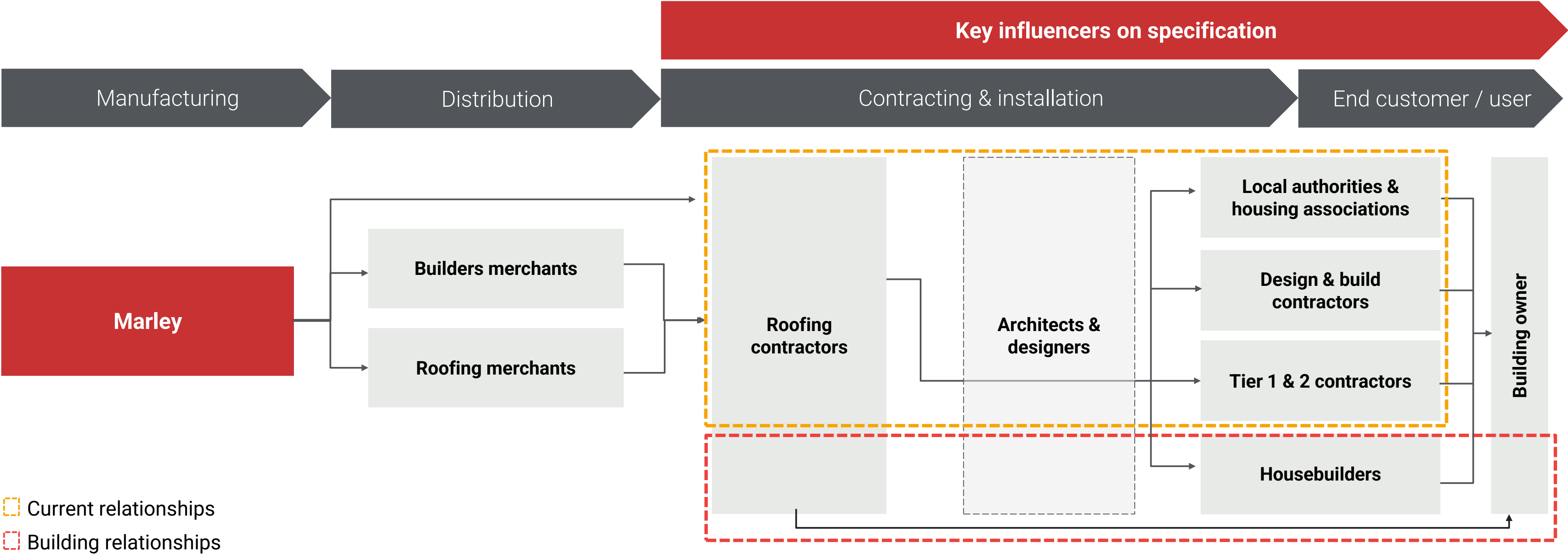
% Revenue split by product category



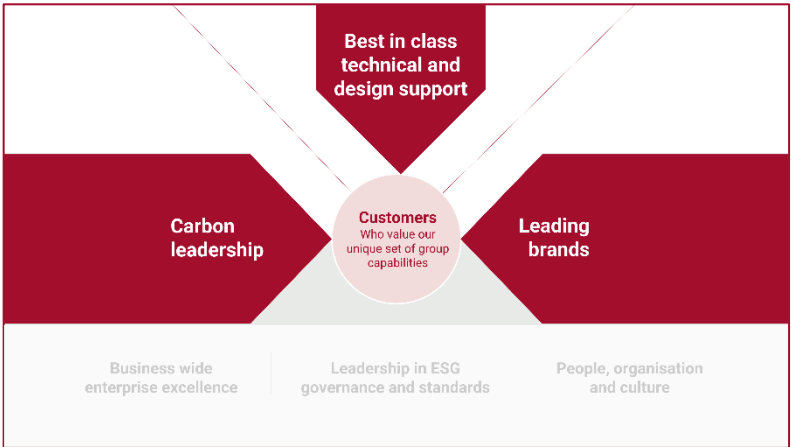
Focus on customers who value our unique set of capabilities



Roofing value chain



Marley Roofing: our winning proposition



Leading brands

Unique market leading brand with 100 years of heritage

Best-known roofing brand, and most preferred by specifiers

Market leadership in core products; concrete, clay plain, timber battens & roof-integrated solar

Strong brand for merchants to 'hold on the shelf'

Best in class technical and design support

Most comprehensive pitched roofing system on the market

Pioneers of product solutions for mechanical fixing, ventilation, fire safety & ease of installation

Digital platform differentiates service offering

Leading Construction Code Product Information scheme

Carbon leadership

First in market with Environmental Product Declarations

Strong sustainability credentials; 100% of concrete waste recycled & reused in the process

Leveraging Marshalls concrete technology and carbon reduction R&D

Structural and regulatory tailwinds will fuel revenue growth in our Roofing business

Near term growth tailwinds	Landscaping	Roofing	Solar	Water Management	Bricks
New housing <ul style="list-style-type: none">– New housing accounts for 37% of our market exposure– Demand on labour availability offers the opportunity for a roof system– Continually working to de-skill our system					
Water infrastructure					
Energy transition <ul style="list-style-type: none">– Future Homes Standards expected to drive adoption of full solar roof systems in new housing– Social Housing Decarbonisation Fund, fuel poverty concerns, and carbon reduction targets driving solar and roof system uptake– Aging housing stock and requirement of current standards					
Commercial and infrastructure <ul style="list-style-type: none">– Optimise current brand specification strength in non-housing– Build on current heartlands in the sector; care homes, schools & colleges, low-rise offices & industrial buildings					

RMI Housing strategic imperative: defend heartlands & drive share in adjacencies

Optimise profit in social RMI heartland

Drive market share in larger, relatively high margin private RMI sector

How to win: our value creation levers

- Build on our leading brand position, protecting specifications
- Targeted investment of our salespeople on specification selling
- Investment in a quality proposition supporting a relationship-building strategy with roofing contractors
- Investment in tools and tracking to retain outperformance in customer experience, leverage throughout the channel

New housing strategic imperative: defend heartlands & drive share in adjacencies

Leverage unique full roof offer to drive
share in private new build market

How to win: our value creation levers

- Leverage solar roof system for regional and mid-size housebuilders
- Access to roofing and solar channels to create a proposition that meets the housebuilder needs
- Established & highly reputable product propositions across the roof system
- Recognised leader in roofing knowledge, providing confidence in an integrated system solution for new house builds

Case Study: North Ayrshire Council full roof systems with solar

5-year re-roofing and solar PV contract helping to support the client's carbon neutral programme, whilst also tackling fuel poverty for tenants

Minimum of 200+ properties per year, combination of new roofs and solar only installs

Payback estimated at 4.5 years for the client

On site installation training given to roofing teams



Marley Roofing summary

Defend heartlands & drive share in adjacencies

Established, reputable & unique roof system proposition, including leading in-roof solar solutions

Specification customers who value our unique set of capabilities and service

Attractive tailwinds from new housebuilding and non-discretionary re-roofing opportunity from ageing housing stock

Clear growth & improvement strategies, targeted at attractive housing re-roofing sector, and value proposition of full system solutions for housebuilders

Medium term revenue growth target

+1-2%
market outperformance

SECTION 4.3

Viridian Solar





Roof integrated solar photovoltaics



Key end markets that value the benefits of roof integrated solar

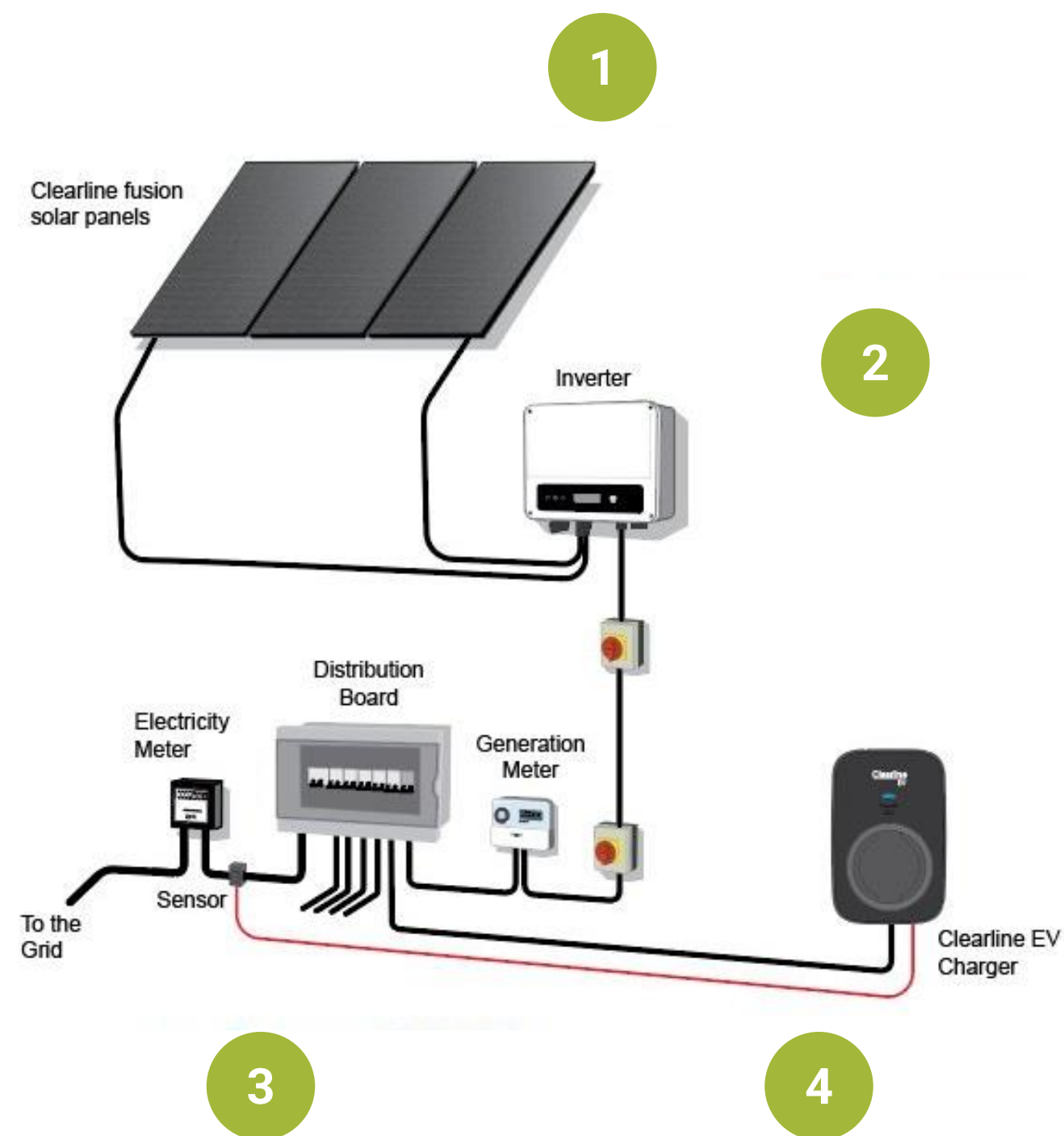
New homes



Social housing retrofit



Potential for a full solar system with our accessories



- 1 Light is converted to electricity by the PV solar panels
- 2 The electricity is conditioned for use in the home by an inverter
- 3 The generated electricity is used in the house or if not needed, exported to the National Grid
- 4 Clearline EV can set the charging rate to match the surplus solar generation



New, patented solar fire safety product has application across all solar sectors



Roof integrated solar snapshot

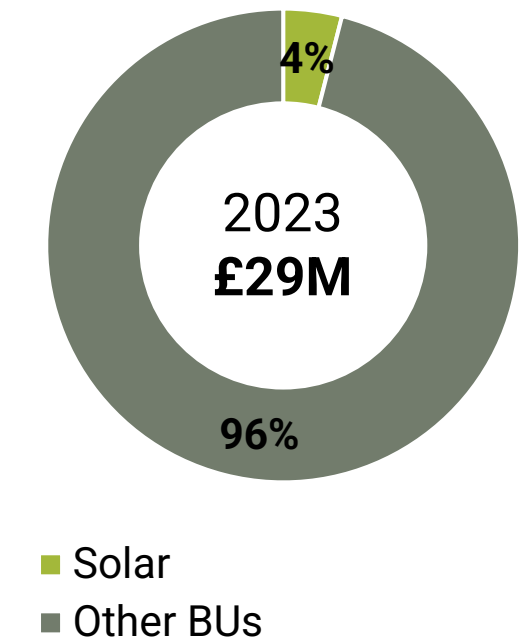
Solar share



In roof

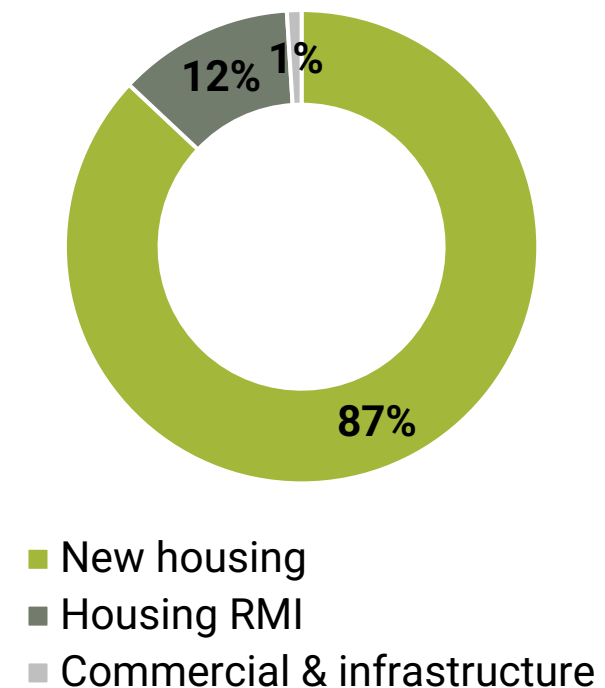
Market leading position in UK roof integrated solar

% Share of group revenue



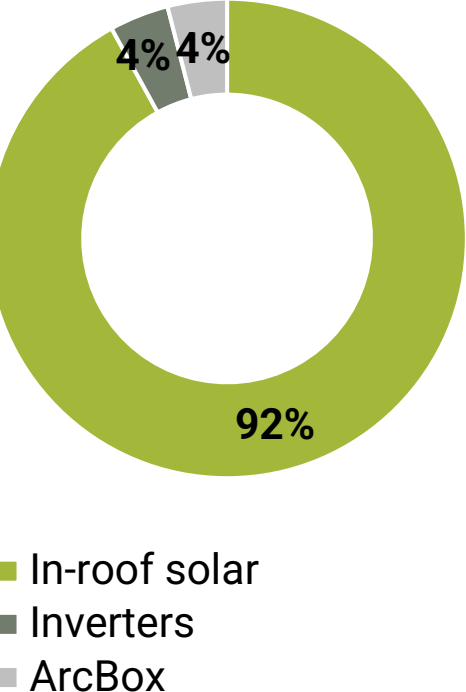
Serving markets in new build housing and social housing retrofit (via Marley)

% Revenue by end market



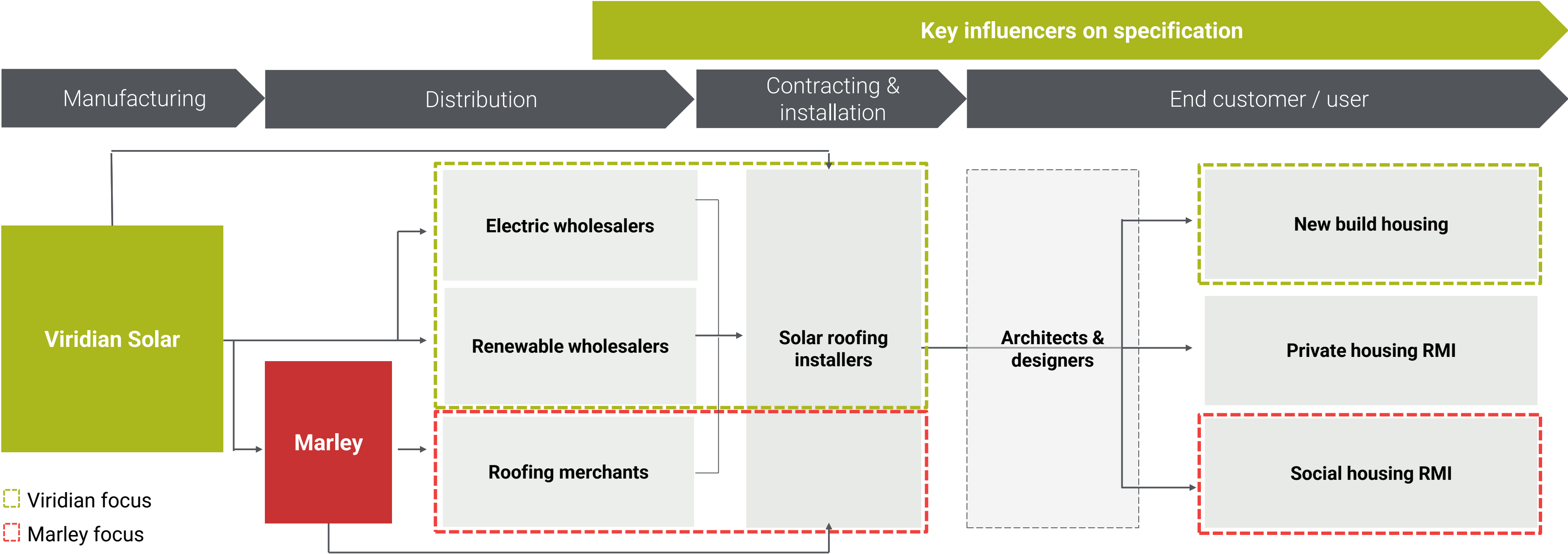
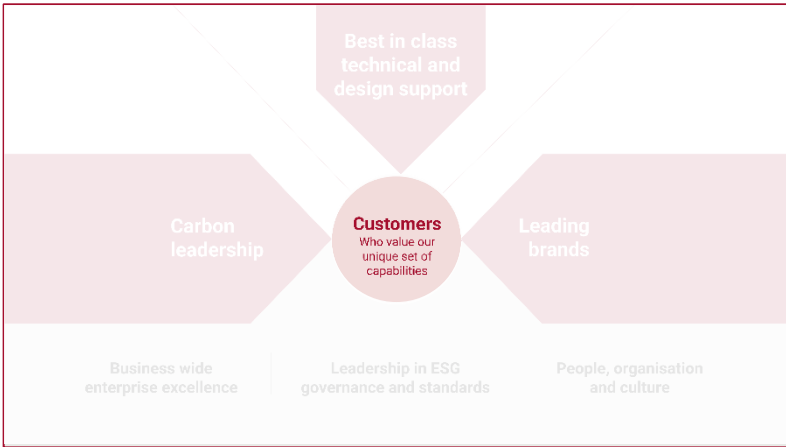
Accessories growing as a share of revenue

