Brickability Group PLC
LEI: 213800SK28MWXB3K3P26
16 July 2024

Brickability Group PLC

("Brickability" the "Company" or the "Group")

Unaudited preliminary results for the year ended 31 March 2024

Further strategic progress in a challenging year; well positioned when end markets improve

Brickability Group PLC (AIM: BRCK), a leading distributor and provider of specialist products and services to the UK construction industry, is pleased to announce its unaudited preliminary results for the twelve-month period ended 31 March 2024.

Financial Summary

	(Unaudited) 2024 £m	**(Audited) 2023 £m**	**% Change**
Revenue	**594.1**	681.1	(12.8)%
Gross profit	**105.8**	112.9	(6.3)%
Adjusted EBITDA (2)	**44.9**	51.5	(12.8)%
Profit before tax	**21.4**	34.5	(38.0)%
Adjusted profit before tax (3)	**35.3**	44.6	(20.9)%
EPS	**5.06p**	9.26p	(45.4)%
Adjusted EPS (4)	**8.66p**	11.93p	(27.4)%
Net (debt) (5)	**(56.5)**	(8.0)	
Final proposed dividend	**2.28p**	2.15p	6.0%
Total dividend for the year	**3.35p**	3.16p	6.0%

- Revenue decreased by 12.8% to £594.1m (2023: £681.1m)
- Group like-for-like(1) revenue decline of 17.9% versus 2023
- Gross profit decreased by 6.3% to £105.8m (2023: £112.9m)
- Gross profit margin of 17.8% (2023: 16.6%)
- Adjusted EBITDA(2) decreased by 12.8% to £44.9m (2023: £51.5m)
- Adjusted Profit before tax(3) decreased by 20.9% to £35.3m (2023: £44.6m)
- Statutory Profit before tax decreased by 38.0% to £21.4m (2023: £34.5m)
- Statutory EPS decreased by 45.4% to 5.06p (2023: 9.26p)
- Adjusted EPS(4) decreased by 27.1% to 8.66p (2023: 11.93p)
- Net debt(5) as at 31 March £56.5m (2023: £8.0m)
- Proposed final dividend of 2.28 pence per share, totalling 3.35 pence per share for the year, an increase of 6.0% (2023: 3.16p)

Operational and strategic highlights
- Resilient performance, despite a challenging sector environment, reflecting the Group's strategic position within the industry.
- Acquisitions of Group Topek Holdings Limited in October 2023 and Topek Southern Limited in January 2024.
- These strategic acquisitions bring the Group full-service specialist cladding installation and remediation contracting businesses with national presence, and further diversification from its traditional housing markets.
- Good progress advancing our ESG strategy.

Current trading and outlook
- Trading in the current financial year to date is in line with management's expectations.
- Appointment of Frank Hanna to the Board as CEO on 15 April 2024, succeeding Alan Simpson.
- On 12 June 2024, the Group completed the sale of a freehold property for consideration of £2.9 million.
- The Board remains confident of the Group's ability to deliver long-term shareholder value with the business well positioned to recover strongly as market conditions improve.

John Richards, Chairman of Brickability, said:

"Over the past year there have been a number of well-documented challenges impacting the housebuilding and RMI markets. Against this macro backdrop, the Group has continued to demonstrate resilience and deliver a robust financial performance. It is particularly pleasing to see the Group's strategic focus on diversification of products and end markets yielding benefits. This, coupled with our capital-efficient business model and continued focus on disciplined capital allocation and cost control, has been a key driver of our resilience. The results we achieved this year are thanks to the dedication and determination of our people, who look to consistently deliver excellent service while seizing opportunities as they arise."

(1) Like-for-like revenue is a measure of growth in sales, adjusted for the impact of acquisitions.
(2) Earnings before interest, tax, depreciation, amortisation and other non-underlying items (See Financial Review and note 5).
(3) Statutory profit before tax excluding non-underlying items (see Financial Review and note 5).
(4) Adjusted profit after tax (statutory profit after tax before non-underlying items) divided by the weighted average number of shares in the year.
(5) Bank borrowings less cash.

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About Brickability

Brickability Group PLC is a leading distributor and provider of specialist products and services to the UK construction industry. The business comprises four divisions: Bricks and Building Materials, Importing, Distribution and Contracting. With an agile, de-centralised, capital-light business model, supported by a strong balance sheet, Brickability leverages the skills of its people company-wide to effectively service the complex and evolving needs of the construction industry.

Founded in 1985, the Group has grown organically through product diversification and geographic expansion, as well as through the acquisition of specialist businesses that support its long-term strategy for growth. Today, the Group encompasses a diverse portfolio of market-leading brands and a dedicated team of over 800 skilled professionals, led by a management team with deep-rooted knowledge and experience in the UK and European construction industries.

The Group is committed to building better communities throughout the supply chain and supporting the delivery of sustainable developments that enhance the built environment for future generations, while delivering continuous value for shareholders.

Chairman's Statement

Overview

Over the past year, there have been a number of well-documented challenges impacting the housebuilding and RMI markets. Against this macroeconomic backdrop, the Group has continued to demonstrate resilience and deliver a robust financial performance.

It is particularly pleasing to see the Group's strategic focus on diversification of products and end markets yielding benefits. This, coupled with our capital-efficient business model and continued focus on disciplined capital allocation and cost control, has been a key driver of our resilience.

This year the Group expanded further into the cladding remediation market, acquiring two fantastic businesses that benefit from strong forward order books. Through these acquisitions we have also brought in new, high-quality individuals, increasing the bandwidth of our existing management team. We have an active acquisition opportunity appraisal process which positions the

Group well for future inorganic expansion and we remain committed to pursuing strategic opportunities aligned with our long-term objectives of building a sustainable business and delivering value to shareholders.

Whilst activity levels in the housebuilding sector remain subdued, the longer-term underlying fundamentals of our chosen markets remain strong. The Board believes that, with leading positions across a diverse portfolio offering, the Group is well-positioned to benefit from a recovery in volumes. Following the recent General Election results, the Group awaits further details from the Labour Government of their housing recovery plan to boost house building.

This has been another successful year for the Group. The results achieved are mostly thanks to the commitment and hard work of all our colleagues within the Group's businesses.

Acquisitions
We continue to focus on diversifying our product portfolio and associated end markets through acquisition, and it is pleasing to see the benefits from this strategy emerging.

In October 2023, we completed the first of two strategic acquisitions of specialist cladding installation and remediation contractors, Group Topek Holdings Limited ("Topek"). As a result of the acquisition, the Group significantly increased its exposure to public and commercial end markets and now has a full range of cladding capabilities including design, fabrication, supply, and installation.

The acquisition of Topek Southern Limited ("TSL") in January 2024, further improved the Group's positioning in the cladding market. TSL specialises in delivering façade systems, fire remediation, roofing, and curtain wall solutions for live and occupied sites, acting as principal contractor for commercial and industrial projects across the UK.

The requirement for cladding remediation in the UK has been of huge importance since 2017, and with the additions of Topek and TSL to our portfolio, the Group has created a full-service specialist cladding installation and remediation contracting business with a national presence.

With these fantastic businesses come fantastic people. It has been a pleasure to welcome our new colleagues to the Brickability Group.

Environmental, Social and Governance (ESG)
As part of our developing ESG strategy, we are committed to delivering real and lasting impact to the communities and environments of our places of operation.

This year we commenced a partnership with Earth Trust, an environmental charity dedicated to ensuring everyone across the UK has access to green space, to help fund its 'Inspiring Future Green Leaders' programme. Funding from our Foundation Trust will enable Earth Trust to work with 450 more children across 15 schools, focusing initially on schools in Reading – close to our Group headquarters in Bracknell. Our Charity of the Year was 'Heel and Toe', providing a range of therapies and support for young people with Cerebral Palsy and other disabilities.

On governance, the Board recognises that high standards of corporate governance are fundamental to the long-term success of the Group. We have followed the QCA Corporate Governance Code since entering the public markets in 2019 and will comply with the new QCA Code as published at the end of the last calendar year.

Board and leadership
I would like to take a moment to give special thanks to Alan Simpson, who stepped down from the role of Chief Executive Officer and from the Board. Alan has been instrumental in building the Group into the highly successful business it is today, overseeing the IPO in 2019 and multiple transformative acquisitions since. On behalf of the Board, I thank Alan for his invaluable years of service and congratulate him for his immense achievements.

