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Marshalls

Half year results for the six months ended 30 June 2026

Sharper execution converting self-help actions into profit growth in subdued markets

Marshalls plc, the diversified building products manufacturer and sustainable solutions provider for the built environment, announces its results for the half year ended 30 June 2026.

£'M	**H1 2026**	H1 2025	Change
Revenue	**317.8**	319.5	(0.5)%
Adjusted results (Notes 1 and 2 below)			
Adjusted EBITDA	**44.0**	42.9	2.6%
Adjusted operating profit	**30.7**	28.4	8.1%
Adjusted profit before tax	**24.9**	22.0	13.2%
Adjusted basic EPS – pence	**7.6**	6.6	14.4%
Adjusted annualised ROCE (%)	**7.2**	7.3	(0.1)ppts
Interim dividend – pence	**2.5**	2.2	13.6%
Pre-IFRS 16 net debt	**136.8**	151.6	(9.8)%
Reported results			
Operating profit	**25.5**	18.1	40.9%
Profit before tax	**19.7**	11.7	68.4%
Basic EPS – pence	**6.0**	3.5	71.4%

Strategic and operational highlights

- Sharper operating focus driving improved execution, with management effort concentrated on quality of service, margin and cash.
- Landscaping Products moving from reset to delivery, with improved service and customer engagement supporting market share momentum and the beginning of a recovery in profitability. Remains on track to deliver the previously announced £11 million of annualised cost savings by the end of FY26.
- Building Products delivered a mixed performance, with Mortars & Screeds remaining resilient while Bricks & Masonry focused on service levels and costs in a difficult new housing market. Water Management continued to make progress in building its infrastructure-led pipeline.
- Roofing Products remained resilient, with Marley Roofing gaining market share despite a competitive concrete roof tile market and Viridian Solar continuing to broaden its offer as Part L 2021 adoption becomes embedded.

Financial highlights

- Adjusted operating profit increased by 8.1% to £30.7 million (H1 2025: £28.4 million) driven by the beginning of a recovery in Landscaping Products' profitability from ongoing execution of our Landscaping performance improvement plan.
- Adjusted basic earnings per share increased by 14.4% to 7.6 pence (H1 2025: 6.6 pence), reflecting the improvement in adjusted operating profit, lower finance costs and a reduced effective tax rate. Interim dividend increased by 13.6% to 2.5 pence per share (H1 2025: 2.2 pence).
- Balance sheet discipline maintained, with cash, working capital, capital expenditure tightly controlled; pre-IFRS 16 net debt of £136.8 million, leverage of 1.7 times, operating cash conversion of 98%.

Outlook

- No material market recovery assumed in H2 2026: tight control of execution, cost, cash and capital support the Board's confidence despite uncertain markets.
- FY26 profitability expectations unchanged: 'Transform & Grow' strategy supports medium-term margin, cash and returns improvement.

Simon Bourne, Chief Executive Officer, commented:
"We have delivered a resilient first half performance, despite subdued end markets, with adjusted profit growth delivered in line with expectations. This reflects our reinvigorated focus on sharper execution, continued financial discipline and the benefits of actions taken through FY25 to create a leaner and more focused operating platform.

"Landscaping Products demonstrates the clearest evidence of this progress, with our performance improvement plan delivering improved profitability and the business remaining on track to deliver the previously announced £11 million of annualised cost savings by the end of FY26. Roofing Products continued to provide a strong contribution, driven by Viridian Solar and disciplined trading in Marley Roofing. Building Products was mixed, with Mortars & Screeds resilient and Water Management positioned for infrastructure-led growth, but weak new build housing demand weighed on both Bricks & Masonry and Water Management performance in the first half.

"We remain focused on what we can control: service, cost, cash, working capital and disciplined capital allocation. We are not factoring a material market recovery into our second half assumptions, and the operational progress delivered to date, together with the strength of our diversified portfolio, supports the Board's confidence in the Group's outlook for the full year and our medium-term growth potential."

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.

Users can register to access the webcast using the following link: https://brrmedia.news/MSLH_HY26

Notes:

1. The results for the period ended 30 June 2026 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 Officer's Statement

Sharper execution delivering improved financial performance

Against a backdrop of continued macro-economic uncertainty and subdued demand in several of our key end markets, the Group delivered an improved H1 2026 performance, with adjusted PBT growth reflecting sharper execution, continued self-help actions and disciplined financial management.

Our performance in the first half demonstrates clear progress under our Transform & Grow strategy. The actions taken through FY25 have created a leaner, more focused operating platform, and we are now beginning to see the benefits translating into stronger customer relationships, improved service, tighter cost control, and better financial outcomes. This is most evident in Landscaping Products, where the performance improvement plan is delivering the announced cost savings, which underpin a recovery in profitability, alongside a renewed ability to leverage the business's market-leading position.

The strength of the Group's diversified portfolio has continued to provide balance and opportunity. Roofing Products delivered a resilient performance, with Marley Roofing demonstrating agility in a subdued and competitive concrete roof tile market and Viridian Solar continuing to strengthen its position as Part L 2021 adoption becomes embedded. In Building Products, Mortars & Screeds continued to grow, while weak new build housing demand affected both Water Management and Bricks & Masonry with the latter also operating in highly competitive market conditions. Nevertheless, Water Management remains strategically well positioned for infrastructure-led growth.

We remain focused on those areas within our control. Cash, working capital and capital expenditure have been managed tightly, supporting balance sheet strength and the Group's ability to fund priority investments. We have also responded to cost inflation in a disciplined way, using targeted commercial actions, close customer engagement and cost control against a backdrop of external volatility, while safeguarding long-term customer relationships.

Our priorities for the second half are to maintain momentum in Landscaping Products, continue protecting our market leading position in Roofing Products, continue developing our infrastructure platform in Building Products, and uphold the financial discipline that underpins our strategic flexibility.

Strategy update

<u>Landscaping Products</u>

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

Landscaping end markets remained at low activity levels through the first half, with continued pressure in new build housing and discretionary RMI and competitive conditions across several product categories. Against this backdrop, Landscaping Products delivered an improvement in profitability, providing clear evidence that the strategic, commercial and operational actions taken over the last 18 months are translating into improved financial performance.

The business has moved from reset to delivery. Actions taken through FY25 to simplify the portfolio, reduce complexity and improve operational efficiency have created a leaner, more focused operating platform. We remain on course to deliver the previously announced £11 million of annualised cost savings by the end of FY26, providing a strong foundation for continued margin improvement. Our operational actions have been supported by stronger commercial execution, tighter trading discipline, improving customer service and availability and a more selective approach to pricing and revenue opportunities. The result has been improved performance without reliance on a recovery in underlying markets.

Market share across the core Landscaping categories has increased over the last 12 months and Net Promoter Scores have improved by around eleven percentage points. These gains reflect increased customer penetration and share of wallet, improved category management and continued delivery of our specification strategy rather than broad-based price investment. Revenue benefitted from our disciplined approach to pricing, and we are focused on enhancing product mix through our NPD programme. New 'better' category products launched in Q2 strengthened the mid-range offer and generated encouraging early customer engagement, while the forward specification pipeline contains a greater proportion of higher-value opportunities.

Our priority for the second half is to build on this progress through continued commercial excellence, specification growth, further NPD penetration and increased productivity and cost-to-serve improvements. These actions are creating a more commercially effective and efficient business, with any recovery in end-market demand providing additional upside rather than being the principal driver of improved performance.