% Revenue split by product category



Focus on customers who value our unique set of capabilities

In roof solar value chain



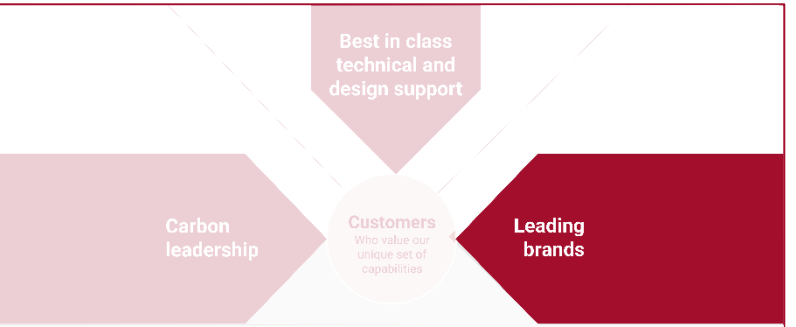
Renewable and electrical channels and via Marley into roofing

Demand generation with housebuilders

Social housing RMI customers value full roof system from Marley

Low exposure to private housing RMI which favours on-roof solar

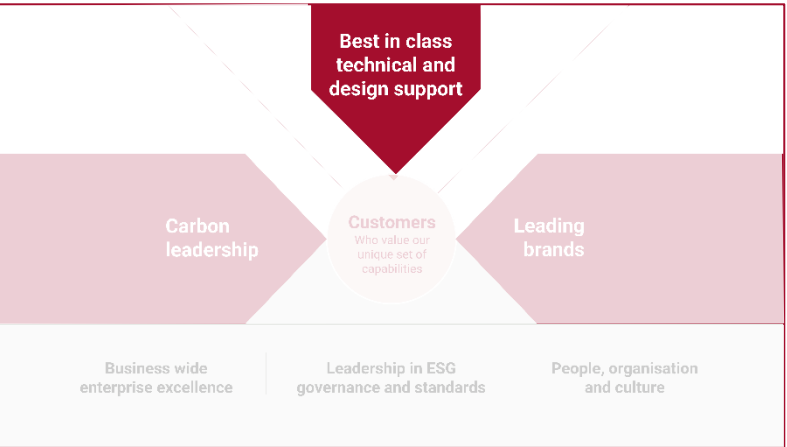
Proprietary system widely regarded as best in class



All metal roofing kit with 3rd party assessment of durability



Our customers value our market leading wrap around design service



Our ESG leadership is increasingly valued by many customers



Supply chain due diligence
To Tier 5 (Polysilicon)


- Tier 1 & 2
- Tier 3 & 4
- Tier 5

ENVIRONMENTAL
PRODUCT
DECLARATION

In accordance with ISO 14025:2006 and EN 15804:2012+A2:2019/AC: 2021 for:

Clearline fusion

Flashing Kits for Clearline Fusion



Programme:

Programme Operator:

S-P Code:

Publication Date:

Validity Date:

Geographical Scope:

The International EPD® System

EPD International AB

S-P-06949

2023-02-07

2028-02-06


Global

viridian solar

ENVIRONMENTAL
PRODUCT
DECLARATION

In accordance with ISO 14025:2006 and EN 15804:2012+A2:2019/AC: 2021 for:

viridian solar



Programme:

Programme Operator:

S-P Code:

Publication Date:

Validity Date:

Geographical Scope:

The International EPD® System

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S-P-06949

2023-02-07

2028-02-06

Global

viridian solar

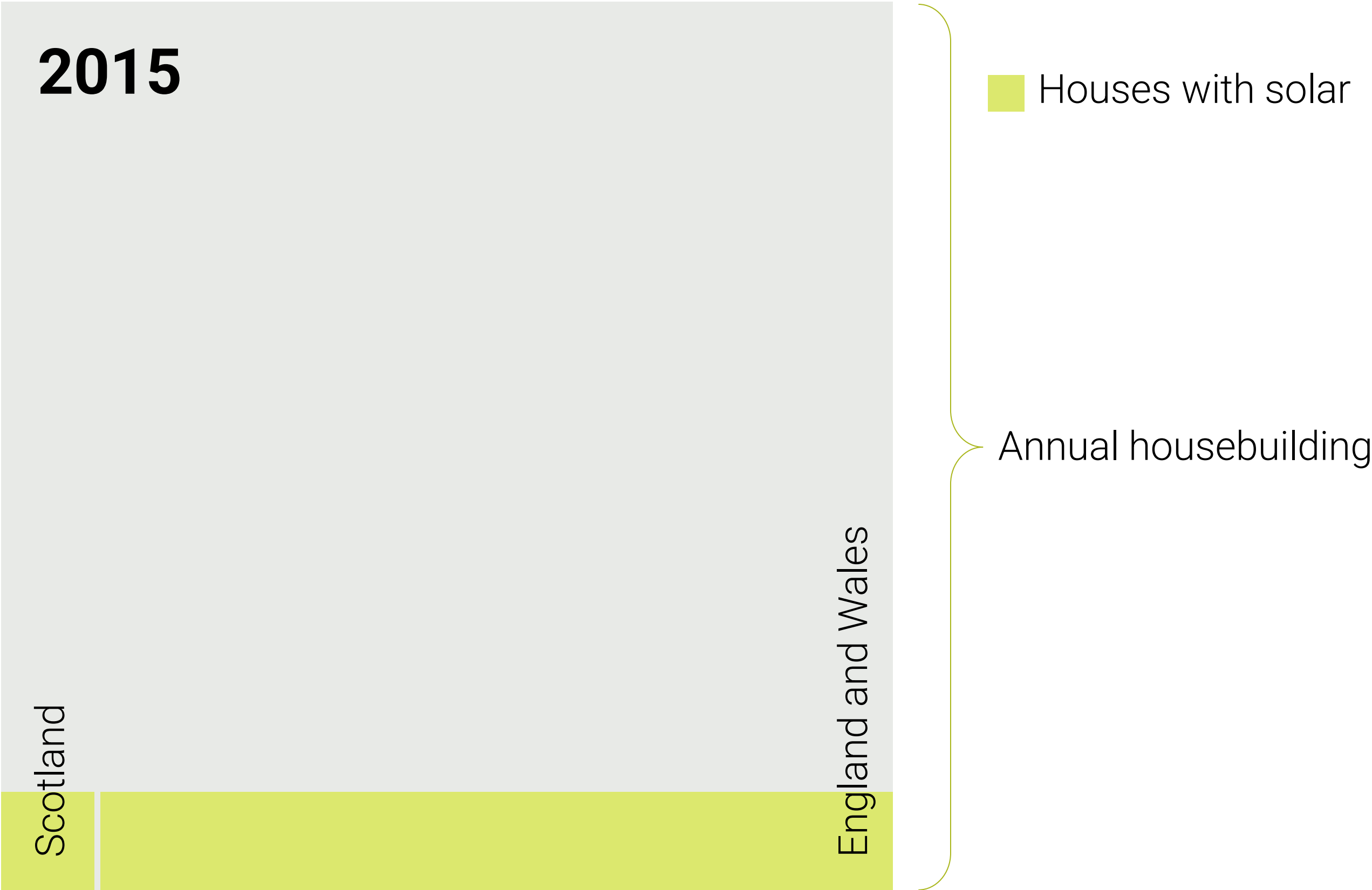
World first EPDs for Solar PV
Module and Solar Fixing Kit

Structural and regulatory tailwinds will fuel revenue growth for our Solar business

Near term growth tailwinds	Landscaping	Roofing	Solar	Water management	Bricks
New housing <ul style="list-style-type: none">– >85% exposure to new housing sector– Ambition to build 1.5 million new homes in this parliament– Equals 8-9% p.a. increase in net new housing			✓		
Water infrastructure					
Energy transition <ul style="list-style-type: none">– Building Regulations: Part L (2021) driving mass uptake of solar PV in new build homes– Social Housing Decarbonisation Fund, fuel poverty concerns, and carbon reduction targets driving solar uptake by Local Authorities and Housing Associations– Government to reinstate Minimum Energy Efficiency Standards for private rented sector			✓		
Commercial and infrastructure					

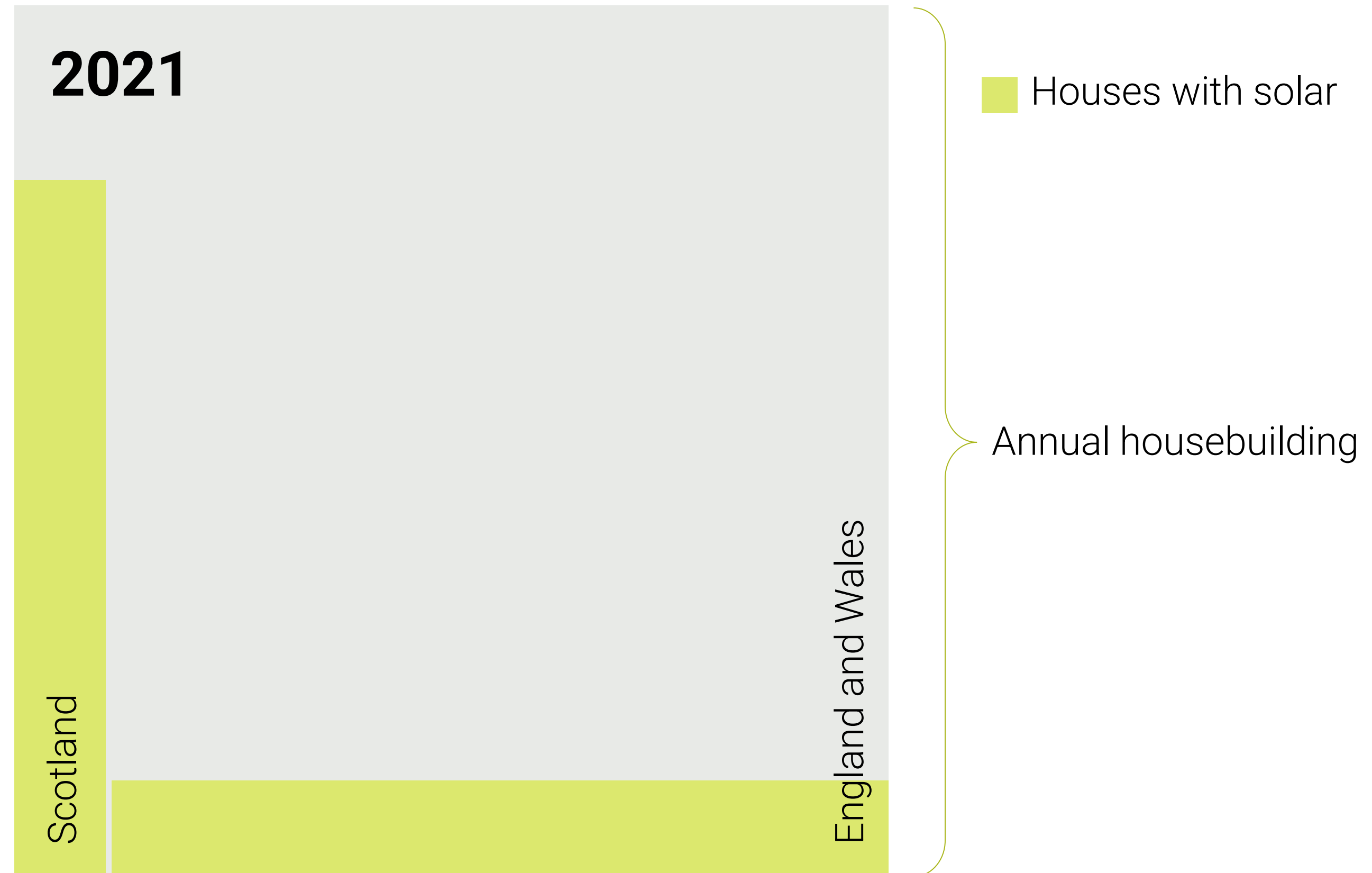
Solar adoption driven through regulation and the size of the opportunity

- Solar on around 10% of new homes prior to 2015



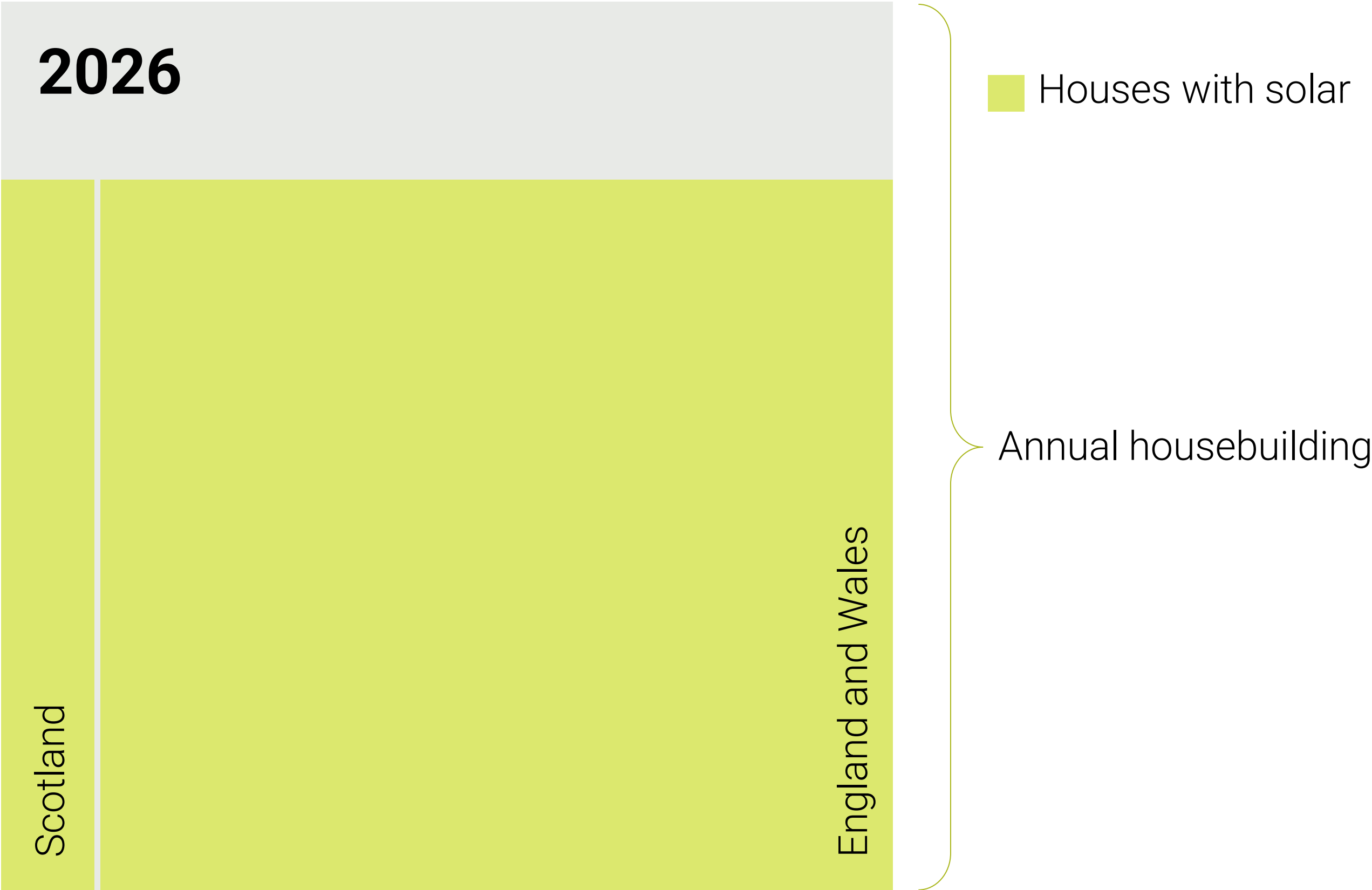
Solar adoption driven through regulation and the size of the opportunity

- Solar on around 10% of new homes prior to 2015
- 2015 regulations in Scotland resulted in around 80% solar penetration