We are delighted to have our new CEO, Frank Hanna, on board. Frank has over 30 years' experience in the construction industry, and as such I have known Frank for a long time and have every confidence that the Group will continue to grow and deliver value to shareholders under his leadership.

People
I would like to extend my thanks to the many colleagues within the Brickability Group, for their continued dedication, commitment and hard work throughout the year.

Dividends
The Group paid an interim dividend of 1.07 pence per share on 22 February 2024, which reflected the performance of the business and the Board's confidence in the longer-term outlook.

These financial results, coupled with the strength of the balance sheet and the confidence in the future performance of the Group, enables the Board to recommend a final dividend for the year ended 31 March 2024 of 2.28 pence per share, which would bring the total dividend for the year to 3.35 pence, representing a 6% increase over the prior year.

John Richards
Chairman
15 July 2024

Chief Executive's Review

I am pleased to be able to report, early into my tenure as CEO, that the Group delivered a resilient performance for the financial year. I consider this a notable achievement against the backdrop of an uncertain economic environment and a decline in volumes that continued throughout the financial year. This stands as a testament to the hard work and resilience of all Brickability employees, as well as the successful execution of the Group's diversification strategy.

The Group successfully completed two strategically significant acquisitions in the second half of the financial year. These acquisitions continue the successful diversification strategy of the Group, enabling the Group to become a full-service specialist cladding installation and remediation contracting business with national presence.

Whilst revenue fell compared to prior year, gross profit margin was strong at 17.8% (2023: 16.6%). The improvement was supported by a part-year contribution from the higher margin acquisitions, but also improved revenue mix within the existing business divisions, notably the full-year performance of HBS NE (trading as UPOWA) with its enhanced focus on higher margin solar installations for new build homes.

The four divisions, now in the second year of operation, continue to bring benefits in terms of alignment of processes and routines. In this agile, capital light structure, the Group's four distinct business divisions are set out below:

- **Bricks and Building Materials** - incorporates the sale of superior quality building materials to all sectors of the construction industry including national house builders, developers, contractors, general builders and retail to members of the public;
- **Importing** - primarily responsible for strategic importing of building products, the majority of which are on an exclusive basis to the UK market, to complement traditional and contemporary architecture;
- **Distribution** - focuses on the sale and distribution of a wide range of products, including windows, doors, radiators and associated parts and accessories; and
- **Contracting** - provides cladding, fire remediation, flooring and roofing installation services within the residential construction sector and commercial sector.

Full details of our divisions and each of our businesses can be found at https://brickabilitygroupplc.com.

Bricks and Building Materials Division 68% (2023: 73%) of Group Revenue
Revenue of £403.2 million (including internal revenues of £5.7 million (2023: £8.1 million)) for the year ended 31 March 2024 was down £95.4 million on the prior year (2023: £498.6 million), with like-for-like revenue decline of 19.1%. Excluding timber, like-for-like revenue decline was 20.0%. Adjusted EBITDA of £24.4 million for the year ended 31 March 2024 was down £5.7 million on the prior year (2023: £30.1 million).

The impact of weaker economic conditions that have impacted the housing market, especially the new build sector, is reflected in the results of the division. Brick volumes have declined by 28%, which is in line with the market reductions over the financial year. The benefits in the first half of the year of annualised brick supplier price increases helped partially mitigate the impact of volume decline.

Whilst brick volumes are the main driver of the division, the performance of other sectors and the continued growth of higher margin cladding supply businesses led to margins of the division being maintained.

Relative to the market, Taylor, Maxwell & Co performed strongly due to focussed growth in the commercial and social housing sectors. Growth was also seen in the cladding sector, with near double-digit revenue growth in SBS Cladding due to ongoing projects, which are anticipated to continue into the new financial year. The performance of the Timber division was recognised by the industry, winning both Timber Trade of the Year and Softwood Trade: Importer of the year at this year's Timber Trade Journal Awards.

During the financial year, the buyout process for the defined benefit pension scheme was completed and the full liability transferred to an insurance company. The Group now only operates a defined contribution pension scheme.

Importing Division 16% (2023: 17%) of Group Revenue
Revenue of £94.8 million (including internal revenues of £18.1 million (2023: £30.7 million)) for the year ended 31 March 2024 was down £22.8 million on the prior year (2023: £117.6 million), with like-for-like revenue decline of 34.3%. Adjusted EBITDA at £7.9 million for the year ended 31 March 2024 was down £5.3 million on the prior year (2023: £13.2 million).

The reported revenue was supported by the full-year inclusion of the acquisitions made in the prior financial year of Modular Clay Products, E. T. Clay Products and Heritage Clay Tiles. The weaker economic conditions impacting the housing market had a greater impact on the demand for strategically imported bricks, as softer demand results in more availability of domestically manufactured bricks. Imported brick volumes fell 40%, broadly in line with the estimated industry decline.

This decline in demand put pressure on pricing, which resulted in margins declining 288 basis points in the year. It remains our expectation that performance in the division will improve when overall brick market demand reverts to more favourable levels. Our flexible supply chain will allow us to react quickly when this happens.

Distribution Division 11% (2023: 9%) of Group Revenue
Revenue of £62.7 million (including internal revenues of £1.1 million (2023: £0.4 million)) for the year ended 31 March 2024 was marginally down £0.3 million on the prior year (2023: £63.0 million) with like-for-like revenue decline of 0.4%. Adjusted EBITDA at £7.6 million for the year ended 31 March 2024 was down £1.3 million on the prior year (2023: £8.9 million).

Revenue growth was seen across the majority of the businesses within the Distribution division, led by UPOWA. UPOWA grew through the year, focussing on national housebuilders as the demand for renewable forms of energy expands.

Towelrads, after many years of strong growth, saw a single-digit decline in revenue, with the reduction in housing starts mitigated in part by growth from new products and customers.

FSN Doors growth has continued in the mid-range bracket of the market, along with Forum Tiles as it continues to develop its product offering and grow its customer base.

Contracting Division 10% (2023: 6%) of Group Revenue
Revenue of £58.2 million (including internal revenues of £0.0 million (2023: £0.2 million)) for the year ended 31 March 2024 was up £16.9 million on the prior year (2023: £41.3 million) with like-for-like revenue growth of 1.9%. Adjusted EBITDA at £10.1 million for the year ended 31 March 2024 was up £4.5 million on the prior year (2023: £5.6 million).

The division grew both through organic performance as well as through the significant acquisitions made in the second half of the financial year. Topek was acquired in October 2023, and TSL in January 2024. Together they complement the Group's existing cladding portfolio, including Taylor Maxwell Cladding, SBS Cladding, and Architectural Facades, meaning that the Group now benefits from a full range of cladding capabilities including design, fabrication, supply, and installation.

In addition, and reflecting the Group’s continued diversification strategy, the acquisitions increase the Group’s presence specialist areas in the cladding and fire remediation sector. Both acquisitions are performing as expected with integrations proceeding to plan, and both are experiencing strong forward order books as part of the enlarged Group.

The organic growth arose through ongoing contracts with house builders, both in the new build sector and with medium to high-end developers in the South East of England, as well as being supported by one-off contract wins resulting from a competitor going into administration. Margins have continued to recover, driven by the recovery of material price inflation. The division expects the unfavourable economic conditions that have impacted house building to be felt in the following financial year.

The margin of the division increased 376 basis points on a reported basis reflecting the margin recovery across the roofing business in addition to the margin accretion driven by the acquisitions.

Outlook
The Group’s 2024 results, set against a challenging economic backdrop, highlight the strength and growing resilience of the Brickability model. As the Group continues to diversify, we increase our exposure to an expanding range of specialist products and services to the UK construction industry, and at the same time we remain committed to growing in a sustainable manner. Brickability is able to successfully meet the demands and requirements of customers through long-standing relationships with customers and suppliers, consistently delivering a high-quality service.

Whilst the short-term outlook for the housing market sector is expected to experience further softness despite some encouraging macro indicators, there remains a fundamental and significant disconnect between house formations and the building of new homes. As a Group, we remain cautious and our priority remains unchanged as we aim to secure strong order intakes with clear and sustainable margins. The Board believes that the Group’s diversified multi-business strategy positions it well to benefit from improved economic conditions when they arise. Trading in the current financial year to date is in line with management’s expectations.

Finally, I would like to acknowledge the significant contribution Alan Simpson has made to the Group and I am delighted to be able to take over the role of CEO from him. Alan's continued support to the Group in a non-board capacity will be invaluable, and I look forward to working with him, the rest of the Board and all the employees in the coming years to further develop and strengthen Brickability.