Building Products

Marshalls Water Management (Growth Engine) – Repositioning for infrastructure-led growth
Although performance was affected by continued softness in traditional end markets linked to new build housing, Water Management remained strategically well positioned in H1 2026. The business remains focused on building a platform for infrastructure-led growth, supported by AMP8 which represents an important catalyst, but not the full extent of the opportunity which spans across adjacent infrastructure markets. The cumulative UK domestic opportunity for physical climate-adaptation interventions, which includes water and grid infrastructure investment, is estimated at £57–64 billion over the period to 2035, providing a supportive long-term demand backdrop.

During H1, good progress has been made in strengthening the business's influence earlier in the project lifecycle. Framework agreements are now in place with three water companies. The business has also continued to develop its pipeline of engineered solutions and specification-led opportunities, including orders for specialist tanks and combined sewer overflow solutions on AMP8 schemes. Evidence of conversion is beginning to emerge, with AMP8-related sales more than doubling compared with H1 2025. Alongside development of the commercial pipeline, we are strengthening our operational capability. Our existing manufacturing footprint and national delivery network provide a strong foundation for future growth, with capital-light opportunities identified to expand capability within the current footprint.

Our priority for H2 is to accelerate the development of our infrastructure growth platform by continuing to strengthen operational readiness, including progressing targeted NPD and building effective routes to market. These actions will position the business to convert opportunities profitably as infrastructure programmes move from design and appraisal into delivery, while maintaining a competitive and profitable position in its established core markets.

Marshalls Bricks & Masonry (Growth Engine) - Accelerating concrete adoption as lower carbon alternative
Bricks & Masonry continued to be affected by weak new build housing demand and competitive supply conditions during H1 2026. In response, the business remained focused on disciplined execution, protecting margin quality and maintaining strong relationships with both national and regional housebuilders. Capital deployment has been deliberately moderated since Q4 2025, consistent with the Group's focus on near-term value creation, disciplined investment and prioritising returns where they are most visible.

The business remains strategically aligned to the medium-term opportunity in lower-carbon construction, supported by its differentiated concrete brick and masonry proposition, product quality and supply reliability. Our priority for H2 is to maintain commercial discipline, control cost and capital deployment, and remain well positioned for a recovery in new build housing demand.

Roofing Products

Marley Roofing (Brand Powerhouse) - Strengthening roofing heartlands and driving share in adjacencies
Marley Roofing gained market share and delivered a resilient H1 2026 performance, reflecting the strength of its brand, specification relationships and disciplined approach to trading in a subdued and competitive concrete roof tile market, combined with growth in clay tile volumes. This is reflected in an increase in our market share for concrete and clay tiles, supported by our relative sector exposure advantage, which is weighted towards the more resilient RMI market. Our operating margins are in line with expectations, supported by proactive commercial management, service performance and long-term customer relationships.

In response to weak residential new build demand, pricing pressure, and aggressive competitor activity, the business is proactively implementing measures to retain agility and safeguard performance. Our market analysis indicates that net market capacity in concrete tiles increased by around 12% during the last twelve months, with new capacity fully embedded in the comparatives from the start of H2. Our tighter operating rhythm is enabling faster and more targeted management action to win in this competitive marketplace. Marley's differentiated position is underpinned by its trusted specification relationships, established social housing presence, technical expertise, service reliability and broader roof-system proposition. Long-standing relationships with specialist roofing distributors, contractors and housebuilders, combined with our technical support capability and national supply, create meaningful barriers to entry.

During H1, the business continued to strengthen its position with key customers through reliable service, disciplined pricing and close engagement. Marley also grew engagement in Private RMI and strengthened system-led selling across tiles, accessories, ventilation, solar, supporting improved attachment rates, while maintaining close control of costs.

Our priority for H2 is to safeguard our market leading position and profitability, maintain service and quality, and progress plans to improve the efficiency of our manufacturing network, leaving Marley well positioned to benefit from a recovery when demand improves.

Viridian Solar (Growth Engine) - Leveraging regulatory tailwinds to accelerate growth
Viridian Solar continued to strengthen its position in the integrated solar roofing market during H1 2026. The transition to Part L 2021 is now largely embedded, with the business continuing to deepen relationships with housebuilders, driving revenue growth of 7% compared to H1 2025.

As the current regulatory cycle, which has supported revenue growth of around 300% between 2021 and 2025, approaches maturity, the Future Homes Standard provides the next medium-term growth opportunity given the mandatory solar requirements it brings for new-build homes. To prepare for this next phase of market development, we remain focused on maintaining exceptional service and technical leadership. In addition, we are building the operational readiness required to capture the increase in solar adoption and larger system sizes required by the new standard, which together are expected to result in a doubling of the addressable market. We expect this next phase of regulatory growth to commence in late 2028 and be fully embedded by 2030.

Viridian Solar also continues to develop scalable opportunities beyond its core roof-integrated solar proposition. ArcBox addresses solar safety and fire-risk management and provides optionality in adjacent markets, supported by growing patent coverage and early international partner development across 17 countries.

Our priorities for H2 include the launch of our innovative new digital customer platform, supporting partners with their planning for the transition to Future Homes Standard and continued international sales expansion of ArcBox.

ESG progress
Sustainability is a pillar of our 'Transform & Grow' strategy and our business units are aligned on priorities to ensure that Marshalls remains the sustainable partner of choice. Our strategy is underpinned by our 'Built for the Future' approach to sustainability, which sets out our road to net-zero, our commitment to skills and community and our stance on trust and transparency. Our newly implemented carbon reporting software enabled us to report Scope 1, 2 and 3 for 2025 and is providing insight into carbon reduction opportunities at our sites. With net-zero targets to 2050 validated by the Science Based Targets initiative, product innovations in carbon reduction, and an increasing number of Environmental Product Declarations ('EPDs'), we continue to demonstrate our focus on turning ambition into practical action that helps our customers reduce carbon, build resilient spaces and make responsible choices.

Financial and operational review

Group results

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

£'m	**H1 2026**	H1 2025	Change (%)
Revenue	**317.8**	319.5	(0.5)%
Adjusted net operating costs	**(287.1)**	(291.1)	(1.4)%
Adjusted operating profit	**30.7**	28.4	8.1%
Net financial expenses	**(5.8)**	(6.4)	(9.4)%
Adjusted profit before tax	**24.9**	22.0	13.2%
Adjusted taxation	**(5.8)**	(5.3)	9.4%
Adjusted profit after taxation	**19.1**	16.7	14.4%
Adjusted basic EPS - pence	**7.6**	6.6	14.4%
Adjusted diluted EPS – pence	**7.5**	6.6	13.3%
Interim dividend – pence	**2.5**	2.2	13.6%

Group revenue for the six months ended 30 June 2026 was £317.8 million (H1 2025: £319.5 million) which is comparable with 2025. Group adjusted operating profit increased by £2.3 million to £30.7 million, which comprised an improved performance in Landscaping Products partially offset by lower profitability in both Building Products and Roofing Products. Group adjusted operating margin increased by 0.8 percentage points to 9.7% (H1 2025: 8.9%).