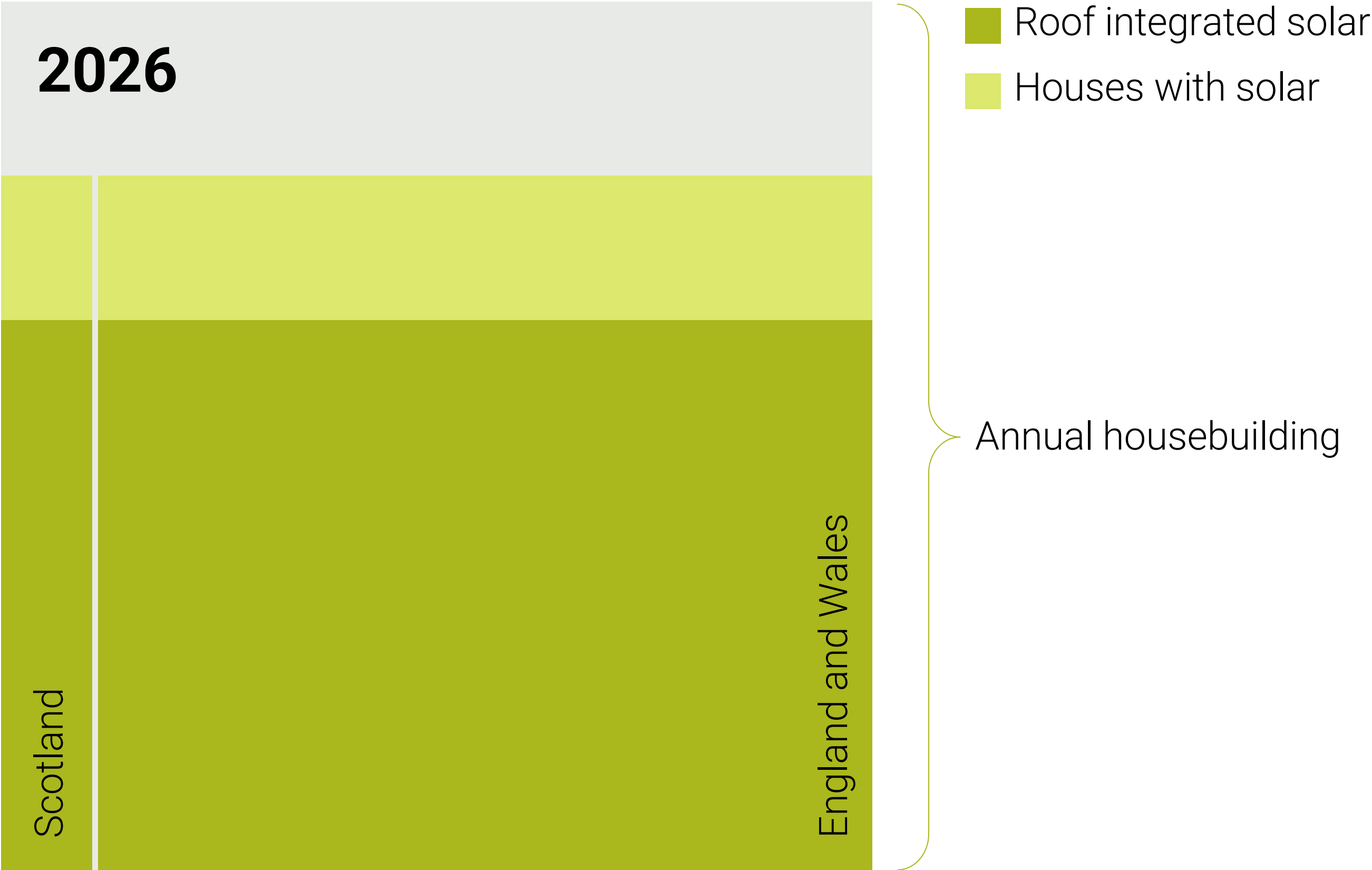
Solar adoption driven through regulation and the size of the opportunity

- Solar on around 10% of new homes prior to 2015
- 2015 regulations in Scotland resulted in around 80% solar penetration
- Ongoing transition to similar regulations in England and Wales driving rapid expansion of demand



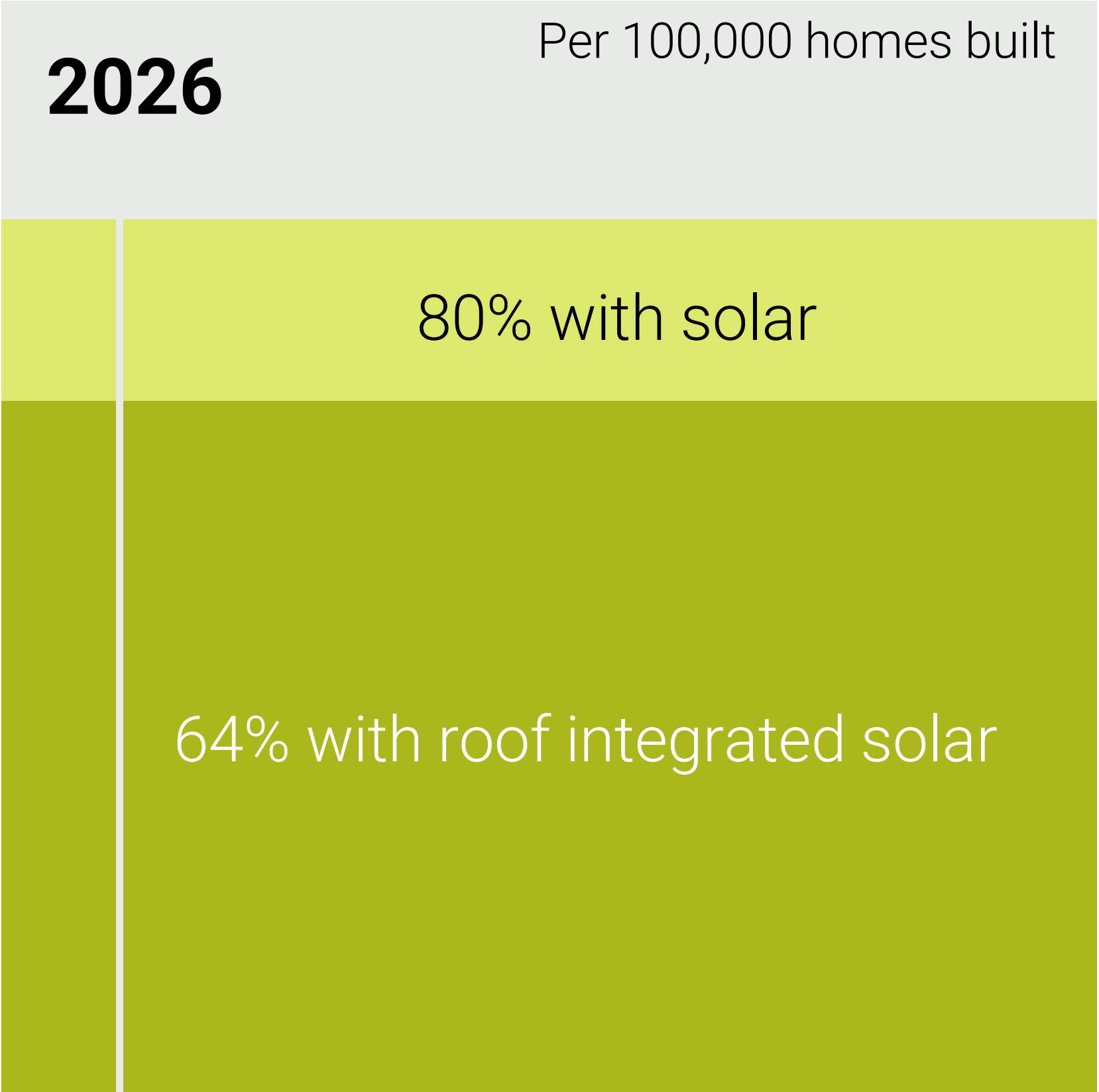
Solar adoption driven through regulation and the size of the opportunity

- Solar on around 10% of new homes prior to 2015
- 2015 regulations in Scotland resulted in around 80% solar penetration, of which 80% are roof integrated
- Ongoing transition to similar regulations in England and Wales driving rapid expansion of demand



Solar adoption driven through regulation and the size of the opportunity

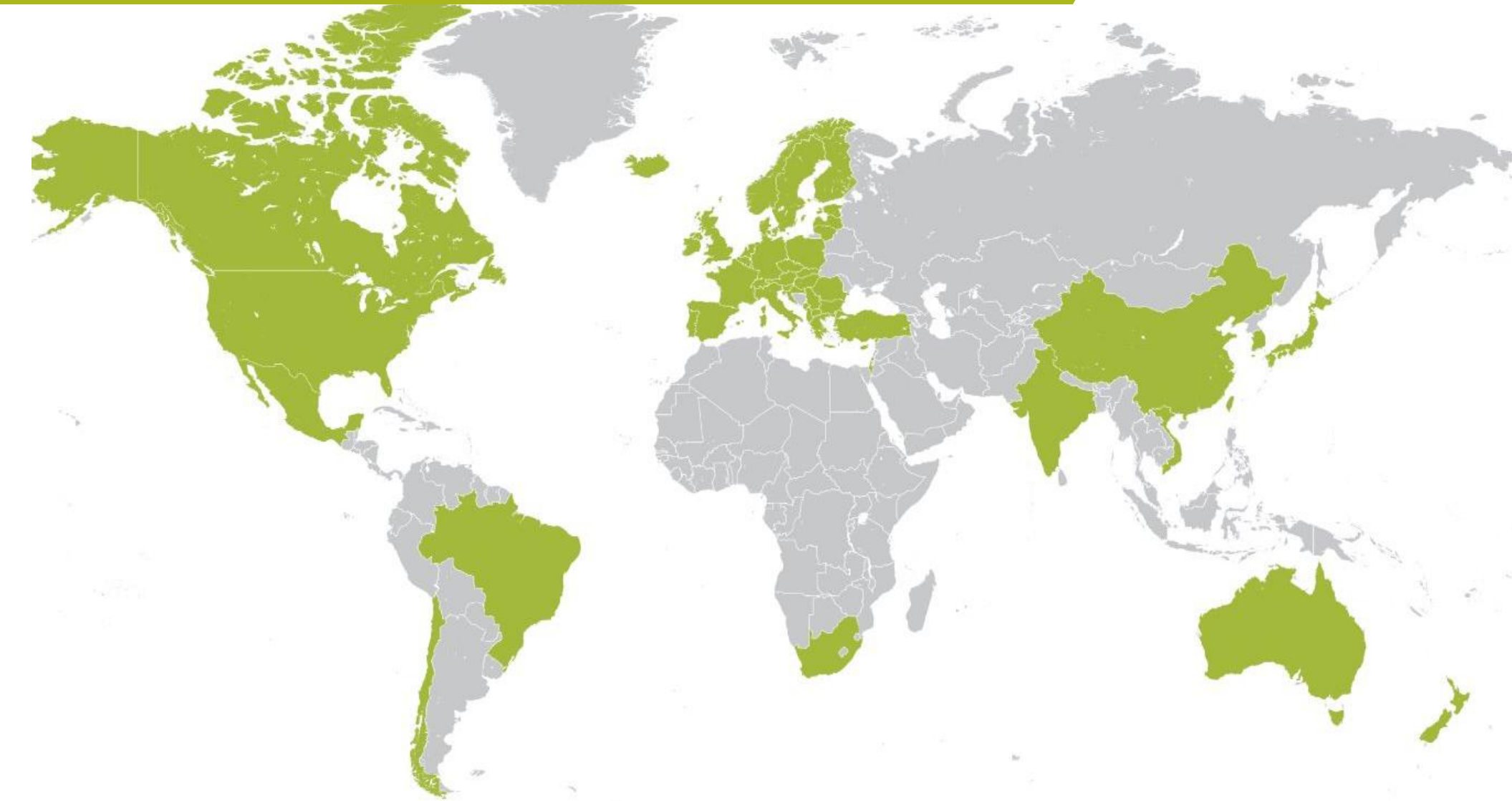
- Solar on around 10% of new homes prior to 2015
- 2015 regulations in Scotland resulted in around 80% solar penetration, of which are 80% roof integrated = 64% of new homes with roof integrated solar
- Ongoing transition to similar regulations in England and Wales driving rapid expansion of demand



64,000 homes x 2kWp x £600/kWp
Opportunity = £77m/year
for each 100,000 homes built

Opportunities for additional growth

International opportunities for ArcBox



Increase attachment rate for accessories



Case Study: Newland Homes - Solus

A partnership since 2021



Solar summary

Leverage regulatory tailwinds to accelerate growth

Market leader for the in-roof residential new build solar market

Regulatory tailwinds driving market expansion

Adjacent opportunities from solar accessories and ArcBox

Medium-term revenue growth target

+8-12%
market outperformance



SECTION 4.4

Marshalls
Water Management



The UK has almost no credible plans to adapt to climate change

Advisers to the UK government warn that failure to plan for the effects of climate change is putting the country at risk of threats such as food shortages and power blackouts

Sewage spills: Water bills set to rise to pay for £10bn upgrade

6 days ago · Comments



Network Rail to recruit extra 400 drainage engineers

Aaron Morby 5 days ago

Share

Network Rail will channel £2.8bn of its total spend over the next five years into helping the railways better cope with extreme weather and climate change.

Record water investment predicted for AMP8

Water UK says that planned English and Welsh investment for 2025 to 2030 is equivalent to more than 40% of total investment in the rest of Europe.

£96bn
2025-30

NewScientist

UK faces rising costs for flood damage even with modest warming

With 1.8°C of warming, the average yearly cost of flood damage in the UK is predicted to increase by 4 per cent, but some parts of the country will see bigger rises

March 2024 is the 10th consecutive month to break temperature records

Every month since April 2023 has been the hottest on record, as climate continues its record-breaking streak



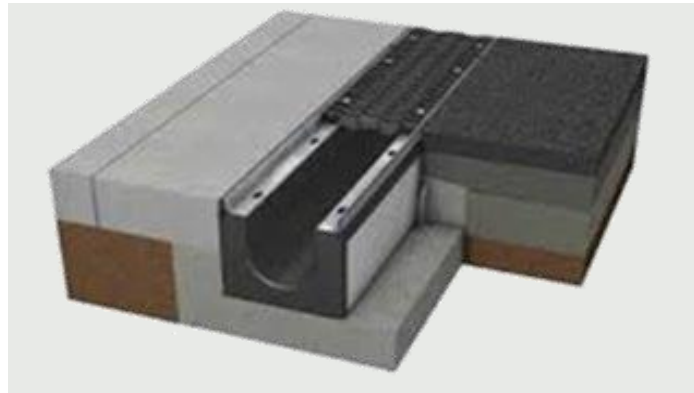
Climate change: Warming could raise UK flood damage bill by 20%

7 March 2023

Hundreds evacuated as Britain hit by more wind, rain and flooding

Water Management offer

Surface drainage



Below ground drainage



Flood defence & retaining walls



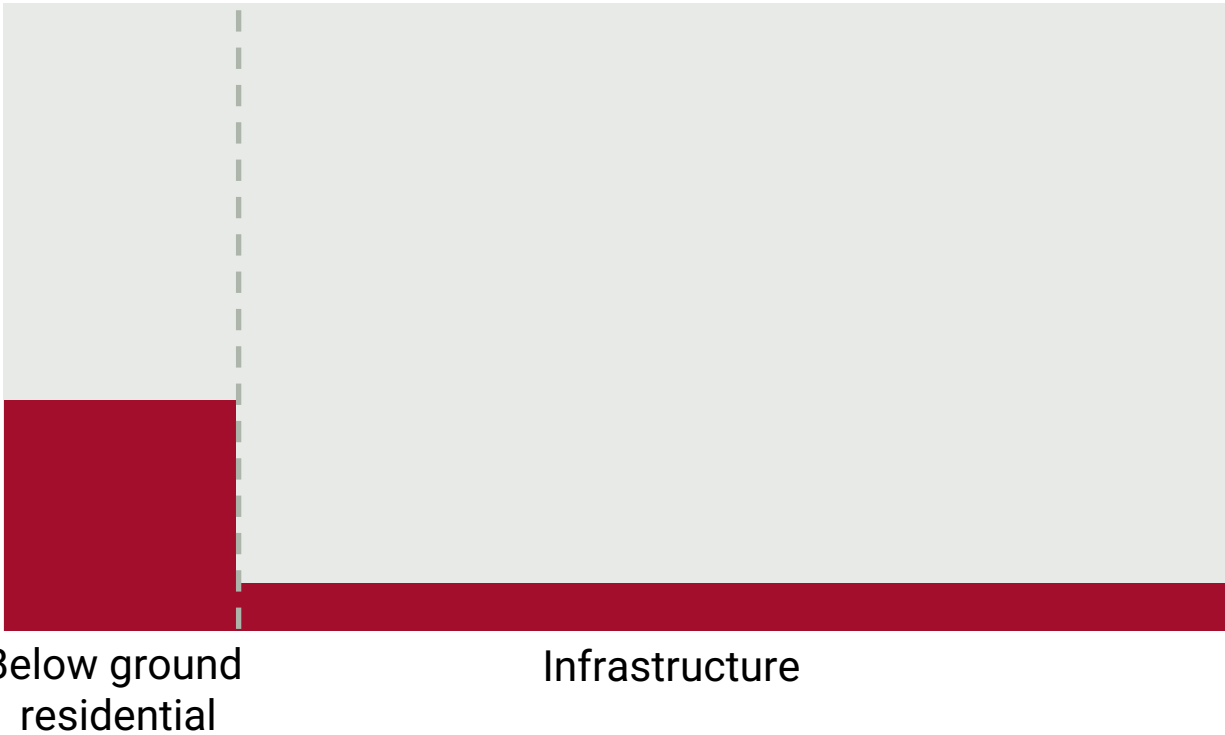
One offer, delivering...