Frank Hanna
Chief Executive Officer
15 July 2024

Financial Review
The financial results for the year reflect a combination of resilient performance across the divisions, along with the contribution from acquisitions made in the year and the annualisation of those acquisitions completed in the prior year.

Revenue
Revenue totalled £594.1 million for the year ended 31 March 2024. This represented a decrease of 12.8% compared to the previous year (2023: £681.1 million). Group like-for-like revenue decrease was 17.9% versus growth of 4.0% in 2023.

Division	**(Unaudited) 2024 £m**	**(Audited) 2023 £m**	**% Change**	**% Change LFL**
Bricks and Building Materials	403.2	498.6	(19)%	(19)%
Importing	94.8	117.6	(19)%	(34)%
Distribution	62.7	63.0	(0)%	(0)%
Contracting	58.2	41.3	41%	2%
Group eliminations	(24.8)	(39.4)	(37)%	(37)%
Total	**594.1**	**681.1**	(13)%	(18)%

Gross Profit
Gross profit for the year decreased to £105.8 million from £112.9 million. Gross profit margin has increased notably by 120 basis points to 17.8%. This is driven by the impact of the two acquisitions in the second half of the financial year, together with improved gross profit mix across the divisions.

Statutory and Adjusted Profit, and Adjusted EBITDA
Statutory profit before tax of £21.4 million (2023: £34.5 million) includes other items of £13.9 million (2023: £10.1 million), which are not considered to be part of the Group's underlying operations. These are analysed as follows:

	(Unaudited) 2024 £'000	**(Audited) 2023 £'000**
Statutory profit before tax	**21,444**	**34,527**
Acquisition costs	828	281
Refinancing costs	111	-
IT transformational costs	295	-
Earn-out consideration classified as remuneration under IFRS 3	4,944	5,483
Share-based payment expense	1,456	1,567
Amortisation of intangible assets	10,233	8,399
Unwinding of discount on contingent consideration	2,418	2,891
Share of post-tax profit of equity accounted associates	(71)	(123)
Fair value (gains) on contingent consideration	(6,352)	(8,432)
Total other items before tax	**13,862**	**10,066**
Adjusted profit before tax	**35,306**	**44,593**
Depreciation and amortisation	5,672	4,715

Finance income	(584)	(143)
Finance expenses	4,538	2,365
Adjusted EBITDA	**44,932**	**51,530**

Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation and other non-underlying items.

Adjusted EBITDA decreased by 12.8% to £44.9 million (2023: £51.5 million) for the year ended 31 March 2024. The impact of the economic slowdown in the new building housing market was reflected in two of the divisions experiencing like-for-like revenue decline in the year, with Distribution broadly in line with the prior financial year and Contracting marginally ahead. Earn-out consideration classified as remuneration relates to Modular Clay Products and Taylor Maxwell (2023: Modular Clay Products and Taylor Maxwell), with both tracking in line with expectations. IT transformational costs relate to external consultant costs in relation to a strategic review of the Group's current IT architecture. Fair value movements on contingent consideration result in a gain of £6.4 million (2023: gain of £8.4 million). This relates to the movements in E. T. Clay Products and Heritage Clay Tiles being impacted by lower levels of demand, as well as the slowdown in the building in new homes further impacting UPOWA's anticipated growth trajectory.

Taxation

The statutory charge for taxation was £6.1 million (2023: £6.8 million), an effective rate of taxation (Tax expense divided by Profit Before Tax) of 28.4% (2023: 19.8%). The effective rate for the year is higher than the statutory rate of corporation tax of 25% mainly due to the effect of non-deductible expenses from a tax perspective.

Earnings Per Share

Basic EPS for the year was 5.06p (2023: 9.26p), a decrease of 45.4%. The Group also reported an adjusted underlying EPS, which adjusts for the impact of the other items analysed in the table above. Adjusted EPS for the year was 8.66 pence (2023: 11.93 pence) per share, a decrease of 27.4%. The increase in the statutory rate of corporation tax reduced EPS by 0.63 pence, representing 5.3% of the 27.4% year-on-year decrease.

Dividends

Following a resilient trading performance for the financial year and also in recognition of the strength of the balance sheet at the year-end, the Board is recommending a final dividend of 2.28 pence per share, bringing the full-year dividend to 3.35 pence per share.

Subject to approval by shareholders, the final dividend will be paid on 26 September 2024, with a record date of 30 August 2024 and an ex-dividend date of 29 August 2024.

Balance sheet

Inventories at £29.8 million (2023: £33.2 million) decreased largely as a reflection of the reduced trading levels. The decrease in both 'trade and other receivables', and 'trade and other payables' on the balance sheet were in line with expectations having taken into account the impact of acquisitions, with the net cashflow impact reflecting similar working capital movements to prior year.

Cash Flow and Net Debt

Operating cash flows before movements in working capital decreased to £38.5 million from £46.2 million in 2023. Cash generated from operations decreased to £35.4 million from £44.9 million.

At 31 March 2024, the Group had net debt (borrowings less cash) of £56.5 million which compares to net debt of £8.0 million at the prior year-end. The main components of the cash outflows are: additional investment in property, plant and equipment of £6.1 million (2023: £7.2 million), tax paid of £8.6 million (2023: £11.1 million), the initial payments for three new subsidiaries net of cash acquired of £42.8 million (2023: £12.0 million), loans to the joint venture of £2.1 million (2023: £3.0 million), and the payment of deferred consideration, in relation to prior year acquisitions, of £5.2 million (2023: £3.5 million). Dividends of £9.9 million (2023: £9.1 million) were also paid in the year. We continue to expect that the Brickability Group will remain a business that is cash generative.

Bank Facilities

The Group refinanced in October 2023 to a £100 million RCF on a club basis with HSBC and Barclays for an initial term of 3 years, with an option to extend for another year and then another option to extend for a further year. The level of the facility reduces over the term of the facility to £80 million. As at the year end, the RCF facility has reduced to £98 million and the Group had utilised £63.5 million of the facility.

Post balance sheet events

In May 2024, the Group committed to selling a property, and associated fixtures and fittings, that had a carrying value of £2.6 million at the year end. The consideration from the sale of the property is expected to be in line with the carrying value of the assets.

On 12 June 2024, the Group completed the sale of a freehold property for consideration of £2.9 million.

Going Concern

The Directors are confident, having made appropriate enquiries, that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Mike Gant
Chief Financial Officer
15 July 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 March 2024

		2024 (Unaudited)			2023 (Audited)		
		Adjusted	**Other (note 5)**	**Total**	Adjusted	Other (note 5)	Total
	Note	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000
Revenue		**594,076**	**-**	**594,076**	681,087	-	681,087
Cost of sales		**(488,240)**	**-**	**(488,240)**	(568,220)	-	(568,220)
Gross profit		**105,836**	**-**	**105,836**	112,867	-	112,867
Other operating income		**1,197**	**-**	**1,197**	561	-	561
Administrative expenses		**(66,130)**	**(17,867)**	**(83,997)**	(64,281)	(15,730)	(80,011)
Comprising:							
Depreciation and amortisation		**(5,672)**	**(10,233)**	**(15,905)**	(4,715)	(8,399)	(13,114)
Other administrative expenses		**(60,458)**	**(7,634)**	**(68,092)**	(59,566)	(7,331)	(66,897)
Impairment losses on financial assets		**(1,643)**	**-**	**(1,643)**	(1,611)	-	(1,611)
Finance income		**584**	**-**	**584**	143	-	143
Finance expense		**(4,538)**	**(2,418)**	**(6,956)**	(2,365)	(2,891)	(5,256)
Share of post-tax profit of equity accounted associates		**-**	**71**	**71**	-	123	123
Share of post-tax loss of equity accounted joint ventures		**-**	**-**	**-**	(721)	-	(721)
Fair value gains		**-**	**6,352**	**6,352**	-	8,432	8,432
Profit/(loss) before tax		**35,306**	**(13,862)**	**21,444**	44,593	(10,066)	34,527
Tax (expense)/credit		**(8,993)**	**2,913**	**(6,080)**	(8,924)	2,094	(6,830)
Profit/(loss) for the year		**26,313**	**(10,949)**	**15,364**	35,669	(7,972)	27,697
Other comprehensive income							
Items that will not be reclassified to profit or loss:							
Remeasurements of defined benefit pension schemes		**-**	**(16)**	**(16)**	-	43	43
Deferred tax on remeasurement of defined benefit pension schemes		**-**	**4**	**4**	-	(11)	(11)
Fair value gain on investments in equity instruments designated as FVTOCI		**-**	**-**	**-**	-	10	10
Other comprehensive (loss)/income for the year		**-**	**(12)**	**(12)**	-	42	42
Total comprehensive income/(loss)		**26,313**	**(10,961)**	**15,352**	35,669	(7,930)	27,739