Net financial expenses were £5.8 million (H1 2025: £6.4 million). These expenses comprised financing costs associated with the Group's bank borrowings of £5.2 million (H1 2025: £5.7 million), IFRS 16 lease interest of £1.0 million (H1 2025: £1.0 million) and a pension related credit of £0.4 million (H1 2025: £0.3 million credit). The reduction in financial expenses on bank borrowings in H1 2026 reflects the impact of the lower drawn borrowings. Adjusted profit before tax increased by £2.9 million to £24.9 million reflecting the increase in operating profit and lower financial expenses.

The adjusted effective tax rate was 23% (H1 2025: 24%), which is lower than the UK headline corporation tax rate for 2026 due to the benefit of a patent box arrangement. Adjusted profit after taxation increased by 14.4% to £19.1 million and earnings per share also increased by 14.4% to 7.6 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 2026**	H1 2025	Change (%)
Adjusted operating profit	**30.7**	28.4	8.1%
Adjusting items	**(5.2)**	(10.3)	(49.5)%
Operating profit	**25.5**	18.1	40.9%
Net financial expenses	**(5.8)**	(6.4)	(9.4)%
Profit before tax	**19.7**	11.7	68.4%
EPS – pence	**6.0**	3.5	71.8%

The reported operating profit is stated after adjusting items totalling £5.2 million as summarised in the following table, further details are set out at Note 4.

£'m	**H1 2026**	H1 2025
Amortisation of intangible assets arising on acquisitions	**(5.2)**	(5.2)
Restructuring and impairment charges	**-**	(5.1)
Adjusting items within profit before tax	**(5.2)**	(10.3)

Adjusting items in 2026 comprise the amortisation of intangible assets arising on the acquisition of subsidiary undertakings of £5.2 million (H1 2025: £5.2 million). Details of the adjusting items arising in 2025 are set out at Note 4. Reported profit before tax was £5.2 million lower than the adjusted result at £19.7 million (H1 2025: £11.7 million), reflecting the impact of the adjusting items. On a reported basis, the effective tax rate is 23% and reported earnings per share was 6.0 pence (H1 2025: 3.5 pence).

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

£'m	**H1 2026**	H1 2025	Change (%)
Landscaping Products	**5.5**	0.3	NMF
Building Products	**6.2**	6.9	(10.1)%
Roofing Products	**23.1**	24.8	(6.9)%
Central costs	**(4.1)**	(3.6)	(13.9)%
Adjusted operating profit	**30.7**	28.4	8.1%

Landscaping Products
Landscaping Products derives around 44% of its revenues from commercial & infrastructure, approximately 28% from new build housing and 28% from private housing RMI.

£'m	**H1 2026**	H1 2025	Change (%)
Revenue	**135.1**	135.4	(0.2)%
Segment operating profit	**5.5**	0.3	NMF
Segment operating margin %	***4.1%***	*0.2%*	*3.9 ppts*

The reporting segment delivered revenue of £135.1 million (H1 2025: £135.4 million). This was achieved against a subdued market backdrop, with continued pressure in new build housing and discretionary RMI, and competitive conditions across several product categories. Revenue performance reflected by the benefit of pricing actions offset by lower volumes, despite positive market share momentum, and a softer product mix.

Segment operating profit increased by £5.2 million to £5.5 million (H1 2025: £0.3 million), with operating margin improving by 3.9 percentage points to 4.1%. This increase in profitability reflects the benefits of the Landscaping performance improvement plan and was driven by a combination of higher gross margins, lower manufacturing costs and reduced overheads, partially offset by the impact of oil price related surcharges. The business remains on track to deliver the previously announced £11 million of annualised cost savings in full by the end of FY26. Further opportunities to reduce operating costs will be evaluated as part of our ongoing self-help agenda, with management continuing to monitor market conditions, service levels and operating efficiency to ensure the shape of the business remains aligned to demand.

The margin recovery achieved in the first half demonstrates meaningful progress and provides evidence that the actions taken through FY25 are translating into improved financial performance. In the second half, we will remain focused on sustaining the improved cost base, maintaining pricing discipline, and delivering operational efficiency to protect profitability in current market conditions.

Building Products
Building Products generates 54% of its revenue from new housing, 40% from commercial and infrastructure, with the balance derived from housing RMI.

£'m	**H1 2026**	H1 2025	Change (%)
Revenue	**85.6**	86.4	(0.9)%
Segment operating profit	**6.2**	6.9	(10.1)%
Segment operating margin %	***7.2%***	*8.0%*	*(0.8)ppts*

Building Products delivered a mixed performance in H1 2026. Revenue marginally reduced by 0.9% to £85.6 million, with weakness in new build housing weighing on performance within Water Management and Bricks & Masonry, partially offset by growth in Mortars & Screeds. Mortars & Screeds trading performance was supported by its strong service proposition and demand for ready-to-use products due to relatively modest build rates on housing developments. Water Management revenue was affected by continued softness in traditional end markets linked to new build housing partially offset by growth in infrastructure-related revenues. Bricks & Masonry was also constrained by subdued new build housing and competitive supply conditions. Aggregates revenue was modestly ahead of 2025 due to an improvement in volumes.

Segment operating profit decreased by 10.1% to £6.2 million, with operating margin reducing by 0.8 percentage points to 7.2%. This reduction in profit was driven by lower business volumes, extended site maintenance site shutdowns which adversely affected our operational efficiency, and additional costs arising from the conflict in the Middle East. These pressures were partly offset by targeted commercial actions to recover cost inflation and continued overhead discipline across the segment. The reduction in margin principally reflected the operational performance and the impact of lower activity levels across the manufacturing network. The segment remains focused on protecting trading margins, maintaining cost and capital discipline, with an improvement in operational leverage expected as demand conditions recover.

Roofing Products

Approximately 53% of revenues in this segment are generated from new housing and around 38% from housing RMI, with the balance generated from commercial & infrastructure end markets.

£'m	**H1 2026**	H1 2025	Change (%)
Revenue	**97.1**	97.7	(0.6)%
Segment operating profit	**23.1**	24.8	(6.9)%
Segment operating margin %	**23.8%**	25.4%	*(1.6) ppts*

The segment delivered revenue of £97.1 million (H1 2025: £97.7 million), a decrease of 0.6%, reflecting lower revenue in Marley partially offset by further increase from Viridian Solar. The reduction in Marley revenue was driven by competitive conditions in concrete roof tiles partially offset by growth in clay tile volumes and improved attachment rates of roofing accessories and system components. Viridian Solar's revenue growth moderated in line with expectations as the adoption of roof-integrated solar under Part L of the 2021 Building Regulations became increasingly embedded.

As expected, segment operating profit decreased by £1.7 million to £23.1 million (H1 2025: £24.8 million), with operating margin reducing by 1.6 percentage points to 23.8%. This reflected continued growth in Viridian Solar offset by lower profitability in Marley. Growth in Viridian Solar was driven by higher volumes and continued commercial discipline, whereas the lower profitability in Marley reflected softer volumes in a competitive and subdued marketplace alongside weaker manufacturing efficiency.

Roofing Products has delivered a strong segment operating margin and a significant contribution to Group profitability, despite the modest contraction in operating profit. Our focus for the second half of the year is to maintain commercial discipline, safeguarding service and quality performance, and continue to target operational actions to improve manufacturing efficiency.