- End-to-end water management solutions
 - Below ground water management and sustainable drainage solutions
 - Linear drainage and surface water channel systems
 - Combined kerb and drainage systems
- Retaining walls & flood mitigation
- Offsite solutions and bespoke specialist precast products

Over 50 years' experience in the drainage and water management sector

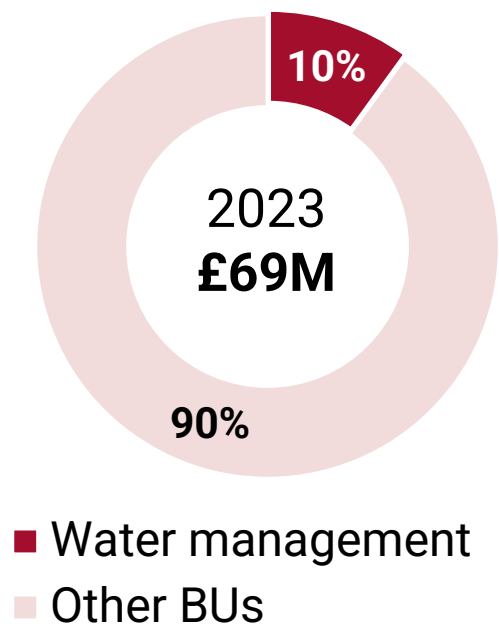
Water Management snapshot

Water Management share



Leading market position in residential with attractive growth opportunities in infrastructure

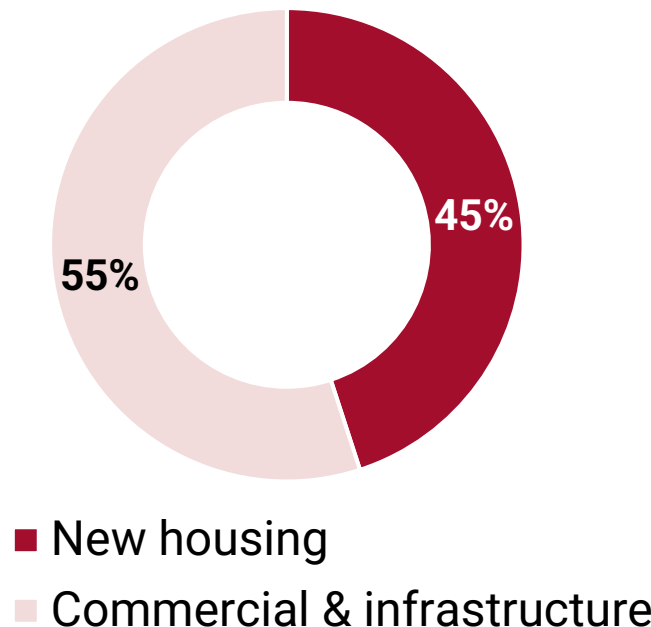
% Share of group revenue



Below ground drainage & water management business traditionally focused on new housing sector

Opportunity to expand offer through existing customer base in infrastructure market, whilst building on market penetration potential in the water sector

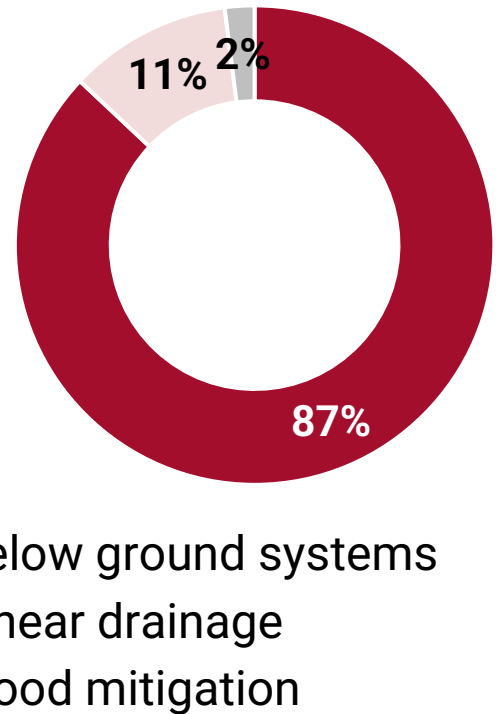
% Revenue by end market



Linear drainage business well established in the highways & infrastructure sector

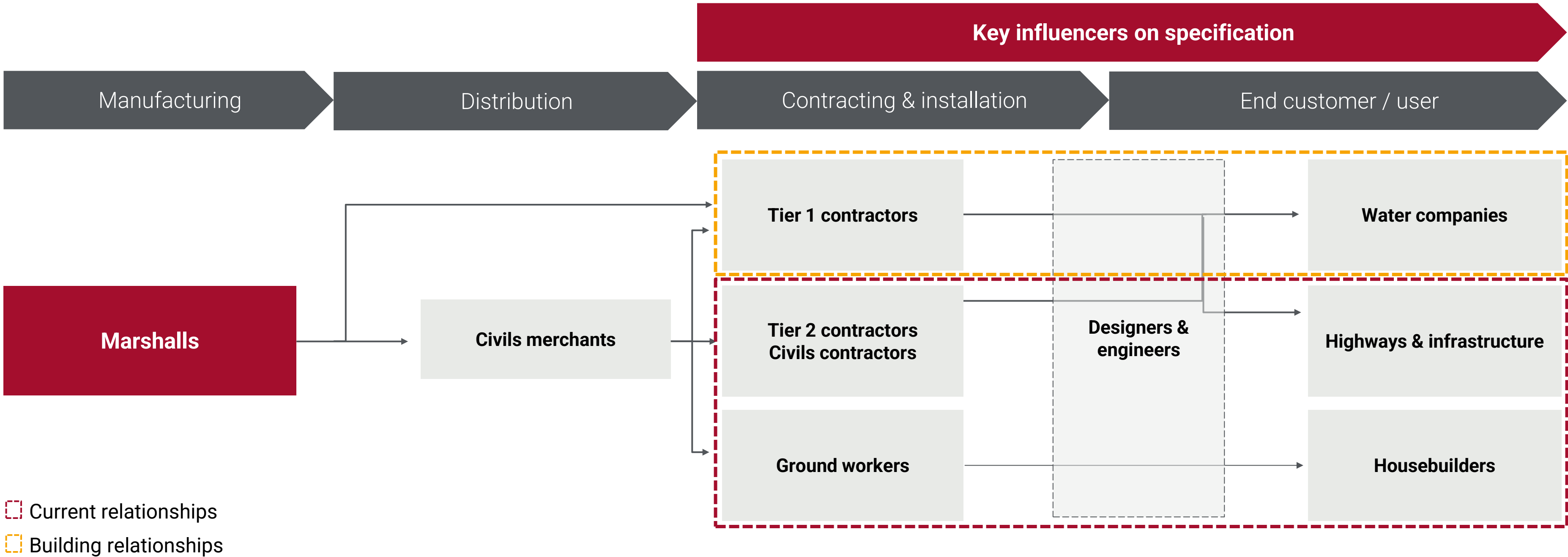
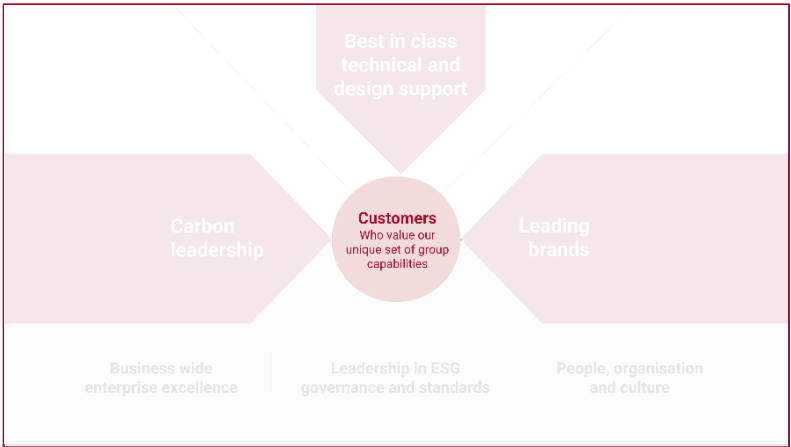
Supported by a well invested nationwide operations network

% Revenue split by product category

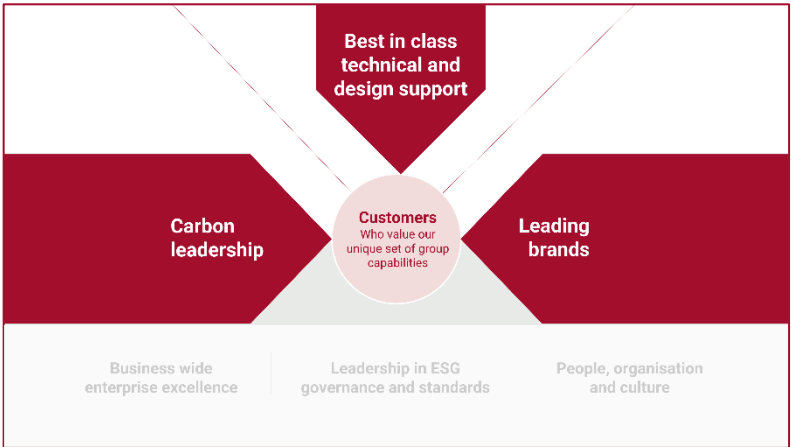


Focus on customers who value our unique set of capabilities

Water management value chain



Water Management: our winning proposition



Leading brands

Only UK manufacturer to offer an end-to-end integrated water management solution

Industry leadership in concrete technology underpins our position in this sector

Best in class technical and design support

Dedicated in-house design team to support on and off-site water management systems

Comprehensive team of design and engineering professionals

Value engineering, bespoke designs, CAD modelling & concept designing provide a differentiated service

Carbon leadership




Natural environmental protection through solutions that actively reduce pollution

Introduction of lower carbon technologies, from Marshalls' concrete competence, into wastewater solutions

Superior design life of 120 years for concrete drainage

Whole life carbon benefits of concrete pipes are 50% lower than substitute pipes*

Structural and regulatory tailwinds will fuel revenue growth in our water management systems

Near term growth tailwinds	Landscaping	Roofing	Solar	Water Management	Bricks
New housing <ul style="list-style-type: none"> Existing 45% exposure to new housing sector Industry move to 'Sealed' manhole systems that prevent ground pollution, reduce work in confined spaces, and less reliance on 'wet trades' on site. 					
Water infrastructure <ul style="list-style-type: none"> Asset Management Period 8 runs from April 2025 to 2030. It sets out the financial and operational expectations for water companies across England and Wales "This unprecedented investment is equivalent to more than 40% of total investment in the rest of Europe. Investment in our water system is essential to ensure the security of our water supply in the future" Water UK 					
Energy transition					
Commercial and infrastructure <ul style="list-style-type: none"> 55% exposure to infrastructure and established customer relationships with Highways Agency, plus rail and energy sector 					

Asset Management Programme 8 (2025 – 2030)

£35bn investment to reduce pollution and deliver greater resilience to the impact of climate change

£10bn investment delivering 2,500 projects to reduce spills from storm overflows

System upgrades to reduce spills from storm overflows by 44% (vs 2021 levels)

Upgrading 1,500 wastewater treatment works

9 new reservoirs

7 large-scale water transfer projects

Ofwat sets out record £88 billion upgrade to deliver cleaner rivers and seas, and better services for customers

11 July 2024



ofwat

The pre-cast wastewater infrastructure market requires primarily 4 types of product

Below ground wastewater pre-cast infrastructure market – product mix

Standard drainage

Manholes, pipes, pumping stations and headwalls



41%

Box culverts

Storm and foul sewers, attenuation, and outfalls



9%

CSO tanks

Storage tanks for water collection and storm overflows



31%

Precast water treatment

Large stormwater tanks, underground reservoirs and treatment works

19%

Marshalls is already producing the core products for 80% of the market, for existing residential below-ground drainage requirements

Water Management strategic imperative: reposition to access growth & headroom

Build brand presence and achieve market penetration in the attractive wastewater infrastructure sector

Capitalise on relationships in residential sector to meet the needs of housebuilders for quality water management solutions

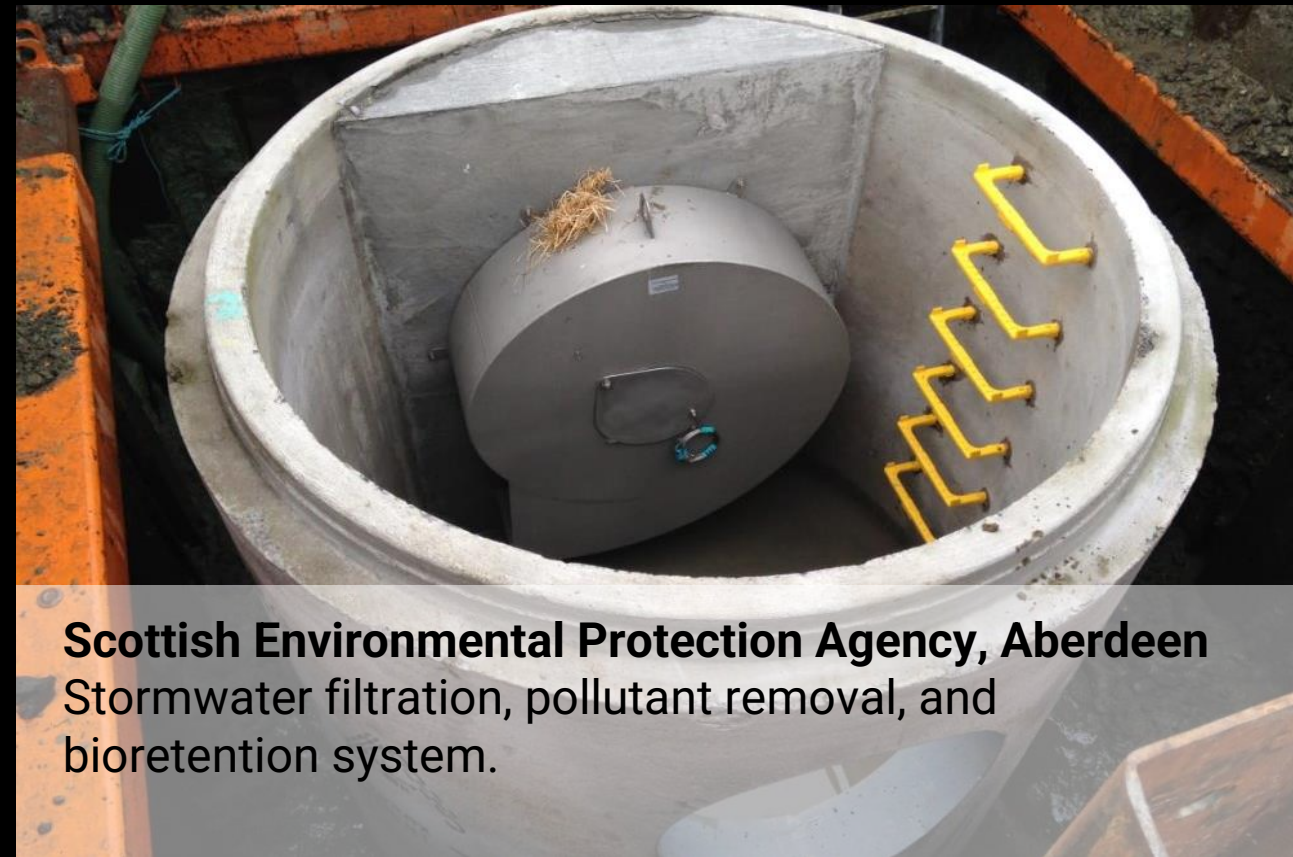
How to win: our value creation levers

- Build Marshalls' brand in infrastructure wastewater market space
- Invest in strategic marketing & sales to target water companies and tier 1 contractors
- Target decision-makers with quality system proposition
- Specification pipeline conversion supported by CRM
- Invest in capacity, complemented with some product extension, to access market

Case Studies

Established partnerships with major clients, including water companies, National Highways, Network Rail and the Environment Agency.

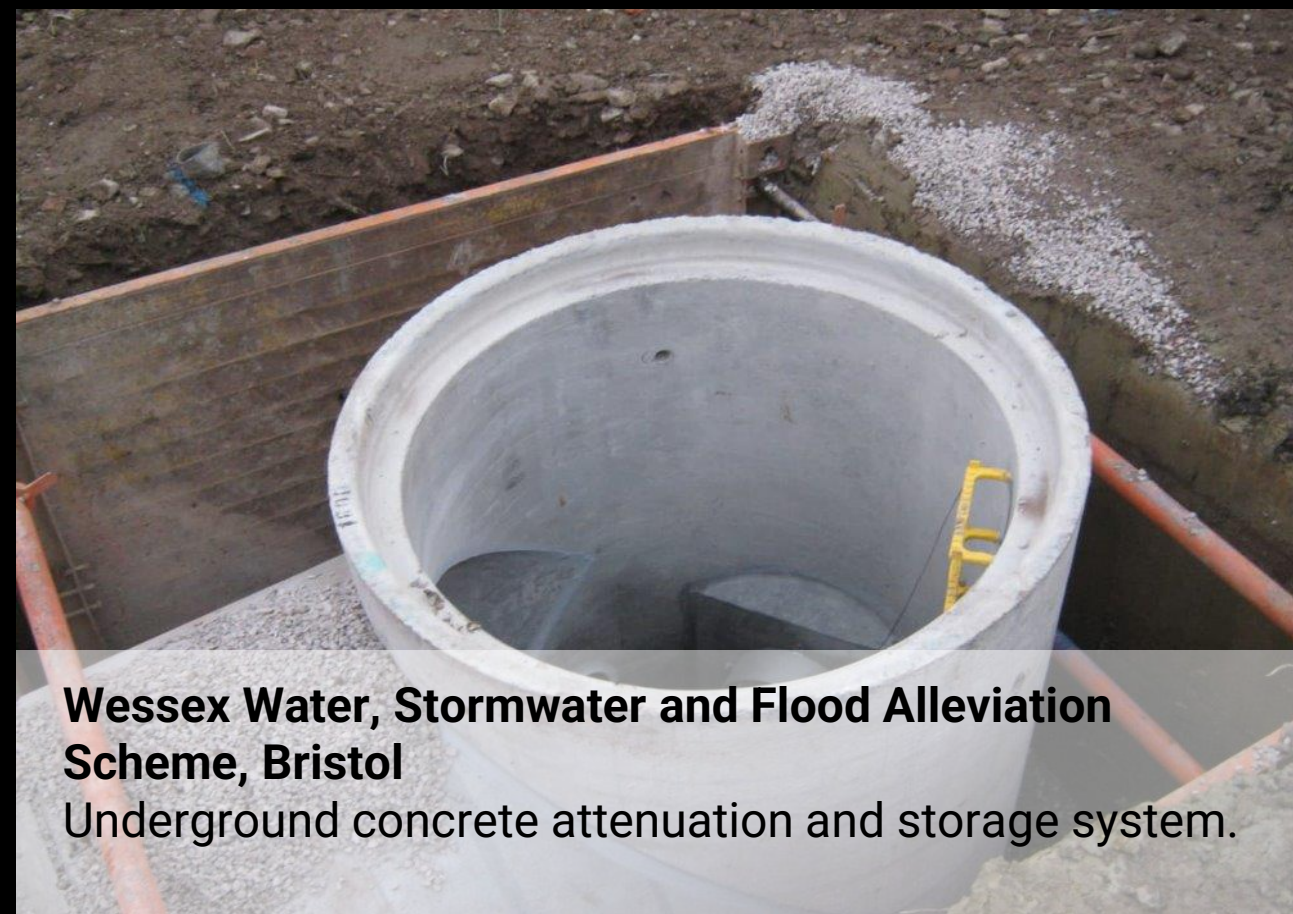
Bespoke solutions designed and supplied to large infrastructure projects such as HS2 and Hinkley Point C.