Profit/(loss) for the year attributable to:							
Equity holders of the parent		**26,316**	**(10,949)**	**15,367**	35,710	(7,972)	27,738
Non-controlling interests		**(3)**	**-**	**(3)**	(41)	-	(41)
		26,313	**(10,949)**	**15,364**	35,669	(7,972)	27,697
Total comprehensive income/(loss) attributable to:							
Equity holders of the parent		**26,316**	**(10,961)**	**15,355**	35,710	(7,930)	27,780
Non-controlling interests		**(3)**	**-**	**(3)**	(41)	-	(41)
		26,313	**(10,961)**	**15,352**	35,669	(7,930)	27,739
Earnings per share							
Basic earnings per share	7			**5.06 p**			9.26 p
Diluted earnings per share	7			**4.96 p**			9.10 p
Adjusted basic earnings per share	7	**8.66 p**			11.93 p		
Adjusted diluted earnings per share	7	**8.49 p**			11.71 p		

All results relate to continuing operations.

Consolidated Balance Sheet
As at 31 March 2024

	Note	**(Unaudited) 2024 £'000**	(Audited) 2023 £'000
Non-current assets			
Property, plant and equipment		**26,859**	24,783
Right of use assets		**21,483**	18,553
Intangible assets		**225,728**	152,424
Investments in equity accounted associates		**335**	324
Investments in equity accounted joint ventures		**-**	-
Investments in financial assets		**-**	188
Trade and other receivables		**7,123**	3,611
Total non-current assets		**281,528**	199,883
Current assets			
Inventories		**29,842**	33,159
Trade and other receivables		**112,804**	125,603
Contract assets		**6,532**	-
Employee benefit assets		**390**	646
Current income tax assets		**1,807**	1,677
Cash and cash equivalents		**15,581**	21,645
		166,956	182,730
Assets classified as held for sale		**2,555**	-
Total current assets		**169,511**	182,730
Total assets		**451,039**	382,613
Current liabilities			
Trade and other payables		**(116,798)**	(131,419)
Loans and borrowings		**(8,620)**	(12,624)
Lease liabilities		**(3,907)**	(3,225)
Total current liabilities		**(129,325)**	(147,268)
Non-current liabilities			
Trade and other payables		**(24,078)**	(9,592)
Loans and borrowings	9	**(62,911)**	(16,800)
Lease liabilities		**(15,137)**	(12,967)

Provisions	**(2,904)**	(2,364)
Deferred tax liabilities	**(24,806)**	(18,244)
Total non-current liabilities	**(129,836)**	(59,967)
Total liabilities	**(259,161)**	(207,235)
Net assets	**191,878**	175,378
Equity		
Called up share capital	**3,195**	3,003
Share premium account	**102,908**	102,847
Capital redemption reserve	**2**	2
Share-based payment reserve	**4,864**	3,509
Merger reserve	**20,548**	11,146
Retained earnings	**60,495**	55,002
Equity attributable to owners of the Company	**192,012**	175,509
Non-controlling interests	**(134)**	(131)
Total equity	**191,878**	175,378

Consolidated Statement of Changes in Equity
For the year ended 31 March 2024

	Note	Share capital	Share premium account	Capital redemption	Share-based payments	Merger reserve	Retained earnings	Total attributable to equity holders of the parent	Non-controlling interest	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2022 (Audited)		2,985	102,146	2	1,930	11,146	36,365	154,574	(90)	154,484
Profit or (loss) for the year		-	-	-	-	-	27,738	27,738	(41)	27,697
Other comprehensive income for the year		-	-	-	-	-	42	42	-	42
Total comprehensive income/(loss) for the year		-	-	-	-	-	27,780	27,780	(41)	27,739
Dividends paid	6	-	-	-	-	-	(9,143)	(9,143)	-	(9,143)
Issue of shares on exercise of share options		18	701	-	-	-	-	719	-	719
Equity settled share-based payments		-	-	-	1,637	-	-	1,637	-	1,637
Deferred tax on share-based payment transactions		-	-	-	(197)	-	-	(197)	-	(197)
Current tax on share-based payment transactions		-	-	-	139	-	-	139	-	139
Total contributions by and distributions to owners		18	701	-	1,579	-	(9,143)	(6,845)	-	(6,845)
At 31 March 2023 (Audited)		3,003	102,847	2	3,509	11,146	55,002	175,509	(131)	175,378
Profit or (loss) for the year		-	-	-	-	-	15,367	15,367	(3)	15,364
Other comprehensive loss for the year		-	-	-	-	-	(12)	(12)	-	(12)
Total comprehensive income/(loss) for the year		-	-	-	-	-	15,355	15,355	(3)	15,352
Dividends paid	6	-	-	-	-	-	(9,862)	(9,862)	-	(9,862)
Issue of consideration shares	8	171	-	-	-	9,402	-	9,573	-	9,573
Issue of shares on exercise of share options		21	61	-	-	-	-	82	-	82
Equity settled share-based payments		-	-	-	1,336	-	-	1,336	-	1,336
Deferred tax on share-based payment transactions		-	-	-	(79)	-	-	(79)	-	(79)
Current tax on share-based payment transactions		-	-	-	98	-	-	98	-	98

Total contributions by and distributions to owners	192	61	-	1,355	9,402	(9,862)	1,148	-	1,148
At 31 March 2024 (Unaudited)	**3,195**	**102,908**	**2**	**4,864**	**20,548**	**60,495**	**192,012**	**(134)**	**191,878**

Consolidated Statement of Cash Flows
For the year ended 31 March 2024

	Note	(Unaudited) 2024 £'000	(Audited) 2023 £'000
Operating activities			
Profit for the year		**15,364**	27,697
Adjustments for:			
Depreciation of property, plant and equipment		**1,736**	1,566
Depreciation of right of use assets		**3,901**	3,101
Amortisation of intangible assets		**10,268**	8,447
Gain on disposal of property, plant and equipment and right of use assets		**(131)**	(314)
Foreign exchange (gains)/losses		**(64)**	29
Share-based payment expense		**1,292**	1,567
Other operating income		**(1,066)**	(365)
Share of post-tax profit in equity accounted associates		**(71)**	(123)
Share of post-tax loss in joint ventures		**-**	721
Fair value changes in contingent consideration		**(6,352)**	(8,176)
Gain on acquisition		**-**	(256)
Movements in provisions		**8**	(141)
Finance income		**(584)**	(143)
Finance expense		**6,956**	5,256
Acquisition costs	5	**939**	281
Income tax expense		**6,080**	6,830
Pension charge in excess of contributions paid		**267**	196
Operating cash flows before movements in working capital		**38,543**	46,173
Changes in working capital:			
Increase/(decrease) in inventories		**3,323**	(865)
Decrease in trade and other receivables		**14,404**	19,331
Decrease in trade and other payables		**(20,861)**	(19,765)
Cash generated from operations		**35,409**	44,874
Payment of acquisition expenses		**(828)**	(281)
Interest received		**557**	125
Income taxes paid		**(8,581)**	(11,074)
Net cash from operating activities		**26,557**	33,644
Investing activities			
Purchase of property, plant and equipment		**(6,144)**	(7,229)
Proceeds from sale of property, plant and equipment		**193**	441
Purchase of right of use assets		**(38)**	(2,525)
Purchase of intangible assets		**(325)**	(478)
Acquisition of subsidiaries	8	**(42,787)**	(11,998)
Acquisition of interests in joint ventures		**-**	(442)
Loan to Joint Venture		**(2,056)**	(2,960)
Proceeds from sale of other investments		**188**	-
Dividends received from associates		**60**	60
Net cash used in investing activities		**(50,909)**	(25,131)
Financing activities			

Equity dividends paid	6	**(9,862)**	(9,143)
Proceeds from issue of ordinary shares net of share issue costs		**82**	719
Payment of financing costs		**(111)**	-
Proceeds from bank borrowings		**262,500**	115,400
Repayment of bank borrowings		**(216,351)**	(123,000)
Payment of lease liabilities		**(3,623)**	(2,791)
Payment of deferred and contingent consideration		**(5,240)**	(3,499)
Interest paid		**(4,304)**	(2,246)
Payment of transaction costs relating to loans and borrowings		**(700)**	-
Net cash flows from/(used in) financing activities		**22,391**	(24,560)
Net decrease in cash and cash equivalents		**(1,961)**	(16,047)
Cash and cash equivalents at beginning of year		**9,021**	25,028
Effect of changes in foreign exchange rates		**(99)**	40
Cash and cash equivalents at end of year		**6,961**	9,021

Notes to the Preliminary Results
Year ended 31 March 2024

1. General information

This announcement was approved by the Board of Directors on 15 July 2024.