Balance sheet, cash flow and funding

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

£'m	**June 2026**	June 2025	December 2025
Goodwill	**324.4**	324.4	324.4
Intangible assets	**200.0**	212.2	206.0
Property, plant & equipment	**223.7**	228.6	223.9
Right-of-use assets	**37.9**	40.2	38.7
Net working capital	**118.0**	115.8	99.4
Net pension asset	**25.0**	26.0	24.9
Deferred tax	**(74.9)**	(79.7)	(78.4)
Other net balances	**(8.0)**	(5.1)	(6.2)
Total capital employed	**846.1**	862.4	832.7
Pre-IFRS 16 net debt	**(136.8)**	(151.6)	(137.9)
Leases	**(38.5)**	(40.3)	(39.1)
Net assets	**670.8**	670.5	655.7

Total capital employed at June 2026 was £846.1 million, which represents an increase of £13.4 million compared to December 2025 (June 2025: decrease of £16.3 million). The increase in net working capital in the first six months of 2026 of £18.6 million reflects the seasonal working capital requirements of the Group.

The balance sheet value of the Group's defined benefit pension scheme ('the Scheme') was a surplus of £25.0 million (June 2025: £26.0 million; December 2025: £24.9 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 2026 was £218.7 million (June 2025: £224.4 million; December 2025: £225.8 million) and the present value of the Scheme liabilities is £193.7 million (June 2025: £198.4 million; December 2025: £200.9 million). The total loss recorded in the Statement of Comprehensive Income net of deferred taxation was £0.2 million (June 2025: £1.2 million gain; December 2025: £0.1 million gain). The IAS 19 pension surplus remained broadly unchanged at £25.0 million at June 2026, as the benefit of higher bond yields reducing liabilities was largely offset by weaker asset returns and adverse demographic assumption changes. 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%. 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 7.2% (June 2025: 7.3%; December 2025: 7.0%) on an annualised basis. Adjusted ROCE is targeted to increase in the medium term to around 15% 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 2026 was 98% of adjusted EBITDA (June 2025: 94%, December 2025: 88%) 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 £14.8 million to £136.8 million (June 2025: £151.6 million; December 2025: £137.9 million). The Group's syndicated debt facility totals £270 million and matures in November 2029. At June 2026, £125 million of the Group's revolving credit facility of £150 million was undrawn, which together with the £120 million term loan, provides the Group with significant liquidity to fund its strategic and operational plans going forward. Net debt to EBITDA was 1.7 times as at June 2026 on an annualised adjusted pre-IFRS16 basis (June 2025: 1.8 times; December 2025: 1.8 times). The Group's banking covenants were comfortably met at June 2026.

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, subject to approval by the Company's shareholders. The Board has declared an interim dividend of 2.5 pence per share (2025: 2.2 pence), which is in line with this policy. The interim dividend will be paid on 1 December 2026 to shareholders on the register at the close of business on 23 October 2026. The shares will be marked ex-dividend on 22 October 2026.

Outlook

Market conditions are expected to remain subdued with no material recovery in end-market demand during 2026. Against this backdrop, management remains focused on disciplined execution, tight cost and cash control, and targeted commercial actions to mitigate external cost pressures.

The Landscaping Products performance improvement plan is progressing in line with expectations and remains on track to deliver the previously announced £11 million of annualised cost savings by the end of FY26. The Group's diversified portfolio continues to provide resilience, supported by Roofing Products, and the medium-term growth opportunities in Viridian Solar and Water Management.

Trading in the first half, together with continued operational progress and financial discipline, supports the Board's expectations for FY26, which are unchanged. The Board remains confident that the disciplined execution of our 'Transform & Grow' strategy will support improved margins, cash generation and returns over the medium term, with a pathway to double operating profit.

Simon Bourne
Chief Executive Officer

Condensed consolidated income statement
For the six months ended 30 June 2026

	Notes	**Unaudited six months ended June 2026 £'m**	Unaudited six months ended June 2025 £'m	Audited Year ended December 2025 £'m
Revenue	2	**317.8**	319.5	632.1
Net operating costs	3	**(292.3)**	(301.4)	(600.1)
Operating profit	2	**25.5**	18.1	32.0
Net financial expenses	5	**(5.8)**	(6.4)	(14.3)
Profit before tax		**19.7**	11.7	17.7
Income tax expense	6	**(4.5)**	(2.8)	(3.3)
Profit for the financial period		**15.2**	8.9	14.4
Earnings per share				
Basic	7	**6.0p**	3.5p	5.7p
Diluted	7	**5.9p**	3.5p	5.6p
Dividend				
Pence per share	8	**2.5p**	2.2p	6.7p

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

	Notes	**Unaudited six months ended June 2026 £'m**	Unaudited six months ended June 2025 £'m	Audited Year ended December 2025 £'m
Operating profit				
Operating profit		**25.5**	18.1	32.0
Adjusting items	4	**5.2**	10.3	24.4
Adjusted operating profit		**30.7**	28.4	56.4
Profit before tax				
Profit before tax		**19.7**	11.7	17.7
Adjusting items	4	**5.2**	10.3	26.0
Adjusted profit before tax		**24.9**	22.0	43.7
Profit after tax				
Profit for the financial period		**15.2**	8.9	14.4
Adjusting items (net of tax)	4	**3.9**	7.8	19.6
Adjusted profit after tax		**19.1**	16.7	34.0
Earnings per share after adding back adjusting items				
Basic	7	**7.6p**	6.6p	13.4p
Diluted	7	**7.5p**	6.6p	13.3p

Condensed consolidated statement of comprehensive income
For the six months ended 30 June 2026

	Unaudited six months ended June 2026 £'m	Unaudited six months ended June 2025 £'m	Audited Year ended December 2025 £'m
Profit for the financial period	**15.2**	8.9	14.4
Other comprehensive income/(expense)			
Items that will not be reclassified to the Income Statement:			
Re-measurements of the net defined benefit surplus	**(0.3)**	1.6	0.2
Deferred tax arising	**0.1**	(0.4)	(0.1)
Total items that will not be reclassified to the Income Statement	**(0.2)**	1.2	0.1
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	**(0.4)**	(0.3)	0.1
Fair value of cash flow hedges transferred to the Income Statement	**0.2**	(0.9)	(1.1)
Deferred tax arising	**0.1**	0.2	0.2
Exchange difference on retranslation of foreign currency net investment	**(0.1)**	(0.1)	(0.2)
Total items that are or may be reclassified to the Income Statement	**(0.2)**	(1.1)	(1.0)
Other comprehensive income for the period, net of income tax	**(0.4)**	0.1	(0.9)
Total comprehensive income for the period	**14.8**	9.0	13.5

