

## Chair's Statement



**Vanda Murray OBE**  
Chair

### Summary

- Disciplined stewardship in subdued markets, with the Board safeguarding liquidity, cash generation and capital discipline
- Medium-term funding secured through the successful £270 million refinancing completed in November 2025
- Dividend maintained in line with policy, with a proposed final dividend of 4.5 pence per share and continued commitment to two times cover
- Leadership continuity and accountability strengthened with Simon Bourne appointed Chief Executive Officer following a robust search process
- Board oversight of 'Transform & Grow' execution intensified, including monitoring and challenging of the Landscaping Products improvement plan
- Risk and internal controls remain a core Board focus, as we continue to strengthen our framework in line with evolving governance expectations
- Progress on our carbon roadmap, with SBTi validation reinforcing the credibility of our net-zero pathway

In a year of significant change and continued market challenges, the Board's focus has been clear: safeguarding our financial resilience today while driving the structural transformation required for tomorrow.

### Overview

Against a backdrop of continued macro-economic uncertainty and subdued activity in our key end markets, the Board has ensured that the business remained focused on rigorous self-help measures. These actions, executed by the leadership team, have reshaped the business and created the foundation for an improvement in profitability.

Our diversified portfolio provided balance during the year, with a robust contribution from Roofing and Building Products partially offsetting weaker profitability in Landscaping Products, where the turnaround is progressing. We supported management in taking difficult but necessary decisions to reset our Landscaping business, including the optimisation of our manufacturing network and the simplification of our product portfolio. In parallel, we ensured that a clear strategic focus on supporting the continued scaling of our growth engines in Solar, Bricks and Water Management was maintained.

Governance and stewardship remain at the centre of our approach. Following the leadership change announced in November, we appointed Simon Bourne as Interim Chief Executive, prioritising both stability and the rigorous selection of the right leader for the Group's next phase. On 19 January 2026, we were delighted to confirm Simon's appointment as Chief Executive Officer. This decision followed a comprehensive process involving a robust evaluation of both internal and external candidates. Simon has been integral to the growth and development of the Group over the last ten years and has played a central role in crafting

the 'Transform & Grow' strategy. His appointment not only supports our desire to reinforce the execution of this strategy but is deserved recognition for his proven ability to drive change and continuous improvement. The Board is convinced that this combination of strategic continuity and operational focus best serves our shareholders.

Under the Board's guidance, the Group is now well positioned to deliver our strategy and embed the improvements made throughout 2025. Our focus remains on the delivery of these benefits and ensuring we take full advantage of our growth opportunities through 2026 and beyond.

### Financial stewardship

The Board has maintained a rigorous focus on financial discipline, liquidity and capital efficiency, ensuring that the Group's financial position remains strong against a backdrop of continued market uncertainty. A key priority this year was securing medium-term funding stability. We successfully achieved this in November, extending the maturity profile of the Group's bank facility to 2029 with no change in commercial terms.

With funding stability secured, our capital allocation framework remains unchanged. We continue to prioritise organic investment in the business, support a sustainable ordinary dividend and ensure Balance Sheet strength in line with our risk appetite, creating long-term value for our shareholders.

Further detail of our financial performance, funding and capital allocation decisions is set out on pages 8 to 10 of the Chief Executive Officer's Statement and pages 48 to 51 of the Financial Review.

### Dividends

The Board has proposed a final dividend of 4.5 pence per share which, combined with the interim dividend of 2.2 pence, results in a total distribution for 2025 of 6.7 pence (2024: 8.0 pence). This is in line with our policy of maintaining dividend cover of two times adjusted earnings. The dividend will be paid on 1 July 2026 to shareholders on the register at the close of business on 5 June 2026.

## The Marshalls Way

**Doing the right things, for the right reasons, in the right way, safely**



### Act with courage

- We take responsibility for every action
- We get things done
- We learn from experiences
- We challenge and feed back



### Win together

- We work as one Marshalls team
- We respect everyone
- We propose solutions
- We value development



### Shape the future

- We champion our customers
- We initiate and embrace change
- We consider the long-term impact of our decisions
- We develop diverse teams



### Inspire with clear purpose

- We are proud and passionate
- We share and celebrate success
- We continuously improve
- We create clarity of expectations

## Chair's Statement continued

### 'Transform & Grow' strategy

The Board remains steadfast in its commitment to the 'Transform & Grow' strategy. As stewards of Marshalls' long-term direction, we are confident this remains the right framework to deliver sustainable growth and improve resilience. Simon's appointment safeguards strategic continuity, minimising disruption and ensuring the Executive Team remains focused on delivery.