Brickability Group PLC is a company incorporated in England and Wales (registration number 11123804). The address of the registered office is South Road, Bridgend Industrial Estate, Bridgend, United Kingdom CF31 3XG.

The financial information set out above does not constitute the Group's statutory financial statements for the year ended 31 March 2024 or 2023 but is derived from these financial statements. Statutory financial statements for 2023 have been delivered to the Registrar of Companies and those for 2024 will be delivered by 30 September 2024. The auditor reported on the statutory financial statements for the year ended 31 March 2023; their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006. The audit of the statutory financial statements for the year ended 31 March 2024 is not yet complete. These financial statements will be finalised on the basis of the financial information presented by the Directors in this preliminary announcement and will be delivered to the Registrar of Companies following the Group's Annual General Meeting.

2. Basis of preparation

The financial information has been prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

The financial information presented in pounds sterling, which is the functional currency of the Company and Group. Amounts are rounded to the nearest thousand, unless otherwise stated.

The financial information is prepared on the historical cost basis, with the exception of certain financial assets and liabilities which are stated at fair value.

Going Concern

The key uncertainty faced by the Group is the demand for its products and how these are impacted by economic factors.

After reviewing the Group's forecasts and risk assessments and making other enquiries, the Board have come to the conclusion that for the period of review there is a reasonable expectation that the Group has adequate resources to continue in operational existence.

Budget scenarios have been prepared to compare a number of outcomes where there is a significant and prolonged drop in demand in the industry.

For each scenario, cash flow and covenant compliance forecasts have been prepared. A drop in revenue of 56% with no adjustment to overheads would lead to a breach. However, if overheads were cut by 13%, then a breach could be avoided.

In another scenario, if revenue dropped 61% and overheads remained the same, saving cash by £7m p.a. through cutting discretionary Capex and a reduction in the dividend would prevent a breach. These scenarios in terms of revenue falling by these levels so rapidly are considered remote.

Having taken into account the scenarios modelled, the Directors are satisfied that the Group has sufficient resources to continue to operate for a period of not less than 12 months from the date of this report and until at least 30 Sept 2025. Accordingly, the consolidated financial information has been prepared on a going concern basis.

New standards, interpretations and amendments not yet effective from 1 January 2023
The following standards and amendments became effective for the current financial year:

- Insurance Contracts (Amendments to IFRS 17);
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8);
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12); and
- International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12).

The amendments above did not have a material impact on the amounts recognised in prior periods or the current year.

New standards, interpretations and amendments not yet effective
Certain new standards and amendments have been issued by the IASB and will be effective in future accounting periods. The standards and amendments that are not yet effective, are likely to impact the Group and have not been adopted early by the Group include:

Amendments effective from 1 January 2024:

- IFRS 16 Leases (Amendment – Liability in a sale and leaseback);
- IAS 1 Presentation of Financial Statements (Amendment – Classification of liabilities as current or non-current);
- IAS 1 Presentation of Financial Statements (Amendment – Non-current liabilities with covenants); and
- IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures (Amendment – Supplier Finance Arrangements).

Amendments effective from 1 January 2025:

- IAS 21 The Effects of Changes in Foreign Exchange Rates (Amendment – Lack of exchangeability).

The amendments listed above are not expected to have any significant impact on the amounts recognised in prior periods, current or future periods.

3. Segmental analysis
For management purposes, the Group is organised into segments based on its products and services. The Group's four distinct business divisions are set out below:

- **Bricks and Building Materials** - incorporates the sale of superior quality building materials to all sectors of the construction industry including national house builders, developers, contractors, general builders and retail to members of the public;
- **Importing** - primarily responsible for strategic importing of building products, the majority of which are on an exclusive basis to the UK market, to complement traditional and contemporary architecture;
- **Distribution** - focuses on the sale and distribution of a wide range of products, including windows, doors, radiators and associated parts and accessories; and
- **Contracting** - provides cladding, fire remediation, flooring and roofing installation services, primarily within the residential construction sector.

The Group's segments are strategic business units that offer different products and services. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The Group considers the CODM to be the senior management team, including the Board of Directors, who are responsible for allocating resources and assessing performance of the operating segments.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment performance is evaluated based on Adjusted EBITDA, without allocation of depreciation and amortisation, finance expenses and income, impairment losses, fair value movements or the share of results of associates and joint ventures. This is the measure reported to the Board for the purpose of resource allocation and assessment of segment performance.

The Group's revenue is primarily generated in the United Kingdom. Of the revenue generated in Europe, £914,000 (2023: £229,000) is included within revenue from the sale of goods within the Bricks and Building Materials segment and £25,000 (2023: £111,000) is included within revenue from the sale of goods within the Importing segment. The balance of £1,428,000 (2023: £2,462,000) is included within revenue from the rendering of services within the Importing segment. All of the revenue generated in Other geographic locations is included within revenue from the sale of goods within the Bricks and Building Materials segment.

Revenue from the sale of goods and rendering of services is analysed by segment below. Revenue from the rendering of services within the Importing segment relates to the provision of transportation and distribution services. Revenue from the rendering of services within the Distribution segment relates to solar panel installation services.

No individual customer accounts for more than 10% of the Group's total revenue.

	2024 (Unaudited)						2023 (Audited)					
	Bricks and Building Materials	**Importing**	**Distribution**	**Contracting**	**Unallocated & Group Eliminations**	**Consolidated**	Bricks and Building Materials	Importing	Distribution	Contracting	Unallocated & Group Eliminations	Consolidated
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000	£'000	£'000	£'000
Revenue from sale of goods	**397,595**	**68,477**	**52,413**	**-**	**-**	**518,485**	490,472	75,411	54,510	-	-	620,393
Revenue from Rendering of Services	**-**	**8,191**	**9,230**	**58,170**	**-**	**75,591**	-	11,472	8,085	41,137	-	60,694
Total external revenue	**397,595**	**76,668**	**61,643**	**58,170**	**-**	**594,076**	490,472	86,883	62,595	41,137	-	681,087
Total internal revenue	**5,657**	**18,103**	**1,072**	**3**	**(24,835)**	**-**	8,122	30,700	394	201	(39,417)	-
Total revenue	**403,252**	**94,771**	**62,715**	**58,173**	**(24,835)**	**594,076**	498,594	117,583	62,989	41,338	(39,417)	681,087
Adjusted EBITDA	**24,403**	**7,914**	**7,567**	**10,070**	**(5,022)**	**44,932**	30,141	13,188	8,893	5,620	(6,312)	51,530
Depreciation and amortisation					**(15,905)**	**(15,905)**					(13,114)	(13,114)
Acquisition and refinancing costs					**(939)**	**(939)**					(281)	(281)
IT transformation costs					**(295)**	**(295)**					-	-
Earn-out consideration classified as remuneration under IFRS 3					**(4,944)**	**(4,944)**					(5,483)	(5,483)
Share based payment expense					**(1,456)**	**(1,456)**					(1,567)	(1,567)
Finance income					**584**	**584**					143	143
Finance expense					**(6,956)**	**(6,956)**					(5,256)	(5,256)
Share of results of associates					**71**	**71**					123	123
Fair value gains and losses					**6,352**	**6,352**					8,432	8,432
Group profit before tax	**24,403**	**7,914**	**7,567**	**10,070**	**(28,510)**	**21,444**	30,141	13,188	8,893	5,620	(23,315)	34,527

For the purposes of monitoring segment performance and allocating resources between segments, the CODM monitors the total non-current and current assets attributable to each segment. All assets are allocated to reportable segments with the exception of those used primarily for corporate purposes (central), investments in associates, joint ventures and financial assets and deferred tax assets. Goodwill has been allocated to reportable segments. No other assets are used jointly by reportable segments. All liabilities are allocated to reportable segments with the exception of those used primarily for corporate purposes (central), bank borrowings and deferred tax liabilities.