Condensed consolidated balance sheet
As at 30 June 2026

	Notes	**Unaudited June 2026 £'m**	Unaudited June 2025 £'m	Audited December 2025 £'m
Assets				
Non-current assets				
Goodwill	9	**324.4**	324.4	324.4
Intangible assets	10	**200.0**	212.2	206.0
Property, plant and equipment	11	**223.7**	228.6	223.9
Right-of-use assets		**37.9**	40.2	38.7
Employee benefits	12	**25.0**	26.0	24.9
Deferred taxation assets		**1.2**	2.3	0.7
		812.2	833.7	818.6
Current assets				
Inventories		**135.7**	140.2	137.2
Trade and other receivables		**117.1**	109.6	79.6
Cash and cash equivalents		**6.4**	16.7	4.9
Assets classified as held for sale		**0.8**	0.7	0.9
Derivative financial instruments		**-**	0.3	0.2
		260.0	267.5	222.8
Total assets		**1,072.2**	1,101.2	1,041.4
Liabilities				
Current liabilities				
Trade and other payables		**134.8**	134.0	117.3
Corporation tax		**3.6**	2.0	2.2
Lease liabilities	13	**5.7**	5.6	5.6
Interest-bearing loans and borrowings	14	**-**	9.1	-
Derivative financial instruments		**-**	0.3	-
		144.1	151.0	125.1
Non-current liabilities				
Lease liabilities	13	**32.8**	34.7	33.5
Interest-bearing loans and borrowings	14	**143.2**	159.2	142.8
Provisions		**5.2**	3.8	5.2
Deferred taxation liabilities		**76.1**	82.0	79.1
		257.3	279.7	260.6
Total liabilities		**401.4**	430.7	385.7
Net assets		**670.8**	670.5	655.7
Equity				
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		**(0.8)**	(0.4)	(0.4)
Retained earnings		**404.5**	403.8	389.0
Total equity		**670.8**	670.5	655.7

Condensed consolidated cash flow statement
For the six months ended 30 June 2026

	Notes	**Unaudited six months ended June 2026 £'m**	Unaudited six months ended June 2025 £'m	Audited Year ended December 2025 £'m
Cash generated from operations	17	**23.5**	9.3	64.0
Financial expenses paid		**(5.0)**	(6.3)	(16.1)
Income tax paid		**(6.4)**	(6.7)	(9.0)
Net cash flow from operating activities		**12.1**	(3.7)	38.9
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		**1.5**	0.8	0.8
Acquisition of property through corporate structure		**-**	(2.9)	(2.9)
Acquisition of property, plant and equipment		**(8.4)**	(6.3)	(13.1)
Acquisition of intangible assets		**(0.1)**	(0.5)	(0.5)
Net cash flow from investing activities		**(7.0)**	(8.9)	(15.7)
Cash flows from financing activities				
Payments to acquire own shares		**(0.5)**	(0.8)	(0.9)
Repayment of borrowings		**(38.0)**	(10.0)	(42.1)
New loans		**38.0**	25.0	32.1
Cash payment for the principal portion of lease liabilities		**(3.1)**	(3.5)	(6.9)
Equity dividends paid		**-**	-	(19.2)
Net cash flow from financing activities		**(3.6)**	10.7	(37.0)
Net increase/(decrease) in cash and cash equivalents		**1.5**	(1.9)	(13.8)
Cash and cash equivalents at the beginning of the period		**4.9**	18.9	18.9
Effect of exchange rate fluctuations		**-**	(0.3)	(0.2)
Cash and cash equivalents at the end of the period		**6.4**	16.7	4.9

Condensed consolidated statement of changes in equity
for the six months ended 30 June 2026

	Share capital £'m	Share premium & merger reserve £'m	Capital redemption & consolidation reserves £'m	Other reserves* £'m	Retained earnings £'m	Total equity £'m
At 1 January 2026	63.2	341.6	(137.7)	(0.4)	389.0	655.7
Total comprehensive income/(expense) for the period						
Profit for the financial period	-	-	-	-	15.2	15.2
Other comprehensive income/(expense)						
Foreign currency translation differences	-	-	-	(0.1)	-	(0.1)
Effective portion of changes in fair value of cash flow hedges	-	-	-	(0.4)	-	(0.4)
Net change in fair value of cash flow hedges transferred to the Income Statement	-	-	-	0.2	-	0.2
Deferred tax arising	-	-	-	0.1	-	0.1
Defined benefit plan actuarial gain	-	-	-	-	(0.3)	(0.3)
Deferred tax arising	-	-	-	-	0.1	0.1
Total other comprehensive income/(expense)	-	-	-	(0.2)	(0.2)	(0.4)
Total comprehensive income/(expense) for the period	-	-	-	(0.2)	15.0	14.8
Transactions with owners						
Share-based payments	-	-	-		0.8	0.8
Purchase of own shares	-	-	-	(0.5)	-	(0.5)
Own shares exercised under share scheme	-	-	-	0.3	(0.3)	-
Total contributions by and distributions to owners	-		-	(0.2)	0.5	0.3
At 30 June 2026	63.2	341.6	(137.7)	(0.8)	404.5	670.8

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 2025

	Share capital £'m	Share premium & merger reserve £'m	Capital redemption & consolidation reserves £'m	Other reserves* £'m	Retained earnings £'m	Total equity £'m
At 1 January 2025	63.2	341.6	(137.7)	0.5	393.7	661.3
Total comprehensive income/(expense) for the period						
Profit for the financial period	-	-	-	-	8.9	8.9
Other comprehensive income/(expense)						
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)
Total other comprehensive income/(expense)	-	-	-	(1.1)	1.2	0.1
Total comprehensive income/(expense) for the period	-	-	-	(1.1)	10.1	9.0
Transactions with owners						
Share-based payments	-	-	-	-	1.0	1.0
Purchase of own shares	-	-	-	(0.8)	-	(0.8)
Own shares exercised under share scheme	-	-	-	1.0	(1.0)	-
Total contributions by and distributions to owners	-	-	-	0.2	-	0.2
At 30 June 2025	63.2	341.6	(137.7)	(0.4)	403.8	670.5

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 2025

	Share capital £'m	Share premium & merger reserve £'m	Capital redemption & consolidation reserves £'m	Other reserves* £'m	Retained earnings £'m	Total equity £'m
At 1 January 2025	63.2	341.6	(137.7)	0.5	393.7	661.3
Total comprehensive income/(expense) for the year						
Profit for the financial year	-	-	-		14.4	14.4
Other comprehensive income/(expense)						
Foreign currency translation differences	-	-	-	(0.2)	-	(0.2)
Effective portion of changes in fair value of cash flow hedges	-	-	-	0.1	-	0.1
Net change in fair value of cash flow hedges transferred to the Income Statement	-	-	-	(1.1)	-	(1.1)
Deferred tax arising	-	-	-	0.2	-	0.2
Defined benefit plan actuarial loss	-	-	-	-	0.2	0.2
Deferred tax arising	-	-	-	-	(0.1)	(0.1)
Total other comprehensive income/(expense)	-	-	-	(1.0)	0.1	(0.9)
Total comprehensive income/(expense) for the period	-	-	-	(1.0)	14.5	13.5
Transactions with owners						
Share-based payments	-	-	-	-	1.0	1.0
Dividends to equity shareholders	-	-	-	-	(19.2)	(19.2)
Purchase of own shares	-	-	-	(0.9)	-	(0.9)
Own shares exercised under share scheme	-	-	-	1.0	(1.0)	-
Total contributions by and distributions to owners	-	-	-	0.1	(19.2)	(19.1)
At 31 December 2025	63.2	341.6	(137.7)	(0.4)	389.0	655.7

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 2026

1. Basis of preparation

These unaudited condensed consolidated interim financial statements for the six months ended 30 June 2026 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 2025, 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 10 August 2026.

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 2025 were approved by the Board on 16 March 2026 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).

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 2025. To ensure comparability between periods, £3.2 million of liabilities associated with dilapidation and restoration obligations previously included within Trade and other payables as at June 2025 have been reclassified to Provisions in the comparative information, consistent with the presentation adopted as at December 2025 and June 2026.