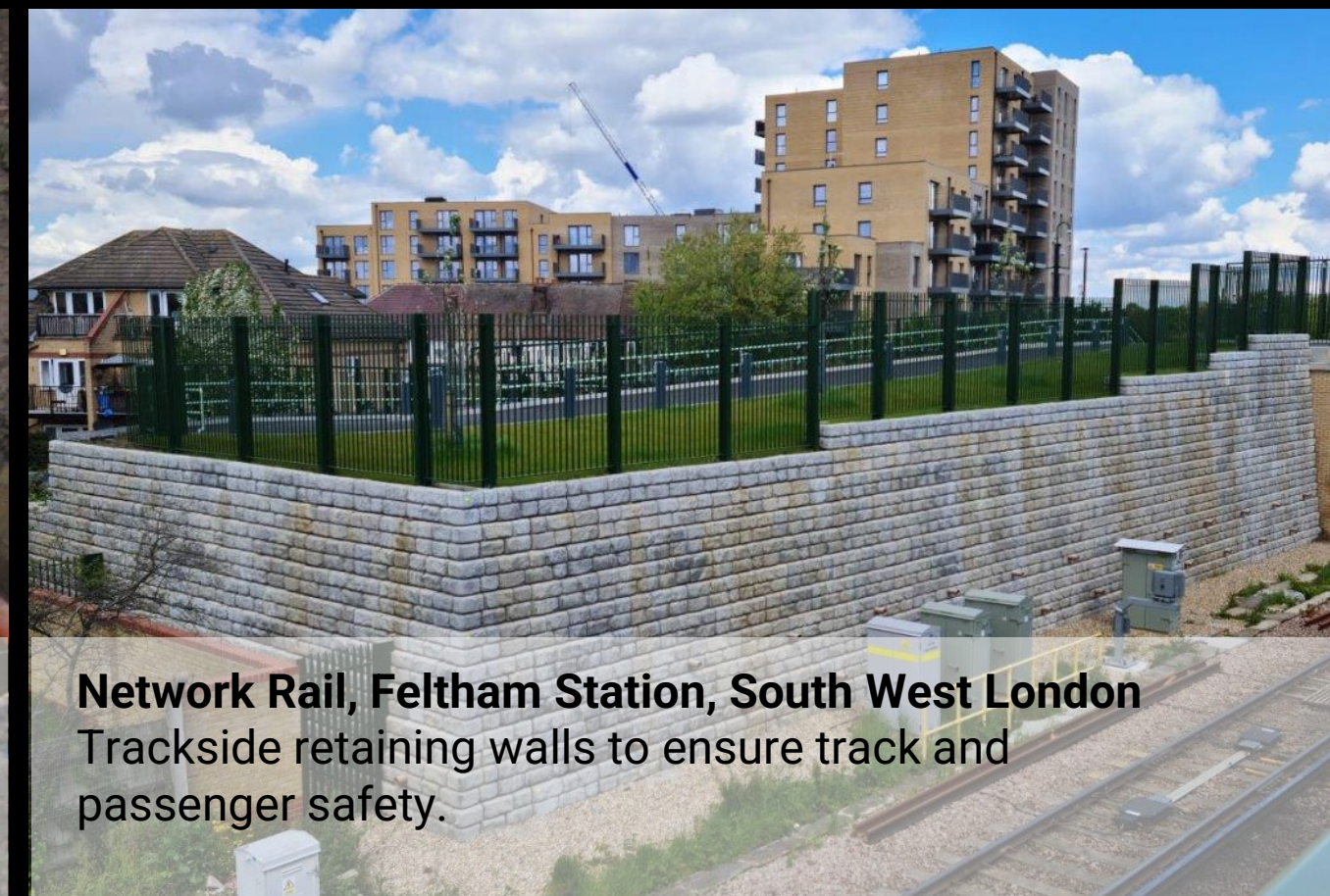
Scottish Environmental Protection Agency, Aberdeen
Stormwater filtration, pollutant removal, and bioretention system.



National Highways, M1 Carriageway and Junction Improvements
Combined kerb drainage, below ground drainage, water management systems, and retaining walls.



Wessex Water, Stormwater and Flood Alleviation Scheme, Bristol
Underground concrete attenuation and storage system.



Network Rail, Feltham Station, South West London
Trackside retaining walls to ensure track and passenger safety.

Water Management summary

Reposition to access growth & headroom

High quality, full-service water management proposition

Attractive tailwinds from new housebuilding, AMP8 wastewater infrastructure investment and ESG-driven purchase decisions

Network opportunities for capacity and capability investment

Clear growth strategies, targeted at attractive wastewater infrastructure segments with access from existing products and knowledge

Medium term revenue growth target

+4-6%
market outperformance

SECTION 4.5

Marshalls
Bricks & Masonry





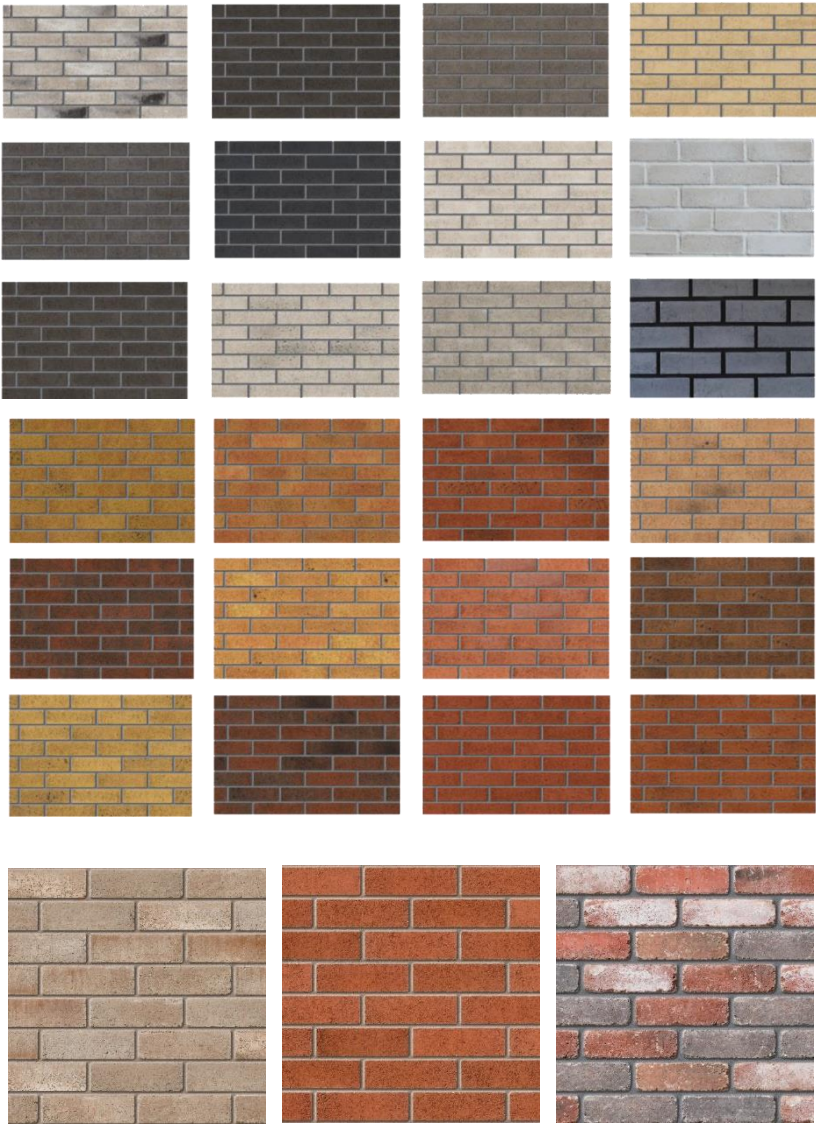
With over 60 years of experience, Marshalls Bricks leads the way in the manufacture of lower carbon bricks & walling solutions

Facing brick



Facing brick formats

Solid
Perforated
Frogged
Vintage
Creased



Walling stone



Engineering brick



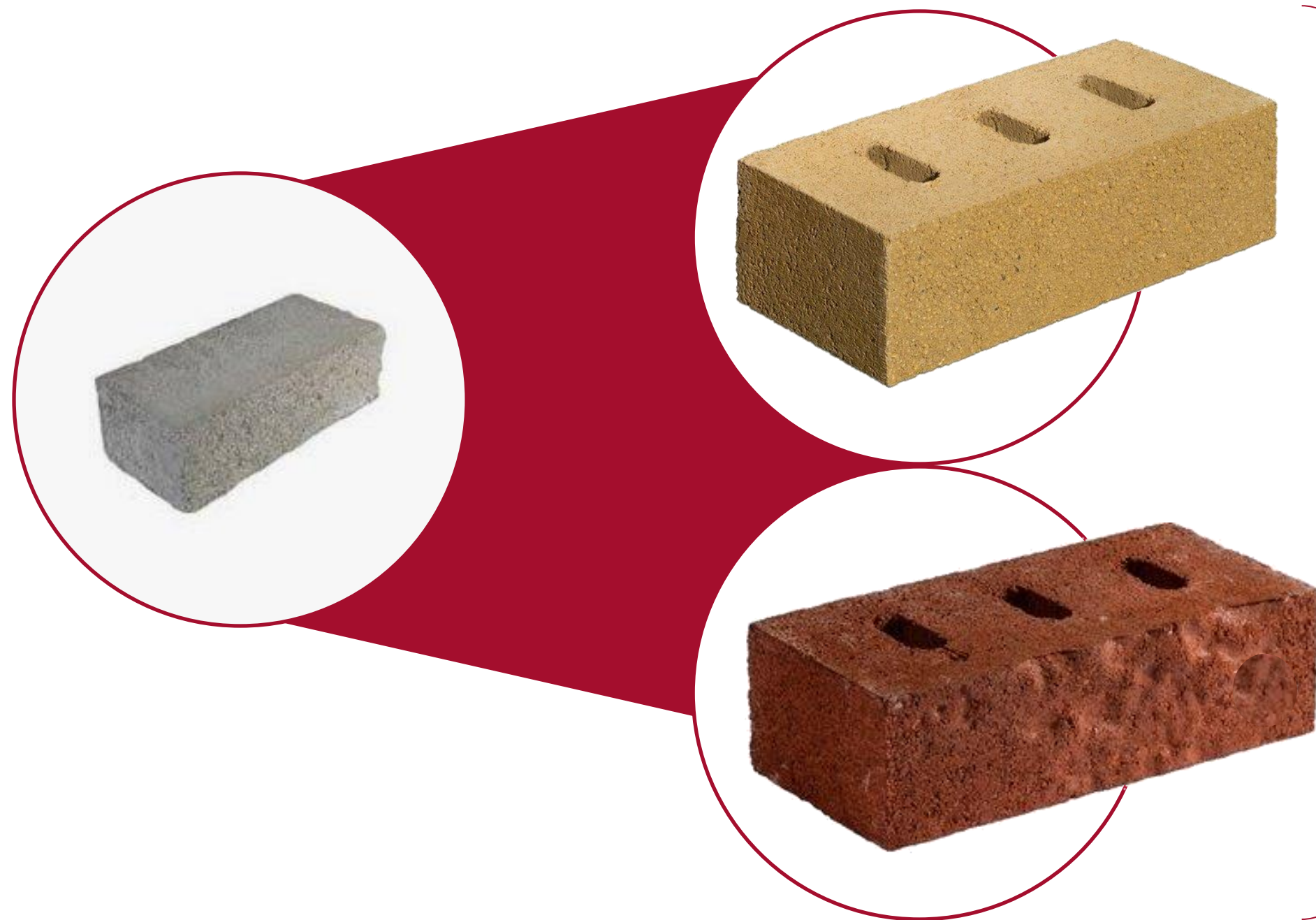
Blocks



Common brick



Lower carbon bricks



Vibrant

an extensive, rich palette of colours & finishes

Lighter

familiar perforated & frogged designs reduce weight

Stronger

high quality testing to BS EN 771-3

Higher tolerances

manufactured to greater dimensional accuracy

Colour-fast

modern pigments for excellent colour consistency & longevity

Laying times

consistent with other brick products

Lower carbon

significantly reduced production energy required & concrete bricks naturally absorb CO₂ over their lifetime

100% recyclable

lower carbon bricks

Dealing with the 'old' misconceptions of the product

Lower carbon bricks

How Marshalls' bricks are made:
our production significantly
reduces the energy input

1
Raw materials received
and stored

2
Materials measured
and transferred

3
Materials mixed and
transferred to hopper

7
Bricks are removed from
boards, and palletised, via an
automated packing line

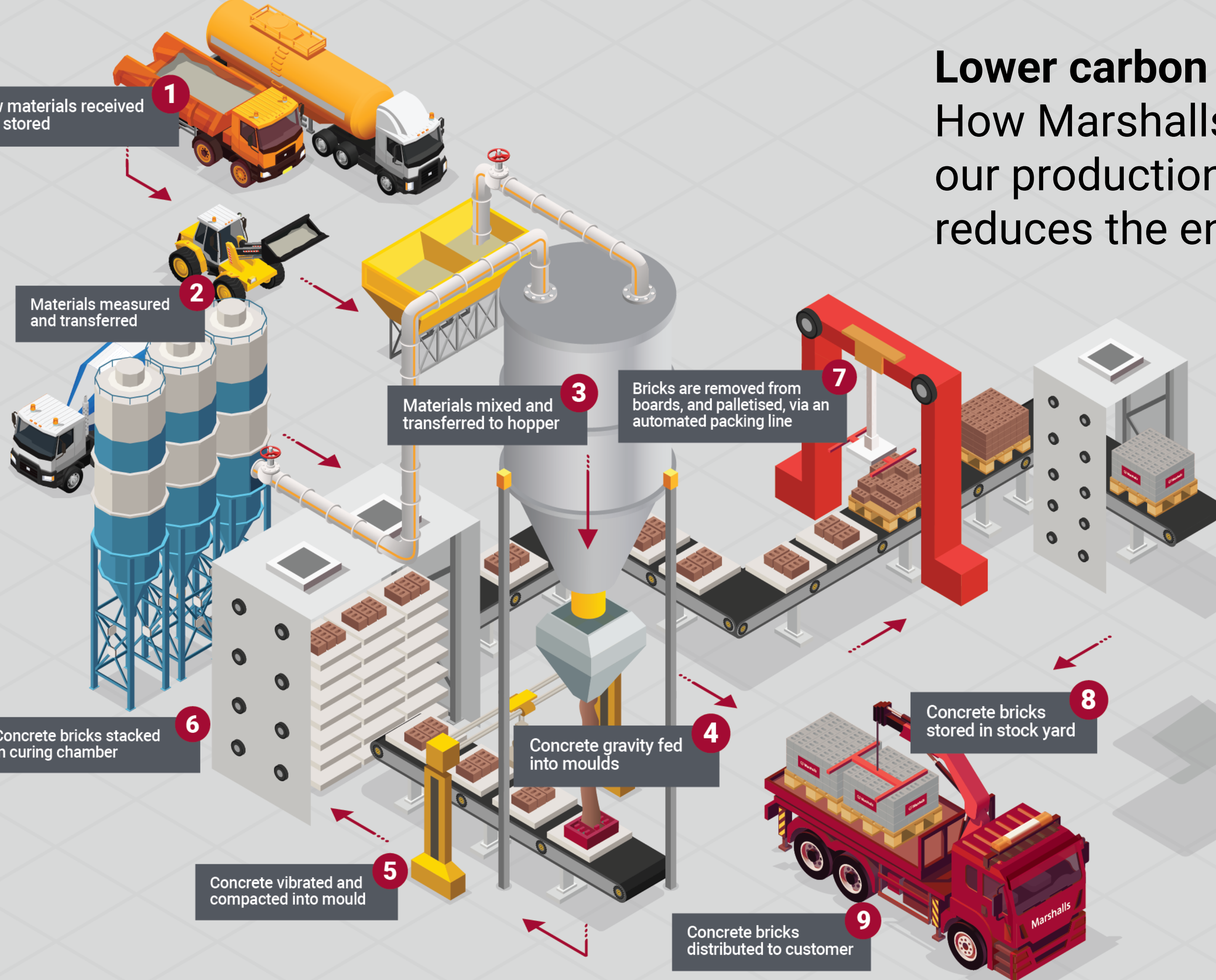
6
Concrete bricks stacked
in curing chamber