Right of use assets, in respect of trailers, with a carrying value of £2,024,000 (2023: £2,706,000), are either held in the United Kingdom or Europe at the year-end, depending on the timing and location of goods being transported. All other non-current assets are solely held within the United Kingdom.

	2024 (Unaudited)						2023 (Audited)					
	Bricks and Building Materials	**Importing**	**Distribution**	**Contracting**	**Central & Group Eliminations**	**Consolidated**	**Bricks and Building Materials**	**Importing**	**Distribution**	**Contracting**	**Central & Group Eliminations**	**Consolidated**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000	£'000	£'000	£'000
Non-current segment assets	**75,511**	**22,216**	**56,045**	**113,415**	**14,006**	**281,193**	79,152	33,147	49,880	29,520	7,672	199,371
Current segment assets	**89,095**	**22,577**	**27,776**	**27,992**	**2,071**	**169,511**	114,359	26,403	25,849	11,965	4,154	182,730
Total segment assets	**164,606**	**44,793**	**83,821**	**141,407**	**16,077**	**450,704**	193,511	59,550	75,729	41,485	11,826	382,101
Unallocated assets:												
Investment in associates						**335**						324
Investment in joint ventures						-						-
Investments in financial assets						-						188
Group assets						**451,039**						382,613
Total segment liabilities	**(80,956)**	**(15,979)**	**(18,551)**	**(9,359)**	**(46,599)**	**(171,444)**	(96,394)	(17,739)	(18,601)	(4,933)	(34,524)	(172,191)
Loans and borrowings (excluding leases and overdrafts)						**(62,911)**						(16,800)
Deferred tax liabilities						**(24,806)**						(18,244)
Group liabilities						**(259,161)**						(207,235)
Non-current asset additions												
Property, plant and equipment	**263**	**125**	**1,240**	**203**	**4,313**	**6,144**	485	2,352	2,443	430	1,520	7,230
Right of use assets	**1,541**	**434**	**4,143**	**251**	**63**	**6,432**	1,803	1,521	2,939	78	2,618	8,959
Intangible assets	**-**	**-**	**325**	**-**	**-**	**325**	-	-	478	-	-	478
Total non-current asset additions	**1,804**	**559**	**5,708**	**454**	**4,376**	**12,901**	2,288	3,873	5,860	508	4,138	16,667

4. Profit before tax

Profit before tax is stated after charging/(crediting):	**(Unaudited) 2024 £'000**	(Audited) 2023 £'000
Amortisation of intangible assets	**10,268**	8,447
Depreciation of property, plant and equipment	**1,736**	1,566
Depreciation of right of use assets	**3,901**	3,101
Gain on disposal of property, plant and equipment and right of use assets	**(131)**	(314)
Cost of inventories recognised as an expense	**469,583**	555,592
Customer rebates	**6,415**	7,987
Supplier rebates	**(9,246)**	(8,799)
Subcontractor costs	**16,770**	15,984
Impairment of trade receivables	**1,643**	1,611
Net foreign exchange losses	**244**	87

5. Other items

In order to assist with the understanding of the Group's performance, certain business combination related items that are significant in nature and items that management do not consider to be directly reflective of the Group's underlying performance in the period are presented separately, on the face of the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

This includes certain cash and non-cash items which tend to be charged or recognised throughout the year regardless of trading performance. For the purpose of assessing performance on a comparable basis year on year, management therefore considers both statutory and adjusted profit measures, with these adjusted measures presented separately in order to provide additional useful information about the Group's performance to users of the accounts.

Other items that are excluded from adjusted profit measures are as follows:

	(Unaudited) 2024 £'000	(Audited) 2023 £'000
Amortisation of acquired intangible assets	**(10,233)**	(8,399)
Total depreciation and amortisation	**(10,233)**	(8,399)
Acquisition costs	**(828)**	(281)
Refinancing costs	**(111)**	-
IT transformation costs	**(295)**	-
Earn-out consideration classified as remuneration under IFRS 3	**(4,944)**	(5,483)
Share-based payment expense (including employer NI)	**(1,456)**	(1,567)
Total other administrative expenses	**(7,634)**	(7,331)
Unwinding of discount on contingent consideration	**(2,418)**	(2,891)
Total finance expense	**(2,418)**	(2,891)
Share of post-tax profit of equity accounted associates	**71**	123
Gain on re-measurement of contingent consideration	**6,352**	8,176
Gain on acquisition	**-**	256
Total fair value gains	**6,352**	8,432
Total other items before tax	**(13,862)**	(10,066)
Tax on other items	**2,913**	2,094
Total other items after tax	**(10,949)**	(7,972)
Other comprehensive (loss)/income		
Remeasurements of defined benefit pension schemes	**(16)**	43
Deferred tax on remeasurement of defined benefit pension schemes	**4**	(11)

Fair value gain on investments in equity instruments designated as FVTOCI	-	10
Total other comprehensive (loss)/income	**(12)**	42
Total other items in total comprehensive income	**(10,961)**	(7,930)

Impact of business combinations
Following a business combination, intangible assets in respect of brands, customer relationships and supplier relationships are recognised as part of the fair value assessment of net assets acquired. Amortisation on these acquired intangibles is excluded from adjusted profit as the recognition of these intangibles is not comparable with the recognition of other internally generated assets. Its exclusion enables performance to be assessed on a like for like basis regardless of whether growth is organic or through acquisition and whether acquired intangibles have been fully amortised.

Acquisition costs associated with business combinations can fluctuate from year to year depending on the size and number of acquisitions. Legal and professional fees for acquisitions are also generally considered to be greater than those incurred during the course of regular trading. These are therefore excluded from adjusted results for improved comparability.

Any gains recognised on acquisition, subsequent changes in the fair value of contingent consideration and the related finance expense in connection with discounting deferred and contingent consideration can also make a comparison of trading performance on a like for like basis more difficult. These gains/losses and expenses are therefore also excluded from adjusted results, with the inclusion within other items consistent with the presentation of other acquisition related costs.

Fair value gains include a gain of £6,352,000 (2023: £8,176,000) in respect of changes in contingent consideration expected to be payable. A reconciliation of the movement in the year, including details of the reasons for the change in the year is outlined in note 8.

Acquisition costs comprise of £541,000 (2023: £92,000), in relation to stamp duty, plus a further £287,000 (2023: £189,000) in respect of legal and professional fees. £828,000 (2023: £259,0000) was directly associated with the acquisitions in the year (note 8).

To facilitate the acquisitions during the year, the Group refinanced and agreed an increase in its available banking facilities, The refinancing costs directly associated with this are therefore considered to be connected with the acquisition.

The agreements to purchase Taylor Maxwell Group (2017) Limited and Modular Clay Products Ltd include earn-out consideration, payable if certain performance-based targets are met over the following three-years. The share purchase agreements also include a 'bad leaver' clause, under which the earn-out consideration payment to such a leaver is forfeited. The clauses were included with the intention of protecting the value of the business over the first few years following acquisition. However, as a result of the earn-out consideration effectively being contingent on the continued employment or 'good leaver' status of the individual, the amount payable has been treated as remuneration in accordance with current IFRS interpretation guidance of IFRS 3. As such, the amount payable is considered significant in nature, business combination related and not reflective of a typical remuneration cost that would usually be incurred within the underlying trade of the Group.

IT transformation costs
During the year, the group installed a new HR and payroll system and undertook initial investigations with regards to the potential investment in a new group wide IT system. The project set up and installation costs are over and above the Group's annual system upgrade and maintenance costs and thus these costs have been excluded from adjusted results in order to assist with the understanding of the Group's performance in the year.

Share-based payments
The share-based payment expense represents the share-based payment charge for the year, including associated accrued employer taxes. A portion of the share options issued are subject to performance criteria, including both market and non-market conditions. Changes in market conditions after the grant date are not reflected in the share-based payment expense recognised. The accounting charge is therefore not considered to be directly linked to the Group's trading operations in the year and thus separate disclosure is deemed appropriate to assist with the understanding of the Group's performance in the year.

Equity accounted associates
The Group is not directly involved in the day-to-day operations of its associate and thus considers it appropriate to separate its share of this entity's results from the Group's adjusted results.

Tax

The tax credit arising on the other items is presented on the same basis as the cost to which it relates.