The Group operates a formal risk management process, the details of which are set out on pages 52 to 54 of the Annual Report for the year ended 31 December 2025. The risks assessed in preparing these condensed consolidated interim financial statements are consistent with those set out on pages 55 to 60 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 2025 Annual Report and Accounts and an update is included in Note 20 of 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 and profitability 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 £270 million that principally matures in November 2029. At June 2026, £125 million of the Group's revolving credit facility of £150 million was undrawn, which together with the £120 million term loan, provides the Group with significant liquidity to fund its strategic and operational plans going forward. 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 1.7 times (covenant maximum of three times) and interest cover of 6.1 times (covenant minimum of three times).

Taking these factors into account, the Board has the reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future, and at least twelve months from the date this report has been authorised for issue, 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 Street Furniture. Building Products comprises the Group's Water Management, Bricks and Masonry, Mortars and Screeds and Aggregates businesses. Roofing Products comprises Marley Roofing and Viridian Solar.

Segment revenues and operating profit

	Unaudited six months ended June 2026 £'m	Unaudited six months ended June 2025 £'5	Audited year ended December 2025 £'m
Revenue			
Landscaping Products	**135.1**	135.4	265.8
Building Products	**85.6**	86.4	172.0
Roofing Products	**97.1**	97.7	194.3
Revenue	**317.8**	319.5	632.1
Operating profit			
Landscaping Products	**5.5**	0.3	0.6
Building Products	**6.2**	6.9	13.0
Roofing Products	**23.1**	24.8	50.2
Central costs	**(4.1)**	(3.6)	(7.4)
Segment adjusted operating profit	**30.7**	28.4	56.4
Adjusting items (see Note 4)	**(5.2)**	(10.3)	(24.4)
Reported operating profit*	**25.5**	18.1	32.0

*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 £317.3 million (six months ended June 2025: £319.0 million; year ended December 2025: £631.1 million) and Rest of the World £0.5 million (six months ended June 2025: £0.5 million; year ended December 2025: £1.0 million).

Segment assets

	Unaudited June 2026 £'m	Unaudited June 2025 £'m	Audited December 2025 £'m
Segment assets			
Landscaping Products	**208.0**	218.8	212.9
Building Products	**138.9**	143.0	139.4
Roofing Products	**575.6**	584.5	578.8
Unallocated assets	**149.7**	154.9	110.3
Total	**1,072.2**	1,101.2	1,041.4

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 2026 £'m	Unaudited six months ended June 2025 £'m	Audited year ended December 2025 £'m
Capital additions			
Landscaping Products	**7.6**	7.2	10.6
Building Products	**1.5**	2.2	6.5
Roofing Products	**2.8**	5.0	8.4
Total	**11.9**	14.4	25.5

Capital additions comprise property, plant and equipment (£8.7 million), right-of-use assets (£3.1 million) and intangible assets (£0.1 million).

Depreciation and amortisation

	Unaudited six months ended June 2026 £'m	Unaudited six months ended June 2025 £'m	Audited year ended December 2025 £'m
Depreciation and amortisation			
Landscaping Products	**6.9**	7.8	14.9
Building Products	**3.8**	3.9	8.0
Roofing Products	**2.6**	2.8	5.7
Segment depreciation and amortisation	**13.3**	14.5	28.6
Adjusting items	**5.2**	5.2	10.3
Depreciation and amortisation	**18.5**	19.7	38.9

Depreciation and amortisation includes £5.2 million of amortisation of intangible assets arising from the purchase price allocation exercises (six months ended June 2025: £5.2 million; year ended December 2025: £10.3 million) comprising £nil million (six months ended June 2025: £0.1 million; year ended December 2025: £nil million) in Landscaping Products, £0.6 million in Building Products (six months ended June 2025: £0.6 million; year ended December 2025: £1.1 million) and £4.6 million in Roofing Products (six months ended June 2025: £4.5 million; year ended December 2025: £9.2 million). This amortisation has been treated as an adjusting item (Note 4).

3. Net operating costs

	Unaudited six months ended June 2026 £'m	Unaudited six months ended June 2025 £'m	Audited year ended December 2025 £'m
Raw materials and consumables	**118.2**	119.4	238.8
Changes in inventories of finished goods and work in progress	**2.3**	(0.7)	0.9
Personnel costs	**66.4**	68.0	133.7
Depreciation of property, plant and equipment	**8.8**	10.1	19.8
Depreciation of right-of-use assets	**3.6**	3.5	6.8
Amortisation of intangible assets	**6.1**	6.1	12.3
Asset impairments	**-**	2.6	4.5
Own work capitalised	**(0.1)**	(0.2)	(0.2)
Other operating costs	**90.9**	90.8	175.4
Redundancy and other costs	**-**	2.5	9.6
Operating costs	**296.2**	302.1	601.6
Other operating income	**(2.7)**	(0.8)	(1.6)
Net (gain)/loss on asset and property disposals	**(1.2)**	0.1	0.1
Net operating costs	**292.3**	301.4	600.1
Adjusting items (Note 4)	**(5.2)**	(10.3)	(24.4)
Adjusted net operating costs	**287.1**	291.1	575.7

4. Adjusting items

	Unaudited six months ended June 2026 £'m	Unaudited six months ended June 2025 £'m	Audited year ended December 2025 £'m
Amortisation of intangible assets arising on acquisitions	**5.2**	5.2	10.3
Restructuring and similar charges	**-**	2.5	9.6
Impairment of property, plant and equipment	**-**	2.6	4.5
Total adjusting items within operating profit	**5.2**	10.3	24.4
Adjusting item in interest expense	**-**	-	1.6
Total adjusting items before taxation	**5.2**	10.3	26.0
Current tax on adjusting items (Note 6)	**-**	(0.6)	(2.7)
Deferred tax on adjusting items (Note 6)	**(1.3)**	(1.9)	(3.7)
Total adjusting items after taxation	**3.9**	7.8	19.6

- Amortisation of intangible assets arising on acquisitions is principally in respect of brands and customer relationships.
- Restructuring and similar costs in 2025 arose during major restructuring exercises conducted when the Group took steps to reduce its cost base as part of the Landscaping Performance Improvement Plan
- The impairment of property, plant and equipment in 2025 arose in connection with the major restructuring exercises noted above
- Following the refinancing of the Group's debt facilities during 2025, the unamortised balance of arrangement fees was written off to the income statement as a non-cash charge. These fees had been recognised as part of the carrying amount of the related borrowing and amortised over the term of the facilities using the effective interest rate; on derecognition/repayment of the original facilities, the remaining unamortised balance was expensed.