5
Concrete vibrated and
compacted into mould

4
Concrete gravity fed
into moulds

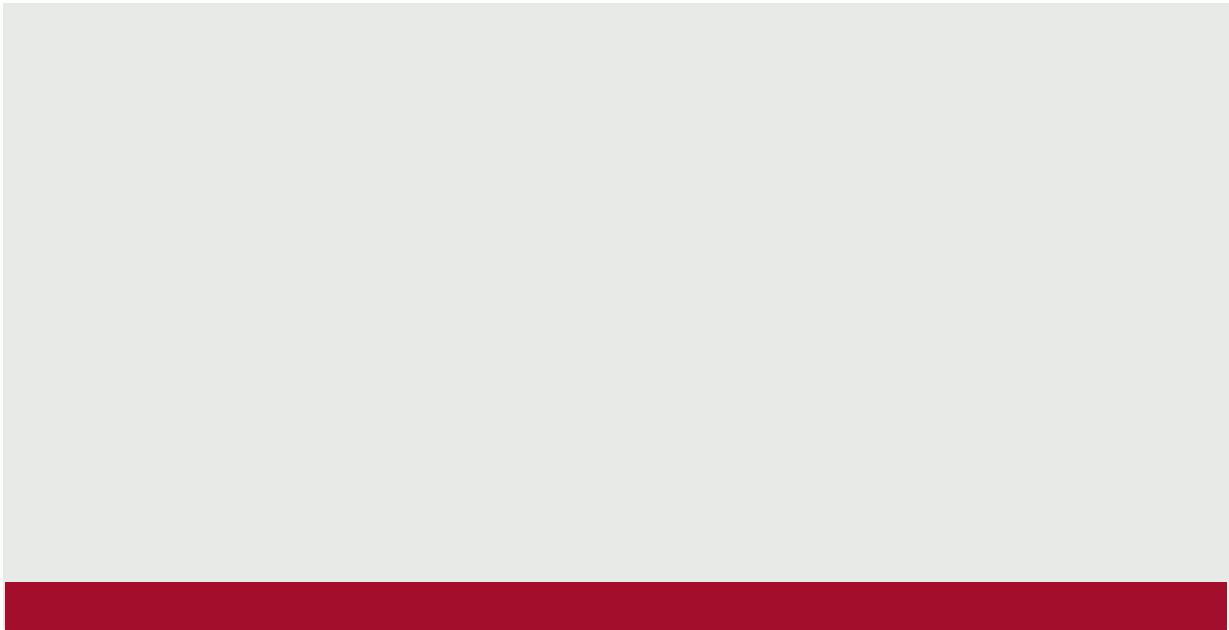
8
Concrete bricks
stored in stock yard

9
Concrete bricks
distributed to customer



Bricks & Masonry snapshot

Bricks share

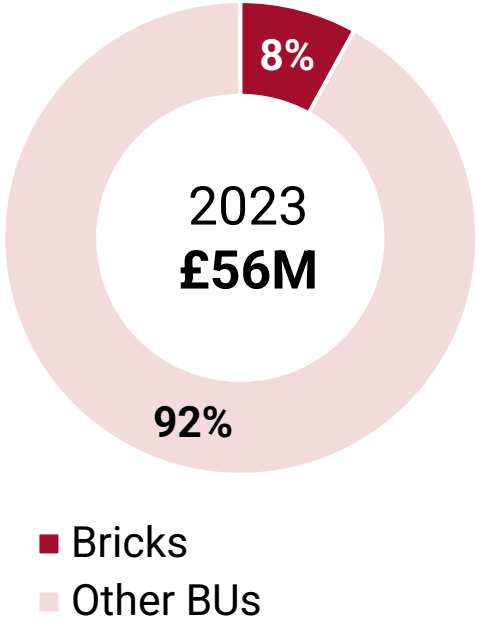


Facings, Commons & Engineering Bricks

No. 1 position in concrete bricks with significant market penetration potential in total brick market

Market headroom to drive share growth through cyclical recovery

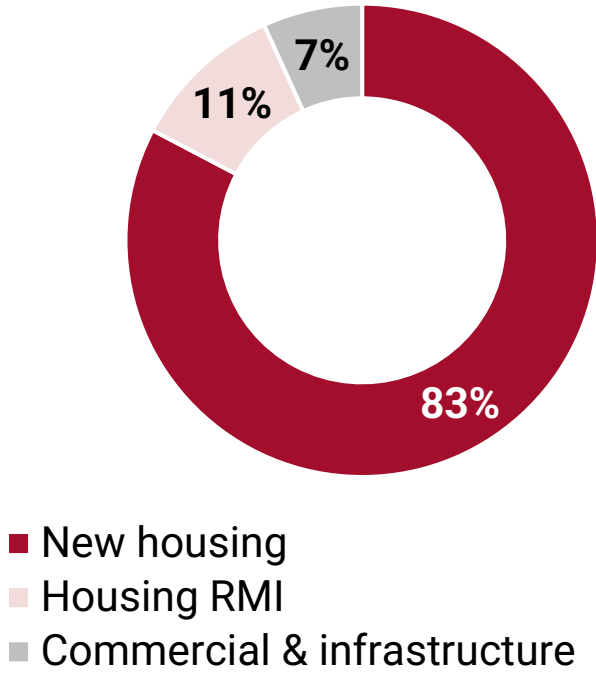
% Share of group revenue



High exposure to new housebuilding with attractive tailwinds

Growth opportunities into non-housing end-use sectors

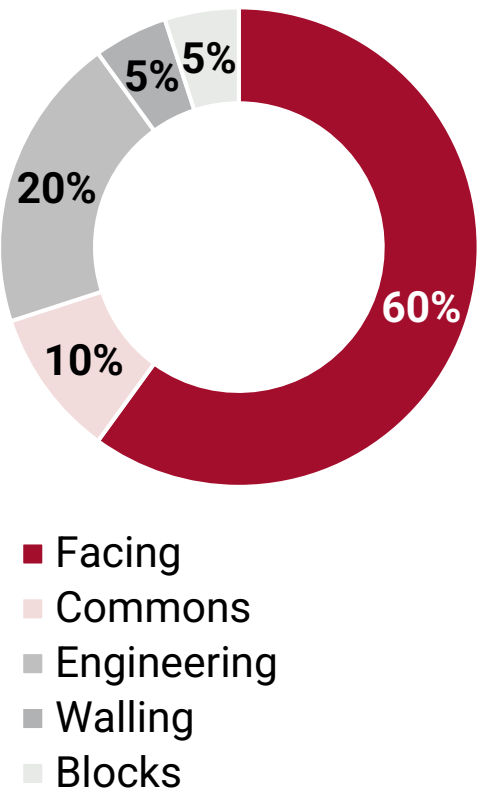
% Revenue by end market



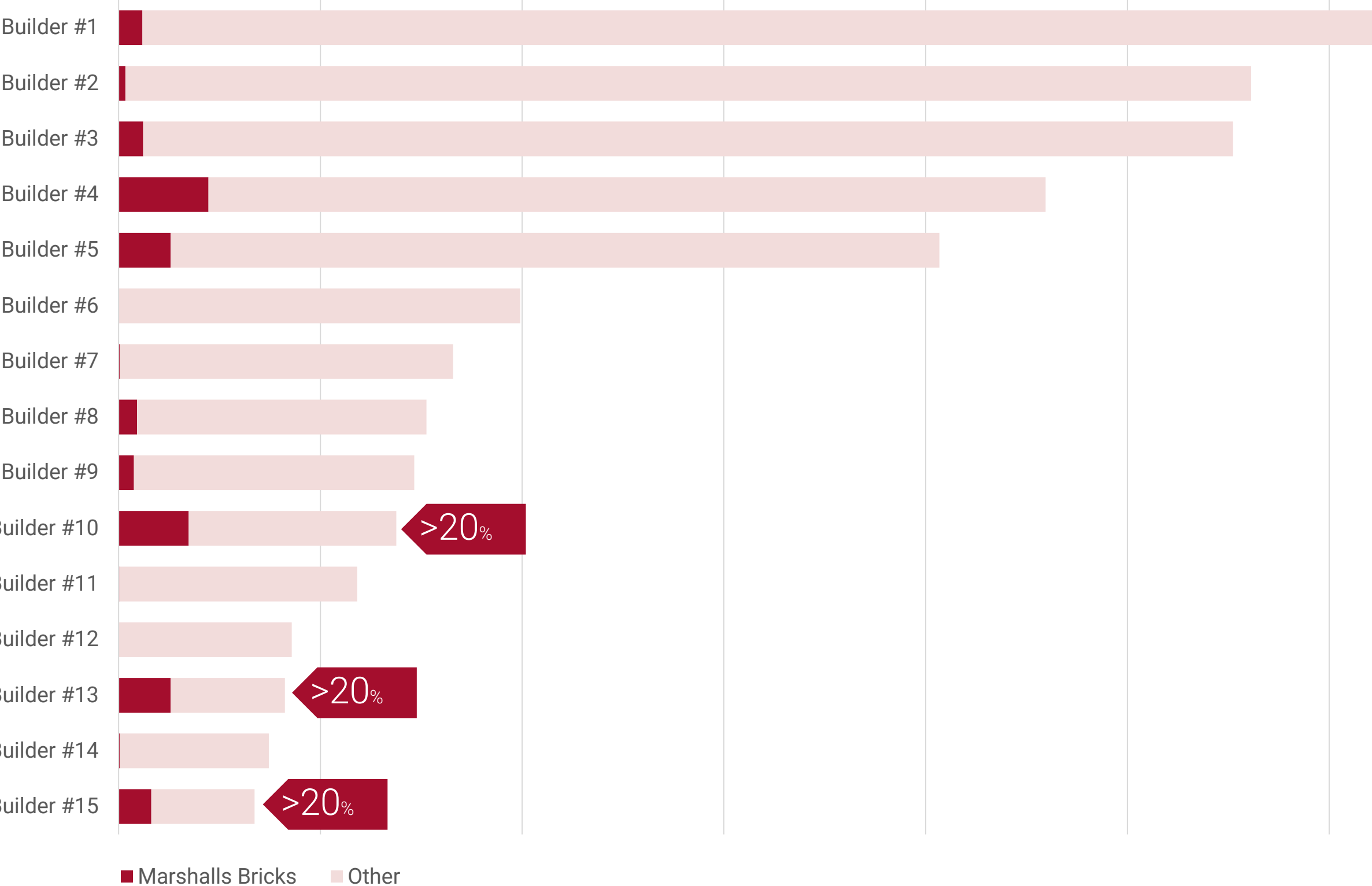
Core facing bricks range complemented by strong position in common & engineering bricks, and walling solutions

Nationwide coverage

% Revenue split by product category



Marshalls has a significant opportunity to drive penetration and share gain with the largest national and regional housebuilders



Just 4 years ago our customer base comprised >70% from just one top 20 housebuilder

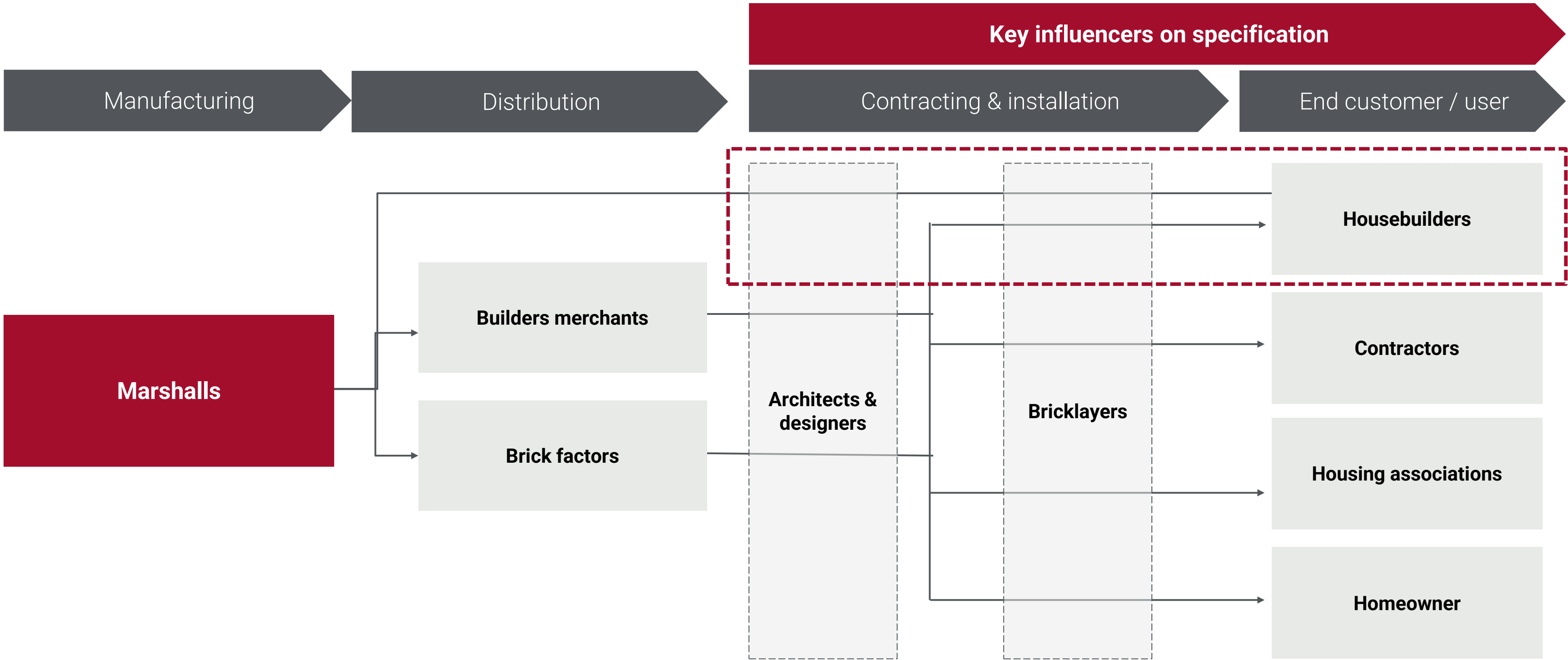
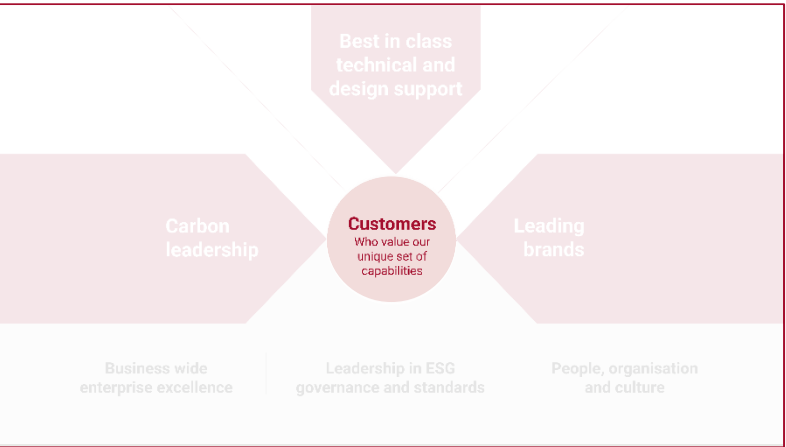
Today we have established sales relationships with 18 out of the 20 national homebuilders

The level of penetration varies (1-30%); achieving over 20% share with three of the Top 15 housebuilders

Our penetration will grow as we extend the brand proposition into new regions

Focus on customers who value our unique set of capabilities

Bricks value chain



Bricks & Masonry: our winning proposition



Leading brands

Market maker in concrete bricks – created the UK market

Established as the go-to authority on concrete bricks

Leading manufacturer of reconstituted stone walling

Best in class technical and design support

Dedicated account managers and technical support team for housebuilders

Unrivalled pre and after-sales service, including onsite inductions & training

Bespoke colour permutations possible for builders

Carbon leadership

A Marshalls concrete brick has ~49% lower embodied carbon per tonne than clay bricks

End-to-end superiority vs other concrete bricks, making it lowest carbon option on the market

Leverage of our concrete technologies to achieve further reductions in embodied carbon - first in the UK to use CarbonCure, which allows us to permanently lock waste carbon into our concrete facing bricks

Structural and regulatory tailwinds will fuel revenue growth for lower carbon bricks

Near term growth tailwinds	Landscaping	Roofing	Solar	Water Management	Bricks
New housing <ul style="list-style-type: none">– >80% exposure to new housing sector– Ambition to build 1.5 million new homes in this parliament– Equals 8-9% p.a. increase in net new housing					
Water infrastructure					
Energy transition <ul style="list-style-type: none">– An increased emphasis on sustainability and reducing embodied carbon in the decision-making process– Potential for Future Homes Standard to accelerate the requirements for lower carbon products					
Commercial and infrastructure <ul style="list-style-type: none">– Capital spend to support industrial strategy will drive demand for bricks beyond new housing heartlands– New towns linked to housebuilding					

Bricks & Masonry: accelerate concrete adoption

Increased penetration of facing bricks in national housebuilders in 'new' regions

Grow facing brick share through targeted approach to regional housebuilders, supported by new product introductions

How to win: our value creation levers

- Brand investment in Marshalls Bricks
- Strategic marketing & commercial resources
- Invest to accelerate concrete adoption in regional housebuilders
- NPD to expand range and underpin penetration strategy
- Manufacturing investment to grow capacity and extend nationwide coverage

Case Study

"We chose Marshalls concrete facing bricks because we wanted to retain as much of the original building façades as possible whilst restoring the majesty of this historical development."