Other comprehensive income

The other comprehensive loss for the year relates to the remeasurement of the defined pension scheme and associated deferred tax movement.

During the year, the Group completed a buy-out process to transfer all defined benefit pension liabilities to an insurer (see note 10). As such, the final scheme-related remeasurement and deferred tax movements are not considered to be part of the Group's underlying operations and have been reported separately from the Group's adjusted results.

6. Dividends

	(Unaudited) 2024 £'000	(Audited) 2023 £'000
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 31 March 2023 of 2.15p per share (2023: for the year ended 31 March 2022 of 2.04p per share)	**6,456**	6,111
Interim dividend for the year ended 31 March 2024 of 1.07p per share (2023: for the year ended 31 March 2023 of 1.01p per share)	**3,406**	3,032
Total dividends paid in the year	**9,862**	9,143

The Directors recommend that a final dividend for 2024 of 2.28p (2023: 2.15p) per ordinary share be paid.

The final dividend will be paid, subject to shareholders' approval at the Annual General Meeting, to shareholders on the register at the close of business on 30 August 2024. This dividend has not been included as a liability in these financial statements.

7. Earnings per share

Earnings per share (EPS) is calculated by dividing the profit for the year, attributable to ordinary equity holders of the parent, by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit for the year, attributable to ordinary equity holders, by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The calculation of basic and diluted earnings per share is based on the following data:

	2024 (Unaudited)			2023 (Audited)		
	Earnings £'000	**Weighted average number of shares**	Earnings per share (p)	Earnings £'000	Weighted average number of shares	Earnings per share (p)
Basic earnings per share	**15,367**	**303,814,191**	**5.06**	27,738	299,439,718	9.26
Effect of dilutive securities						
Employee share options	**-**	**6,157,200**	**-**	-	5,403,747	-
Diluted earnings per share	**15,367**	**309,971,391**	**4.96**	27,738	304,843,465	9.10

Adjusted earnings per share and adjusted diluted earnings per share based on the adjusted profit attributable to the equity holders of the parent, as shown in the Adjusted column of the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Details of the Other items after tax, forming the difference between the statutory earnings above and adjusted earnings below, are outlined in note 5 of the preliminary final results.

	2024 (Unaudited)			2023 (Audited)		
	Earnings £'000	**Weighted average number of shares**	Earnings per share (p)	Earnings £'000	Weighted average number of shares	Earnings per share (p)

Adjusted basic earnings per share	**26,316**	**303,814,191**	**8.66**	35,710	299,439,718	11.93
Effect of dilutive securities						
Employee share options	**-**	**6,157,200**	**-**	-	5,403,747	-
Adjusted diluted earnings per share	**26,316**	**309,971,391**	**8.49**	35,710	304,843,465	11.71

8. Business combinations

The Group acquired the entire share capital and 100% of the voting rights in the following companies during the year:

Company acquired	**Acquisition date**
Precision Façade Systems Ltd	2 June 2023
Group Topek Holdings Limited and Topek Limited	10 October 2023
TSL Assets Limited and Topek Southern Limited	19 January 2024

The unaudited fair value of the assets acquired and liabilities assumed on acquisition are as follows:

	Precision Façade Systems Ltd £'000	**Group Topek Group £'000**	**TSL Assets Group £'000**	**Total £'000**
Property, plant and equipment	15	46	312	373
Right of use assets	-	505	856	1,361
Identifiable intangible assets	-	18,168	19,840	38,008
Inventory	5	-	-	5
Trade and other receivables	14	3,547	2,693	6,254
Contract assets	-	2,141	1,095	3,236
Cash and cash equivalents	-	7,912	9,924	17,836
Trade and other payables	(13)	(2,356)	(3,038)	(5,407)
Loans and borrowings	-	(351)	-	(351)
Current income tax	-	(557)	233	(324)
Lease liabilities	-	(505)	(856)	(1,361)
Provisions	-	-	(364)	(364)
Deferred tax	-	(4,572)	(5,126)	(9,698)
Total identifiable net assets	21	23,978	25,569	49,568
Goodwill	579	24,189	20,471	45,239
Total consideration	600	48,167	46,040	94,807
Satisfied by:				
Cash paid	600	36,033	23,990	60,623
Shares issued as consideration	-	-	9,573	9,573
Deferred consideration	-	-	158	158
Contingent consideration	-	12,134	12,319	24,453
Total consideration	600	48,167	46,040	94,807

Cash paid reflects an initial cash payment agreed in respect of the value attributed to the business, based on a multiple of Adjusted EBITDA, plus any further amounts paid in respect of excess working capital, including any surplus cash, based on agreed form completion accounts.

The cash outflow of £42,787,000 (2023: £11,998,000) in the Consolidated Statement of Cash Flows, in respect of the acquisition of subsidiaries, comprises cash consideration paid of £60,623,000 (2023: £16,674,000) less cash acquired of £17,836,000 (2023: £4,676,000).

The Group acquired each of the above subsidiaries in order to complement the Group's existing product range and expand its presence in the cladding remediation market.

The fair value of identifiable intangible assets acquired through business combinations relate to brands and customer relationships.

The fair value of brands is based on a relief from royalty method, with a royalty rate of 1% applied based on comparable businesses in the market, reflecting the size of the entities acquired. The fair value of customer relationships is established using a multi-period excess earnings method, with discount rates of between 12.5% and 12.9% applied to the acquisitions in the year, based on expert advice procured by the directors. Such judgements are sensitive to the underlying assumptions such that a 1% increase in the discount rate applied would reduce the reported value of identifiable intangible assets by

£1,600,000, with a corresponding adjustment to goodwill, subject to adjustment for deferred tax.

Projected cashflows that underpin the valuations are based on management's best estimate of the expected levels of trade and profits following acquisition, taking into account actual results around the time of acquisition. Forecasts are prepared for a three-year period, with an inflationary 2% growth in revenue applied thereafter.

Any excess paid over the value of net assets acquired is included as goodwill. Goodwill principally comprises the value of expected synergies arising from the acquisitions and the value of the assembled workforce. None of the goodwill is expected to be deductible for tax purposes.

Included within the fair value of trade and other receivables above are the following gross contractual amounts due and amounts not expected to be collected in respect of trade receivables:

	Precision Façade Systems Ltd £'000	Group Topek Group £'000	TSL Assets Group £'000
Gross contractual trade receivables	14	508	2,018
Amounts not expected to be collected	-	-	(7)
Fair value of contractual receivables	14	508	2,011

Included in the consolidated financial statements are the following amounts of revenue and profit in respect of the subsidiaries acquired:

	Precision Façade Systems Ltd £'000	Group Topek Group £'000	TSL Assets Group £'000
Revenue	-	10,767	4,664
Net profit	-	2,309	691

Had the current year business combinations taken place at the beginning of the financial year, the Group's revenue for the year would have been £632,528,000 (2023: £706,624,000) and Group profit would have been £24,167,000 (2023: £30,332,000).

Acquisition related costs, included in administrative expenses (note 5), amounted to £828,000 in respect of the above acquisitions, as follows:

	Precision Façade Systems Ltd £'000	Group Topek Group £'000	TSL Assets Group £'000
Acquisition costs	23	395	410

Contingent consideration

The Group has entered into contingent consideration arrangements during the purchase of several subsidiaries. Final amounts payable under these agreements are all subject to future performance and the acquired business achieving pre-determined adjusted EBITDA targets, over the three years following acquisition, with the exception of HBS NE Limited which is over five years.

The fair value of all contingent consideration is based on a discounting cash flow model, applying a discount rate of between 4.1% and 23.6% to the expected future cash flows.

Summarised below are the fair values of the contingent consideration at both acquisition and reporting date, the potential undiscounted amount payable and the discount rates applied within the discounting cash flow models, for each acquisition where contingent consideration arrangements remain in place.