5. Financial expenses

	Unaudited six months ended June 2026 £'m	Unaudited six months ended June 2025 £'m	Audited year ended December 2025 £'m
Net interest expense on bank loans	**5.2**	5.7	11.3
Interest expense of lease liabilities	**1.0**	1.0	2.0
Net interest credit on defined benefit pension scheme	**(0.4)**	(0.3)	(0.6)
	5.8	6.4	12.7
Additional interest expense on refinancing of bank loans	**-**	-	1.6
Financial expenses	**5.8**	6.4	14.3

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

6. Income tax expense

	Unaudited six months ended June 2026 £'m	Unaudited six months ended June 2025 £'m	Audited year ended December 2025 £'m
Current tax expense			
Current year	**7.9**	4.8	7.8
Adjustments for prior years	**-**	-	(1.2)
	7.9	4.8	6.6
Deferred taxation expense			
Origination and reversal of temporary differences:			
Current year	**(3.4)**	(2.0)	(3.5)
Adjustments for prior years	-	-	0.2
Total tax expense	**4.5**	2.8	3.3
Current tax on adjusting items (Note 4)	**-**	0.6	2.7
Deferred tax on adjusting items (Note 4)	**1.3**	1.9	3.7
Total tax expenses after adding back adjusting items	**5.8**	5.3	9.7

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 2026 £'m	Unaudited six months ended June 2025 £'m	Audited year ended December 2025 £'m
Profit attributable to ordinary shareholders	**15.2**	8.9	14.4
Adjusting items (net of tax)	**3.9**	7.8	19.6
Adjusted profit attributable to ordinary shareholders	**19.1**	16.7	34.0

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 2026 Number	Unaudited six months ended June 2025 Number	Audited year ended December 2025 Number
Number of issued ordinary shares	**252,968,728**	252,968,728	252,968,728
Effect of shares transferred into Employee Benefit Trust	**(209,865)**	(126,677)	(99,807)
Weighted average number of ordinary shares	**252,758,863**	252,842,051	252,868,921
Effect of potentially dilutive ordinary shares	**2,754,331**	1,308,695	1,636,634
Diluted weighted average number of ordinary shares	**255,513,194**	254,150,746	254,505,555

8. Dividends

The Group maintains a dividend policy of distributions covered twice by adjusted earnings. The Board has declared an interim dividend for 2026 of 2.5 pence per qualifying Ordinary Share amounting to £6.3 million, to be paid on 1 December 2026 to shareholders registered at the close of business on 23 October 2026. The shares will be marked ex-dividend on 22 October 2026.

9. Goodwill

	Unaudited June 2026 £'m	Unaudited June 2025 £'m	Audited December 2025 £'m
Net book value at end of period	**324.4**	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 allocated to CGUs at each period end is as follows:

	Unaudited June 2026 £'m	Unaudited June 2025 £'m	Audited December 2025 £'m
Landscaping Products	**34.8**	34.8	34.8
Building Products	**43.7**	43.7	43.7
Roofing Products	**245.9**	245.9	245.9
Net book value at end of period	**324.4**	324.4	324.4

During the period, the performance of all CGUs was in line with plan and no other indicators of impairment were identified. A full impairment review will be conducted for all CGUs as part of the 2026 year-end process.

10. Intangible assets

	Unaudited June 2026 £'m	Unaudited June 2025 £'m	Audited December 2025 £'m
Net book value at start of period	**206.0**	217.8	217.8
Additions	**0.1**	0.5	0.5
Amortisation	**(6.1)**	(6.1)	(12.3)
Net book value at end of period	**200.0**	212.2	206.0

Amortisation includes £5.2 million (six months ended June 2025: £5.2 million, year ended December 2025: £10.3 million) relating to intangible assets arising on acquisitions that is accounted for as an adjusting item (see Note 4). Included in software additions is £0.1 million (six months ended June 2025: £0.2 million; year ended December 2025: £0.2 million) of own work capitalised.

11. Property, plant and equipment

	Unaudited June 2026 £'m	Unaudited June 2025 £'m	Audited December 2025 £'m
Net book value at start of period	**223.9**	234.8	234.8
Additions	**8.7**	6.5	13.3
Depreciation	**(8.8)**	(10.1)	(19.8)
Impairment	**-**	(2.6)	(4.5)
Other movements	**(0.1)**	-	0.1
Net book value at end of period	**223.7**	228.6	223.9

Impairment in 2025 represents the assets being written down to recoverable value in relation to major restructuring exercises at certain facilities in the Group's operational network (see Note 4).

12. Retirement benefit asset

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

	Unaudited June 2026 £'m	Unaudited June 2025 £'m	Audited December 2025 £'m
Present value of Scheme liabilities	**(193.7)**	(198.4)	(200.9)
Fair value of Scheme assets	**218.7**	224.4	225.8
Net amount recognised (before deferred tax)	**25.0**	26.0	24.9

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 2026 £'m	Unaudited June 2025 £'m	Audited December 2025 £'m
Analysed as:			
Amounts due for settlement within twelve months	**5.7**	5.6	5.6
Amounts due for settlement after twelve months	**32.8**	34.7	33.5
Lease liabilities	**38.5**	40.3	39.1

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 2026, the average effective borrowing rate was 4.9 per cent (six months ended June 2025: 5.0 per cent; year ended December 2025: 4.9 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 £4.1 million (six months to June 2025: £4.5 million; year ended December 2025: £9.1 million). The total cash outflow in relation to short-term and low value leases was £1.9 million (six months ended June 2025: £2.9 million; year ended December 2025: £5.1 million).

14. Interest bearing loans and borrowings

	Unaudited June 2026 £'m	Unaudited June 2025 £'m	Audited December 2025 £'m
Analysed as:			
Current liabilities	**-**	9.1	-
Non-current liabilities	**143.2**	159.2	142.8
Interest bearing loans and borrowings	**143.2**	168.3	142.8

Interest bearing loans and borrowings are stated net of unamortised debt arrangement fees of £1.8 million (June 2025: £1.7 million; December 2025: £2.2 million). The total syndicated bank facility at June 2026 was £270 million (June 2025: £315 million; December 2025: £270 million), of which £125 million (June 2025: £145 million; December 2025: £125 million) remained unutilised. Long-term funding stability was achieved during 2025 with the extension of the Group's banking facility until November 2029 with no change in commercial terms.

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.

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

15. Analysis of net debt

	Unaudited June 2026 £'m	Unaudited June 2025 £'m	Audited December 2025 £'m
Cash at bank and in hand	**6.4**	16.7	4.9
Debt due within 1 year	**-**	(9.1)	-
Debt due after 1 year	**(143.2)**	(159.2)	(142.8)
Lease liabilities	**(38.5)**	(40.3)	(39.1)
Net debt	**(175.3)**	(191.9)	(177.0)

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

	Unaudited six months ended June 2026 £'m	Unaudited six months ended June 2025 £'m	Audited year ended December 2025 £'m
Net increase/(decrease)in cash equivalents	**1.5**	(1.9)	(13.8)
Cash (inflow)/outflow from movement in bank borrowings	**-**	(15.0)	10.0
Cash outflow from lease repayments	**3.1**	3.5	6.9
New leases entered into	**(2.6)**	(8.4)	(10.6)
Effect of prepaid arrangement fees and exchange rate fluctuations	**(0.3)**	(0.8)	(0.2)
Movement in net debt in the period	**1.7**	(22.6)	(7.7)
Net debt at beginning of the period	**(177.0)**	(169.3)	(169.3)
Net debt at end of the period	**(175.3)**	(191.9)	(177.0)

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

	Notes	**Unaudited six months ended June 2026 £'m**	Unaudited six months ended June 2025 £'m	Audited year ended December 2025 £'m
Profit after taxation		**15.2**	8.9	14.4
Income tax	6	**4.5**	2.8	3.3
Profit before tax		**19.7**	11.7	17.7
Adjustments for:				
Depreciation of property, plant and equipment	11	**8.8**	10.1	19.8
Asset impairments	4	**-**	2.6	4.5
Depreciation of right-of-use assets		**3.6**	3.5	6.8
Amortisation		**6.1**	6.1	12.3
(Gain)/loss on sale of property, plant and equipment		**(1.1)**	0.1	0.1
Equity settled share-based payments		**0.3**	1.0	1.0
Financial income and expenses (net)	5	**5.8**	6.4	14.3
Operating cash flow before changes in working capital		**43.2**	41.5	76.5
(Increase)/decrease in trade and other receivables		**(37.0)**	(23.7)	2.2
Decrease/(increase) in inventories		**1.5**	(2.0)	1.0
Increase /(decrease) in trade and other payables		**15.8**	(6.5)	(15.7)
Cash generated from operations		**23.5**	9.3	64.0