Project architect



LOCATION

HAYES, MIDDLESEX, UB3 4QF

CLIENT

BARRATT LONDON

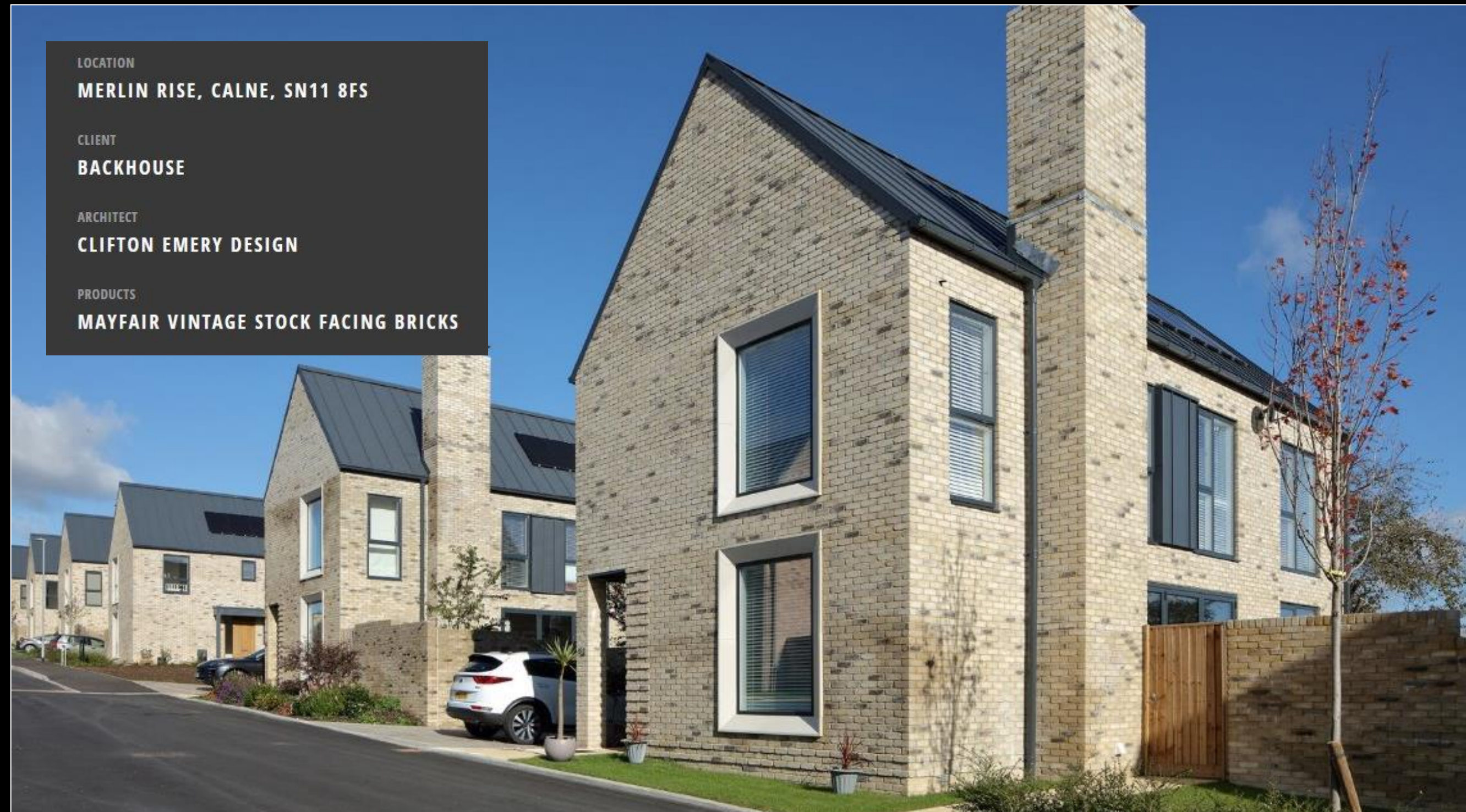
ARCHITECT

**DMFK ARCHITECTS AND
MAKOWER ARCHITECTS**

Case Study

“Marshalls facing bricks not only allows us to choose from a range of colours and finishes, it also means we are incorporating an element of sustainability into the homes we build. This makes our sustainability goals easier to achieve and is at the heart of what we want to do as a business”

Senior Buyer, Backhouse



Bricks & Masonry summary

Accelerate concrete adoption

Market leading proposition for lower carbon bricks vs. clay and concrete competitors

Trajectory of market share growth and housebuilder penetration over past 5 years, irrespective of market conditions

Attractive tailwinds from new housebuilding and low carbon-driven purchase decisions

Large market headroom combined with operational network that supports capacity growth

Clear growth strategies, targeted at accelerating penetration of existing and new housebuilding customers in new regions

Medium term revenue growth target



+8-12%

market outperformance

Focused and experienced business unit leadership teams

Portfolio role

- Brand Powerhouses
- Growth Engines

Marshalls Landscaping



Nick Platt

Managing Director
Marshalls Landscaping
(starts Jan 1st)

Marley Roofing



Susan Barclay

Managing Director
Marley Roofing

Viridian Solar



Stuart Elmes

Chief Executive
Viridian Solar

Marshalls Water Management



Paul Curtis

Managing Director
Water Management

Marshalls Bricks & Masonry



Dean Harris

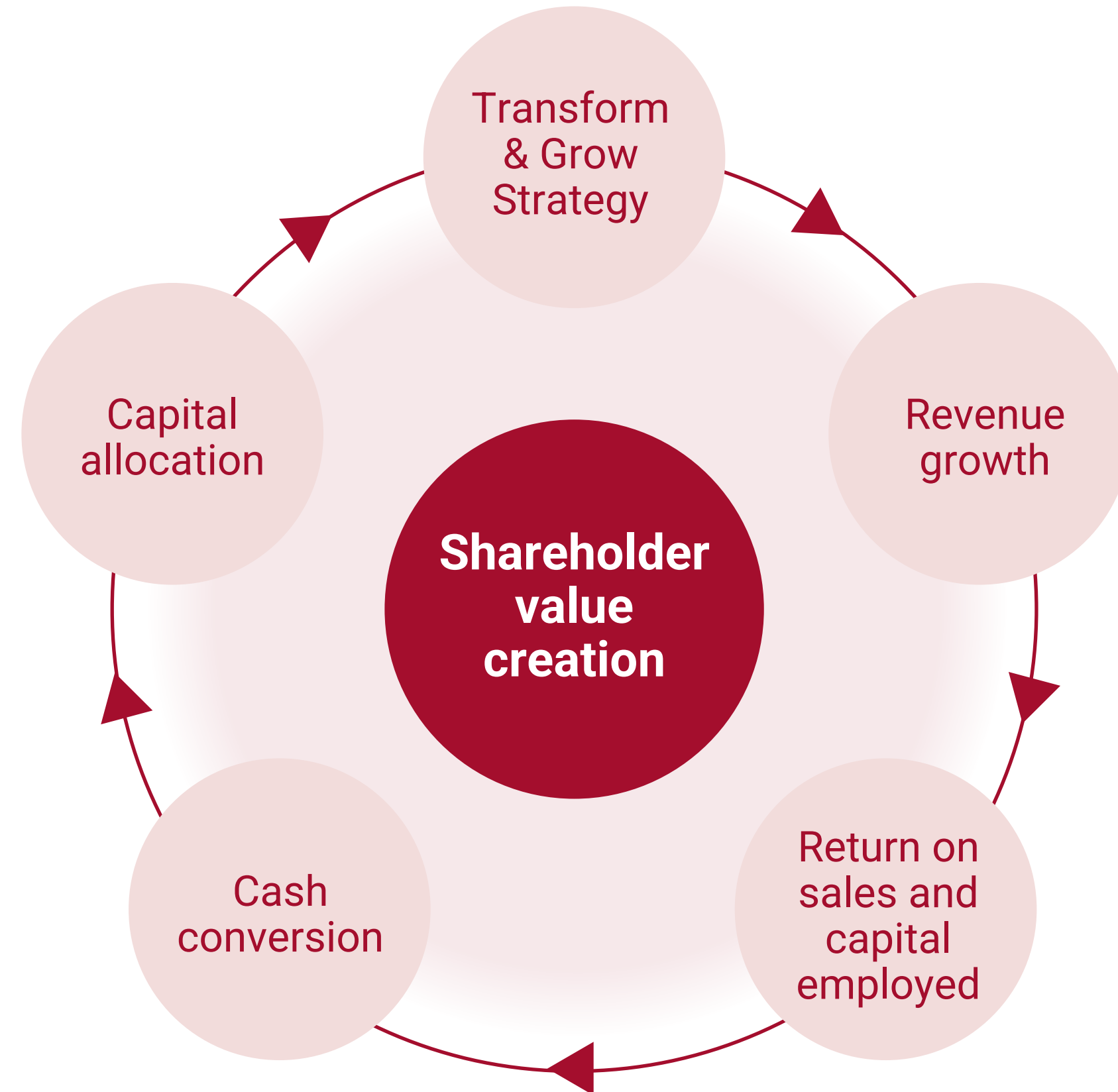
Managing Director
Bricks & Masonry

SECTION 05

Investment case



Group financial model



Transform & Grow Strategy drives revenue growth outperformance and operational leverage, which will deliver enhanced shareholder returns

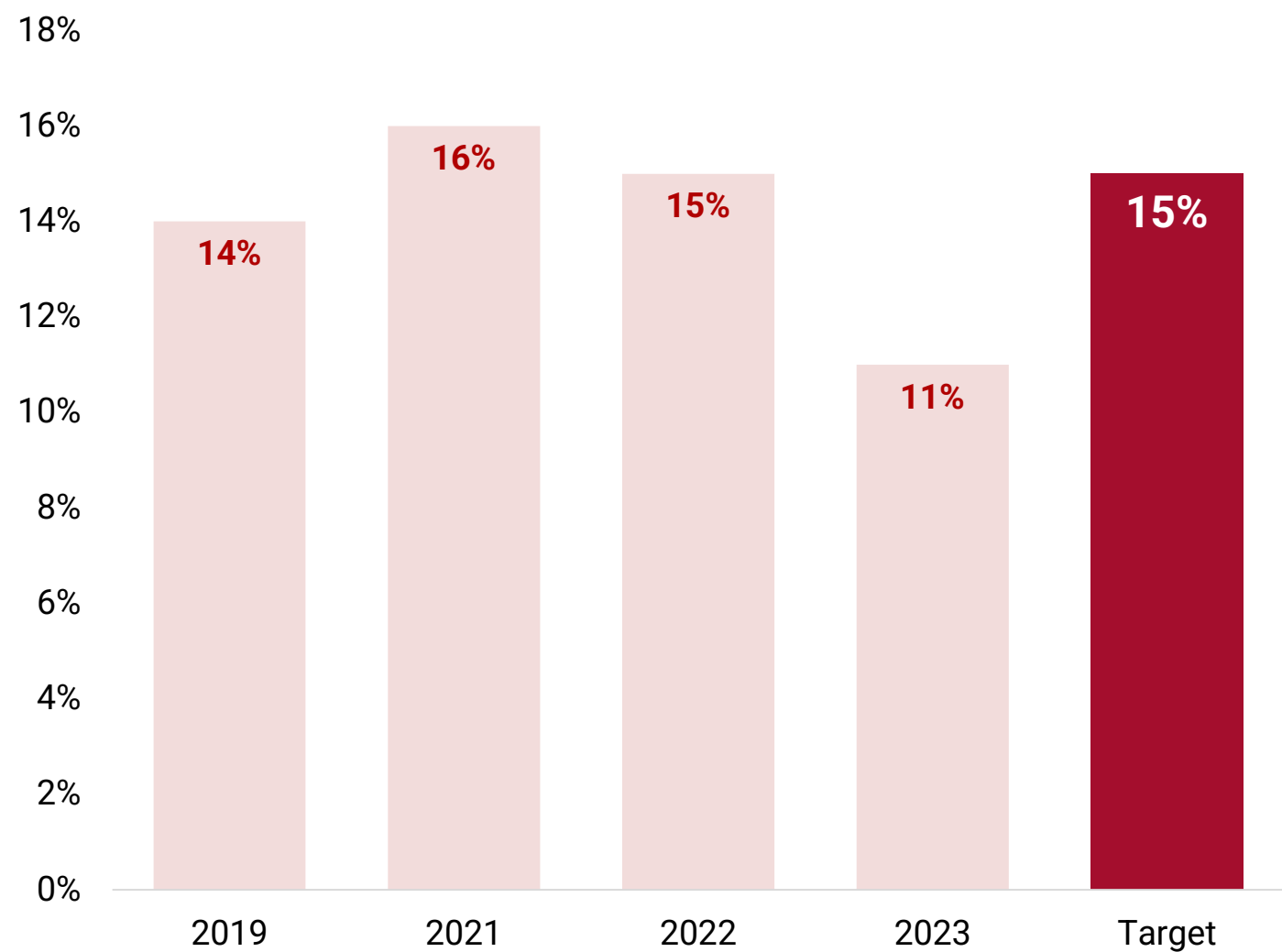
Revenue growth

Medium-term revenue growth expected to outperform the construction market

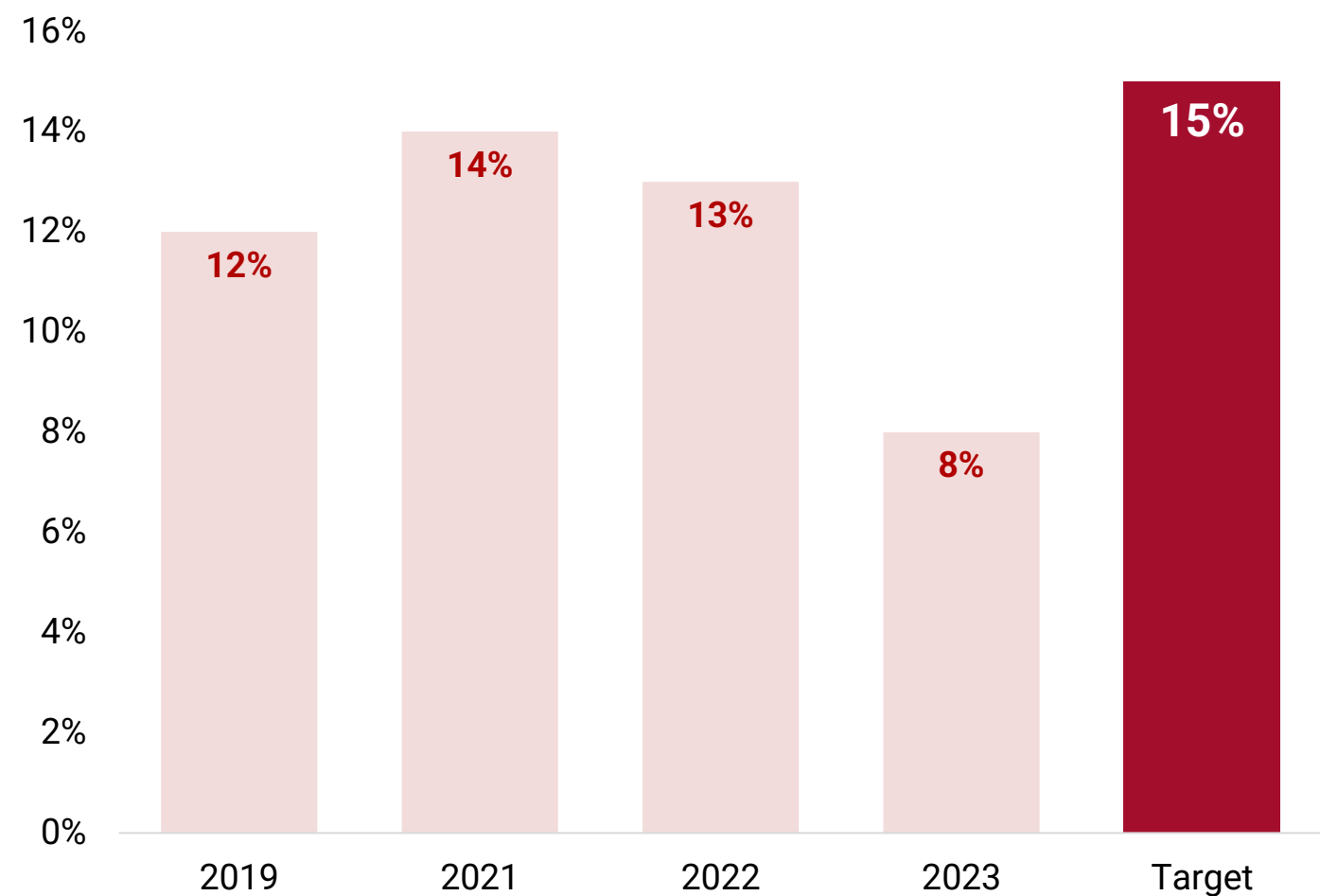
	Landscaping	Roofing	Building	Group
Cyclical recovery	✓	✓	✓	✓
New housing targets	✓	✓	✓	✓
Regulatory tailwinds		✓	✓	✓
Market share growth	✓		✓	✓
Medium-term market outperformance targets	1-3%	2-4%	4-6%	2-4%

Return on sales and capital employed

Return on sales



Return on capital employed



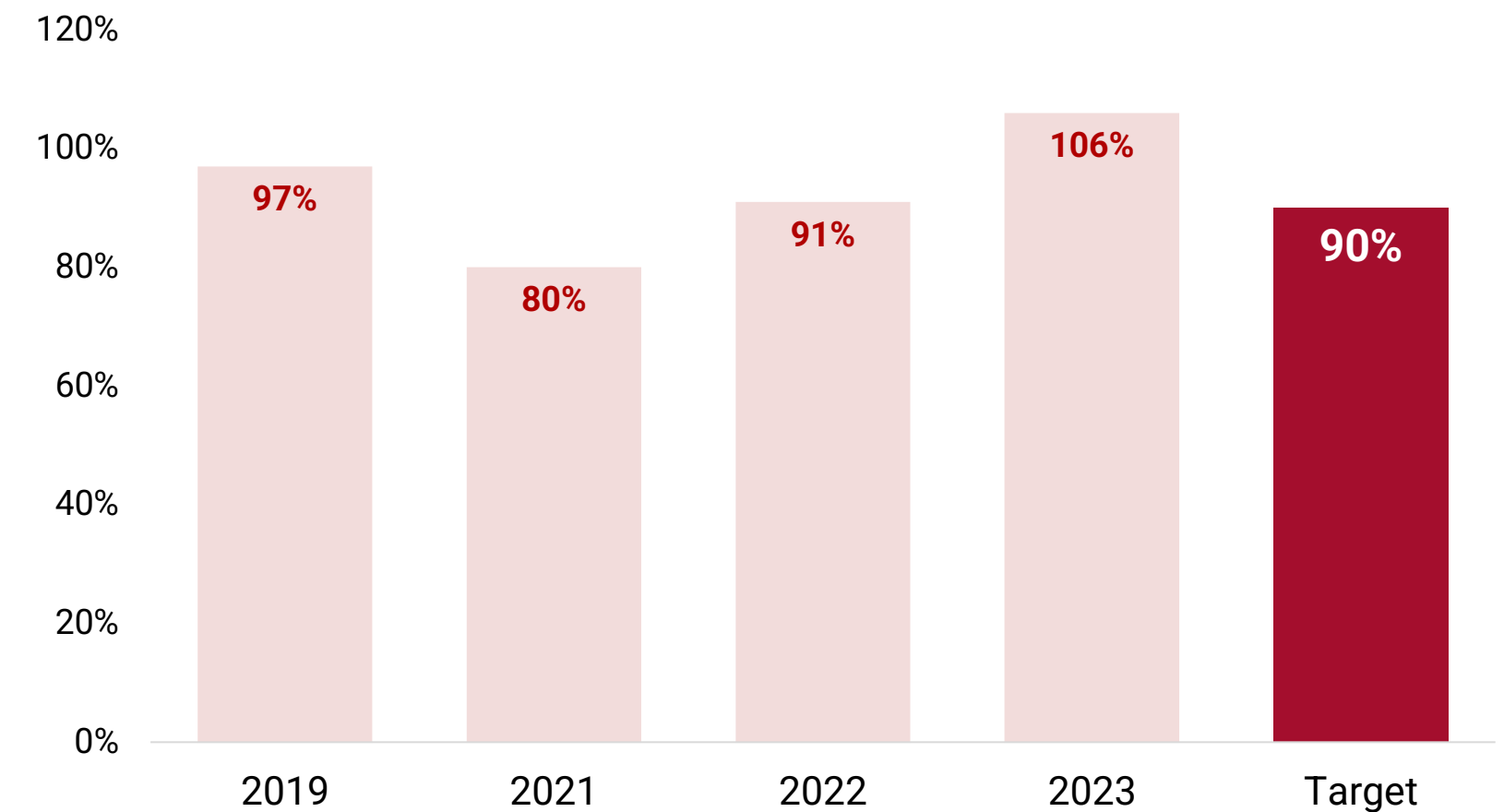
2019 to 2022: Return on sales and ROCE are proforma percentages for combined Marshalls and Marley businesses