Throughout the year, our governance activities centred on monitoring the pace and effectiveness of execution rather than revisiting the strategy itself. We conducted regular deep-dive reviews into the Landscaping Products improvement plan, challenging management on the delivery of key milestones, including cost reduction targets and margin recovery expectations. During 2026, we expect to scrutinise capital and resource allocation proposals in respect of our growth engines, ensuring effective capital deployment and validating that our plans remain aligned to an evolving regulatory and market backdrop.

To ensure rigorous oversight, the Board monitors progress through a clear framework of financial and non-financial KPIs. This gives the Board a clear view of how the strategy is taking effect on the ground and allows us to hold management to account for delivering planned improvements in profitability and counter-cyclical resilience.

### Environment

Sustainability is a core commercial driver of our 'Transform & Grow' strategy. The Board continues to oversee our progress against the Group's net-zero 2050 targets, which are validated by the Science Based Targets initiative (SBTi). This year, we have focused on embedding carbon leadership into our customer proposition, expanding our suite of Environmental Product Declarations to give our customers the transparency they need. By continuing to innovate in lower-carbon concrete, we are ensuring Marshalls remains the partner of choice for building a sustainable future.

### Social

As a responsible business, we remain guided by the UN Global Compact and committed to the UN Sustainable Development Goals (SDGs), underpinned by The Marshalls Way and our purpose of 'Building Tomorrow's World'.

The Board places the health, safety and wellbeing of our colleagues at the centre of its oversight and is committed to fostering an inclusive, high-performance culture where people can develop and thrive. We have maintained our focus on responsible supply chains, applying comprehensive human rights due diligence, particularly as we expand in high-growth areas like solar. We are proud to have retained our status as a Living Wage employer and Fair Tax Mark holder for over a decade, reflecting our enduring commitment to doing business the right way.

### Governance

Strong governance remains fundamental to how we run Marshalls. Our Corporate Governance Statement on pages 64 to 78 sets out how we have applied the principles of the UK Corporate Governance Code (the "UK Code") and maintained high standards of Board leadership, accountability and transparency.

The Board's agenda during the year balanced oversight of strategy execution, leadership succession and culture with detailed scrutiny of risk, internal controls and financial reporting. We have also continued our readiness activities for the changes in the UK Code which come into effect from January 2026.

We continue to engage transparently with shareholders and wider stakeholders to ensure our stewardship remains aligned with their long-term interests. Details on this can be found in our Stakeholder Engagement section on pages 26 to 30.

### Board changes

As of 27 November 2025, Matt Pullen stepped down from the Board as Chief Executive. On behalf of the Directors, I would like to thank Matt for his contribution, particularly his work in developing the 'Transform & Grow' strategy. Following Matt's departure, Simon Bourne was appointed Interim Chief Executive Officer and the Board initiated a formal search process with independent advisers, including robust assessment of internal and external candidates. On 19 January 2026, we appointed Simon as Chief Executive Officer with immediate effect. Simon has been with the Group for more than a decade in senior operational and commercial roles and has been a member of the Board since 2022. His appointment reflects the Board's focus on execution and our desire to accelerate delivery of 'Transform & Grow' with continuity and operational leadership. The Board does not intend to appoint a separate Chief Commercial Officer. Commercial leadership is now embedded within the Executive team and divisional leadership structure, with the Chief Executive Officer retaining overall accountability for the Group's commercial agenda.

During the year, we were pleased to welcome Paul Inman as a Non-Executive Director. Paul joined us in September 2025 as part of our planned succession for Graham Prothero, who has served a nine-year term and in accordance with good governance standards will not stand for re-election at the 2026 AGM. On behalf of the Board, I would like to thank Graham for his dedicated service and wise counsel over the last decade and wish him the best in his future endeavours.

### Outlook

Market activity levels in the first two months of 2026 remained consistent with the close of 2025, although they were affected by persistent rainfall.

Against this backdrop, our priority in 2026 is the disciplined implementation of 'Transform & Grow' to drive improved operating margins and strong cash generation, supported by tight control of our costs, working capital and capital expenditure. This will be underpinned by sharper execution

### Our people



I would like to thank our colleagues across the Group for their dedication during a year of significant change. Our people are the bedrock of our business, and their commitment to safety, customer service and our values has remained steady in challenging conditions. With a renewed leadership team and a clear strategy in place, I am confident that our high-performance culture will continue to drive our transformation and future success.

► Read more about our people on pages 33 to 35

through intensifying our pace, tightening our focus, and improving performance, ensuring teams throughout our businesses are aligned behind priorities that will improve margin, cash and service outcomes.

The Board is mindful of the conflict in the Middle East. However, in the absence of clarity on the impact of the conflict on our end markets and cost base, our expectations for the year remain unchanged and the Board is confident of driving a material increase in profitability and returns over the medium-term.

**Vanda Murray OBE**  
Chair

16 March 2026