			(Unaudited)		(Audited)	
Company acquired	Discount rate	Fair value at acquisition £'000	Fair value at reporting date 2024 £'000	Undiscounted amount payable 2024 £'000	Fair value at reporting date 2023 £'000	Undiscounted amount payable 2023 £'000
U Plastics Limited	3.5%	2,208	-	-	962	964
Bathroom Barn Limited	1.7%	231	-	-	108	110
McCann Logistics Ltd	1.7%	889	-	-	1,324	1,330
Taylor Maxwell Group (2017) Limited	4.1%	-	293	293	390	406
SBS Cladding Limited	4.1%	1,845	797	800	1,464	1,500

Leadcraft Limited	7.4%	722	922	961	964	1,128
HBS NE Limited	23.6%	10,069	1,417	2,333	3,901	6,998
Beacon Roofing Limited	13.0%	1,365	1,578	1,757	2,355	2,802
E. T. Clay Products Limited	16.0%	1,043	-	-	2,433	3,210
Heritage Clay Tiles Limited	20.0%	82	-	-	192	270
Group Topek Holdings Limited	12.5%	12,134	12,870	16,200	-	-
TSL Assets Limited	12.9%	12,319	12,571	16,450	-	-
Total		42,907	30,448	38,794	14,093	18,718

The potential undiscounted amount payable in respect of Group Topek Holdings Limited ranges from £nil to £17,700,000, while the potential undiscounted amount payable in respect of TSL Assets Limited ranges from £nil to £20,700,000.

In respect of prior period acquisitions, the potential undiscounted amount payable in respect of E. T. Clay Products Limited and Heritage Clay Tiles Limited ranges from £nil to £3,480,000 (2023: £nil to £3,480,000) and the total amount payable for SBS Cladding Limited ranges from £1,200,000 to £2,000,000 (2023: £500,000 to £2,000,0000). It is not possible to determine a range of outcomes for other acquisitions as the arrangements do not contain a maximum payable.

Changes in the range of outcomes are due to amounts paid or payable being determined during the year as milestones within the performance period are met.

The acquisition of Taylor Maxwell Group (2017) Limited is also subject to further payments depending on future performance, ranging from £nil to £13,000,000, over the three years following acquisition in June 2021. Based on current interpretation guidance concerning contingent payments to employees under IFRS 3, the earn-out amounts payable are recognised in profit or loss over the earn-out period as remuneration costs. This is due to the inclusion of a 'bad leaver' clause in the share purchase agreement, under which the earn-out consideration payment is forfeited. The earn-out consideration is therefore deemed to effectively be contingent on the continued employment of the seller and the seller not being considered a 'bad leaver'. The anticipated total amount payable, however, is not expected to change due to other clauses and payment terms within the share purchase agreement. A charge of £4,333,000 (2023: £4,333,333) has been recognised in the year in respect of this earn-out consideration, presented within other administrative expenses (note 5).

Similarly, the acquisition of Modular Clay Products Ltd is also subject to further amounts payable depending on future performance over the three years following acquisition in May 2022, which are recognised as remuneration due to a 'good leaver' clause within the share purchase agreement. It is not possible to determine a range for these future payments as the agreement does not contain a maximum payable. A charge of £611,000 (2023: £1,150,000) has been recognised in the year in respect of this earn-out consideration, presented within other administrative expenses (note 5).

Changes in amounts recognised in respect of contingent consideration can be reconciled as follows:

Company acquired	(Audited) Fair value at 31 March 2023 £'000	Additions through business combinations £'000	Finance expense £'000	Fair value (gains)/loss £'000	Settlement £'000	(Unaudited) Fair value at 31 March 2024 £'000
U Plastics Limited	962	-	2	-	(964)	-
McCann Logistics Ltd	1,324	-	6	7	(1,337)	-
SBS Cladding Limited	1,464	-	33	-	(700)	797
HBS NE Limited	3,901	-	808	(3,292)	-	1,417
Beacon Roofing Limited	2,355	-	253	(3)	(1,027)	1,578
E. T. Clay Products Limited	2,433	-	187	(2,620)	-	-
Group Topek Holdings Limited	-	12,134	736	-	-	12,870
TSL Assets Limited	-	12,319	252	-	-	12,571
Other business combinations	1,654	-	133	(444)	(128)	1,215
Total	14,093	24,453	2,410	(6,352)	(4,156)	30,448

During the year, a gain of £3,292,000 was recognised in respect of HBS NE Limited. Upon acquisition, significant growth was forecast with an anticipated increase in revenues and profits due to the introduction of Part L and Part S renewable energy legislation, which requires new homes within the UK to reduce their carbon footprint.

The application of this legislation by housebuilders has taken longer than initially anticipated. This, together with the ongoing slowdown of the housing market compared to prior years, is expected to further delay the period over which HBS NE will benefit from the new legislation and achieve the forecast growth. As a result, an increasing portion of the projected future growth is expected to fall outside of the performance period under which the contingent consideration payable is assessed.

A fair value gain of £2,620,000 for E. T. Clay Products Limited has arisen as trading has been more challenging than previously expected. A gain of £211,000 is also recognised in relation to Heritage Clay Tiles (within 'Other Business Combinations' line), with the total earn-out consideration payable dependent on the overall performance of both companies. Given the ongoing uncertainty in the market, and the anticipated timescales for the industry to return to former levels of demand, further payment in the earn-out period is not currently expected.

Other fair value gains and losses in the year also reflect changes in performance and/ or anticipated profits compared to those originally forecast at the end of the prior year or on acquisition.

9. Loans and borrowings

	(Unaudited) 2024 £'000	(Audited) 2023 £'000
Current		
Overdrafts	**8,620**	12,624
	8,620	12,624
Non-current		
Bank loans	**62,911**	16,800
	62,911	16,800
Total loans and borrowings	**71,531**	29,424

The Directors consider that the carrying amount of loans and borrowings approximates to their fair value. Non-current bank loans comprise a principal loan value of £63,500,000 (2023: £17,000,000) less arrangement fees of £589,000 (2023: £200,000), which are amortised over the term of the loan.

In the prior year, the Group had a revolving credit facility of £60,000,000, including an ancillary carve out of a £5,000,000 overdraft. During the year, the Group refinanced, with the revolving credit facility increased to an initial £100,000,000 which reduces to £80,000,000 over the term of the facility. As at the year end, the RCF facility had reduced to £98,000,000. The facility initially runs for 3 years from October 2023 with two extension options of one year.

The revolving facility bears interest at a variable rate based on the SONIA. At the reporting date, interest was charged at a rate of 2.15% (2023: 1.9%) above the adjusted SONIA interest rate benchmark.

The Group has a notional pool agreement, whereby certain cash balances within the Group are entitled to be offset, providing the overall overdrawn balance does not exceed the £5,000,000 facility limit. The Company's overdraft balance at the year end is a result of the timing of cash transfers within the Group and funds being transferred from the Group's central facility.

The bank loans are secured by a fixed charge over the Group's properties and floating charges over the remaining assets of the Group, including all property, investments and assets of the Company's subsidiary undertakings. A guarantee has also been provided by certain trading subsidiaries.

10. Pensions

Defined benefit plans

When the Group acquired Taylor Maxwell Group (2017) Limited on 30 June 2021, the net assets acquired included the Taylor Maxwell Group Limited Pension and Assurance Scheme. The Group commenced a buy-out process shortly afterwards and this process was completed during the year.

On 1 August 2023 the Scheme's liabilities relating to the policy were transferred fully to the insurance company when the policy was converted to individual policies in members' names. Post buy-out residual liabilities, relating to top-up benefit payments due to past members of the Scheme following a High Court ruling on the Lloyds Banking Group pensions court case, were paid out and there was no liability remaining as at 31 March 2024.

Disaggregation of defined benefit scheme assets

The fair value of the scheme assets is analysed as follows:

	(Unaudited) 2024 £'000	(Audited) 2023 £'000
Cash fund and net current assets	**390**	852
Insured annuities	**-**	7,046
Fair value of scheme assets	**390**	7,898

The scheme assets do not include any of the Group's own financial instruments or any property occupied by the Group. The surplus balance at the year end reflects the cash held in the pension scheme which is expected to be transferred to the Group during the financial year ending 31 March 2025. It is therefore classified as a current asset in the balance sheet. balance reflecting cash held.

11. Post balance sheet events

In May 2024, the Group committed to selling a property, and associated fixtures and fittings, that had a carrying value of £2,564,000 at the year end. The consideration from the sale of the property is expected to be in line with the carrying value of the assets.

On 12 June 2024, the Group completed the sale of a property for consideration of £2,850,000.

12. Availability of annual report and accounts

The Annual Report and Accounts for the year ended 31 March 2024 will be posted to shareholders on or before 8 August 2024 and laid before the Group at the Annual General Meeting on 11 September 2024. Copies of the Annual Report and Accounts for the year ended 31 March 2024 will be available on request from the Company Secretary at Brickability Group PLC, South Road, Bridgend Industrial Estate, Bridgend CF31 3XG and from the Group's website www.brickabilitygroupplc.com.