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 2026 is shown below:

	Book value			**Fair value**		
	Unaudited six months ended June 2026 £'m	Unaudited six months ended June 2025 £'m	Audited year ended December 2025 £'m	**Unaudited six months ended June 2026 £'m**	Unaudited six months ended June 2025 £'m	Audited year ended December 2025 £'m
Trade and other receivables	**111.7**	106.0	75.2	**111.7**	106.0	75.2
Cash and cash equivalents	**6.4**	16.7	4.9	**6.4**	16.7	4.9
Bank loans	**(143.2)**	(168.3)	(142.8)	**(139.2)**	(157.1)	(142.0)
Trade payables, other payables and provisions	**(122.7)**	(123.1)	(112.7)	**(122.7)**	(123.1)	(112.7)
Derivatives	**-**	-	0.2	**-**	-	0.2
Financial instrument assets and liabilities – net	**(147.8)**	(168.7)	(175.2)			
Non-financial instrument assets and liabilities – net	**818.6**	839.2	830.9			
Net assets	**670.8**	670.5	655.7			

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) 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.

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

APM	Definition and purpose
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

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

Reconciliations of IFRS reported income statement measures to income statement APMs is set out in the following three tables. A reconciliation of operating profit to pre-IFRS16 adjusted EBITDA is set out below:

	Unaudited six months ended June 2026 £'m	Unaudited six months ended June 2025 £'m	Audited year ended December 2025 £'m
Operating profit	**25.5**	18.1	32.0
Adjusting items (Note 4)	**5.2**	10.3	24.4
Adjusted operating profit	**30.7**	28.4	56.4
Amortisation (excluding amortisation of intangible assets arising on acquisitions)	**0.9**	0.9	2.0
Adjusted EBITA	**31.6**	29.3	58.4
Depreciation	**12.4**	13.6	26.6
Adjusted EBITDA	**44.0**	42.9	85.0
(Profit)/loss on sale of property, plant and equipment	**(1.1)**	(0.1)	0.1
Right-of-use asset payments	**(4.1)**	(4.5)	(6.9)
Pre-IFRS16 adjusted EBITDA	**38.8**	38.3	78.2

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 2026 £'m	**Unaudited six months ended December 2025 £'m**	**Unaudited 12 months ended June 2026 £'m**	Audited year ended December 2025 £m
Net debt			**175.3**	177.0
IFRS 16 leases			**(38.5)**	(39.1)
Net debt on a pre-IFRS16 basis			**136.8**	137.9
Adjusted pre-IFRS16 EBITDA	**38.8**	**39.9**	**78.7**	78.2
Pre-IFRS16 net debt leverage			**1.7**	1.8

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

	Unaudited six months ended June 2026 £'m	**Unaudited six months ended December 2025 £'m**	**Unaudited 12 months ended June 2026 £'m**	Audited year ended December 2025 £m
Adjusted EBITA	**31.6**	**29.1**	**60.7**	58.4
Shareholders' funds			**670.8**	655.7
Net debt			**175.3**	177.0
Capital employed			**846.1**	832.7
ROCE			**7.2%**	7.0%

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 2026 £'m	**Unaudited six months ended December 2025 £'m**	**Unaudited 12 months ended June 2026 £'m**	Audited year ended December 2025 £m
Net cash flow from operating activities	**12.1**	**42.6**	**54.7**	38.9
Adjusting items paid	**2.9**	**3.3**	**6.2**	10.9
Net financial expenses paid	**5.0**	**9.8**	**14.8**	16.1
Taxation paid	**6.4**	**2.3**	**8.7**	9.0
Adjusted operating cash flow	**26.4**	**58.0**	**84.4**	74.9
Adjusted EBITDA	**44.0**	**42.1**	**86.1**	85.0
Operating cash flow conversion			**98%**	88%

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 new technology risks. 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 within the UK construction industry and is therefore susceptible to economic downturns, changes in UK Government policy, volatility in financial markets and continuing geopolitical uncertainty, including conflicts in Ukraine and the Middle East. Uncertainty persists regarding the future trajectory and pace of interest rate changes, plus consumer confidence continues to be subdued and the Board is not expecting a significant increase in market activity levels in the short term. The Group's primary mitigation has been the execution of its diversification strategy, and its self-help actions focused on improving profitability in Landscaping Products, together with disciplined working capital management to maintain flexibility and be ready for any market recovery.

- Cyber security – A significant cyber security incident remains a principal risk, with the potential to cause operational disruption, financial loss, data compromise and reputational damage. The external threat environment continues to evolve, driven by increasingly sophisticated attack methods, heightened geopolitical tensions and the growing use of AI-enabled cyber capabilities by threat actors. During the period, the Group has continued to strengthen its cyber security controls and resilience through the operation of a 24/7 Security Operations Centre, enhanced employee awareness and phishing training, improved vulnerability management, strengthened incident response planning and a targeted programme to address legacy technology risks. While these actions have further improved the Group's cyber resilience, the external threat landscape remains elevated and cyber security continues to represent a principal risk to the business.

- Competitor activity – Market activity levels continue to be subdued which has increased competitive intensity in most of the Group’s end markets. In addition, incremental oil price-related cost inflation arising from the conflict in the Middle East increased the Group’s cost base, particularly through higher distribution and manufacturing costs. A focus on volume in the marketplace made it more difficult to pass on these incremental costs through the supply chain. The Group’s response has been measured and focused on working with customers to recover these costs where possible, 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. Investment in digital capability, customer insight, CRM and operational efficiency is also improving ease of doing business and supporting the Group’s ability to respond quickly to changing market and competitive conditions.

The other principal risks and uncertainties that could affect the business for the remainder of the current financial year are those set out in the 2025 Annual Report and Accounts on pages 55 to 60. 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 risk, 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 Executive Officer; Angela Bromfield, Non-executive Director; Avis Darzins, Non-Executive Director; Diana Houghton, Senior Non-executive Director; Justin Lockwood, Chief Financial Officer; and Paul Inman, 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 2026, the Group’s Board members were as follows:

Vanda Murray OBE	Chair
Simon Bourne	Chief Executive Officer
Angela Bromfield	Non-Executive Director
Avis Darzins	Non-Executive Director
Diana Houghton	Senior Non-Executive Director
Paul Inman	Non-Executive Director
Justin Lockwood	Chief Financial Officer

The responsibilities of the Directors during their period of service were as set out on page 115 of the 2025 Annual Report.

By order of the Board
Shiv Sibal
Group Company Secretary
10 August 2026

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 2026 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 2026 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
10 August 2026

Shareholder Information

Financial calendar

Interim dividend for the year ending December 2026	Payable 1 December 2026
Results for the year ending December 2026	Announcement March 2027
Report and accounts for the year ending December 2026	April 2027
Annual General Meeting	May 2027

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.

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.