Returns targeted to recover to historic levels driven by revenue growth and operational leverage with no significant increase in capital employed

Cash conversion

- Strong historic conversion of cash profit into operating cash flow
- Strong profit conversion into cash targeted at similar rate in medium-term
- Growing profitability expected to be converted into cash
- Generates capital that fuels the Group's capital allocation policy

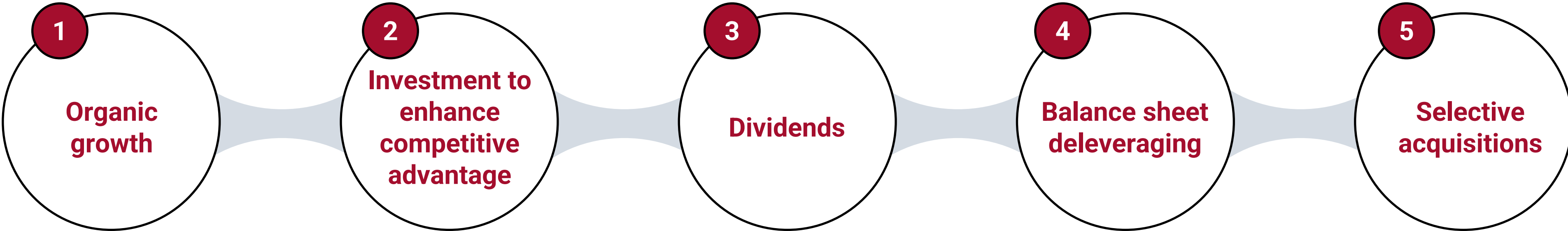
Adjusted operating cashflow conversion



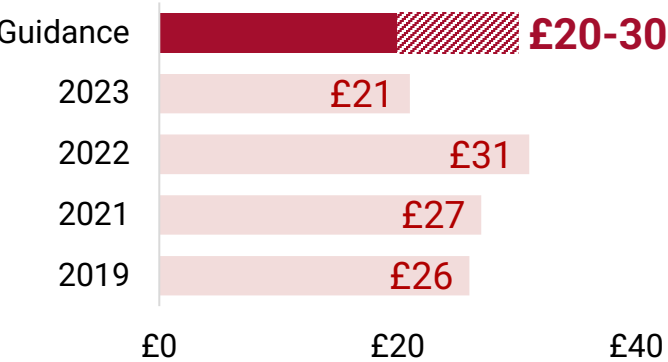
Strategy execution expected to generate significant increase in operating cash flow

Capital allocation policy

Clear policy focused on optimising shareholder value



Capital investment £M*



- Strategic plan requires investment £20M - £30M pa
- Comprises growth capex in water management, bricks, maintenance and IT

* Proforma capital investment for combined Marshalls and Marley businesses



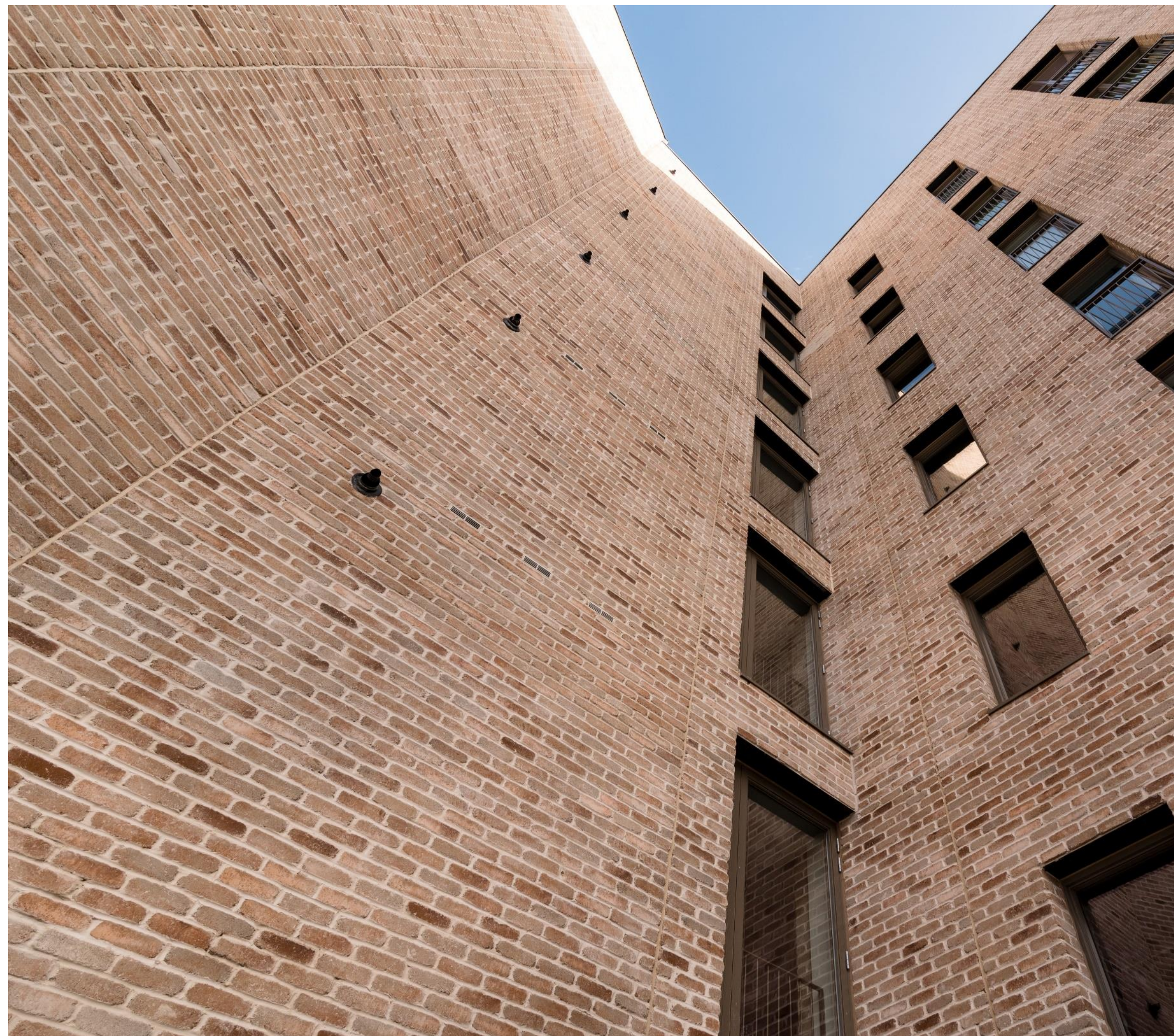
- Maintain dividend cover of two times adjusted earnings
- Earnings growth drives increase in cash shareholder returns
- Strong conversion of profit into operating cash flow and capital expenditure normalised
- Balance sheet deleveraging to continue
- Leverage range of 0.5 to 1.5X EBITDA optimal to provide flexibility
- Selective bolt-on M&A to support growth strategy
- Focus on roofing, water management and energy transition
- Create optionality for scale acquisition in longer-term

Shareholder value creation: investment case

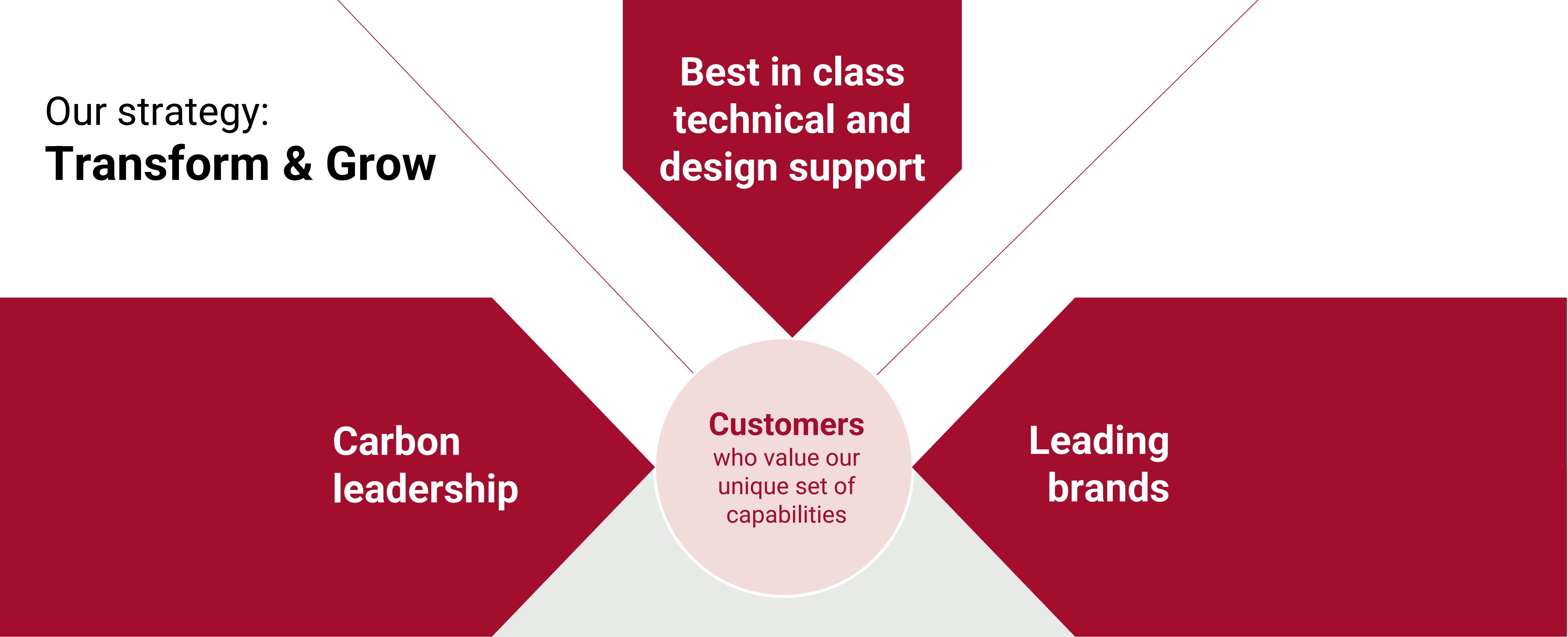
<p>Group positioned to outperform the construction market</p> <p>Attractive diversified portfolio of businesses, exposed to scale markets with long-term growth drivers and near-term structural market tailwinds</p> <hr/> <p>Significant headroom for growth in our addressable markets through innovation and ‘bolt-on’ acquisitions</p>	<p>Profit growth delivered through operational leverage</p> <p>Group expected to benefit from material profit improvement due to operational leverage and optimising manufacturing network</p>	<p>Highly cash generative business model</p> <p>Strategy execution delivers material increase in operating cash flow</p> <hr/> <p>Normalisation of capital expenditure to underpin plan in medium term</p>	<p>Free cash flow de-levers balance sheet</p> <p>Increase in free cash flow de-levers the balance sheet and provides capital for bolt-on acquisitions or return to shareholders</p>	<p>Profitable growth increases shareholder returns</p> <p>Expected earnings growth will drive dividend growth</p> <hr/> <p>Increased returns expected without material increase in capital employed</p> <hr/> <p>Strategy execution increases cyclical resilience</p>
<p>2-4%</p> <p>market outperformance</p>	<p>15%</p> <p>operating margin</p>	<p>90%</p> <p>cash conversion</p> <p>£20-30m</p> <p>capital expenditure pa</p>	<p>0.5 -1.5x</p> <p>pre-IFRS16 net debt to EBITDA leverage target range</p>	<p>2x</p> <p>dividend cover</p> <p>15%</p> <p>return on capital employed</p>

SECTION 06

Summary



Our strategy:
Transform & Grow



**Business wide
enterprise excellence**

**Leadership in ESG
governance and standards**

**People, organisation
and culture**

Our Transform & Grow strategy requires each part of our business to deliver against core strategic imperatives

Portfolio role	Business units	Strategic imperative
Brand Powerhouses	Marshalls Landscaping	Drive greater value from distinctive national model
	Marley Roofing	Defend heartlands & drive share in adjacencies
Growth Engines	Viridian Solar	Leverage tailwinds to accelerate growth
	Marshalls Water Management	Reposition to access growth & headroom
	Marshalls Bricks & Masonry	Accelerate concrete adoption
Synergy realisation	Group	Enabling strategy & empowering transformation

Transform & Grow strategy

The next stage of our growth and value creation

Summary

Attractive diversified portfolio

of businesses, exposed to scale markets with long-term growth drivers and near-term structural market tailwinds

Enviably market positions

with No.1 or No.2 leading positions

Significant headroom for growth

in our addressable markets through innovation and 'bolt on' acquisitions

Investing to enhance capability

productivity and optimise the inherent strengths in our nationwide network and operational leverage

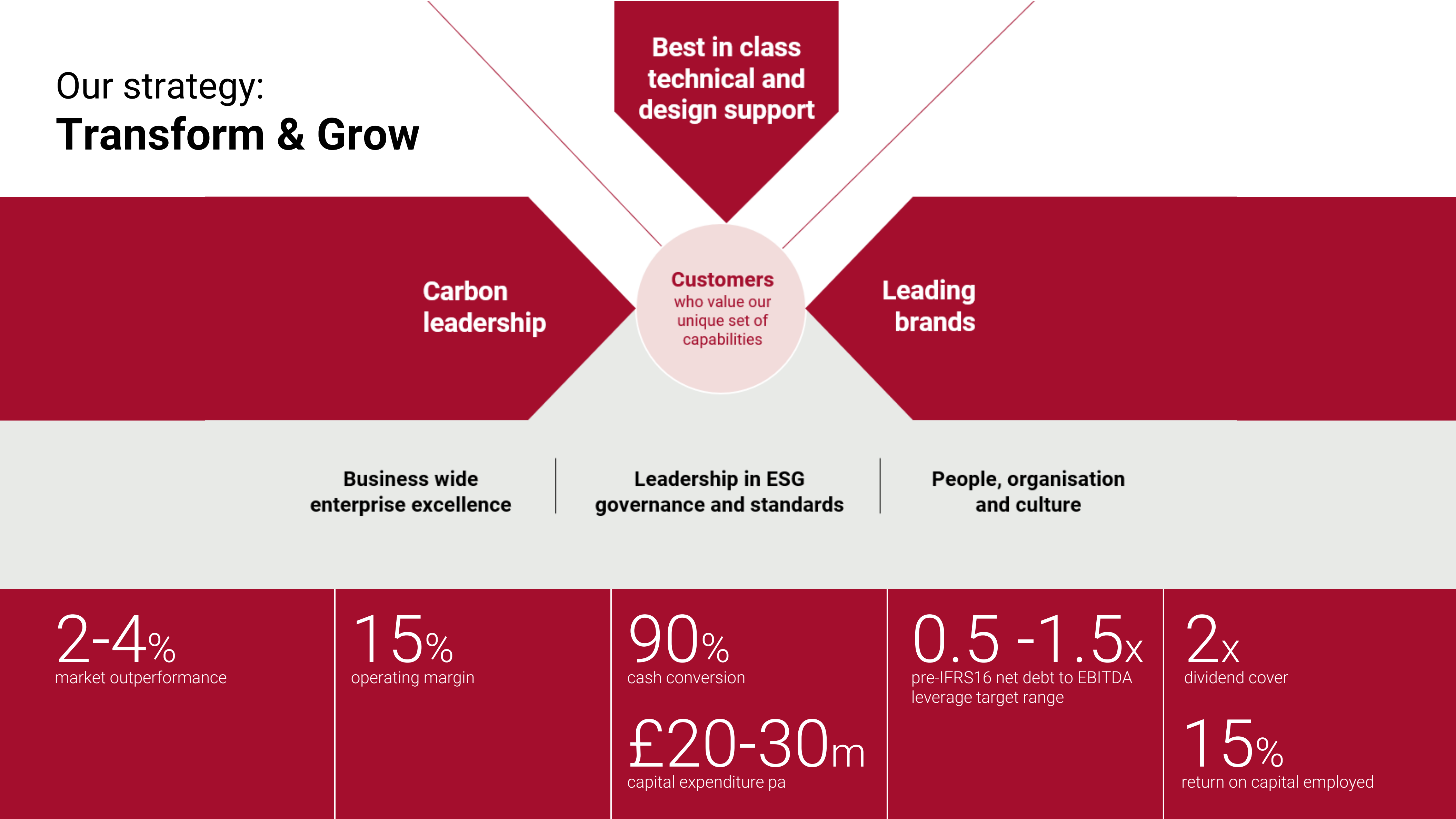
Material profit improvement

delivered from revenue outperformance and operational leverage

Highly cash generative business

and strategy execution delivers material increase in free cash flow and shareholder returns

Our strategy:
Transform & Grow



**Best in class
technical and
design support**

Customers
who value our
unique set of
capabilities

**Carbon
leadership**

**Leading
brands**

**Business wide
enterprise excellence**

**Leadership in ESG
governance and standards**

**People, organisation
and culture**

2-4%
market outperformance

15%
operating margin

90%
cash conversion

0.5 -1.5x
pre-IFRS16 net debt to EBITDA
leverage target range

2x
dividend cover

£20-30m
capital expenditure pa

15%
return on capital employed

SECTION 07

Q&A

